**Agenda Item No. 8**

## BUSINESS PLAN 2019-2020 TO 2023-24

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| *To:* | **General Purposes Committee** |
| *Meeting Date:* | **22nd January 2019** |
| *From:* | **Chief Executive and Chief Finance Officer** |
| *Electoral division(s):* | **All** |
| *Forward Plan ref:* | **Not applicable** ***Key decision:*** **No** |
| *Purpose:* | **To provide General Purposes Committee (GPC) with an overview of the key issues contained within the Business Plan prior to formal recommendation by GPC for Council decision in February. The accompanying draft Business Plan will be circulated separately to this paper.** |
| *Recommendation:* | **It is recommended that the Committee:** |

**1. Considers the Business Plan, including supporting budget, business cases, consultation responses and other material, in light of all the planning activities undertaken to date.**

**2. Reviews the options set out in section 4 of this paper to establish a balanced budget position and makes recommendation to Full Council.**

**3. Reviews the following recommendations to Council:**

**a. That approval is given to the Service/Directorate budget allocations as set out in each Service/Directorate table in section 3 of the Business Plan.**

**b. That consideration is given to a total county budget requirement and precept level**

**c. That consideration is given to a Council Tax for each Band of property, based on the number of "Band D" equivalent properties notified to the County Council by the District Councils as set out in section 2, Table 6.4 of the Business Plan.**

**d. That approval is given to the Capital Strategy as set out in section 6 of the Business Plan including:**

- **Commitments from schemes already approved;**
- **Expenditure on new schemes in 2019-20 shown in summary in section 2, Table 6.7 of the Business Plan.**

**e. That approval is given to the Treasury Management Strategy as set out in Section 7 of the Business Plan, including:**

**i. The Council's policy on the making of the Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008.**

**ii. The Affordable Borrowing Limit for 2019- 20 (as required by the Local Government Act 2003).**

**iii. The Investment Strategy for 2019-20 as required by the Ministry of Housing, Communities and Local Government (MHCLG) revised Guidance on Local Government Investments issued in 2018, and the Prudential Indicators as set out in Appendix 3 of section 7 of the Business Plan.**

**4. Endorse the priorities and opportunities as set out in the Strategic Framework.**

**5. Authorise the Chief Finance Officer, in consultation with the Leader of the Council, to make technical revisions to the Business Plan, including the foregoing recommendations to the County Council, so as to take into account any changes deemed appropriate, including updated information on District Council Tax Base and Collection Funds, Business Rates forecasts and Collection Funds and any grant changes.**


| ***Officer contacts:*** | | ***Member contacts:*** |
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## 1. BACKGROUND AND CONTEXT FOR BUSINESS PLANNING

1.1 The Council's Business Plan sets out how we will spend the resources we have at our disposal to achieve our vision and priorities for Cambridgeshire, and the outcomes we want to achieve.

1.2 It is a statutory requirement under the Local Government Finance Act 1992 for the Council to approve a balanced budget "before 1 March in the financial year preceding that for which it is set". In doing so, the Council undertakes financial planning covering a five year timescale that creates links with its longer term financial modelling and planning for the growth in demand for services. The budgets set out in this report are robust for 2019-20 given the information the Council has available at this point and figures for 2020-21 and the three years after this are based on prudent assumptions and modelling but will naturally become less accurate for projections looking further forward.

1.3 For 2019-20, Cambridgeshire will receive £558m of funding, excluding grants retained by its schools. The key sources of funding are Council Tax, for which an increase of 3.99% has been assumed at this point (this covers a 1.99% increase in general council tax and 2% increase in the Adult Social Care precept) and Central Government grants (excluding grants to schools).

1.4 Total expenditure for 2019-20 will be £571m. The costs of running the Council have risen, primarily through inflationary and demand pressures across service areas generally but especially in respect of Adult and Children's Social Care provision.

1.5 In light of the increasing costs and reducing funding, significant savings are required across the planning period. As shown in the table below, the savings/income target for 2019-20 is £27.4m with more than £70m required over the next five years.

| | 2019-20 £'000 | 2020-21 £'000 | 2021-22 £'000 | 2022-23 £'000 | 2023-24 £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Total Saving Requirement** | **27,354** | **19,910** | **11,045** | **7,200** | **4,643** | **70,152** |

## 2. STRATEGIC FRAMEWORK AND APPROACH

2.1 Given the financial context, and in the current changing environment, it is important that we have a clear strategic approach which will enable us to respond and evolve as challenges become more complex. This is articulated in the Strategic Framework which forms section 1 of the Business Plan.

2.2 The basis of the Framework is our overarching goal of "*Making Cambridgeshire a great place to call home"* and reflects the continuation of the Council's move to a new way of delivering this vision – with a focus on transformation to deliver the following priority outcomes:

- A good quality of life for everyone
- Thriving places for people to live
- The best start for Cambridgeshire's children

2.3 Delivering these outcomes is at the heart of all strategic planning and service design and drives the Business Plan as well as the Transformation Programme, Service Plans and Strategies.

2.4 The Strategic Framework also articulates the key themes and principles which have underpinned our approach to business planning and transformation:

- Embedding a **demand management** approach across the business
- Developing a range of **forward looking data and insight** to guide our choices
- Developing a **place based model of practice** across all services
- Developing a workforce that **works in the ways** and places that matter to citizens
- Developing **strength and depth** in our commercial activity
- Cultivating policy and practice so that **citizens are always involved** in the design and development of our services
- Taking a **system wide** and **long term** view in everything we do

## 3. UPDATES TO POSITION FROM DECEMBER COMMITTEE

3.1 At its December meeting, General Purposes Committee received information about the draft business planning proposals. These have been developed in liaison with members throughout the year using the strategic approach outlined above. They were scrutinised by Service Committees in October and December before being recommended to GPC to form part of the business plan. All of the proposals that have been approved are reflected in the Business Plan tables and supporting business cases. By December we had identified £14.5m of savings for 2019-20 - this level of financial impact demonstrates the success of the transformation and commercialisation approach adopted by the Council.

3.2 However, as we have moved through this business planning process a range of new pressures and other financial impacts not directly within our control have emerged. These have increased the scale of the financial challenge we are working to address and therefore the size of the required savings across all of the years of the business plan. At December, a budget gap for 2019-20 of £19,267k still remained and significant gaps were also projected in the later years of the business plan. A number of key budget risks have been identified over the last month and consequently it is felt financially prudent to make provision for these before the budget is set. These risks are set out in the paragraphs below.

3.3 The Council is currently under significant pressure from the Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) regarding a range of previously agreed contracts and processes. The CCG is seeking to reduce costs on joint working arrangements including the Learning Disability Partnership, Better Care Fund and intermediate care provision in order to reduce its operating deficit. In order to reach a position which both the health and care sectors can compromise upon it will be necessary to allocate some of the additional funds that have been made available by Government to cover additional care packages. This includes the Council becoming responsible for a number of clients following the withdrawal of the CCG from various intermediate care arrangements.

3.4 The Council currently spend approximately £7m on Housing Related Support, and within the Business Plan for 2018/19 the Council estimated that £1m savings could be made from this budget (this target was split between Adults and Children's). It is unlikely that this saving will be delivered in 2018-19. The Housing Related Support budget is complex as much of the funding is related to council housing provision by district authorities. It is important to ensure that the working relationships with our district partners are maintained and that vulnerable residents are not left stranded without support. However, even with these constraints on funding reductions, a saving of £683k can be delivered on a phased basis over three years. At this point it is considered that the £1m saving originally planned is unlikely to be achievable but we continue to work on the opportunities within this budget envelope.

3.5 There has been a shortfall in income from both interest on sales to This Land and commercial acquisitions in 2018-19. Although 25 sites have now been sold to This Land to date, the values of these sites are constrained by progression through the planning process. The underachievement of income in 2018-19 is therefore a matter of timing rather than a reduction in the overall sums likely to be received and reflects some of the planning risks affecting individual sites. It is expected that the overall sale proceeds will be delivered in accordance with the original plan but over a longer time period than was envisaged within the portfolio sale. A number of key sites are currently in the process of being sold and it is anticipated that the full values will be achieved within 2019-20.

In addition, the development of a portfolio of commercial acquisitions has been slower to develop than originally hoped. Although a significant investment has now been secured, many other opportunities have been pursued or evaluated but not secured. Developing the acquisitions portfolio has been further hampered by changes in statutory guidelines issued by the Ministry of Housing, Communities and Local Government (MHCLG). The Ministry is still concerned that these guidelines have not yet had the impact anticipated and as a consequence the recent draft financial settlement referred to further interventions. This could hamper the Council's plans to create a broad portfolio of investments. Whilst the details of this further intervention are not yet known, it is prudent to align commercial income to the total capital receipts that will be generated by sales to This Land, thereby maintaining the overall value of assets on the balance sheet.

3.6 The Council responded to an invitation from MHCLG to all Local Authorities to submit bids for 75% business rates retention pilots in 2018-19. Modelling suggested that a pilot could have brought more than £18m additional funding to the Combined Authority area in 2019-20. Unfortunately, the bid was not one of the fifteen selected to receive a pilot. Our financial projections did not include this income and so there is no worsening of the Council's forecast financial position due to MHCLG's decision, but we had hoped for a positive impact which has not occurred.

3.7 The current LGSS Business Plan was built around increasing resilience, improving service quality and delivering future savings to the host authorities through continued growth. Despite the extensive success at delivering savings in the past,

with the financial difficulties that have arisen in Northamptonshire and the imminent restructuring of local government in Northamptonshire, it does provide both an opportunity and a threat for LGSS.
A review of the operating model has been commissioned by the three core partners and the results of that review will be available in the near future. Given all of the uncertainties regarding the future financial position of LGSS and the potential costs of a restructure, it would be prudent to make provision for a general contingency to cover any potential financial implications.

3.8 Since the December Committee the Local Government Financial Settlement has been published. The key headlines for the Council are set out below:

- The core Council Tax referendum principle will be maintained at 2.99% in 2019-20. This means Council Tax can increase by up to 2.99% without a referendum, in addition to the Adult Social Care precept. The Business Plan currently assumes that core Council Tax will rise by 1.99% in 2019-20. The Council therefore has the option to raise Council Tax by a further 1% which will raise an additional £2.728m income.

- No change to the adult social care precept limits originally published as part of the 2017-18 settlement with a maximum increase of 6% over the three years between 2017-18 and 2019-20.

- Negative Revenue Support Grant allocations will be removed from the Government's methodology for calculating Local Authority Settlement Funding Assessments in 2019-20, improving the Council's budget position by £7.1m.

- Consultations on the business rates retention scheme and fair funding review were announced. These new models for assessing councils' relative needs and resources and distributing retained business rates income could significantly impact the funding the council receives over the next spending review period from 2020-21 onwards.

- The Council has been allocated £0.987m of the £180m surplus in the Government's business rates levy account for 2018-19. This income will mitigate the in-year overspend, reducing the call on reserves in 2019-20.

- As announced by the Chancellor in the Autumn Budget, councils will receive an additional £650m of social care funding in 2019-20 to ease winter pressures. Of this sum, Cambridgeshire has been allocated a total of £6.3m additional funding of which £2.3m is designated for Adults Social Care and £4m may be used for both Adults and Children's Social Care. This funding is required to cover additional pressures within Adults Services including the CCG related costs discussed in section 3.3, and Children's Services pressures resulting from increases in the numbers of Looked After and Unaccompanied Asylum Seeking Children. A detailed paper setting out how these funds will be allocated will be brought to the two committees in the near future but at this stage it has been assumed that all funds will be allocated to support service delivery.

- As mentioned in 3.6, the Combined Authority's bid for a new 75% business rates retention pilot was unsuccessful.

3.9 In light of the latest information on budget pressures and the outcome of the funding settlement we are now therefore projecting a remaining budget gap for 2019-20 of £13.1m and substantial gaps in the next four years after that – this position is shown in the table below.

| | 2019-20 £'000 | 2020-21 £'000 | 2021-22 £'000 | 2022-23 £'000 | 2023-24 £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Total Saving Requirement** | **27,354** | **19,910** | **11,045** | **7,200** | **4,643** | **70,152** |
| Identified Savings | -12,442 | -8,978 | -905 | 736* | 306* | **-21,271** |
| Identified additional Income Generation | -1,778 | 502* | -5,791 | 99* | 195* | **5,741** |
| **Residual Savings to be identified** | **13,134** | **11,434** | **4,349** | **8,035** | **5,144** | **42,096** |

*Positive figures represent a reversal of savings/investments from previous years.

3.10 This financial position is predicated on an assumption previously agreed within the Medium Term Financial Strategy that the Council will set the Adult Social Care Precept at 2% and increase general council tax by 1.99%.

3.11 The table below provides a summary of the various material changes since December in the overall business planning position for 2019-20.

| Business Planning Reference | Title | 2019-20 impact (£'000) | Notes |
|---|---|---|---|
| A/R.6.174 | Supported Housing Commissioning Review | 317 | See section 3.4 |
| F/R.6.101 | Commercial Investment Returns | 1,000 | See section 3.5 |
| C/R.4.017 | Central services business planning risk | 1,000 | See section 3.7 |
| N/A - Funding | Removal of Negative RSG from 2019-20 Settlement Funding Assessment calculation | -7,170 | Announced in the Provisional Local Government Finance Settlement |
| N/A - Funding | Levy account surplus allocation | -988 | Additional grant in 2018/19 reduces call on reserves |
| N/A – Funding | Social Care Support Grant (Corporate impact) | -244 | Net of additional pressures and risks in view of new commitments across the local care economy |
| N/A - Financing | Rephasing of borrowing for Highways schemes | -48 | Technical adjustment following review of funding streams available |

## 4 OPTIONS TO CLOSE THE REMAINING BUDGET DEFICIT

4.1 Officers will continue to seek to identify and deliver transformation and efficiency improvements over the lifetime of the Business Plan. Many investments taken to date have led to short term gains but it is now recognised that the Council needs to invest in transformation that will generate financial benefits over a much longer timeframe.

4.2 All the short term benefits from transformation investments have already been included within the Business Plan. Even with these there is still a budget deficit that must be balanced as part of the budget setting process. The Council has a statutory responsibility to set a balanced budget for the forthcoming financial year and to be cognisant of the medium term implications that those decisions will have on the on-going sustainability of the organisation.

4.3 Given the aforementioned budget gap the Council will need to agree an approach that manages this budget deficit. The options available to the Council are as follows:

- Increase the rate at which base Council Tax is set
- Use of the Smoothing Fund
- Use of the flexibility available around Minimum Revenue Provision (MRP)
- Use of the Transformation Fund
- Reduced service levels

4.4 These adjustments do not reduce the operating costs of the Council and some will only be a short term resolution for 2019-20. The benefits and dis-benefits of each option are described in the following paragraphs to enable the Committee to consider the best course of action.

4.5 <u>Increase the base rate of general Council Tax (each 1% would bring in £2.728m)</u>

Currently the Medium Term Financial Strategy (MTFS) includes an assumption that the general rate of Council Tax will be increased by 1.99% in 2019-20 and will then remain unchanged (zero increase) across the remaining years of the business plan. In the most recent national funding settlement it was confirmed that Councils will have the freedom to raise Council Tax by up to 2.99% without triggering a local referendum. The increase in referendum limits in 2018-19 and 2019-20 supports the principle advocated by the Ministry of Housing, Communities & Local Government (MHCLG) that Councils should be funded from locally raised income and that on this basis they should have the flexibility to raise income to offset the inevitable costs resulting from inflation.

If the Council chooses to amend the assumptions in the MTFS and raise Council Tax further, then each percentage point generates additional sustainable base budget of £2.728m from year 1. Clearly for the County Council's financial position this is the most advantageous approach as it generates ongoing revenue on a sustainable basis. It is also important to note the cumulative effect of raising the level of council tax; with a higher base rate, the value of each % of increase agreed in future years is also increased. Maximising tax revenue also places the Council in a better position with regard to challenging central government in respect of adopting a fairer funding distribution methodology as part of the Comprehensive Spending Review.

Clearly, however, the dis-benefit of this option is the increased burden on Cambridgeshire households through higher tax bills. To inform the Committee's decision, the tables below show the impact of Council Tax increase on the Council's budget deficits across the planning period and the average cost per household for taxpayers

Impact on Households

| Percentage increase in Council Tax | Annual Impact on a Band D Household |
|---|---|
| 1% | £12.42 |
| 2% | £24.93 |
| 3% | £37.44 |

Note - a 3.99% increase (£49.86 for a Band D Household) is included in current Business Plan assumptions; 2% as a result of the Adult Social Care precept being taken and a 1.99% increase in general Council Tax.

Impact on Council Budget Position

The table below shows the forecast gaps in each of the next five years and how potential changes in the ongoing assumption of base Council Tax increases would affect this (2% is current position):

| | Remaining Level of Unidentified Savings | | | | |
|---|---|---|---|---|---|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 0% rise | 18,609 | 11,785 | 4,554 | 8,249 | 5,362 |
| 1% rise | 15,882 | 8,687 | 1,292 | 4,741 | 1,584 |
| 2% rise | 13,134 | 5,486 | -2,119 | 995 | -2,480 |
| 3% rise | 10,407 | 2,244 | -5,634 | -2,923 | -6,851 |

*Note - Negative figures represent a budget surplus that could be invested in additional services, or the avoidance of undesirable savings.*

It should be noted that the Business Plan currently assumes that an Adults Social Care precept of 2% will be available in each of the five years to 2023-24 and that the Council will choose to apply the precept each year.

4.6 Use of the Smoothing Fund (any amount up to £9.1m available on a permanent basis)

The Council has the option to use the Council Tax revenue earmarked for allocation to the Smoothing Fund in 2019-20 to reduce the budget deficit by up to £9.1m. Since Council Tax is a recurring source of revenue, this funding would be available on a permanent basis and, if applied to the budget gap, would not result in any increases in later years savings requirements.

Use of the Smoothing Fund is a sustainable option to significantly reduce the 2019-20 budget deficit, however, once applied to the gap, the funding will not be available to assist the Council in meeting further funding challenges in future years.

4.7 Use of ongoing MRP benefit and/or Transformation Fund to balance budget deficit (any amount up to the required £13.4m but a diminishing pot of one-off funding)

We have some flexibility in the way we can plan to use the funding freed up through the policy agreed around Minimum Revenue Provision (MRP). The MRP strategy previously agreed maintains a commitment to invest the MRP funding into the Council's Transformation Fund – recognising that this fund is essential to delivering the sustainable change we need. Clearly any use of this funding to address the permanent budget gap diminishes the pot available for transformation. More fundamentally the concern with using MRP in this way is that (like general reserves) it is not a sustainable source of base funding.

Key points to note are:

- Permanently funding the gap from the Transformation Fund brings forward the date when the Council will be worse off – i.e. when the ‘savings’ we currently benefit from will become a pressure
- In addition to this, reducing the funding available for transformation will inhibit further savings/income realisation.

4.8 Reduced service levels

The Business Plan and the level of services that are supported by the resource allocation have been discussed in detail by each service committee. However the Council can decide to reduce the operating cost base by reducing service levels. Some examples of areas that could be reduced could be:

- Highway Maintenance
- Libraries
- Early Years Provision
- Gritting
- Street Lighting
- Bus Subsidies

4.9 The table below shows a summary of the various funding options available to the Committee.

| Option | 19/20 Budget | Advantages | Disadvantages |
|---|---|---|---|
| Increase general council tax | £2.728m per % point | Would increase the cash value of future tax and ASC precepts. | Contrary to position in 2018-19 MTFS agreed by Council in February 2018. |
| Use of the Smoothing Fund | Up to £9.1m | Sustainable source of funding | Once applied to the gap, the fund will not be available to assist the Council in meeting future years’ financial challenges. |
| Redirect ongoing MRP benefit to balance budget deficit | £6.1m MRP topup (reducing annually) £14m reserve balance | Closes 2019-20 gap | Doesn’t improve overall position of the Council’s finances and reduces the scope to fund future year’s transformation investments. |

## 5. CAPITAL STRATEGY

5.1 Including current commitments, the Council will be spending £754.1m on capital investment in the county over the period of the Business Plan. This is in addition to previous expenditure of £691.3m on some of these schemes, creating a total Capital Programme value of £1.4 billion. For 2019-20, the Council’s proposed expenditure on its capital programme is £266.5m. This is financed by a combination of the following funding streams:

- Central Government and external grants (£36.5m);
- Section 106 and external contributions (£54.1m);
- Prudential borrowing (£131.4m); and
- Capital receipts (£44.4m).

5.2 Alongside updates to previously agreed schemes, additional investment proposals this year include several new school schemes (£30.8m), A Children's Services IT System (£2.5m) and four new energy investment schemes (£30.6m). The energy investment schemes are Invest to Earn schemes, which will therefore generate a return to the Council. The 2019-20 Capital Programme includes the following Invest to Save / Invest to Earn schemes:

| Scheme | Total Investment (£m) | Total Net Return (£m) |
|---|---:|---:|
| Housing Provision | 148.2 | 65.9 |
| Shire Hall Relocation | 18.3 | TBC |
| County Farms Investment | 3.0 | 7.4 |
| Energy Efficiency Fund | 1.0 | 0.6 |
| MAC Joint Highways Depot | 5.2 | 0.2 |
| Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride | 3.6 | 1.6 |
| Babraham Smart Energy Grid | 11.4 | 24.3 |
| Trumpington Smart Energy Grid | 7.0 | 7.0 |
| Stanground Closed Landfill Energy Project | 9.7 | 36.9 |
| Woodston Closed Landfill Energy Project | 2.5 | 9.0 |
| Renewable Energy - Mere Farm, Soham | 23.2 | 43.5 |
| Commercial Investments | 96.7 | 159.0 |
| **TOTAL** | **329.9** | **355.4** |

5.3 The debt charges budget is now forecast to spend £27.3 million in 2019-20, increasing to £42.7 million by 2023-24. This remains within the advisory debt charges limit that was set by Council early in the 2015-16 business planning process. The revenue impact of the Housing schemes is included within the Commercial and Investment table, so this is not shown within these figures.

5.4 Although the majority of funding for significant Government capital grants has already been announced for 2019-20, the Council is still expecting Department for Education (DfE) announcements regarding Devolved Formula Capital and School Condition Allocations; however these are anticipated to be in line with previous years.

## 6. TREASURY MANAGEMENT STRATEGY

6.1 The Council is required to approve Prudential Indicators for 2019-20 to 2023-24. These include indicators showing the cost of servicing debt as a percentage of revenue expenditure and the Council's underlying borrowing requirement. Fixed and variable interest rate exposure and the maturity profile of debt are also reported.

6.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) has recently issued a revised Prudential Code and Treasury Management Code. In addition, the Ministry of Housing, Communities and Local Government (MGCLG) has also recently issued statutory guidance on:

- Local Government Investments; and
- Minimum Revenue Provision

Both the Treasury Management Strategy (for financial investments) and the Capital Strategy (for non-financial investments) have been updated in line with these new requirements

6.3 An under borrowed position will be maintained throughout 2019-20. This means that borrowing has been reduced through the use of cash balances thereby keeping borrowing costs down. As a result, cash balances are generally low and the level of loan debt is lower than it might otherwise be. However loan debt is expected to rise significantly throughout the Business Plan period as a direct result of capital investment.

6.4 The Councils planned approach to borrowing is to undertake any borrowing over short periods of time (1-3 years) at low rates of interest to generate revenue savings. Should borrowing rates be forecast to rise significantly, the Council may instead lock into borrowing at low rates for longer periods up to 50 years.

6.5 The Council will continue to prioritise the security and liquidity of capital and achieve an investment return that is commensurate with these priorities. A prudent investment strategy is followed and external advice provides a guide on the creditworthiness of institutions. The majority of the Council's investments are in liquid instruments and shorter term deposits with Money Market Funds and high credit quality banks. The Council is currently considering investment of core funds into the CCLA Local Authority Property Fund as a 3-5 year strategic treasury investment to generate additional interest income, which the proposed Strategy accommodates.

## 7 IMPACT OF PROPOSALS

7.1 The Equality Duty set out in S149 of the Equality Act requires the Council to consciously think about the following three aims as an integral part of developing policy, making decisions, and providing services:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the act
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it
- Foster good relations between people who share a protected characteristic and people who do not share it

7.2 The Council takes very seriously the need to be aware of the impact that our policies, decisions, and services have on communities across Cambridgeshire, and the importance of using this information to inform the preparation of the Business Plan. Where relevant, for each of the detailed proposals, services have undertaken a Community Impact Assessment (CIA).

7.3 CIAs have been prepared as part of the business cases associated with each proposal which are published within section 4 of the Business Plan. These impact assessments state that in many instances the way we deliver services for communities will change and that service users will experience a transition from one service model to another – however we are clear that in all instances the local authority will still be fulfilling all its statutory requirements and will be meeting the needs of residents and service users.

## 8. BUDGET CONSULTATION

8.1 The Council carries out a consultation process to inform the business planning process. This year a representative household survey and an open web survey on the draft business plan proposals and options for council tax were carried out. A specific survey for parish councils was also produced. Parish councillors requested an extension in order that they could consider the survey at their meetings in January, so this consultation is now expected to close at the end of January 2019. The Survey asked residents to consider draft proposals within the plan and indicate their level of support or objection.

8.2 An independent, professional research company (MEL Ltd) was commissioned to carry out the representative household survey aspect of the project. MEL organised the household survey to ensure that a randomised, representative household survey (as has been done in previous years) of approximately 1,100 residents was carried out so the results will be statistically significant at a County level. The representative survey was stratified to include a proportional sample of age, home district and gender.

8.3 The headline results on Council Tax from the MEL survey are as follows:

- 34% of residents did not support any increase in Council Tax
- 25% supported only raising the Adult Social Care precept of 2%
- 25% supported raising both the Adult Social Care precept and the general increase in Council Tax – a total of 4%
- 12% supported only having an increase in Council Tax of 2% and not raising the Adult Social Care precept
- 4% supported an increase in Council Tax of more than 4%

The full headline results are available in section 5 of the Business Plan.

8.4 113 people responded to the public online survey. This survey is not representative of the county's population. The headline results on Council Tax from the public survey are as follows:

- 22% of respondents did not support any increase in Council Tax

- 10% supported only raising the Adult Social Care precept of 2%
- 39% supported raising both the Adult Social Care precept and the general increase in Council Tax – a total of 4%
- 7% supported only having an increase in Council Tax of 2% and not raising the Adult Social Care precept
- 21% supported an increase in Council Tax of more than 4%

The full headline results are available in section 5 of the Business Plan.

## 9 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

9.1 The Local Government Act 2003 (Section 25) requires that when a local authority is agreeing its annual budget, and precept, the Chief Finance Officer must report to it on the following matters:

- the robustness of the estimates made for the purposes of the calculations; and
- the adequacy of the proposed financial reserves.

9.2 This statement will be considered in full within the Business Plan papers by Council in February. However, to assist the Committee in being able to recommend a budget to Council an overview of the current position is set out below.

9.3 This report sets out a number of opportunities for GPC to recommend to Council a balanced budget for the 2019-20 financial year. The estimates that support this budget have used all the data and supporting information that the Council has at its disposal at this point in time. In spite of the challenges facing the Council the proposals are robust and set out how the increasing pressures and costs will be offset by a programme of work to increase efficiency, generate additional income and manage demand for our services. This programme is supported by business cases, delivery plans and, where required, by additional transformation investment.

9.4 The continued economic and population growth we are fostering, coupled with the increases in taxation rates available to the Council, will create an expansion of the base revenue funding available to the Council. However whilst the economic growth seen by the county is positive, it does bring with it additional demand for services which are not fully funded by increases in the council tax base. Although the issue of negative RSG was removed from the Governments proposals for 2019-20, nobody knows what the position will be in 2020/21. The Council has made significant representations to Government in order to ensure that councils like Cambridgeshire are appropriately resourced. With a Comprehensive Spending Review this year leading into a new grant system for 2020, it is not possible to produce robust projections for future years at this stage. It is, however, very likely that any new methodology will contain some floors and ceilings to avoid wild swings in the funding of individual councils.

9.5 Delivering a balanced outturn for 2019-20 is not without its challenges. As the budget has become leaner over several challenging budgets cycles, dealing with pressures and exceptions often arising from non-predictable factors beyond the Council's control becomes increasingly difficult. We have seen within the current year that the level of demand for services across service user groups has continued to increase, often at rates higher than previously modelled. This creates pressure in demand-led budgets and the under-delivery of associated in-year savings. The analysis in the Medium Term Financial Strategy also highlights the challenging wider financial context including the economic uncertainty surrounding Brexit and the significant upcoming changes to the funding models for Local Government.

9.6 The General Reserve is specifically held to mitigate against any in-year pressures beyond those that have been built into the Business Plan. Six years ago the Council agreed a policy that the General Reserve should be held at no less than 3% of gross non-school spending to cover any such incidents. This currently equates to a figure of £16.5m. When the Council agreed to increase the General Reserve to 3% of gross non-school expenditure it did so in the context of a risk assessment that reviewed key areas of spend and the likelihood of significant budget variations in those areas. The risks associated with delivery have not diminished and therefore it is the Chief Finance Officer's opinion that the level of the General Reserve should remain at 3%. As a consequence, any known draw on this Reserve that takes it below this threshold should be balanced with a contribution from within the base budget for the following financial year.

9.7 We are currently projecting to end 2018-19 with an ongoing overspend position of £4.4m which has had to be accounted for within the 2019-20 savings requirement. In this context, although we have developed an impressive portfolio of savings, efficiencies, and income proposals and have at our disposal a range of additional financing options which will enable a balanced budget to be set in 2019-20, we should not underestimate the risks in delivering a balanced outturn for the year.

9.8 Proposals developed for the later years of the business planning period represent the continuation of this programme of transformation and are considered deliverable based on the information available. However, as we might expect, the level of detail in some of the proposals for 2020-21 onwards is not as full as it is for the coming financial year. It should also be noted that there are remaining levels of unidentified savings in the later years of the plan which will need to be addressed through the development of further proposals.

## 10. NEXT STEPS

10.1 The meeting of General Purposes Committee on 22nd January is the last opportunity for the Committee to publically scrutinise the business plan before Full Council debates the plan for approval on 5 February 2019.

10.2 Any amendments to the plan recommended by General Purposes Committee today will be incorporated before submission to Full Council and the Committee are asked to authorise the Chief Finance Officer, in consultation with the Leader of the Council, to make any technical revisions to the Business Plan which might be necessary.

## 11. ALIGNMENT WITH CORPORATE PRIORITIES

11.1 The Business Plan's purpose is to consider and deliver the Authority's vision and priorities as set out in the strategic framework which forms section 1 of the Business Plan.

11.2 **A good quality of life for everyone**
The impact of the proposals on our ability to support and protect vulnerable people is provided for each key proposal within the business cases and Community Impact Assessments.

11.3 **Thriving places for people to live**
There are no significant implication for this priority

11.4 **The best start for Cambridgeshire's children**
The impact of the proposals on our ability to ensure that the children of Cambridgeshire have the best start in life are detailed in the business cases presented to the Children & Young People Committee.

## 12. SIGNIFICANT IMPLICATIONS

12.1 **Resource Implications**
This report and the Full Business Plan outlines the overall resource position for the Council over the business planning cycle 2019-24. In particular the financial tables show the budget allocation, savings plans and proposals and The Medium Term Financial Strategy provides an overview of the Council's approach in the wider economic context.

12.2 **Procurement/Contractual/Council Contract Procedure Rules Implications**
The implications for procurement and contracting are described in the individual business cases which form section 4 of the Business Plan.

12.3 **Statutory, Legal and Risk implications**
The proposals set out in this report respond to the statutory duty on the Local Authority to deliver a balanced budget. Business planning proposals will inevitably carry statutory, risk and legal implications. These are addressed alongside each proposal where appropriate, and also in more detail at service committee meetings. More generally, it is recognised that the Council requires significant transformation of its services, in collaboration with partners, in order to meet the challenges ahead. There is significant risk if that transformation is not achieved.

Effective risk management is a fundamental requirement for the treasury management function, and this theme runs clearly throughout the Treasury Management in Public Services: Code of Practice and Cross-Sectorial Guidance Notes. The Council's Treasury Management Policy, Treasury Management Practices (TMPs) and Schedules, and Treasury Management Strategy for 2019-20 outline the ways in which treasury management risk will be determined, managed and controlled.

The Council is obliged to carry out its treasury management activities in line with statutory requirements and associated regulations and professional guidance

12.4 **Equality and Diversity Implications**
The Community Impact Assessments which form part of the business cases describe the impact of each proposal, in particular any disproportionate impact on vulnerable, minority and protected groups.

12.5 **Engagement and Communications Implications**
Our Business Planning proposals are informed by the CCC public consultation on the Business Plan which has included a wide range of partners throughout the process as set out in the report. The Consultation process forms section 5 of the Business Plan.

Community Impact Assessments (CIAs) for the savings proposals form part of the business cases which are in section 4 of the Business Plan. Where appropriate these have been developed based on consultation with service users and stakeholders.

12.6 **Localism and Local Member Involvement**
As the proposals developed we have had detailed conversations with Members about the impact of the proposals on their localities. We are working with Members on materials which will help them have conversations with Parish Councils, local residents, the voluntary sector and other groups about where they can make an impact and support us to mitigate the impact of budget reductions.

12.7 **Public Health Implications**
All implication are identified within the Business Cases and CIA's in section 4 of the Business Plan.

| **Implications** | **Officer Clearance** |
|---|---|
| | |
| **Have the resource implications been cleared by Finance?** | Yes - Chris Malyon |
| | |
| **Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?** | Yes - Gus De Silva |
| | |
| **Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?** | Yes – Fiona McMillan |
| | |
| **Are there any Equality and Diversity implications?** | Covered in individual business cases attached as appendices |
| | |
| **Have any engagement and communication implications been cleared by Communications?** | Covered in individual business cases (Business Plan section 4)<br><br>Christine Birchall has approved consultation strategy and reports |
| | |

| | |
|---|---|
| **Are there any Localism and Local Member involvement issues?** | Covered in individual business cases (Business Plan section 4) |
| | |
| **Have any Public Health implications been cleared by Public Health** | Yes - Liz Robin |

| **Source Documents** | **Location** |
|---|---|
| Papers presented to all Committees in December 2018 regarding the business plan for 2019/20 – 2023/24<br><br>December Briefing to Members regarding the Provisional Local Government Finance Settlement | https://cmis.cambridgeshire.gov.uk/ccc_live/Committees.aspx<br><br>If required please request from LGSS.finance@cambridgeshire.gov.uk |

# Business Plan Contents:

SECTION 1 - Strategic Framework

SECTION 2 - Medium Term Financial Strategy

SECTION 3 - Finance Tables

SECTION 4 - Business Cases

SECTION 5 - Consultation

SECTION 6 - Capital Strategy

SECTION 7 - Treasury Management Strategy

Cambridgeshire County Council

# Strategic Framework

# 2019 – 2021

# Introduction

We are pleased to present the 2019 – 2021 strategic plans for Cambridgeshire County Council.

This sets out our progress in key areas and our ongoing commitment to focus our efforts and budget where they are needed most.

For the last three years, Cambridgeshire County Council has been developing an ambitious programme of transformation, with a determination to improve lives for local people despite an increasingly challenging financial context.

This work has prepared the Council well for the next period of significant challenge and change when the demand for our services is expected to continue to grow, in line with the increasing Cambridgeshire population, and the available funding for our services is set to decrease.

Steve Count Leader of Cambridgeshire County Council

Gillian Beasley

Gillian Beasley, Chief Executive of Cambridgeshire County Council

# The Council's Strategic Framework

In this changing environment, it is more important than ever that we have a clear strategic approach which will enable us to evolve as challenges become more complex and as collaboration across the public sector and with our communities becomes increasingly critical.

Our strategic framework ensures that our plans are driven by our shared vision for the county to **Make Cambridgeshire a great place to call home** and focuses on achieving a number of outcomes for the people of Cambridgeshire. The framework, of which this Business Plan forms a central part, comprises the following elements:

- A Corporate Strategy, describing the Council's long term vision for Cambridgeshire, the outcomes we strive for and our priorities for change;
- A set of ambitious performance measures which will be used to hold us to account for improvement across Cambridgeshire;
- The Council's Business Plan, which describes how we will commission services to deliver these outcomes within the resources we have;
- A suite of key strategies describing a detailed corporate approach to the management of core activities such as finances, workforce, digital services and assets;
- A set of partnership agreements and action plans which describe multi-agency approaches to deliver improved outcomes across Cambridgeshire;
- Service plans, which describe how each of our directorates work to deliver our business plan objectives, including priorities for delivery as well as transformation and service improvement initiatives; and
- The Council's transformation programme which brings together our ambitious programme of change to ensure that we have the resources and capacity to deliver at pace.

# Priority Outcomes

Cambridgeshire County Council has put outcomes for citizens at the heart of its strategy and transformation programme for the last three years. This outcomes based approach has focused the organisation on the difference that we make, not just what we do and how well we do it. It has also helped us to bring partners around common purpose and shared ambitions for the citizens of Cambridgeshire. The 2019-21 Corporate Strategy prioritises three outcomes for this period:

## Priority Outcomes for Cambridgeshire Citizens

| A good quality of life for everyone | Thriving places for people to live | The best start for Cambridgeshire's children |
|---|---|---|
| • Keeping vulnerable people safe in a way that draws on their own strengths and those of their communities.<br>• Nurturing healthily communities that have access to resources that enable them to support themselves, connect with others and become sustainable.<br>• Improving social and economic equality so that life expectancy, opportunity and social mobility are not determined by wealth or background.<br>• Encouraging and supporting people to choose healthy lifestyles to prevent problems in later life - focusing our help on those communities most at risk of poor health outcomes.<br>• Using our public assets wisely and raising money in a fair and businesslike way to generate social return for all citizens of Cambridgeshire. | • Growing financial and social capital place-by-place by stewarding local resources including public, private and voluntary contribution.<br>• Continuing to invest in the environment, infrastructure and services that are a vital part of everyday life for everyone in the county and for a thriving local economy.<br>• Putting more choice and more independence directly into the hands of individuals and communities.<br>• Working with District and Parish Councils, Public Sector Partners and other community organisations to provide local services which build supportive, resilient communities and great places to live. | • Focusing on what happens to children in their earliest years as the key to influencing positive outcomes in adult life.<br>• Working with children, their families and carers to develop positive attitudes to learning and health and wellbeing.<br>• Joining services across health, education and social care to address social inequalities in our most deprived communities.<br>• Intervening early and effectively to support and safeguard vulnerable children, young people and their families.<br>• Increasing stability in placements for children in care.<br>• Providing ongoing support for care leavers to help achieve positive educational outcomes and access to quality work opportunities. |

# Themes and Design Principles

A set of strategic delivery themes has been developed which, when taken together and consistently applied across all of our programmes of change and transformation, should build on each other and focus the energy and resource of the organisation on delivering our priority outcomes. These themes are underpinned by our Council wide design principles and each has its own leader and action plan.

| Corporate Strategy themes | | | | | | |
|---|---|---|---|---|---|---|
| Embedding a demand management approach across the business | Developing a range of forward looking data and insight to guide our choices | Developing a place based model of practice across all services | Developing a workforce that works in the ways and places that matter to citizens | Developing strength and depth in our commercial activity | Cultivating policy and practice so that citizens are always involved in the design and development of our services | Taking a system wide and long term view in everything that we do. |

| Council-wide design principles | | | | | |
|---|---|---|---|---|---|
| Meeting need in a way that improves the quality of life and reduces inequalities | Focusing on communities and places | Being business like and commercial | Working for the system in partnership | Committed to continuous learning and improvement | Focused on modern, automated and lean delivery |

# Performance

We review our performance frequently to make sure that we are delivering on our aims.

Our Service Committees monitor performance and finance in their areas monthly, and the General Purposes Committee oversees overall progress in delivering on outcome areas.

Each Service Committee chooses measures and targets to help them understand performance. This might include monitoring the activity in the service (like how many people are being supported) as well as monitoring the outcomes of the service (like how many people live independently after being supported by reablement services, or how much of the road network is in need of repair). Service Committee Finance and Performance Reports are available on the Council's website.

All of the measures chosen by the Service Committees are categorised as being most relevant to one of the Council's outcomes. The General Purposes Committee then oversees the performance of all of these indicators in each of the outcome areas in a monthly Integrated Finance and Performance Report, which is also available on the Council's website, as is the full list of all performance indicators overseen by Service Committees.

The General Purposes Committee also manages our financial situation, supervises the performance of the Transformation Programme, monitors corporate indicators like staff sickness, and manages key corporate risks as part of the same report.

If performance is not at the expected standard, the Service Committee makes a report to the General Purposes Committee explaining the situation and what action is being taken to get back on track.

# Section 2 – Medium Term Financial Strategy

**Contents**

1: Executive summary

2: National context

3: Transformation

4: Strategic financial framework

5: Fees and charges policy

6: Financial overview

7: Balancing the budget

8: Reserves policy and position

9: Business Plan roles and responsibilities

10: Risks

**1) Executive summary**

This Strategy sets out the financial picture facing the Council over the coming five years. As part of the Comprehensive Spending Review (CSR) in 2015, councils were offered the opportunity to agree to a fixed four year settlement figure, covering years 2016-17 to 2019-20, bringing greater certainty to the grant settlement. The Council voted to reject the offer due to the unsustainability of the minimum level of funding in the latter years of the offer, in particular negative Revenue Support Grant (RSG) in 2019-20. 2019-20 would have been the final year of the fixed settlement.

There is a great deal of uncertainty surrounding the UK's public finances not least due to uncertainty around our future relationship with the European Union following Brexit. Potential impacts on economic growth, immigration policy, and the cost of goods and services may influence levels of funding available to local authorities as well as the cost of providing local services. In addition to the international uncertainty, there are a number of Central Government consultations currently underway, most notably those on technical aspects of Fair Funding and the Business Rates Retention Scheme, which are expected to affect the Council's funding. The outcomes of these consultations will be taken into account within the Business Plan as they become available.

The Fair Funding Review will affect how funding is allocated and redistributed between local authorities from 2020 onwards. It will reset business rate baselines which set out expected business rate receipts, funding baselines which determine relative need, and the tier split of business rates between County Councils and District Councils. The consultation's preferred option is for a per-capita foundation formula with seven service-specific funding formulae and an Area cost Adjustment to reflect the differences in the cost in delivering services in different areas of the country. Damping is expected to play a significant role in limiting reallocations of funding between local authorities. It is also likely that reallocations will be phased in so no local authority will face a cliff edge cut to their funding.

At Autumn Budget 2017 it was announced that business rates revaluations will take place every three years, rather than every five years, following the next revaluation. This increases the risk to local authorities of funding changes part way into the period of their medium term financial strategies making longer term planning more challenging. Spring Statement 2018 announced that the next revaluation, which was due in 2022, will be brought forward to 2021. This will further increase the potential risk of significant changes to local authority funding allocations when the new model of 75% business rates retention is introduced in 2020-21.

Unemployment rates have continued to fall to their lowest level in over 40 years which, despite modest levels of economic growth, is beginning to exert upward pressure on wages, especially in parts of the Country such as Cambridgeshire. Higher wage growth will increase labour costs for local authorities, exerting additional pressure on limited financial resources which often do not see proportionate increases. The Council has operated within a very constrained financial environment for a number of years and as a result, the Council has had to take some difficult decisions over service levels and the charging for services during this period. As we progress through the period covered by the MTFS those decisions become even more challenging.

The Council has developed a strategic approach to the creation of transformation and innovation proposals, including bringing the various skills and resources that were dispersed across the Council under a single line management structure. This has helped to ensure that proposals and ideas are captured and turned from suggestions into realities. In order to support the continuation of this strategic approach, the Council previously established a Transformation Fund currently held at almost £20m ensuring that finance is not a barrier to transformation. This has supported Adult's and Children's services particularly, it has enabled these services to transform their current models of delivery and in doing so reduced the level of reduction in services that would have needed to be made without the transformation funding.

The Council still has to make some stark and unpalatable choices but we are pushing at all boundaries to ensure that we are still able to fulfil our statutory duties and protect the most vulnerable.

Some service reductions are inevitable, these will be far less than otherwise would have been the case had the Council not embarked upon this journey, and we will always focus on transforming rather than cutting services within this approach. The Council will continue to seek to shape proposals so that the most vulnerable are the least affected. The Council has a statutory responsibility to set a balanced budget each financial year and the proposals that are already within the Business Plan for 2019-20 do contain some proposals, the delivery of which, will be challenging.

This strategy sets out the issues and challenges for the next five financial years and creates a framework within which the detailed budgets will be constructed.

Cambridgeshire has one of the fastest growing populations and, as such, we are under particular pressure as the number of people accessing our services increases. The general population is also aging due to increasing life expectancies which is putting pressure on the ability of service users to contribute to the long term costs of their care. In addition to this background population growth the needs of those requiring care packages are becoming more complex and therefore costly. As a result, the Council will work increasingly across service, organisation, and sector boundaries to find ways in which the resources of the wider public sector and the community can be best used to achieve the outcomes we strive for in the context of a rapidly increasing number and need of local population.

The key elements of this Strategy, on which basis the Business Plan is calculated, are set out below. A key point to note is that the general Council Tax assumptions are a rise of 1.99% in 2019-20 and 0% for the remaining four years of the Strategy, but the Adult Social Care precept is assumed to increase by 2% in all five years – as yet there is no confirmation the precept will be available beyond 2019-20.

The government has provided local authorities with additional flexibility to increase general council tax by up to 2.99% in 2019-20. This provides the council with the option to raise council tax by a further 1% which would generate £2.75m of additional income to assist in balancing the council's budget in 2019-20.

- A 1.99% general council tax increase for 2019-20
- No increases in general council tax from 2020-21 until 2023-24
- An increase in the Adult Social Care Precept of 2% for all five years of the Strategy;
- The strategic approach to developing savings and transformation proposals that support the Business Plan continue to evolve through a focus on demand management, (this entails employing a place based approach that builds on communities natural resources) efficiency, accountability, partnership and co-production;
- For the financial year 2019-20 the base budget will use the budget allocations built into the existing Business Plan but any variations will be managed, where possible, through the transformation work-streams that will bring forward cross-Council and multi-agency proposals;
- Funding for invest to save schemes will continue to be made available via the Transformation Fund as part of the Business Planning process, or from the Council's General Reserve, subject to robust business cases;
- The Council will continue to adopt a more commercial focus in the use of its assets (both human and infrastructure) looking for opportunities to generate income in order to protect frontline services;
- The General Reserve will be held at (and if necessary restored to) approximately 3% of expenditure (excluding schools expenditure and Combined Authority levy);
- Fees and charges will be reviewed annually in line with the Council's fees and charges policy;
- The capital programme will be developed in line with the framework set out in the Capital Strategy where prudential borrowing will be restricted and any additional net revenue borrowing costs would need Council approval;
- All savings proposals will be developed against the backdrop of the Council's outcome-based approach to Business Planning, recognising the need to embrace change and innovation;
- All opportunities for cross-sector and organisational working that drive end to end efficiencies and/or improvements in service delivery will be pursued;
- Business rates pooling will be fully explored with district councils and the Combined Authority where there is a mutual financial benefit to so do, particularly in relation to the pilots preceding the introduction of the 75% Business Rates Retention scheme;
- The Council Tax assumption and forecasts are reviewed each year and updated if necessary;
- The Council will continue to lobby central government for fair funding leading into the national replacement of the current funding formula in 2020-21.
- Work will continue with the Combined Authority to secure additional freedoms and flexibilities to support the further integration of health and social care.

## 2) National and local context

The Council's business planning takes place within the context of both the national and local economic environments, as well as government's public expenditure plans. This chapter of the Medium Term Financial Strategy explores that backdrop.

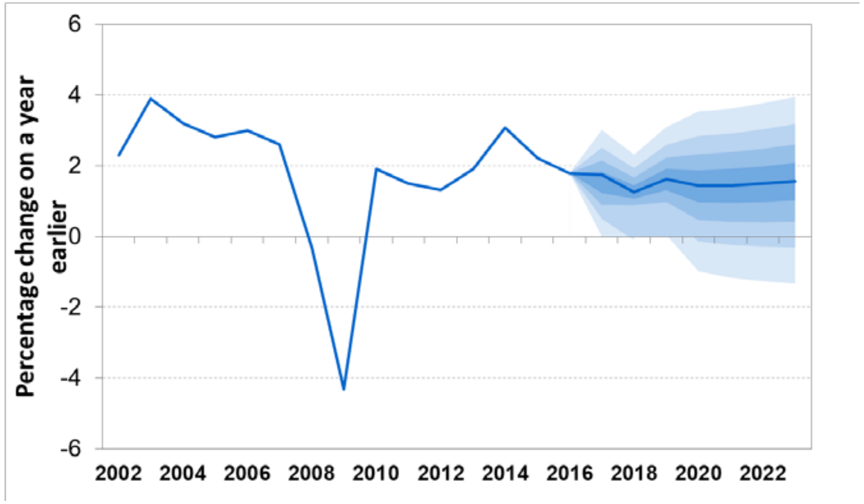
### National economic outlook

Over the past four years, UK GDP growth has fallen steadily following a two year period of strong post-crisis growth, peaking in the third quarter of 2013. In 2014 the UK economy was the fastest growing in the G7 and has since fallen to among the slowest growing in 2018 with a current growth rate of 1.3%, expected to rise to 1.6% in 2019. GDP growth is expected to remain relatively flat over the next four years however this is subject to significant uncertainty due to the potential impact of Brexit on the UK economy.

The impact of exiting the European Union on the public sector will be largely dependent on the terms of the UK's future relationship with the EU. Future opportunities of Brexit could include the potential for increased devolution of decision making powers and funding streams to local authorities. However the public sector faces exposure to financial risk as a result of Brexit, at least in the short to medium term, including potential reductions in EU grant funding, uncertainty about the UK's future trading relationship with the EU and the impact of immigration policy on the labour pool. Local Authorities therefore need to ensure that they are financially resilient in order to provide for the potential risks of Brexit, and to capitalise on the opportunities that may arise.

Labour productivity remains a key weakness for the UK, with the International Monetary Fund warning that it is a key risk the UK's future economic health. The Office of Budget Responsibility is forecasting a gradual rise in productivity over the next four years based on a rising Bank Rate, a tight labour market and investment in additional capacity in preparation for Brexit. However productivity growth is set to remain significantly lower than its pre-crisis rate. Current forecasts put the UK's productivity at 27% below the extrapolation of the pre-crisis trend by the beginning of 2023.

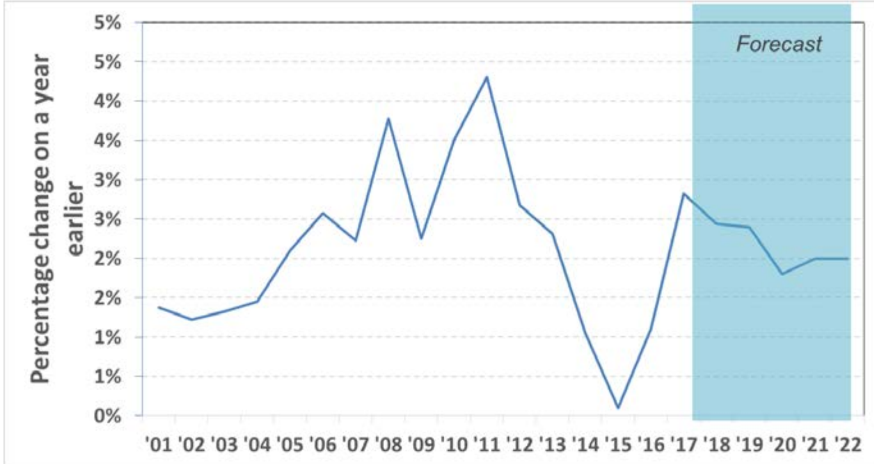
**Figure 2.1: GDP Growth** (Source: OBR, October 2018)




The downturn in the housing and property market after the credit crunch initially caused development to slow and land values have subsequently been struggling to recover. In previous years this has negatively affected the ability of the Council to fund capital investment through the sale of surplus land and buildings, or from contributions by developers. Although this situation still exists for the north of the County, recent indications continue to suggest that in south Cambridgeshire the market has recovered to pre-2008 levels. This is particularly true for the city of Cambridge, where values have risen over and above pre-credit crunch levels. This has led to increased viability of development once again and therefore greater developer contributions in these areas. The Council continues to invest in the Cambridgeshire economy and has ambitious plans for local housing development, having set up a property development and investment company, 'This Land'.

The government has set a target of 2% for the underlying rate of inflation as measured by the Consumer Price Index. During 2014 inflation fell below this level for the first time since late 2009. Since then CPI inflation has risen sharply, recently driven by the depreciation in sterling after the EU referendum and rising global commodity and energy prices. CPI inflation peaked at 3% in the final quarter of 2017 but is expected to fall back to around the 2% target in 2019.

**Figure 2.2: CPI Inflation** (Source: OBR, March 2018)




Unemployment has continued to fall, with the OBR revising the level of sustainable unemployment from 5% to 4.0% - the latest figures from the Office for National Statistics put the unemployment rate at 4.0%; with 1.36m people aged 16 to 64 not employed but seeking work. This figure is expected to fall further in early 2019 to 3.7% before stabilising and then edging up towards its equilibrium rate, reaching 4.0% by the end of the MTFS period. As at November 2018, the number of people claiming Jobseekers Allowance was 0.99m. In total, 32.5m people were in employment (75.7% of the population aged 16-64).

4.2%
of the labour force aged 16 and over could not find a job

75.7%
of people aged 16 to 64 were employed

0.99m
people were claiming Jobseeker's Allowance

In August 2018 the Bank of England increased the base rate by 0.25% to 0.75%; the highest level since the financial crisis. This was in response to the falling unemployment rate which has reached its lowest level since the mid-1970s and the resulting impact on wage growth. The ONS predict this rising to 1.25% by 2023; while these rises seem large compared to the historically low rates since 2009, and will have some degree of adverse effect on the cost of borrowing, the rate is still significantly lower than the pre-crash peak of 5.7%.

The continued sluggish growth in the Eurozone and the slowing-down of the Chinese economy may also have a significant impact on the UK's position.

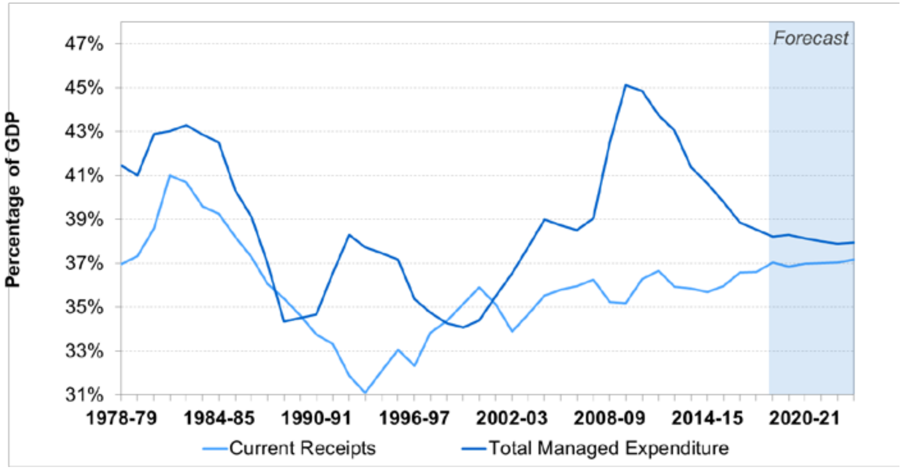
**Public Sector spending**

The government's economic strategy, as stated in the charter for budget responsibility is to "return the public finances to balance at the earliest possible date in the next Parliament". In the interim, cyclically-adjusted borrowing should be below 2% of GDP by 2020-21.

Whilst the 5-year settlement for the NHS announced in June 2018 and the increases in public spending announced in the Autumn Budget have resulted in a short term projected increase in the deficit, the OBR still expects the Government to meet their 2% target by 2020-21.

Public sector net debt peaked at 85.2% of GDP in 2016-17 but is expected to reduce to 75.0% by 2022-23. At its peak, debt will have increased by over 40% of GDP since 2007-08 – a figure that highlights the long-term challenge, facing this and future governments, of returning the UK's public finances to a sustainable position.

**Figure 2.3: Total public sector spending and receipts**

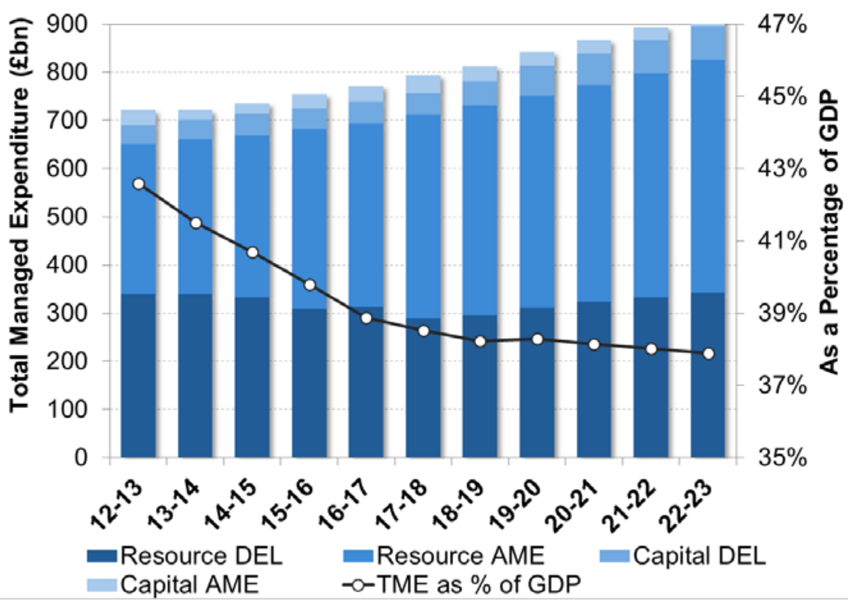



The government plans to eliminate the deficit by a mixture of spending and fiscal consolidation. Current estimates indicate that Total Managed Expenditure will be reduced from 38.3 % of GDP in 2019-10 to 37.9% of GDP by 2023-24.

Total Managed Expenditure (TME) is the total amount that government spends. It is split into amounts allocated to individual government departments (known as Departmental Expenditure Limits, or DEL) and spending that is not controlled by government departments (known as Annually Managed Expenditure, or AME). AME covers spending on areas such as welfare, pensions and debt interest.

HM Treasury's forecast for TME over the next five years, as shown in Figure 2.4, indicates a 3% year on year increase, in revenue Departmental Expenditure Limits until 2023-24 to match forecast long term inflation targets, alongside a similar increase in AME. These forecasts are subject to considerable uncertainty due to the ongoing Brexit process. It has been suggested that the Chancellor's Spring Statement may be upgraded to a major fiscal event should the terms of the UK's withdrawl from the EU differ significantly from those anticipated at the time of the Autumn Budget.

**Figure 2.4: Total Managed Expenditure**




Detailed government spending plans for individual departments were announced in the 2015 Spending Review, and departments will continue to deliver these plans. The Chancellor has announced that the next spending review will take place in 2019 and will set DELs for 2020-21 onwards.

By far the majority of the Ministry of Housing, Communities and Local Government's DEL is allocated to individual local authorities. The Government has launched a Fair Funding review which will set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources. The new model of funding could bring about significant changes in distribution of funding between Local Authorities from 2020-21.

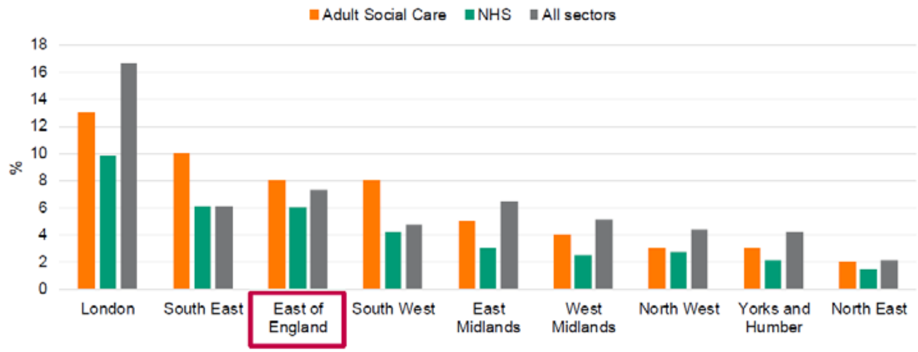
Our internal modelling is currently based on the existing system of 50% business rates retention with Government grants assumed to continue on a cash flat basis. During 2019/20 we will develop a revised model based on 75% local retention of business rates, incorporating new developments in methodology which will emerge as the consultation process progresses.

**Local economic outlook**

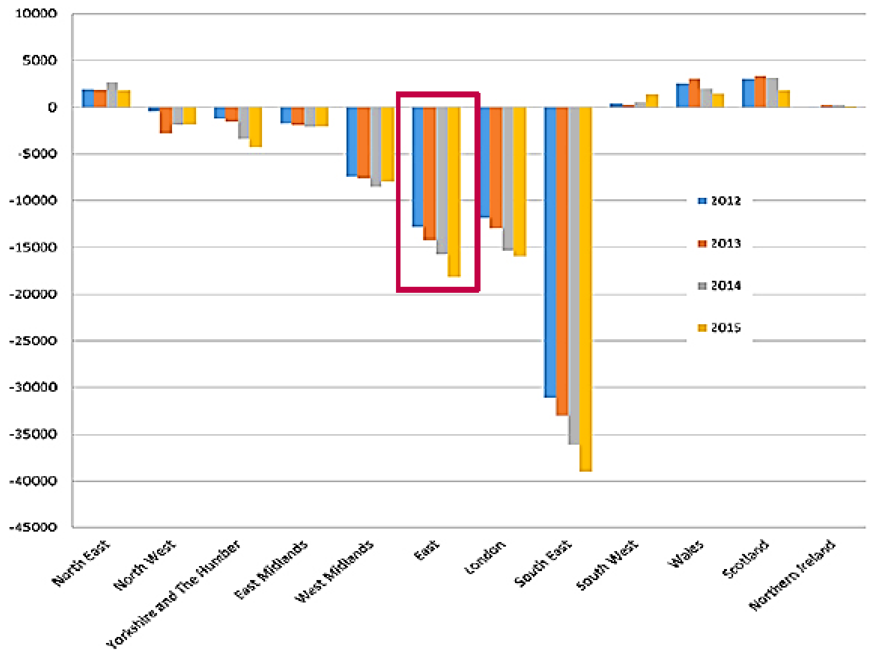
Cambridgeshire has a relatively resilient economy, compared to the national picture, as demonstrated by its above average levels of job creation between 2001 and 2011. In the aftermath of the financial crisis increases in hi-tech firm size were evident between 2008 and 2010. The East of England remained the third-highest exporting region by value in 2012, with a particularly strong pharmaceutical industry – significantly bolstered by the move of the AstraZeneca headquarters to Cambridge in 2013.

The principal risks to the East of England economy as a result of Brexit are those associated with trade and labour. Over 7% of Eastern workers are EU nationals; the highest proportion of any English region outside of London. Tighter immigration expectations around EU migration could have a significant impact on the Adult Social Care market where 15% of the workforce in Cambridgeshire are EU nationals. Additionally, the East was the second highest net importer of European goods and services in 2015 behind the South East. A reduction in the availability of EU workers or the introduction of trade tariffs impacting the cost of imported goods and services could therefore have an adverse effect on the Eastern economy.

**Proportion of EU workers by region and employment sector**

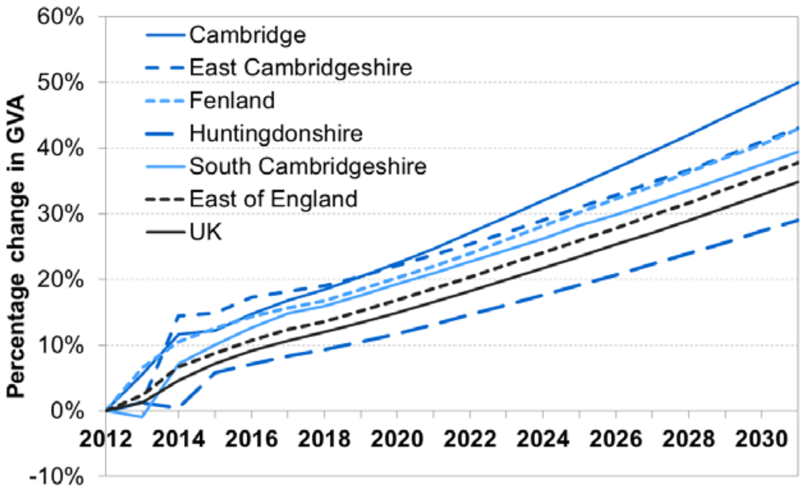



**Trade balance with EU by region (£m, 2015 prices)**




Economic productivity is measured by Gross Value Added (GVA). Calculated on a workplace basis, Cambridgeshire's GVA was £19.235 million in 2017, a 5.9% increase from 2014. Per head of population, GVA was £28,932 in 2017, 21% above the East of England average of £23,904 per head, and 13% above the England average of £25,673 per head.

**Figure 2.5: GVA growth forecasts for Cambridgeshire by district**

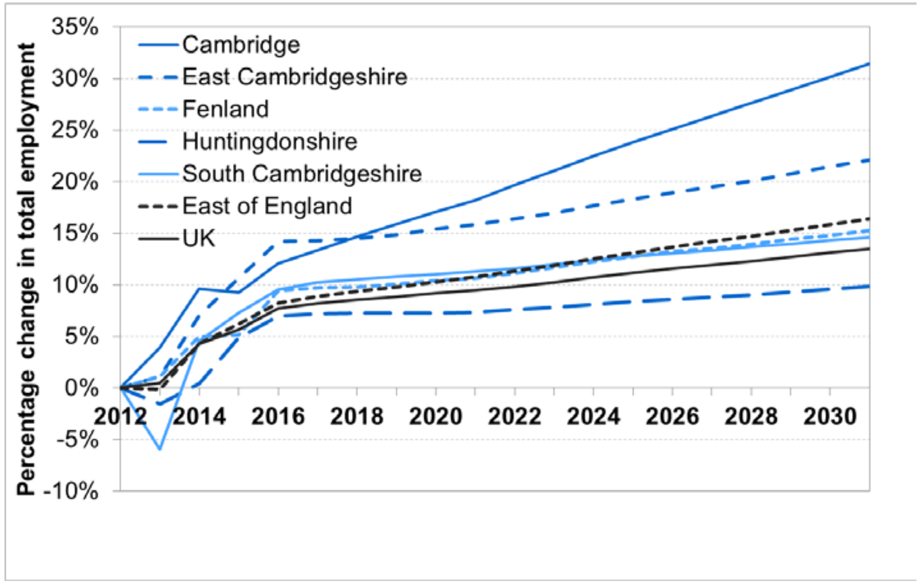



Source: Oxford Economics

Cambridgeshire's GVA per head of population is above the regional and national averages, predominantly due to high value added activity in South Cambridgeshire and a high jobs density in Cambridge City, which push up the county average. Productivity is highest in South Cambridgeshire, reflecting the concentration of high value industry in this district.

Cambridgeshire's GVA is forecast to grow by 7.9% over the term of the MTFS, with the most significant increase in Cambridge City, where GVA is expected to increase by £558m. Enterprise births relative to population is still below the regional and national averages rate. Cambridgeshire as a whole saw an increase in the number of business start-ups in 2016 compared to 2015 however numbers of new start-ups fell in 2017 both in Cambridgeshire and across the East of England. However Retail growth in most district town centres continues to provide an important source of employment to support the broader market town business base.

**Figure 2.6: Employment growth forecasts for Cambridgeshire by district**




The forecast continued employment growth across all districts presents a key opportunity for the county. Cambridgeshire has seen a 3.2% rise in the number of private sector jobs from 2015 to 2016. From an historical perspective, job creation has previously been uneven, with Fenland and Cambridge only seeing limited growth between 2001 and 2011; however Fenland and Cambridge have seen jobs growth of 3.7% and 2.4% respectively from 2010 to 2016. A significant proportion of jobs in Cambridge and South Cambridgeshire are in manufacturing, healthcare and education. In

Huntingdonshire, East Cambridgeshire and Fenland, jobs are concentrated in the construction and agricultural sectors.

Fenland and East Cambridgeshire have been designated a Social Mobility Opportunity Area. This follows work from the Social Mobility Commission to assess the prospects of disadvantaged young people from every council area in the UK. The delivery plan for the opportunity area has four priorities, one of which is to focus on raising the aspirations of young people regarding their final careers. Other key actions include increasing teacher numbers.

Cambridge City is seeing rising demand for skilled workers in manufacturing and production sectors due to a rise in orders, although there is a noticeable skills gap developing for the increasing number of vacancies. The low proportion of Cambridgeshire residents qualified to an intermediate skills level (NVQ Level 3) despite the high demand for people with these skills levels within the county is another key employment issue.

The free Wi-Fi network covering central Cambridge is continuing to expand under the Connecting Cambridgeshire programme, as the first step in improving public access to Wi-Fi across the county. Better connectivity is expected to improve productivity. In March 2017, the Council approved the Cambridgeshire digital connectivity blueprint for 2017-2020 (£13.2m) with associated targets for broadband access, mobile coverage and public Wi-Fi access. In March 2018 the Chancellor announced up to £4m of additional funding to help to bring full fibre broadband connectivity to Cambridgeshire and Peterborough.

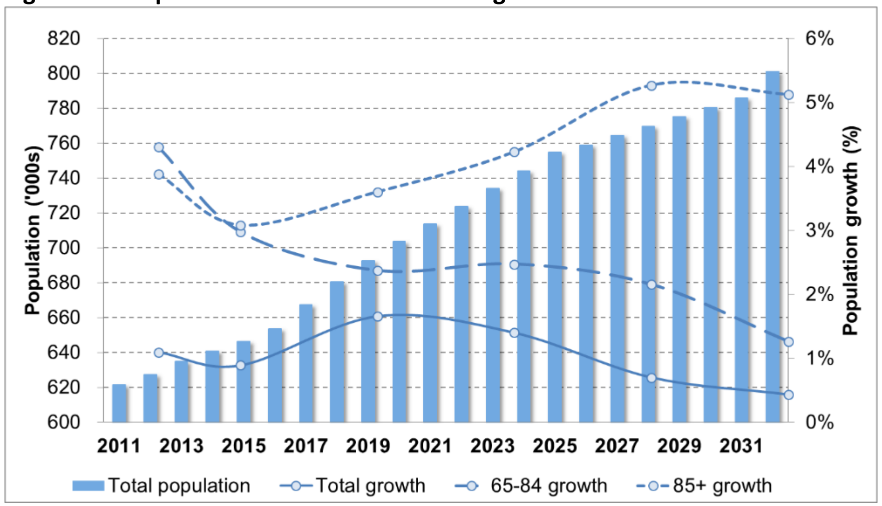
As part of the Budget 2014, Central Government announced their agreement for a Greater Cambridge City Deal (Greater Cambridge Partnership) which will deliver a step change in investment capability; an increase in jobs and homes with benefits for the whole County and the wider Local Enterprise Partnership area. The agreement provides a grant of up to £500 million for new transport schemes. However, only £100 million of funding has initially been guaranteed with the remaining funding dependent on the achievement of certain triggers. The deal has resulted in a changed set of governance arrangements for Greater Cambridge, allowing the County, Cambridge City Council and South Cambridgeshire District Council to pool funding and powers through a Joint Executive. This is helping to deliver a more joined-up and efficient approach to the key economic issues facing this rapidly-growing city region.

**Cambridgeshire's growing population**

Cambridgeshire County Council's population estimates show that Cambridgeshire's population has continued to grow since the Census 2011, rising by 4% to 648,300 by mid-2015. At the time of the 2011 census, Cambridgeshire was the fastest growing county in the UK with the county's population having increased by 68,500 between 2001 and 2011 to 621,200 - a growth rate of 12% over the ten year period. A growing county provides many opportunities for development and is a general sign of economic success. However, it also brings with it significant additional demand for services which is compounded by an increasing proportion of the population in the 60+ age group. When this is combined with the Government's austerity drive it creates what has been described as the "perfect storm". Being able to balance our budget will become increasingly more challenging as we progress through the period of this strategy.

Our forecasts show that the county's population is expected to grow by 23% between 2016 and 2036. The pattern of growth will not be evenly spread, with over half of it occurring in Huntingdonshire and South Cambridgeshire. As well as increased numbers of people living in the area, the population structure is also changing. The number of people aged 65 and over is forecast to continue to increase over the next 20 years, from 123,200 in 2018 to 181,800 in 2038, and forecast to account for 26% of the total population in 2036 compared to 16% at the 2011 Census, placing unprecedented demand on social care services for the elderly. It is also anticipated that there will be more people with care needs such as learning disabilities within the population.

**Figure 2.7: Population forecasts for Cambridgeshire**



**3) Transformation**

The Business Plan sets out how the Council intends to deliver its priority outcomes. With real terms reduction in resources and pressures of demographic growth, maintaining the level of funding for the key activities that deliver these outcomes becomes increasingly challenging without fundamental change.

In response, the Council has embarked upon a significant transformation programme – challenging ourselves to find innovative new approaches and creative solutions so that a leaner, more forward thinking and agile organisation emerges to meet the needs of our communities.

The Transformation Programme is now integrated into the Business Planning process with our programme of investments and savings reflecting the transformational changes we are planning for 2019-20 and beyond.

The key principles driving our thinking are;

- **Working for the System in Partnership –** the boundaries between public sector partners are blurring as we move closer to a whole system focus on shared priorities, outcomes and cost efficiencies. By acting as 'one public service' with our partners in the public sector and forming new and deeper partnerships with communities, the voluntary sector and business we can make the whole system work most effectively together. This theme includes cost sharing between partners, joint commissioning, joint services and most importantly designing how it all fits together around people not the needs of individual organisations.

- **Modern, Lean and Focussed on Delivery** – taking advantage of the latest technologies, applying digital strategies to reduce transactional costs, reducing internal business costs and applying the most creative and dynamic ways of working to deliver the most value for the least cost. Applying this principle ensures the organisation is lean in the 'back office' and puts as much of its resources as possible into delivering directly for communities.

- **Intervening Early and Preventatively** – working to give people early help so that their needs don't escalate to the point where they need to rely heavily on public sector support. It is about supporting people to remain as healthy and independent as possible and stepping in quickly when people do need extra help so that they recover as much of their independence as possible and quickly as possible

- **Focussing on Communities and Places** - We are moving to a more place based approach, bringing the Council, partners and communities together to adapt to local demand and committing to a new contract with our citizens, so that the emphasis of all our practice is on working with communities, rather than doing things to them or for them.

- **Being Business-Like & Commercial –** identifying opportunities to bring in new sources of income which can fund crucial public services, making the best possible use of our assets, ensuring all services are commissioned to deliver the right outcomes at the right cost and by the right provider and operating every area of the Council in a business-like way

Members and Officers have used these principles and themes to design an organisation that focuses on the outcomes we want most for our communities and that works together to achieve them. This process was initiated by a call on Officers throughout the Council to put forward ideas which they believe can create real improvements for the people of Cambridgeshire, whether this is directly, by improvements to our frontline services, or by creating savings or income which allow more of our resources to be spent where they are most needed.

These proposals are then driven forward by cross-Directorate groups, led by the Corporate Management Team and Strategic Management Team, each responsible for a specific key theme. In this way we have moved away from cash limits, top down planning and traditional efficiencies to a process based on cross-directorate collaboration, shared accountability are taking greater risks and moving at greater pace than ever before.

**Transformation Fund**

To support the delivery of this new approach the Council has established a Transformation Fund, through changing the way the Council bears its cost of borrowing, and has introduced a mechanism by which base funding priorities are reviewed and re-aligned where there is a clear rationale to do so. The Councils transformation resource is integrating a cross-cutting approach that the Council has recognised as an essential ingredient to delivering the new culture and approach within the organisation.

**Flexible Use of Capital Receipts Strategy**

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects. The flexibility was originally announced for 2016-17 to 2018-19, however this was extended by a further 3 years as part of the 2018-19 provisional Local Government Finance Settlement.

This flexibility is afforded to any Council listed in Annex A of the direction, including Cambridgeshire County Council, as long as it complies with the following:

- The expenditure is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years; and

- The expenditure is properly incurred for the financial years that begin on 1 April 2016 to 1 April 2021, and can only be met from capital receipts which have been received in the years to which this direction applies.

The Council has decided to use this direction to fund the transformation resources that have been brought together to support the Transformation Programme, as well as the cost of redundancies required in order to deliver transformation of services. As a result of using this direction (using capital receipts partly to fund transformation rather than the capital programme), prudential borrowing undertaken by the Council for the years 2017-18 to 2021-22 is budgeted to be between £3.0m and £3.9m higher in each respective year. This affects the Council's Prudential Indicators as follows:

**Table 3.1: Effect of using Capital Receipts on Prudential Indicators**

| Prudential Indicator | 2017-18 £m | 2018-19 £m | 2019-20 £m | 2020-21 £m | 2021-22 £m |
|---|---|---|---|---|---|
| Capital Financing Requirement | +3.0 | +6.9 | +10.2 | +13.4 | +16.6 |
| Operational Boundary (Total Borrowing) | - | - | - | - | - |
| Authorised Limit (Total Borrowing) | - | - | - | - | - |

This is expected to create additional Financing costs in the revenue budget of £150k - £200K in each of 2017-18 to 2021-22.

The Council funded £3.0m of expenditure in 2017-18 using this direction, and £3.9m of expenditure in 2018-19. It is intended to fund a further £3.3m in 2019-20. This expenditure will help to deliver the following savings (all savings are ongoing):

**Table 3.2: Transformation Spend to be funded by Capital Receipts, and associated savings**

| Scheme | 2017-18 £k | | | 2018-19 £k | | | 2019-20 £k | |
|---|---|---|---|---|---|---|---|---|
| | ACTUAL COST | BUDGETED SAVING | ACTUAL SAVING | ACTUAL COST | BUDGETED SAVING | ACTUAL SAVING | BUDGETED COST | BUDGETED SAVING |
| Adult Social Care Transformation | 411 | -1,885 | -1,203 | 723 | -10,056 | -9,156 | 1,595 | -4,582 |
| Learning Disability Transformation | 99 | -430 | -343 | 13 | -50 | -50 | 95 | -450 |
| Mental Health Commissioning | 9 | -250 | -68 | - | - | - | 42 | -200 |
| Children's Change Programme | 594 | -2,214 | -1,878 | 238 | -594 | -594 | 204 | -340 |
| Children's Centres & Children's Health Services Transformation | 17 | - | - | 57 | -772 | -772 | - | - |
| Commissioning Enhanced Services Transformation | 214 | -107 | -107 | 17 | -94 | -94 | 389 | -1,851 |
| Learning Transformation | 41 | -395 | -395 | 484 | -424 | -324 | - | - |
| Communities | - | - | - | - | - | - | 16 | -60 |
| Public Health Transformation | - | - | - | - | - | - | 30 | -189 |
| Transport Transformation | 61 | -1,333 | -1,257 | 4 | -666 | -566 | 79 | -460 |
| Assets / Facilities work stream / Property projects | 302 | -194 | -56 | 224 | -700 | -700 | 55 | -21 |
| Automation | 62 | -247 | -191 | 277 | -150 | - | - | - |
| Organisational Structure Review | 783 | -1,389 | -1,374 | 249 | -404 | -938 | - | - |
| Commercialisation | 294 | - | - | 1,162 | -5,400 | -2,000 | 286 | -1,351 |
| Waste Transformation | 8 | -25 | - | 5 | -1,000 | -250 | 13 | -60 |
| Libraries Transformation | 88 | - | - | 125 | -230 | -230 | - | - |
| Shared Services | - | - | - | 157 | - | - | 522 | -1,615 |
| To be confirmed | - | - | - | 200 | - | - | - | - |
| **TOTAL** | **2,984** | **-8,469** | **-6,872** | **3,935** | **-20,540** | **-15,674** | **3,326** | **-11,179** |

These workstreams are focused on delivering the following outcomes:

| Transformation Scheme | Activity |
|---|---|
| Adult Social Care Transformation | Through the Adults Positive Challenge Programme, the County Council has set out to design a new service model for Adult Social Care which will continue to improve outcomes whilst also being economically sustainable in the face of the huge pressure on the sector. This work will focus on promoting independence and changing the conversation with staff and service-users to enable people to stay independent for longer, and has already had success in 2018/19 through a fast-forward element of the programme.<br><br>Occupational Therapy involvement in reablement goal-setting and review will improve outcomes at the end of the pathway through achieving greater service user independence at the end of reablement.<br><br>A review of support functions to ensure that capacity is aligned appropriately to the needs of the services supported. |
| Learning Disability Transformation | Major programme to implement the revised model of care – meeting people's needs through a strengths-based approach to social care. Programme also includes delivery of strategic commissioning activity, including the development of new care capacity to allow service users to return to live in-county – and converting residential provision to supported living to promote independence for people with learning disabilities as well as providing cost savings to the Council. |
| Children's Change Programme | Identifying additional opportunities within the children's service to ensure services are targeted to those in greatest need. The programme has created a single front door for children's services, and development of a new residential model for children on the edge of care. |
| Commissioning Enhanced Services Transformation | Supporting the creation of a dedicated commissioning function, driving a complete review of all strategic commissioning activity – delivering multi-million pound savings and a market-shaping programme. |
| Communities | A Review of required management and support functions within the team, depending on the outcome of funding bids. |
| Public Health Transformation | Building on the efficiencies created by creating a joint public health directorate across Cambridgeshire County Council and Peterborough City Council by rationalising in-house staff and making efficiencies in demand-led contracts. |
| Transport Transformation | Through the Total Transport transformation programme we are scrutinising contract services to ensure the Council delivers the most efficient special school transport services whilst ensuring all eligible pupils receive free transport in line with the Council's policy on journey times. |

| Scheme | |
|---|---|
| Assets / Facilities work stream / Property projects | Generating income through commercialising property assets and re-shaping the property portfolio to support business outcomes.<br><br>Includes the Cambs 2020 programme which will see the Council move out of its current main base in Cambridge and adopt a Hub and Spokes model of office accommodation. |
| Commercialisation | Development of a Strategic Investments model for the authority and creation of a dedicated investment vehicle to deploy multi-million pound investments for a commercial return.<br><br>Review of specific areas identified within the contract register to discover what potential there is for savings through more commercially minded renegotiation, re-consideration of service specifications and consideration of where smarter payment processes may assist in driving down costs. |
| Waste Transformation | Household Recycling Centre changes. |
| Shared Services | A joint working agreement is now in place with Peterborough City Council along with a growing number of shared posts.<br><br>Savings from LGSS are expected from income growth and efficiencies. |

## 4) Strategic financial framework

The Council's strategic financial framework is comprised of three distinct, but interdependent, strategies set out within this Business Plan:

- Medium Term Financial Strategy (Section 2)
- Capital Strategy (Section 6)
- Treasury Management Strategy (Section 7)

As well as outlining the Council's revenue strategy, this Medium Term Financial Strategy includes the organisation's Fees and Charges Policy (see chapter 5) and Reserves Policy (see chapter 8).

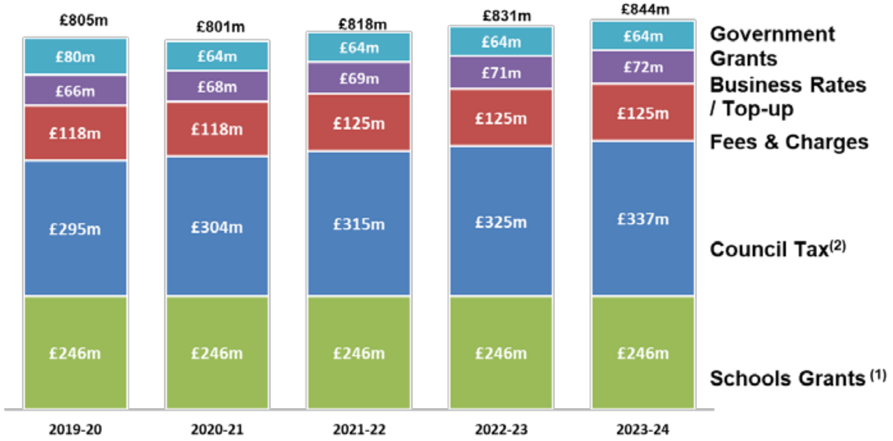
The Council's revenue spending is shaped by our Transformation Programme, influenced by levels of demand and the cost of service provision, and constrained by available funding.

### Funding forecast

Forecasting our financial resources over the medium term is a key aspect of the revenue strategy, allowing us to understand the context in which the Council must operate. We have carried out a detailed examination of the revenue resources that are available to the Council. Revenue funding comes from a variety of national and local sources, including grants from Central Government and other public agencies, Council Tax, Business Rates and other locally generated income.

In 2019-20, Cambridgeshire is expected to receive £569m of funding excluding grants retained by its schools. The key sources of funding are Council Tax, for which a provisional increase of 1.99% on the general council tax rate and 2% for the Adult Social Care precept has been assumed, and Central Government funding (excluding grants to schools).

**Figure 4.1: Medium term funding forecast**




(1) This includes Schedule 2 Dedicated Schools Grant, retained by the County Council under regulation to support schools and education functions, and grant funding used to purchase traded services from the County Council
(2) This includes Adult Social Care Precept funding with a provisional increase of 2% per year, a 1.99% increase in basic council tax in 2019-20 and 0% in 2020-21

As is evident from Figure 4.1, the Council will continue to face a challenging funding environment over the medium term. The Council will see an increase in overall gross budget (excluding schools) of 3.5% to 2023-24, primarily due to increases in council tax. However inflationary pressures, population growth and increased demand for services are expected to result in additional budget pressures of 14.0% of gross budget over the same period. This leaves a residual unfunded pressure of £70m (see figure 4.2). The council will therefore seek to make further improvements to the efficiency of service provision in order to ensure long term financial sustainability.

The parameters used in our modelling of incoming resources are set out below along with the assumptions we have applied.

**Table 4.1: Parameters used in modelling future funding**

| Funding Source | Parameters |
|---|---|
| Business Rates | • Cambridgeshire Rateable Value (prudent assumption of zero real growth)<br>• National CPI inflation (2.4% in 2019-20, falling to 2% by 2023-24, as per OBR forecasts) |
| Top-up | • National CPI inflation (2.4%% in 2019-20 as per OBR forecasts) |
| General Council Tax | • Level set by Council (1.99% in 2019-20 and 0% thereafter)<br>• Occupied Cambridgeshire housing stock (0.8%-1.5% annual increase, as per District Council forecasts) |
| Adult Social Care Precept | • Level set by Council (2% assumed until 2023-24) |
| Other grants | • Grants allocated by individual government departments (overall decrease of 16.7% by 2023-24) |
| Fees & charges | • Charges set by Council ( 5.5%  increase over MTFS period) |

Our analysis of revenue resources highlights the implications of a number of government policies designed to shape the local authority funding environment. The continued reduction in government grants, to the degree where this effects a real terms reduction in overall Council funding, is increasing reliance on locally generated forms of revenue such as council tax and fees & charges. In particular, the Revenue Support Grant, worth more than £50m a year as recently as 2015-16,  will no longer be received by the council from 2019-20.

The Business Rates Retention Scheme, introduced in April 2013, aims to increase the self-sufficiency of local government and provide an additional incentive for local authorities to invest in local economic growth. This is achieved by linking an element of local authority income to a share of the Business Rates collected in their area.  County Councils currently receive a 9% share of Business Rates as compared to the District Councils' share of 40% which provides vital stability against the variability of Business Rates. However this means that County Councils retain a lower proportion of business rates growth and therefore receive smaller increases in funding than Districts with high levels of growth.

In his April 2015 Budget, the former Chancellor announced a pilot scheme allowing a small number of authorities, including the Council, to retain 100% of additional growth in business rates.  The scheme was intended to incentivise local authorities to encourage business growth and allowed County Councils to retain an additional 9% of any growth in business rates above an agreed "stretch target".
As part of the provisional 2018-19 Local Government Finance Settlement, it was announced that the Government will implement a 75% (rather than 100%) model in 2020-21 alongside a new 'Fair

Funding' formula. In order to ensure that the reforms are fiscally neutral, councils will gain new responsibilities, and some Whitehall grants will be phased out; to date the Revenue Support Grant and the Public Health Grant have been confirmed to be rolled in. The impact of these funding changes may be significant for the Council however we are awaiting further clarity from MHCLG before the changes can be included in the forecasts.

The Revenue Support Grant was intended to track changes in relative need between local authorities, compensating those in need of additional funding. However the grant has been used as a means for implementing the government's austerity policy and as a result has been gradually withdrawn since 2013/14. This has created a financial disincentive towards population growth and has an adverse effect on growing counties like Cambridgeshire, which as far as RSG allocations are concerned, still has a population of 635,900 in 2018-19, rather than 680,500. This has been mitigated to a small extent by the New Homes Bonus, which acts as a clear promoter of housing growth.

The New Homes Bonus was also subject to consultation, the results of which were to introduce a baseline growth rate of 0.4% below which no bonus is paid, and to use the funding this freed up to create a £240m Adult Social Care Grant. Additional one-off funding for social care will also be provided in 2018/19 and 2019/20 totalling £8.6m for Cambridgeshire. It is acknowledged that upper tier authorities face unsustainable pressures in the delivery of social care services, a key issue which is expected to be addressed in the 2019/20 Fair Funding Review.

The government has limited the general increase in Council Tax in 2019-20 to 3% per year, but has provided additional flexibility for local authorities with Adult Social Care responsibilities to raise Council Tax by an additional precept. This precept is capped at a maximum 6% increase in the 3 years to 2019-20 with the flexibility to raise it by up to 3% in each of 2017-18 and 2018-19. This Business Plan assumes that the Council will increase general council tax by 2% in 2019-20 and continue to phase in the 6% Adult Social Care precept via a 2% rise in 2019-20.

The availability of the Adult Social Care precept has not been confirmed beyond 2019-20, however the budget assumes the precept will be available beyond this point.

Based on the funding environment created by these policies, the Council's response is to pursue the following guiding principles with regards to income:

- to promote growth;
- to diversify income streams; and
- to ensure a sufficient level of reserves due to increased financial risk.

Our ability to raise income levels by increasing Council Tax and charges for services remains limited. Therefore our annual review of Council Tax and fees and charges ensures that the Council makes a conscious decision whether or not to increase these rather than assuming a default position.

### Spending forecast

Forecasting the cost of providing current levels of Council services over the medium term is the second key aspect of our revenue strategy. This allows us to assess the sustainability of current service provision. Our cost forecasting takes account of pressures from inflation, demographic change, amendments to legislation and other factors, as well as any investments the Council has opted to make.

### Inflationary pressures

We have responded to the uncertainty about future inflation rates relating to our main costs by making a prudent assessment of their impact. Our policy of maintaining reserves to cover such uncertainties provides further protection.

There is not a direct link between the inflation we face and nationally published inflation indicators such as the Consumer Price Index (CPI) due to the more specific nature of the goods and services that we have to purchase. Estimates of inflation have been based on indices and trends, and include specific pressures such as inflationary increases built into contracts. Our medium term plans assume inflation will run at around 1.6%, having taken account of the mix of goods and services we purchase. The table below shows expected overall inflation levels for the Council:

**Table 4.2: Inflationary pressures**

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Inflationary cost increase (£000) | 6,601 | 5,464 | 5,549 | 5,514 | 5,514 |
| Inflationary cost increase (%) | 1.9% | 1.6% | 1.6% | 1.6% | 1.6% |

### Demand pressures

Demand change can result from changes in population numbers and changes in population need. The underlying general population growth in Cambridgeshire is forecast to be 1.4% per year, for the duration of the MTFS. The demographic pressures set out in the table below relate to circumstances where;

- Services cannot absorb the financial impact of general population growth
- Service user population growth exceeds that of the general population
- Needs of service users are expected to increase

**Table 4.3: Demographic pressures**

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Total demographic cost increase (£000) | 8,893 | 9,191 | 9,362 | 10,744 | 10,987 |
| Total demographic cost increase (%) | 1.8% | 2.0% | 2.0% | 2.3% | 2.3% |

Planned actions to manage demand are detailed within the savings plans for each service area.

**Other pressures**

We recognise that there are some unavoidable cost pressures that we will have to meet. Where possible services are required to manage pressures, if necessary being met though the achievement of additional savings or income. If this is not possible, particularly if the pressure is caused by a legislative change, pressures are funded corporately, increasing the level of savings that are required across all Council services.

**Investments**

The Council recognises that effective transformation often requires up-front investment and has considered both existing and new investment proposals during the development of this Business Plan. To this end, a Transformation Fund has been created through a revision to the calculation of the Council's minimum revenue provision (MRP). The Transformation Fund acts as a pump priming resource; any permanent investment requirements continue to be funded through additonal savings across all Council services.

**Financing of capital spend**

All capital schemes have a potential two-fold impact on the revenue position, due to costs of borrowing and the ongoing revenue impact (pressures, or savings / additional income). Therefore to ensure that available resources are allocated optimally, capital programme planning is determined in parallel with the revenue budget planning process. Both the borrowing costs and ongoing revenue costs and savings of a scheme are taken into account as part of a scheme's Investment Appraisal and, therefore, the process for prioritising schemes against their ability to deliver outcomes.

In addition, the Council is required by CIPFA's Prudential Code for Capital Finance in Local Authorities 2017 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to guarantee that it achieves this, at the start of each Business Planning Process the Council determines what proportion of revenue budget is spent on services and the corresponding maximum amount to be spent on financing borrowing. This is achieved by setting an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan. This in turn can be translated into a limit on the level of borrowing included within the Capital Programme (this limit excludes ultimately self-funded schemes).

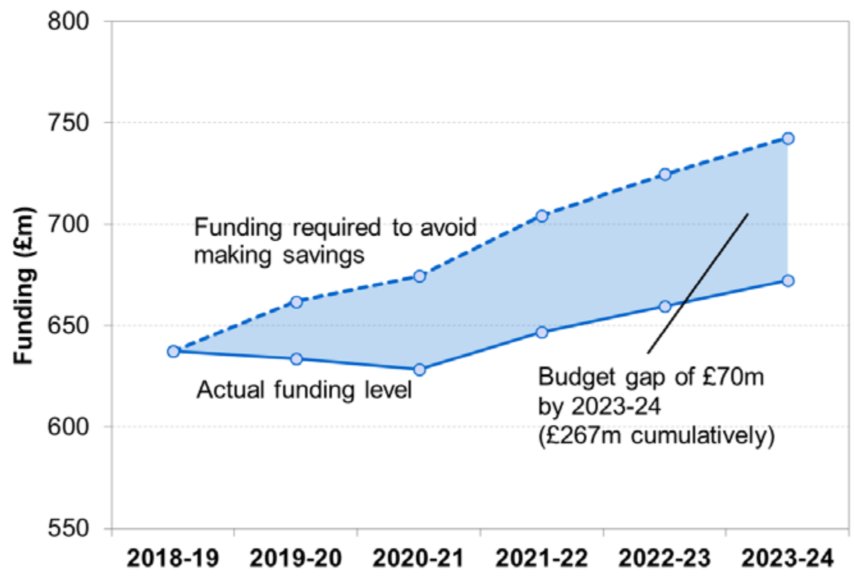
Once the service programmes have been refined, if the amalgamated level of borrowing and thus debt charges breaches the advisory limit, schemes will either be re-worked in order to reduce borrowing levels, or the number of schemes included will be limited according to the ranking of schemes within the prioritisation analysis. As part of the 2019-20 business planning process, the Council has undertaken a more focused review of the Capital Programme in order to minimise the cost to the taxpayer of financing debt charges for capital schemes. The review focused on re-prioritising and re-programming capital schemes according to need to ensure that the Council makes the best use of the capital funding available and minimises the revenue impact of capital projects.

Due to the Council's strategic role in stimulating economic growth across the County through infrastructure investment, any capital proposals able to reliably demonstrate revenue income or savings at least equal to the debt charges generated by the scheme's borrowing requirement, are excluded from contributing towards the advisory borrowing limit. These schemes are called 'Invest to Save' or 'Invest to Earn' schemes and will be self-funded in the medium term. Any additional savings or income generated over the amount required to fund the scheme will be retained by the respective Service and will contribute towards their revenue savings targets.

**Allocating our resources to address the shortfall**

Inevitably, cost pressures are forecast to outstrip available resources, given the rising costs caused by inflation, growth and associated demographic pressures combined with significantly reduced levels of funding. Consequently, we will need to make significant savings to close the budget gap.

**Figure 4.2: Budget gap**




Achieving these £70m of savings over the next five years will mean making tough decisions on which services to prioritise. During the last few years services have made significant savings through increasing efficiency and targeting areas that are not our highest priority with the aim of minimising the impact on our service users. With no respite from the continuing cuts to our funding, we are now in an environment where any efficiencies to be made are minimal. We must therefore focus on driving real transformation across the Council as well as on early intervention in order to manage demand.

In some cases services have opted to increase generated income instead of cutting expenditure by making savings. For the purpose of balancing the budget these two options have the same effect and are treated interchangeably.

**Capital**

The Council's Capital Strategy can be found in full in Section 6 of this Business Plan. It represents an essential element of the Council's overall Business Plan and is reviewed and updated each year as part of the Business Planning Process.

The Strategy sets out the Council's approach towards capital investment over the next ten years and provides a structure through which the resources of the Council, and those matched by key partners, are allocated to help meet the priority outcomes outlined within the Council's Corporate Strategy. It is also closely aligned with the remit of the Commercial & Investment Committee, and will be informed by the Council's Asset Management Strategy and Commercial Strategy. It is concerned with all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding.

To assist in delivering the Business 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. Capital expenditure is financed using a combination of internal and external funding sources, including grants, contributions, capital receipts, revenue funding and borrowing.

**Capital funding**

Developer contributions have not only been affected in recent years by the downturn in the property market, but moving forward has, and will continue to be impacted by the introduction of Community Infrastructure Levies (CIL). CIL is designed to create a more consistent charging mechanism but complicates the ability of the Council to fund the necessary infrastructure requirements created by new development due to the changes in process and the involvement of the city and district councils who have exclusive legal responsibility for determining expenditure. The Council also expects that a much lower proportion of the cost of infrastructure requirements will be met by CIL contributions. In addition, since April 2015 it is no longer to possible to pool more than five developer contributions together on any one scheme, further reducing funding flexibility.

Central Government and external capital grants have also been heavily impacted during the last few years, as the Government has strived to deliver its programme of austerity. However, the Government reconfirmed its commitment to prioritise capital investment over day-to-day spending for the next few years, in line with the policy of capital investment to aid the economic recovery by publishing the National Infrastructure Delivery Plan 2016-2021, which aims to spend £12 billion over the 5-year period. The Autumn Statement 2016 also announced a National Productivity Investment Fund, which will provide an additional £1.1 billion of funding by 2020-21 to relieve congestion and deliver upgrades on local roads and public transport networks, as well as announcing the intention to consult on lending authorities up to £1 billion at a new local infrastructure rate for three years to support infrastructure projects that are high value for money. The Autumn Budget 2017 announced a new £1.7bn Transforming Cities Fund that will target projects that drive productivity by improving connectivity, reducing congestion and utilising mobility services and technology, and it also confirmed that it will introduce the discounted interest rate for up to £1bn of infrastructure projects. As such the Business Plan anticipates as a general principle that overall capital grant allocations will remain constant from 2018-19 onwards.

In 2014-15, the Department for Education developed new methodology in order to distribute funding for additional school places, as well as to address the condition of schools. Unfortunately, the new methodology used to distribute Basic Need funding did not initially reflect the Government's commitment to supply funding sufficient to enable authorities to provide enough school places for every child who needs one and the allocation of £4.4m for 2015-16 and 2016-17 was £32m less than the Council had estimated to receive for those years according to our need. Given the growth the County is facing, it was difficult to understand these allocations and, as such, the Council has continued to lobby the Department for Education (DfE) for a fairer funding settlement that is more closely in line with the DfE's commitment.

The Council has also sought to maximise its Basic Need funding going forward by establishing how the new funding allocation model works and seeking to provide data to the DfE in such a way as to maximise our allocation. The allocations were £25.0m for 2018-19 and going forward are £6.9m for 2019-20, and £20.6m for 2020-21. This goes some way to reduce the Council's shortfall, but still does not come close to covering the costs of all of the Council's Basic Need schemes. The DfE also revised the methodology used to distribute condition allocations in 2015-16, in order to target areas of highest condition need. A floor protection has been put in place to ensure no authority receives more than a 20% cut in the level of funding until 2018. The £1.2m reduction in allocation for Cambridgeshire for 2015-16 hit this floor; therefore it was anticipated that the Council's funding from this area would be reduced further – the Council's 2018-19 funding allocation was only actually £166k lower than the previous year, however it is anticipated that funding will still reduce further in 2019-20.

However, as part of the Spending Review 2015 the Government has announced investment of £23 billion in school buildings over 2016 to 2021, intending to open 500 new free schools, create 600,000 school places, rebuild and refurbish over 500 schools and address essential maintenance needs. To date, the Government has given approval to 8 new free schools in Cambridgeshire to pre-implementation stage. Not all of these, however, are in areas where the Council has an identified basic need requirement. The application process for the new Wave 13 closed in November 2018; there were a further 12 bids for Cambridgeshire, however there is much stricter criteria in place around this wave. Successful bids will be announced in spring 2019.

The mechanism of providing capital funding has also changed significantly in some areas. In order to drive forward economic growth, Central Government announced in 2013 that it would top-slice numerous existing grants, including transport funding, education funding and revenue funding such as the New Homes Bonus, in order to create a £2 billion Single Local Growth Fund (SLGF) which Local Enterprise Partnerships (LEPs) can bid for. In line with this announcement, the Council's Integrated Transport allocation was reduced from £5.7m in 2014-15 to £3.2m in 2015-16.

Although the reduction in the Integrated Transport allocation was disappointing, as part of the Autumn Statement 2014 the Department for Transport (DfT) announced indicative Highways Maintenance funding for the next six years which included an increase of £5m for the Council for 2015-16, and an additional £2m - £3m for each of the following five years (over the original base).

The Greater Cambridge / Greater Peterborough LEP submitted a funding bid into the 2015-16 SLGF process, the results of which were announced in July 2014. A number of proposals put forward by the LEP were approved, including £5m for the Council's King's Dyke Crossing scheme. The LEP subsequently submitted a bid to the 2016-17 SLGF, which the Government announced in January 2015 was successful and the LEP received an additional £38m. The LEP agreed to allocate £16m of this funding to the Council's Ely Crossing scheme, in addition to a further £1m for work on the Wisbech Access Strategy. This was a new scheme, added into the 2015-16 Capital Programme and is currently in delivery. The third round of growth deals was announced in January 2017; the individual allocation for the Greater Cambridge / Greater Peterborough LEP was an additional £37m.

Moving forward, the recently formed Cambridgeshire and Peterborough Combined Authority (CPCA) has taken on the responsibilities of the local highway authority and therefore the CPCA now receives DfT funding designated to the local highway authority, instead of the Council. The CPCA is continuing to commission the County Council to carry out the required works on the highway network. In addition, from April 2018 the Greater Cambridge / Greater Peterborough LEP ceased to exist and was relaunched as a new LEP, The Business Board, supported by the CPCA.

**Capital expenditure**

The Council operates a ten year rolling capital programme. 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.

New schemes are developed by Services (in conjunction with Finance) in line with the outcomes contained within the Strategic Framework. At the same time, all schemes from previous planning periods are reviewed and updated as required. An Investment Appraisal of each capital scheme (excluding schemes with 100% ringfenced funding) is undertaken / revised, which allows the scheme to be scored against a weighted set of criteria such as strategic fit, business continuity, joint working, investment payback and resource use. This process 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 targeted priority outcomes.

The Capital Programme Board scrutinises the programme and prioritisation analysis, and asks officers to undertake any reworking and/or rephasing of schemes as required to ensure the most efficient and effective use of resources deployed. The Capital Programme Board then recommends the programme to Service Committees; it is then subsequently agreed by General Purposes Committee (GPC), who recommend it to Full Council as part of the overarching Business Plan.

A summary of the Capital Programme can be found in chapter 6 of this Section, with further detail provided by each Service within their individual finance tables (Section 3).

**5) Fees and charges policy**

Fees and charges are a very important source of income to the council, enabling important services to be sustained and provided. As the overall cost of service provision reduces, the proportion of costs that are recovered through fees and charges is likely to grow. Indeed to sustain the delivery of some services in the future this revenue could become essential.

This policy has been revised following a corporate review of fees and charges across the Council and is supported by Best Practice Guidance, provided in Appendix 1. The policy and Best Practice Guidance set out the approach to be taken to fees and charges where the Council has discretion over the amounts charged for services provided and for trading activities.

The purpose of this policy is to provide a consistent approach in setting, monitoring and reviewing fees and charges across the authority. This will ensure that fees and charges support Council objectives and are set at a level that maximises income generation in accordance with the Transformation Strategy. The policy incorporates the following Charging Principles:

1. **Council Priorities**
   A Schedule of Fees and Charges shall be maintained for all charges where the Council has discretion over the amounts charged for services provided and for trading activities. All decisions on charges for services and trading activities will be taken with reference to and in support of Council priorities and recorded as delegated decisions, as appropriate.

2. **Charge Setting**
   In setting charges, any relevant government guidance will be followed. Stakeholder engagement and comparative data will be used where appropriate to ensure that charges do not adversely affect the take up of services or restrict access to services. Full consideration will be given to the costs of administration and the opportunities for improving efficiency and reducing bureaucracy.

3. **Subsidy**
In general, fees and charges will aim to recover the full cost of services except where this is prevented by legislation, market conditions or where alternative arrangements have been expressly approved by the relevant Director. A proportionate business case should be created for all charges that a subsidised by the Council. Approval for the level of subsidy should be obtained from the relevant Service Director, in consultation with the Chief Finance Officer.

4. **Charging Levels**
A number of factors should be considered when determining the charge and these are documented in the accompanying Best Practice Guidance.

5. **Charging Exemptions**
All services provided by the Council will be charged for unless prevented by statute, detailed as exempt in the Best Practice Guidance or under exceptional circumstances agreed exempt by the relevant Director, in consultation with the Chief Finance Officer.

6. **Concessions**
Concessions to priority and target groups will be considered where appropriate, in accordance with any relevant government guidance and will take account of the user's ability to pay. All concessions should be fully justified in terms of achieving the Council's priorities. Wherever possible we will aim to provide concessions consistently across the Authority, in line with the Best Practice Guidance.

7. **Review of Charges**
All charges and the scope for charging will be reviewed at least annually within the service area, though charges within the same service area may need reviewing at separate times in the year. The review will include those services which could be charged for but which are currently provided free of charge. The annual review will be undertaken in accordance with the Best Practice Guidance.

The Council receives revenue income for the provision of services from a very diverse range of users. These range from large corporate organisations to individual residents. Some charges are set at the total discretion of the Council whereas other charges are set within a strict national framework.

Overall, however, fees and charges income is both an invaluable contribution to the running costs of individual services and a tool for assisting the delivery of specific service objectives. Either way, it is important for the level of charges to be reviewed on an annual basis. This will not necessarily result in an increase but to not do so should be as result of a conscious decision rather than as an oversight. Detailed schedules of fees and charges have been reviewed by relevant Service Committees during 2018:

- P&C schedule of fees and charges
- CS schedule of fees and charges
- P&E schedule of fees and charges

For business planning purposes all fees and charges are increased in line with CPI (consumer price index), which is between 1.7% and 2.2% for each of the years covered by the Business Plan. Therefore, even if a decision is taken to not increase some fees and charges the budget shortfall that this creates will need to be bridged through other operational savings. Conversely, if charges are increased above inflation this can contribute to departmental savings targets.

When considering increases services must take into account elasticities of demand. Whilst the majority of Council services are unaffected by market factors there will be some price sensitivities in all of the services that are provided, albeit many of these may only be short term.

## 6) Financial overview

### Funding summary

The Council's revenue spending is funded from a range of sources, both national and local. A summary of forecast funding levels over the next five years is set out in Table 6.1 below.

**Table 6.1: Total funding 2019-20 to 2023-24**

| | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 |
|---|---|---|---|---|---|
| Business Rates plus Top-up | 66,180 | 67,625 | 69,048 | 70,499 | 71,984 |
| Council Tax | 294,977 | 304,239 | 314,555 | 325,464 | 336,704 |
| Revenue Support Grant | 0 | -3,500 | -3,500 | -3,500 | -3,500 |
| Other Unringfenced Grants | 14,043 | 33,124 | 33,514 | 33,514 | 33,442 |
| Dedicated Schools Grant (DSG) | 232,219 | 232,219 | 232,219 | 232,219 | 232,219 |
| Other grants to schools | 13,434 | 13,434 | 13,434 | 13,434 | 13,434 |
| Better Care Funding | 26,487 | 23,186 | 23,186 | 23,186 | 23,186 |
| Other Ringfenced Grants | 39,507 | 11,623 | 11,623 | 11,623 | 11,623 |
| Fees & Charges | 118,434 | 118,322 | 124,502 | 124,789 | 124,978 |
| **Total gross budget** | **805,279** | **800,273** | **818,580** | **831,229** | **844,070** |
| Less grants to schools (1) | -245,653 | -245,653 | -245,653 | -245,653 | -245,653 |
| Schedule 2 DSG plus income from schools for traded services to schools | 75,629 | 75,629 | 75,629 | 75,629 | 75,629 |
| **Total gross budget excluding schools** | **635,255** | **630,249** | **648,556** | **661,205** | **674,046** |
| Less Fees, Charges & Ringfenced Grants | -260,057 | -228,760 | -234,940 | -235,227 | -235,416 |
| **Total net budget** | **375,198** | **401,489** | **413,616** | **425,978** | **438,630** |

(1) The Dedicated Schools Grant (DSG) and other grants to schools are received by the Council from Government but are ringfenced to pass directly on to schools. Therefore, this plan uses the figure for "Total budget excluding schools".

## Local Government Finance Settlement

In November 2015 the Government published a Spending Review covering 2016-17 to 2019-20. This set out detailed grant allocations for individual local authorities which was then confirmed by the Local Government Finance Settlement announced by the Government in December 2015.

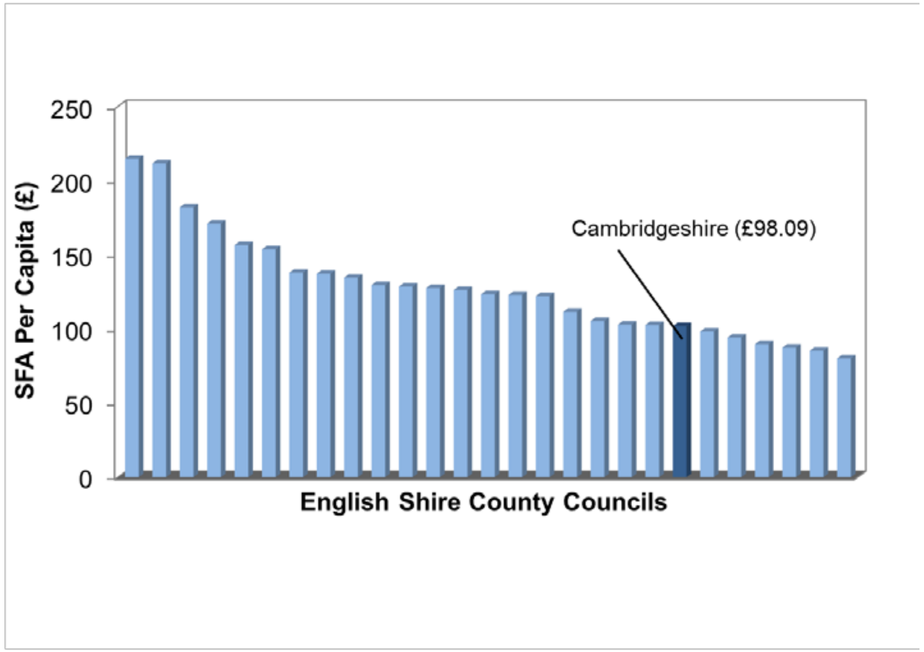
The headline position, as updated by the provisional 2019-20 Local Government Finance Settlement for Cambridgeshire County Council, is a 4% reduction in the Settlement Funding Assessment per capita from government in 2019-20. The overall change in government funding when specific grants are included is an increase of 1.5%.

**Table 6.2: Comparison of Cambridgeshire's 2018-19 and 2019-20 overall Government funding**

| | 2018-19 £000 | 2019-20 £000 |
|---|---|---|
| Business Rates plus Top-up | 65,732 | 66,180 |
| Revenue Support Grant | 3,915 | 0 |
| Other Unringfenced Grants | 11,305 | 16,367 |
| Better Care Funding | 24,744 | 26,487 |
| Other Ringfenced Grants | 38,312 | 37,183 |
| **Government Revenue Funding (excluding schools)** | **144,008** | **146,217** |
| **Difference** | | **2,209** |
| Percentage Increase | | 1.5% |

The Council's core government revenue funding is described as its Settlement Funding Assessment (SFA) and comprises Revenue Support Grant, Business Rates and Top-up grant. For 2019-20 Cambridgeshire's SFA award per head of population was the seventh lowest of all shire county councils, at only £98.09 compared to the average of £127.35.

**Figure 6.2: County Council SFA per Capita 2019-20**




## Revenue Support Grant

Within this overall reduction, the cuts to Revenue Support Grant (RSG) are the most severe with the Council's allocation having reduced by £86m since 2013-14. The Government announced in the 2019/20 provisional settlement that Cambridgeshire's allocation of £7.2m negative RSG will be written off. Negative RSG would have effectively required the Council to pay an additional £7.2m of locally generated business rates over to central Government. From 2020/21 onwards, RSG will be replaced by a new system of 75% business rates retention, allowing Local Authorities to retain a further 25% of local business rates as set out below.

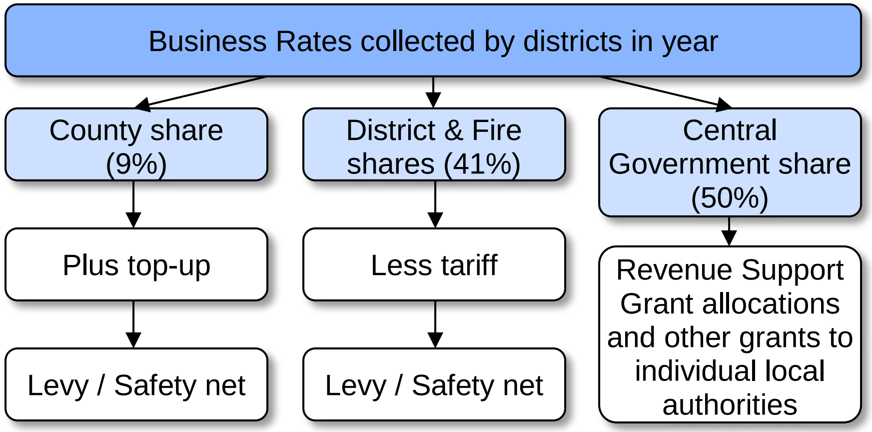
**Business Rates Retention Scheme**

The Business Rates Retention Scheme replaced the Formula Grant system in April 2013. Part of the Government's rationale in setting up the scheme was to allow local authorities to retain an element of the future growth in their business rates. Business rates collected during the year by billing authorities are split 50:50 between Central Government and Local Government. Central Government's share is used to fund Revenue Support Grant (RSG) and other grants to Local Government.

Figure 6.3 illustrates how the current scheme calculates funding for local authorities. Government decided that county councils will only receive 9% of a county's business rates. Although this low percentage has a beneficial effect by insulating the Council from volatility, it also means we see less financial benefit from growth in Cambridgeshire's business rates.

As part of the pilots ahead of the move to 75% local business rate retention in 2020-21 the Government has been looking at changing the percentage split between upper and lower tier authorities, which may increase both the Council's income and risk.

**Figure 6.3: Business Rates Retention Scheme**




On top of their set share, each authority pays a tariff or receives a top-up to redistribute business rates more evenly across authorities. The current system of fixed top-ups and tariffs set at the beginning of a spending review period, is likely to be replaced by a system of floating top-ups and tariffs. This will use Local Authorities' own annual estimates of business rates income to calculate the redistribution between Authorities. A levy and 'safety net' system also operates to ensure that a 1% increase in business rates is limited to a 1% increase in retained income, with the surplus funding any authority whose income drops by more than 7.5% below their baseline funding. It is proposed to increase the levy threshold to capture only 'extraordinary growth', which is likely to benefit Cambridgeshire as a high growth county, allowing us to retain a greater proportion of business rates growth. A separate baseline could also be introduced to provide a benchmark against which to measure growth. This baseline will be derived from an Authority's year-end business rates return to Government setting out the actual level of income achieved during the year.

These changes indicate a shift towards a more dynamic system for rewarding local economic growth. This is likely to reduce the certainty with which the Council can estimate the total funding available over the MTFS period however it will also provide greater opportunity to increase Council funding through promoting business growth in Cambridgeshire.

**Fair Funding Model**

The current tariffs and top-ups were set in 2013-14 based on the previous 'Four Block Model' distribution and increased annually by September CPI inflation. .  Cambridgeshire County Council has long been concerned about the use of the Four Block Model, particularly in reflecting accurately the costs and benefits of growth as well as the relative efficiency of local authorities and the pockets of deprivation in some areas of Cambridgeshire.  The consultation regarding the replacement of the current funding model is currently open and will feed into the system which is due to be rolled out in 2020-21 – Cambridgeshire County Council Members have already initiated positive steps to ensure our voice is heard in this critical forum.

A consultation on the review of Local Authorities' relative needs and resources was released as part of the 2019/20 provisional settlement. The Government is minded to implement a per capita foundation formula alongside seven service-specific funding formulas covering key areas of spending such as Adult Social Care and Highways Maintenance. An Area Cost Adjustment will adjust for differences in labour and business rates costs between Local Authority Areas and will also assess the impact of remoteness and accessibility of services.

It is likely that a notional council tax level will be used to account for the relative resources of Local Authorities and to adjust reallocated income accordingly. Shire Counties stand to benefit from this adjustment as they levy relatively high levels of Council Tax and will therefore lose a smaller proportion of their funding via an adjustment set at an average level.

The tier split of business rates between upper and lower tier authorities is one of the most contentious issues to be addressed during the consultation. Shire Counties have long argued for a larger proportion of business rates income however any change in the current allocations will be limited by the financial sustainability for District Councils. Transitional arrangements and damping adjustments will limit any significant short term changes to Local Authority funding. Additionally, as Cambridgeshire has historically ranked relatively close to average in terms of relative need and relative resources, any changes in funding allocation are unlikely to substantially impact the deliverability of the business plan over the medium term.

**Council Tax**

The Government sets Council tax referendum principles annually which stipulate the maximum percentage increase which local authorities may apply without triggering a referendum. In 2018-19, the maximum increase in the basic level of council tax was raised from 1.99% to 2.99%. The Secretary of State announced that this would give local authorities "the independence they need to help relieve pressure on local services" while "recognising the need to keep spending under control". Due to significant sustained pressure on Council budgets during the current spending review period, the Government has allowed Local Authorities to maintain the same core principle in 2019-20.

Cambridgeshire County Council starts the Business Planning Process with a Council Tax rate below the average for all counties. Responding to the need to protect vital services and put the Council's finances on a firm footing, the Council is increasing basic council tax by 1.99% in 2019-20. Prior to 2018-19, Council tax had not been increased in three years. The increase of 1.99% is in line with the inflation forecasts of the Office of Budgetary Responsibility set out earlier in this document.

**Adult Social Care Precept**

Announced in the Spending Review in November 2015, local authorities responsible for adult social care ("ASC authorities") were granted permission to levy an additional 2% on their current Council Tax referendum threshold to be used entirely for adult social care. This was in recognition of demographic changes which are leading to growing demand for adult social care, increasing pressure on council budgets. The Council chose to make use of this permission and levied the full 2% precept in 2016-17.

The 2017-18 settlement announcement extended the flexibility of the Adult Social Care precept, confirming that upper-tier authorities will be able to increase this to 3% over the next two years. However, the total increase may be no more than 6% in total over the next three years.

The Council chose not to use this additional flexibility, levying a 2% precept for 2018-19 and projecting this to continue for all five years of the Medium Term Strategy. It should be noted that the availability of the Adult Social Care precept beyond 2019-20 has not yet been confirmed by Government and this assumption will be revisited annually and updated as required.

**Council Tax Requirement**

The current Council Tax Requirement (and all other factors) gives rise to a 'Band D' Council Tax of £1,299.69. This is an increase of 3.99% on the actual 2018-19 level due to levying the Adult Social Care Precept and 1.99% increase in basic Council Tax levels. This figure reflects information from the districts on the final precept and collection fund.

**Table 6.3: Build-up of recommended Council Tax Requirement and derivation of Council Tax precept 2019-20**

| | 2019-20 £000 | % Rev. Base |
|---|---|---|
| **Adjusted base budget** | **785,047** | |
| Transfer of function | -404 | |
| **Revised base budget** | **784,643** | |
| Inflation | 6,377 | 0.8% |
| Demography | 8,893 | 1.1% |
| Pressures | 15,763 | 2.0% |
| Investments | -2,849 | -0.4% |
| Savings | -25,868 | -3.3% |
| Change in reserves/one-off items | 18,320 | 2.3% |
| **Total budget** | **805,279** | **102.7%** |
| **Less funding:** | | |
| Business Rates plus Top-up | 66,180 | 8.4% |
| Revenue Support Grant | 0 | 0.0% |
| Dedicated Schools Grant | 232,219 | 29.6% |
| Unringfenced Grants (including schools) | 27,476 | 3.5% |
| Ringfenced Grants | 65,994 | 8.4% |
| Fees & Charges | 118,434 | 15.1% |
| Surplus/deficit on collection fund | 729 | 0.1% |
| **Council Tax requirement** | **294,247** | **37.6%** |
| District taxbase | 226,398 | |
| **Band D** | **1,299.69** | |

Taxes for the other bands are derived by applying the ratios found in Table 6.4. For example, the Band A tax is 6/9 of the Band D tax.

**Table 6.4: Ratios and amounts of Council Tax for properties in different bands**

| Band | Ratio | Amount £ | Increase on 2018-19 £ |
|---|---|---|---|
| A | 6/9 | 866.46 | 33.24 |
| B | 7/9 | 1,010.87 | 38.78 |
| C | 8/9 | 1,155.28 | 44.32 |
| **D** | **9/9** | **1,299.69** | **49.86** |
| E | 11/9 | 1,588.51 | 60.94 |
| F | 13/9 | 1,877.33 | 72.02 |
| G | 15/9 | 2,166.15 | 83.10 |
| H | 18/9 | 2,599.38 | 99.72 |

## Unringfenced grants

The Council expects to receive £27.476m in unringfenced grants in 2019-20, excluding school's grants; an increase of £16.17m on the budgeted 2018-19 total of £11.305m. This is principally due to the announcement of an additional £3.97m funding for Social Care in the 2018 Autumn budget And the cancellation of negative RSG in 2019/20. The 2018-19 Local Government Finance Settlement confirmed the Public Health Grant would remain ringfenced until 2020-21 at which point it will be rolled into the shift to 75% business rates retention. This has resulted in a shift in savings ask to Public Health Grant funded expenditure in order match the level of grant funding available. Planning collaboratively across directorates on an outcomes basis should enable the Council to reach a position where the presence or absence of the ringfence becomes less important. However there may be a risk that when the ringfence is removed, Public Health England will require achievement of performance and activity targets which require more funding to deliver than we are currently allocating.

**Table 6.5: Unringfenced grants for Cambridgeshire 2019-20**

| | 2019-20 £000 |
|---|---|
| New Homes Bonus | 2,970 |
| Education Services Grant | 1,511 |
| Social Care Support Grant | 3,970 |
| Other | 5,592 |
| **Total unringfenced grants** | **14,043** |

**Ringfenced grants**

The Council receives a number of government grants designated to be used for particular purposes. This funding is managed by the appropriate Service Area and the Council's ringfenced grants are set out within part 7 of Table 3 of the relevant Service Area in Section 3 of the Business Plan.

Major sources of ringfenced funding include the Better Care Fund. This pooled fund of £3.8bn nationally took full effect in 2015-16, and is intended to allow health and social care services to work more closely in local areas. The improved Better Care Fund announced in the Spring 2017 budget, is worth £12.4m in 2019-20. The future of this funding source is uncertain beyond 2019-20 so the MTFS assumes that the iBCFa grant (current value £9.1m) will continue to be received from 2020-21 onwards and the iBCFb grant (current value £3.4m) will cease in 2020-21.

In line with the Secretary of State's announcement as part of the provisional Local Government Finance Settlement and the concomitant announcement by the Department of Health, we have assumed that we will receive all sources of funding due to the Council. This includes Better Care Funding for Adult Social Care, routed via Clinical Commissioning Groups (CCGs) and the Local Health and Wellbeing Board.

**Fees and charges**

A significant, and increasing, proportion of the Council's income is generated by charging for some of the services it provides. There are a number of proposals within the Business Plan that are either introducing charging for services for the first time or include a significant increase where charges have remained static for a number of years. The Council adopts a robust approach to charging reviews, with proposals presented to Members on an annual basis.

**Dedicated Schools Grant**

The Council receives the Dedicated Schools Grant (DSG) from the Government and it is therefore included in our gross budget figures in table 6.1. However, this grant is ring-fenced to pass directly on to schools, other education providers and services. This plan therefore uses the figure for “total budget excluding grants to schools”. The DSG funding arrangements for 2019-20 are based on a national funding formula introduced in 2018-19 which provides a cash increase of 0.5% (a year) per pupil for every school. The impact on individual schools will be dependent on their individual circumstances, whilst centrally retained services will be funded based on the overall level of available resources.

## Capital programme spending

The 2019-20 ten year capital programme worth £758m is currently estimated to be funded through £572m of external grants and contributions, £62m of capital receipts and £124m of borrowing (Table 6.6). This is in addition to previous spend of £692m on some of these schemes creating a total Capital Programme value of £1.4 billion. The related revenue impact of prudential borrowing is due to increase from £28.2m in 2019-20, to £43.4m by 2023-24. However, this will in part be offset by the forecast income from the various Invest to Earn schemes.

**Table 6.6: Funding the capital programme 2019-20 to 2028-29**

| | Prev. years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later years £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|
| Grants | 200,378 | 36,549 | 48,520 | 37,053 | 37,078 | 32,754 | 43,134 | **435,466** |
| Contributions | 75,387 | 54,133 | 28,105 | 40,051 | 33,264 | 10,848 | 170,899 | **412,687** |
| General capital receipts | 52,460 | 45,403 | 5,822 | 7,418 | 500 | 500 | 2,000 | **114,103** |
| Prudential borrowing | 251,320 | 81,763 | 90,262 | 22,821 | 17,479 | 22,378 | 1,430 | **487,453** |
| Prudential borrowing (repayable) | 111,966 | 50,791 | -1,797 | -14,091 | -2,040 | -250 | -144,578 | **1** |
| **Total funding** | **691,511** | **268,639** | **170,912** | **93,252** | **86,281** | **66,230** | **72,885** | **1,449,710** |

Section 3 later in the Business Plan sets out the detail of the 2019-20 to 2028-29 capital schemes which are summarised in the tables below. Total expenditure on major new investments underway or planned includes:

- Providing for demographic pressures regarding new schools and children's centres (£693m)
- Housing Provision (£153m)
- Commercial Investment Portfolio (£92m)
- Major road maintenance (£79m)
- Rolling out superfast broadband (£36m)

- King’s Dyke Crossing (£30m)
- A14 Upgrade (£25m)
- Renewable Energy – North Angle Solar Farm (£23m)
- Shire Hall Relocation (£18m)
- Integrated Community Equipment Service (£13m)
- Transformation Activity (£11m)
- Babraham Smart Energy Grid (£11m)
- Stanground Closed Landfill Energy Project (£10m)
- Waste Facilities – Cambridge Area (£8m)
- Trumpington Smart Energy Grid (£7m)
- Cambridgeshire Public Services Network Replacement (£6m)
- MAC Joint Highways Depot (£5m)
- Development of Archive Centre premises (£5m)

Table 6.7 summarises schemes according to start date, whereas Table 6.8 summarises capital expenditure by service. These tables include schemes that were committed in previous years but are scheduled to complete from 2019-20 onwards.

**Table 6.7: Capital programme for 2019-20 to 2028-29**

| | Prev. years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later years £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|
| Ongoing | 117,938 | 38,290 | 6,180 | 23,008 | 17,176 | 14,581 | 22,987 | **240,160** |
| Commitments | 570,381 | 189,878 | 72,611 | 45,619 | 14,345 | 3,744 | 21,113 | **917,691** |
| **New starts:** | | | | | | | | |
| 2018-19 | 402 | 2,260 | 52,016 | 550 | 24,600 | 12,000 | 530 | **92,358** |
| 2019-20 | 2,779 | 38,141 | 39,665 | 15,255 | 3,925 | 155 | - | **99,920** |
| 2020-21 | - | 70 | 180 | 2,300 | 900 | 50 | - | **3,500** |
| 2021-22 | 10 | - | 10 | 500 | 8,150 | 5,700 | 1,110 | **15,480** |
| 2022-23 | 1 | - | - | 1,020 | 13,185 | 12,710 | 425 | **27,341** |
| 2023-24 | - | - | 250 | 5,000 | 4,000 | 16,790 | 3,420 | **29,460** |
| 2024-25 | - | - | - | - | - | 500 | 23,300 | **23,800** |
| 2025-26 | - | - | - | - | - | - | - | **-** |
| **Total spend** | **691,511** | **268,639** | **170,912** | **93,252** | **86,281** | **66,230** | **72,885** | **1,449,710** |

**Table 6.8: Services' capital programme for 2019-20 to 2027-28**

| Scheme | Prev. years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later years £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|
| P&C | 215,018 | 126,290 | 90,710 | 69,727 | 66,713 | 50,316 | 52,085 | **670,859** |
| P&E | 304,996 | 45,415 | 25,953 | 19,352 | 18,768 | 15,114 | 16,800 | **446,398** |
| CS & Managed | 12,769 | 6,491 | 3,439 | 3,219 | - | - | - | **25,918** |
| C&I | 158,728 | 90,443 | 50,810 | 954 | 800 | 800 | 4,000 | **306,535** |
| LGSS | - | - | - | - | - | - | - | **-** |
| **Total** | **691,511** | **268,639** | **170,912** | **93,252** | **86,281** | **66,230** | **72,885** | **1,449,710** |

The capital programme includes the following Invest to Save / Invest to Earn schemes:

**Table 6.9: Invest to Save / Earn schemes for 2019-20 to 2028-29**

| Scheme | Total Investment (£m) | Total Net Return (£m) |
|---|---|---|
| Energy Efficiency Fund | 1.0 | 0.6 |
| Commercial Investments | 96.7 | 159.0 |
| Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride | 3.6 | 1.6 |
| Babraham Smart Energy Grid | 11.4 | 24.3 |
| Trumpington Smart Energy Grid | 7.0 | 7.0 |
| Stanground Closed Landfill Energy Project | 9.7 | 36.9 |
| Woodston Closed Landfill Energy Project | 2.5 | 9.0 |
| Renewable Energy – North Angle Solar Farm | 23.2 | 43.5 |
| Housing schemes | 148.2 | 65.9 |
| County Farms investment (Viability) | 3.0 | 4.2 |
| MAC Joint Highways Depot | 5.2 | 0.2 |
| Shire Hall Relocation | 18.3 | - |
| **TOTAL** | **329.9** | **352.2** |

**7) Balancing the budget**

Every local authority is required, under legislation, to set a balanced budget every year. It is the Chief Finance Officer's statutory responsibility to provide a statement on the robustness of the budget proposals when it is considered by Council.

The Business Planning process is a rolling five year assessment of resource requirements and availability, providing clear guidance on the level of resources that services are likely to have available to deliver outcomes over that period. Obviously projections will change with the passage of time as more accurate data becomes available and therefore these projections are updated annually. This process takes into account changes to the forecasts of inflation, demography, and service pressures such as new legislative requirements that have resource implications.

There are a number of methodologies that councils can adopt when developing their budget proposals. These methodologies, to a lesser or greater extent, fall into two fundamental approaches. The first is an incremental approach that builds annually on the budget allocations of the preceding financial year. The second is built on a more cross-cutting approach based on priorities and opportunities. There are advantages and disadvantages with both approaches.

Since 2017-18 the Council is moved to a budget where the transformation programme is at the heart of its construction. As a consequence the Council no longer utilises the traditional service block cash limit approach except as last resort.

Although the base budget is predicated on the cash limit approach, and therefore it will take some time to completely remove it from our financial model, any changes that arise on an on-going basis will, where possible, be funded through the cross cutting approach to transformation. The six-blocks of the cash limit model is however set out below for information:

- People and Communities
- Place and Economy
- Corporate and Managed Services
- Public Health
- LGSS Cambridge Office
- Commercial and Investment

It is intended that savings and efficiency proposals evolving from work on cross-cutting transformation themes will sufficiently manage the cost of service delivery to within the financial envelope.

Detailed spending plans for 2019-20, and outline plans for later years, are set out within Section 3 of the Business Plan.

**8) Reserves policy and position**

**Need for reserves**

We need reserves to protect and enhance our financial viability. In particular, they are necessary to:

- maintain a degree of in-year financial flexibility
- enable us to deal with unforeseen circumstances and incidents
- set aside monies to fund major developments in future years
- enable us to invest to transform and improve service effectiveness and efficiency
- set aside sums for known and predicted liabilities
- provide operational contingency at service level
- provide operational contingency at school level

**Reserve types**

The Council maintains the following types of reserve:

- **General reserve** – a working balance to cushion the impact of uneven cash flows. The reserve also acts as a contingency that we can use in-year if there are unexpected emergencies, unforeseen spending or uncertain developments and pressures where the exact timing and value is not yet known and/or in the Council's control. The reserve also provides coverage for grant and income risk.

- **Earmarked reserves** – reserves we have set aside to meet known or predicted liabilities e.g. insurance claims, or that we set aside for specific and designated purposes.

- **Schools reserves** – we encourage schools to hold general contingency reserves within advisory limits.

- **Transformation Fund** – an earmarked reserve created as a result of changes to the Minimum Revenue Provision, set aside to support innovative projects across the Council that will deliver savings in future years.

- **Innovate & Cultivate Fund** – Initially worth £1 million, the fund is to help community organisations with big ideas for transformative preventative work that will make a positive impact on Council expenditure. Applications were invited for funding for projects which demonstrably make an impact on County Council priority outcomes – particularly in relation to working with vulnerable people, thereby diverting children and adults from needing high-cost Council services.

- **Smoothing Fund** – In January 2018, the Council’s General Purposes Committee agreed to allocate the additional funds raised from the increase in general council tax, beyond those used to balance the 2018-19 budget, to a smoothing reserve. This reserve will be topped up in 2019-20 using additional council tax receipts due to the 2.99% increase in 2018-19 and planned increase of 1.99% in 2019-20.

**Level of reserves**

We need to consider the general economic conditions, the certainty of these conditions, and the probability and financial impact of service and business risks specific to the Council in order to calculate the level of reserves we need to hold.

There are risks associated with price and demand fluctuations during the planning period. There is also continued, albeit reducing, uncertainty about the financial impact of major developments currently in progress.

At the operational level, we have put effort into reducing risk by improving the robustness of savings plans to generate the required level of cash-releasing efficiencies and other savings.

**Table 8.1: Estimated level of reserves by type 2019-20 to 2023-24**

| **Balance as at:** | **31 March 2019 £m** | **31 March 2020 £m** | **31 March 2021 £m** | **31 March 2022 £m** | **31 March 2023 £m** | **31 March 2024 £m** |
|---|---|---|---|---|---|---|
| General reserve | 11.5 | 15.7 | 15.7 | 15.7 | 15.7 | 15.7 |
| Earmarked reserves | - | - | - | - | - | - |
| Schools reserves | 22.4 | 23.2 | 25.5 | 28.5 | 30.7 | 32.4 |
| Transformation & Innovation Funds* | 21.9 | 21.9 | 21.9 | 21.9 | 21.9 | 21.9 |
| Smoothing Reserve | 22.2 | 26.2 | 34.1 | 39.5 | 44.2 | 48.5 |
| **Total** | **78.0** | **96.4** | **115.9** | **133.4** | **149.7** | **165.0** |
| General reserve as % of gross non-school budget | 2.1% | 2.8% | 2.8% | 2.8% | 2.7% | 2.6% |

*The Transformation and Innovation Funds have been created as a result of a revision to the calculation of the Council's minimum revenue provision (MRP) and only accounts for transformation bids approved by GPC.

**Adequacy of the general reserve**

Greater uncertainties in the Local Government funding environment, such as arise from the Business Rates Retention Scheme and localisation of Council Tax Benefit, increase the levels of financial risk for the Council. As a result of these developments we reviewed the level of our **general reserve** and have set a target for the underlying balance of no less than 3% of gross non-school spending in 2019-20, this level will be maintained for the whole of the MTFS period.

We have paid specific attention to current economic uncertainties and the cost consequences of potential Government legislation in order to determine the appropriate balance of this reserve. The table below sets out some of the known risks presenting themselves to the Council. There will inevitably be other, unidentified, risks and we have made some provision for these as well.

We consider this level to be sufficient based on the following factors:

- Central Government will meet most of the costs arising from major incidents; the residual risk to the Council is just £1m if a major incident occurred.
- We have identified all efficiency and other savings required to produce a balanced budget and have included these in the budgets.

**Table 8.2: Target general reserve balance for 2019-20 to 2023-24**

| Risk | Source of risk | Value £m |
|---|---|---|
| Inflation | 0.5% variation on Council inflation forecasts. | 0.7 |
| Demography | 0.5% variation on Council demography forecasts. | 0.7 |
| Interest rate change | 0.5% variation in the Bank of England Base Rate. | 0.1 |
| Council Tax | Inaccuracy in District tax base forecasts and collection levels. | 1.2 |
| Business Rates | Inaccuracy in District taxbase forecasts of County share of Business Rates to the value which triggers the Safety Net. | 0.5 |
| Business Rates payable | Impact of revaluation on Business Rates payable. | 0.5 |
| Unconfirmed specific grant allocations | Value of as yet unannounced specific grants different to budgeted figures. | 1.3 |
| Deliverability of savings against forecast timescales | Savings to deliver Business Plan not achieved. | 2.6 |
| Non-compliance with regulatory standards | E.g., Information Commissioner fines. | 0.5 |
| Major contract risk | E.g., contractor viability, mis-specification, non-delivery. | 2.1 |
| Unidentified risks | Unknown | 6.5 |
| **Balance** | | **16.7** |

**9) Business Plan roles and responsibilities**

The Business Plan is developed through the Council's committee structure. It is therefore beneficial to clarify the respective roles and responsibilities of committees within this process. These are defined in the Constitution but are set out below in order.

**Full Council**

Council is the only body that can agree the Council's budget and the associated Council Tax to support the delivery of that budget. It discharges this responsibility by agreeing the Business Plan in February each year. In agreeing the Business Plan the Council formally agrees the budget allocations for the service blocks (currently based on a departmental structure). The Business Plan includes both revenue and capital proposals and needs to be a 'balanced' budget. The following is set out within Part 3 of the Constitution – Responsibility for Functions.

Council is responsible for:

"(b) Approving or adopting the Policy Framework and the Budget

(c) Subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 4 of this Constitution, making decisions about any matter in the discharge of a committee function which is covered by the Policy Framework or the Budget where the decision-making body is minded to make it in a manner which would be contrary to the Policy Framework or contrary to, or not wholly in accordance with, the Budget

(d) Approving changes to any plan or strategy which form part of the Council's Policy Framework, unless:

i. that change is required by the Secretary of State or any Government Minister where the plan or strategy has been submitted to him for approval, or

ii. Full Council specifically delegated authority in relation to these functions when it approved or adopted the plan or strategy"

**General Purposes Committee**

GPC has the responsibility for the delivery of the Business Plan as agreed by Council. It discharges this responsibility through the service committees. In order to ensure that the budget proposals that are agreed by service committees have an opportunity to be considered in detail outside of the Council Chamber, those proposals will be co-ordinated through GPC, though Full Council remains responsible for setting a budget. GPC does not have the delegated authority to agree any changes to the budget allocations agreed by Council save for any virement delegations that are set out in the Constitution.

The following is set out within Part 3 of the Constitution – Responsibility for Functions.

> "The General Purposes Committee (GPC) is authorised by Full Council to co-ordinate the development and recommendation to Full Council of the Budget and Policy Framework, as described in Article 4 of the Constitution, including in-year adjustments."

> "Authority to lead the development of the Council's draft Business Plan (budget), to consider responses to consultation on it, and recommend a final draft for approval by Full Council. In consultation with relevant Service Committees"

> "Authority for monitoring and reviewing the overall performance of the Council against its Business Plan"

> "Authority for monitoring and ensuring that Service Committees operate within the policy direction of the County Council and making any appropriate recommendations"

GPC is also a service committee in its own right and, therefore, also has to act as a service committee in considering proposals on how it is to utilise the budget allocation given to it for the delivery of services within its responsibility.

**Service Committees**

Service committees have the responsibility for the operational delivery of the Business Plan as agreed by Council within the financial resources allocated for that purpose by Council. The specific functions covered by the committee are set out in the Constitution but the generic responsibility that falls to all is set out below:

> "This committee has delegated authority to exercise all the Council's functions, save those reserved to Full Council, relating to the delivery, by or on behalf of, the County Council, of services relating to…"

**10) Risks**

In providing budget estimates, we have carefully considered financial and operational risks. The key areas of risk, and the basic response to these risks, are as follows:

- **Containing inflation to funded levels** – we will achieve this by closely managing budgets and contracts, and further improving our control of the supply chain.
- **Managing service demand to funded levels** – we will achieve this through clearer modelling of service demand patterns using numerous datasets that are available to our internal Research Team and supplemented with service knowledge. A number of the proposals in the Business Plan are predicated on averting or suppressing the demand for services.
- **Delivering savings to planned levels** – we will achieve this through SMART (specific, measurable, achievable, relevant and timely) action plans and detailed review. All savings – efficiencies or service reductions – need to be recurrent. We have built savings requirements into the base budget and we monitor these monthly as part of budgetary control.
- **Containing the revenue consequences of capital schemes to planned levels** – capital investments sometimes have revenue implications, either operational or capital financing costs. We will manage these by ensuring capital projects do not start without a tested and approved business case, incorporating the cost of the whole life cycle.
- **Responding to the uncertainties of the economic recovery** – we have fully reviewed our financial strategy in light of the most recent economic forecasts, and revised our objectives accordingly. We keep a close watch on the costs and funding sources for our capital programme, given the reduced income from the sale of our assets and any delays in developer contributions.
- **Future funding changes** – our plans have been developed against the backcloth of continued reductions in Local Government funding.

Uncertainties remain throughout the planning period in relation to the above risks. In line with good practice, we intend to reserve funds that we can use throughout and beyond the planning period. Together with a better understanding of risk and the emerging costs of future development proposals, this will help us to meet such pressures.

**Appendix 1 – Fees and Charges Best Practice Guidance**

The Council provides a wide range of services for which it has the ability to make a charge – either under statutory powers (set by the government) or discretionary (set by the Council).
Fees and charges fall into three categories:

- **Statutory prohibition on charging**: Local authorities must provide such services free of charge at the point of service. Generally these are services which the authority has a duty to provide.
- **Statutory charges:** Charges are set nationally and local authorities have little or no opportunity to control such charges. These charges can still contribute to the financial position of the Authority. Income cannot be assumed to increase in line with other fees and charges.
- **Discretionary charges**: Local authorities can make their own decisions on setting such charges. Generally these are services that an authority can provide but is not obliged to provide.

This Best Practice Guidance applies to discretionary fees and charges and trading activities. It is supported by the Fees and Charges Flowchart attached at Appendix 1 and the Supplementary Guidance on Concessions and Flowchart attached at Appendix 2.

If you are charging for information which falls under Environment Information Regulations (EIR), please be aware that the legislation changed in 2016 and the Council has additional guidance for constructing these charges. Please contact Camilla Rhodes if you require further information.

**PURPOSE OF THE GUIDANCE**

The purpose of the Best Practice Guidance is to specify the processes and frequencies for reviewing existing charging levels and to provide guidance on the factors that need to be taken into consideration when charges are reviewed on an annual basis.

The Best Practice Guidance and Fees and Charges Policy together provide a consistent approach in setting, monitoring and reviewing fees and charges across Cambridgeshire County Council. This will ensure that fees and charges are aligned with corporate objectives and the process is carried out in a uniform manner across the authority.

Any service-specific policies should be consistent with the Fees and Charges Policy and Best Practice Guidance.

**ASSESSMENT OF CHARGING LEVELS – THE STANDARD CHARGE**

The cost of providing the service should be calculated. When estimating the net cost of providing a service, the previous year's actual results (in terms of income, activity levels and expenditure) must be taken into account. Where assumptions are made based on variables such as increased usage, this should be evidenced by an action plan detailing how this will be achieved.

Charges should be set so that in total they cover the actual cost of providing the service including support service charges and other overheads. Any subsidy arising from standard charges being set at a level below full cost should be fully justified in terms of achieving the Council's priorities in the Business Case detailed in Section 3 of this Guidance. Where it is not appropriate or cost effective to calculate the cost of service provision at an individual level, charges may be set so that overall costs are recovered for the range of services which are delivered within a service area.

In order to ensure cost effectiveness and efficiency when setting and amending charging levels, the following are to be considered:

- Justification in the setting of charges to withstand any criticisms and legal challenges;
- Obstacles to maximising full cost recovery when providing the service;
- Access to and impact on users;
- Future investment required to improve or maintain the service;
- Relevant government guidance;
- Corporate objectives, values, priorities and strategies.

The following should be considered during the process, which may result in charges being set at a lower level than cost recovery:

- Any relevant Council strategies or policies;
- The need for all charges to be reasonable;
- The level of choice open to customers as to whether they use the Councils services;
- The desirability of increasing usage or rationing of a given service (i.e reducing charges during off-peak times).

**LEVEL OF SUBSIDY**

Where charges are made for services, users pay directly for some or all of the services they use. Where no charges are made or where charges do not recover the full cost of providing a service, council tax payers subsidise users.

Fees and charges will be set at a level that maximises income generation and recovers costs, whilst encouraging potential users to take up the service offered and ensuring value for money is secured, except in instances where the Council views a reduction in the service uptake as a positive. The Council can maximise income generation through:

- Charging the maximum that users are prepared to pay, taking into account competitor pricing, when a service is 'demand led' or competes with others based on quality and/or cost.
- Differential charging to tap into the value placed on the service by different users.
- Reduce a fee or charge in order to stimulate demand for a service to maximise the Council's market share, which will lead to an increase in income generation.

A Business Case should be created for all services that require a subsidy from the Council when charges are reviewed. The Business Case should outline how the subsidy will be applied to the service area and incorporate the following:

- Demonstrate that the subsidy is being targeted at top priorities;
- Provide justification for which users should benefit from the subsidy;
    - All users - through the Standard Charge being set at a level lower than cost recovery;
    - Target groups – through the application of the Concessions Guidance (Appendix 2).

Approval for the subsidy should be obtained from the relevant Executive Director, in consultation with the Chief Finance Officer.

**CONCESSIONS**

Concessions may be used to provide a discount from the Standard Charge for specific groups for certain services. Services must ensure that the fees and charges levied for discretionary services are fair and equitable and support social inclusion priorities. All decisions on concessions for services and trading activities will be taken with reference to and in support of Council priorities and recorded as delegated decisions, as appropriate.

All relevant government guidance should be considered by each service area when concessionary groups and charging levels are set. Concessions should only be granted to the residents of Cambridgeshire. A business case should be approved which details the rationale for directing subsidy towards a target group.

Concessionary Charges may also be made available to organisations whose purpose is to assist the Council in meeting specific objectives in its priorities and policy framework, or which contribute to the aims of key local partnerships in which the council has a leading role.

The level of concession should be set with regard to the service being provided and its use and appeal to the groups for whom concessions are offered. The appropriate Director will approve the level of concession and the groups for whom the concessions apply once all budgetary and other relevant information for the service has been considered. The level of concession and the target groups in receipt of the concession should be made explicit during the approval process and be fully justified in terms of achieving the Council's priorities. The take-up of concessions should be monitored to identify how well concession schemes are promoting access to facilities.

The Local Government Act 2003 and its accompanying guidance states that charges may be set differentially, so that different people are charged different amounts. However, it is not intended that this leads to some users cross-subsidising others. The costs of offering a service at a reduced charge should be borne by the authority rather than other recipients of the service. This should be borne in mind when setting concessions or promoting use of a service by specific target groups.

There is a flowchart at the end of this appendix to support Services when designing concessions.

**CHARGING EXEMPTIONS**

Exemptions relate to service areas where no charges are levied to any of the service users. There will be a number of important circumstances where charges should not be made. The following are Charging Exemptions:

- Where the administrative costs associated with making a charge would outweigh potential income.
- Where charging would be counterproductive (i.e result in reduced usage of the service).

**PROCESSES AND FREQUENCIES**

Reviews will be carried out at least annually for all services in time to inform the budget setting process, will take account of inflationary pressures and will be undertaken in line with budget advice provided by Corporate Finance. The reviews will be undertaken by all Service Areas that provide services where charges could be applied. The annual review of charges will consider the following factors:

- Inflationary pressures;
- Council-wide and service budget targets;
- Costs of administration;
- Scope for new charging areas.

Customers should be given a reasonable period of notice before the introduction of new or increased charges. Where possible, the objectives of charging should be communicated to the public and users and taxpayers should be informed of how the charge levied relates to the cost of provider the service.

**COLLECTION OF CHARGES AND OUTSTANDING DEBTS**

The most economic, efficient and effective method of income and debt collection should be used and should comply with the requirements of Financial Regulations. When collecting fees and charges income, services should use the most cost effective method available, i.e. online or with card, thus minimising the use of cash and cheque payments and invoicing as a method of collection wherever possible.

Wherever it is reasonable to do so, charges will be collected either in advance or at the point of service delivery.

Where charges are to be collected after service delivery has commenced, invoices will be issued promptly on the corporate system.

Where a debtor fails to pay for goods or services the relevant Service Director should consider withholding the provision of further goods or services until the original debt is settled in full, where legislation permits.

Charges and concessions will be clearly identified and publicised on the Council’s external website so that users are aware of the cost of a service in advance of using it.

**APPROVALS**

All decisions on charges for services and trading activities will be approved by the relevant Director, in consultation with the Chief Finance Officer and recorded as delegated decisions, as appropriate.

**MONITORING AND IMPROVEMENT**

Monitoring will be used to understand how charges affect the behaviour of users (especially target groups) and drive improvement. Price sensitivities of individuals and groups should be understood so that charges can be set appropriately to deliver the levels or changes in service use necessary to achieve objectives.

As part of the monitoring and improvement process, a Schedule of Fees and Charges shall be maintained and challenging targets for charging and service use shall be established.

A Schedule of Fees and Charges shall be maintained by the Chief Finance Officer for all discretionary charges.

Specific financial, service quality and other performance targets should be set, monitored and reported to the appropriate level to ensure that high levels of efficiency and service quality are achieved. Examples include:

- Cost of service provision against targets and benchmarking authorities;
- Usage by target groups i.e. number of visits / requests;
- Usage during peak time / off –peak time;
- Income targets;
- Percentage of costs recovered;
- Costs of methods of billing and payment;
- Excess capacity.

Service managers should, wherever possible, benchmark with the public, private and voluntary sectors not only on the level of charges made for services but the costs of service delivery, levels of cost recovery, priorities, impact achieved and local market variations in order to ensure the Council generates maximum income.

Benchmarking should be proportionate and have clear objectives. It should be remembered that benchmarking can be resource intensive, therefore prior to commencing such an exercise, there should be a clear expectation of added value outcomes. If benchmarking is undertaken, wherever possible, this should be with similar types of organisations, but may include private sector providers as well as public sector.

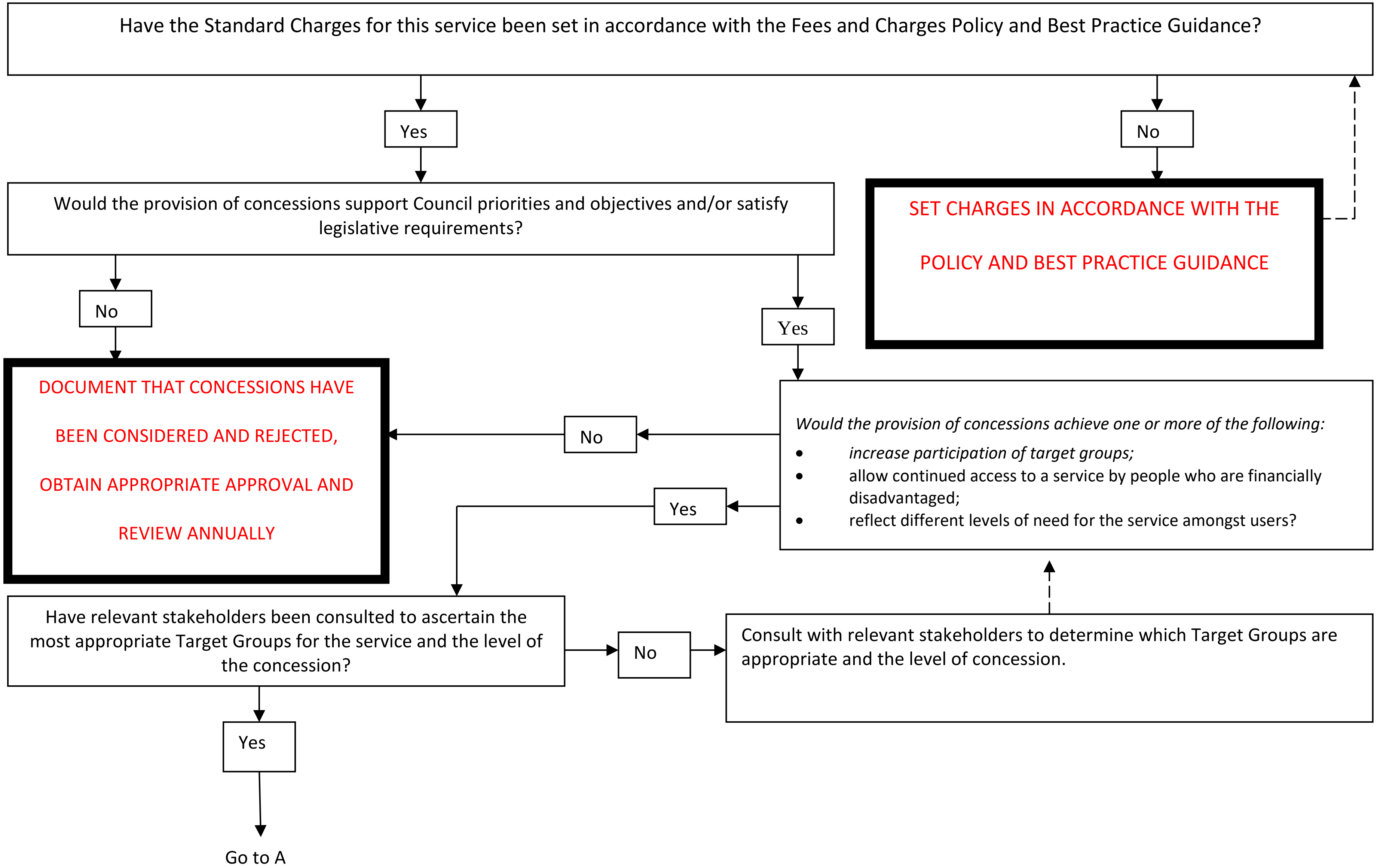
**UNDER/OVERACHIEVEMENT OF FEES AND CHARGES.**

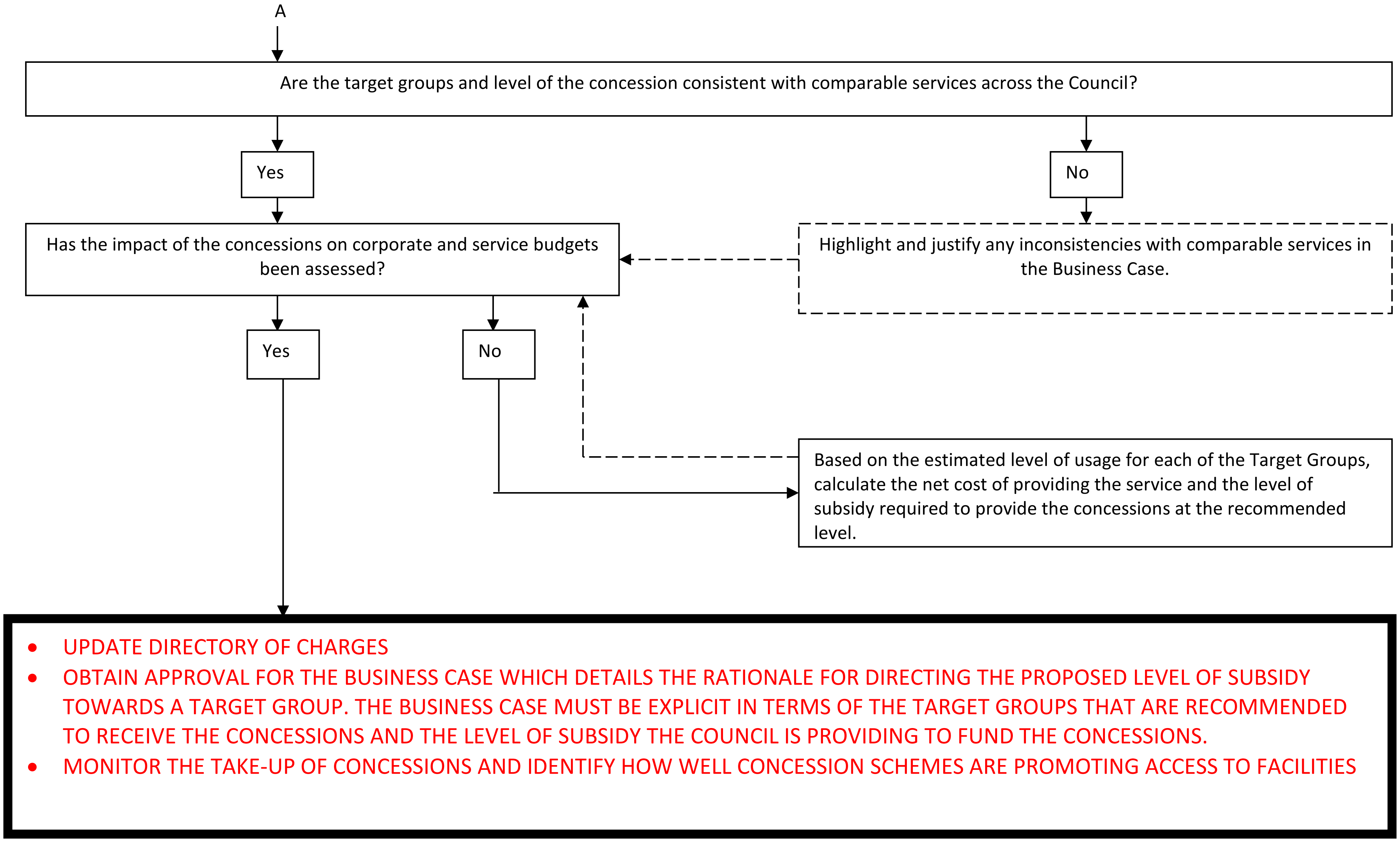
At a level deemed appropriate by the relevant service, a clear escalation process should be in place for the under or overachievement of charges.

For an overachievement of a charge, the simple process should be for budget holders to inform the Head of Service, the Director of Service and the Financial Advisor. Within the year, if there is an overachievement of fees and charges, then the budget holder, head of service and director should discuss how to use this surplus to offset any areas running an overspend within the budget/service. At the end of the year, an overachievement in charges should result in discussions with the budget holder, head of service and director to increase the target of that particular fee or charge, in line with the Council's income generation aim.

For an underachievement of a fee or charge within a service, the budget holder, and their financial advisor, should attempt to mitigate this underachievement as much as possible within their own service. If a budget holder is unable to mitigate a failure, then the Head of service should mitigate the underachievement within their service. Failing this, the director should attempt to do the same for the directorate, before further escalating the underachievement to the Chief Finance Officer should the directorate be unable to mitigate the failure to meet an income target for any fee or charge. Again, if this underachievement takes place at the end of the year, this should be reflected within the schedule of fees and charges, with an amendment for a more realistic and achievable target.

**FEES AND CHARGES: CONCESSIONS**




A
Are the target groups and level of the concession consistent with comparable services across the Council?
Yes
No
Has the impact of the concessions on corporate and service budgets been assessed?
Highlight and justify any inconsistencies with comparable services in the Business Case.
Yes
No
Based on the estimated level of usage for each of the Target Groups, calculate the net cost of providing the service and the level of subsidy required to provide the concessions at the recommended level.
UPDATE DIRECTORY OF CHARGES
OBTAIN APPROVAL FOR THE BUSINESS CASE WHICH DETAILS THE RATIONALE FOR DIRECTING THE PROPOSED LEVEL OF SUBSIDY TOWARDS A TARGET GROUP. THE BUSINESS CASE MUST BE EXPLICIT IN TERMS OF THE TARGET GROUPS THAT ARE RECOMMENDED TO RECEIVE THE CONCESSIONS AND THE LEVEL OF SUBSIDY THE COUNCIL IS PROVIDING TO FUND THE CONCESSIONS.
MONITOR THE TAKE-UP OF CONCESSIONS AND IDENTIFY HOW WELL CONCESSION SCHEMES ARE PROMOTING ACCESS TO FACILITIES

## Section 3 - A: People & Communities

### Table 1: Revenue - Summary of Net Budget by Operational Division

**Budget Period: 2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---|---|---|---|---|---|---|---|---|
| | **Director of Adults and Safeguarding** | | | | | | | |
| -15,188 | Strategic Management - Adults | -16,172 | -2,653 | -18,825 | -18,802 | -15,802 | -14,802 | -14,802 |
| 1,454 | Principal Social Worker, Practice and Safeguarding | 1,605 | -137 | 1,468 | 1,536 | 1,536 | 1,536 | 1,536 |
| 939 | Autism and Adult Support | 1,071 | -26 | 1,045 | 1,146 | 1,248 | 1,348 | 1,443 |
| 661 | Carers | 416 | - | 416 | 266 | 366 | 366 | 366 |
| | *Learning Disability Partnership* | | | | | | | |
| 3,614 | LD Head of Service | 4,499 | -145 | 4,354 | 3,794 | 3,795 | 3,796 | 3,796 |
| 34,173 | LD - City, South and East Localities | 36,834 | -1,574 | 35,260 | 36,467 | 37,609 | 38,517 | 38,832 |
| 29,663 | LD - Hunts and Fenland Localities | 31,789 | -1,184 | 30,605 | 31,657 | 32,650 | 33,435 | 33,689 |
| 5,782 | LD - Young Adults Team | 6,910 | -75 | 6,835 | 7,844 | 8,847 | 9,822 | 10,722 |
| 6,071 | LD - In House Provider Services | 6,516 | -332 | 6,184 | 6,184 | 6,184 | 6,184 | 6,184 |
| -18,387 | LD - NHS Contribution to Pooled Budget | -298 | -18,387 | -18,685 | -18,685 | -18,685 | -18,685 | -18,685 |
| | *Older People and Physical Disability Services* | | | | | | | |
| 11,147 | Physical Disabilities | 13,152 | -1,383 | 11,769 | 11,920 | 12,356 | 12,840 | 13,340 |
| 17,951 | OP - City & South Locality | 25,296 | -6,881 | 18,415 | 18,990 | 20,474 | 22,194 | 23,540 |
| 5,787 | OP - East Cambs Locality | 8,322 | -2,431 | 5,891 | 6,124 | 6,755 | 7,484 | 8,039 |
| 8,858 | OP - Fenland Locality | 12,144 | -3,095 | 9,049 | 9,371 | 10,180 | 11,117 | 11,846 |
| 11,811 | OP - Hunts Locality | 17,743 | -5,653 | 12,090 | 12,450 | 13,530 | 14,830 | 15,907 |
| 710 | Neighbourhood Cares | 1,127 | -379 | 748 | 779 | 809 | 831 | 831 |
| 1,872 | Discharge Planning Teams | 1,932 | -42 | 1,890 | 1,890 | 1,890 | 1,890 | 1,890 |
| 8,257 | Shorter Term Support and Maximising Independence | 9,041 | -456 | 8,585 | 8,585 | 8,585 | 8,585 | 8,585 |
| | *Mental Health* | | | | | | | |
| 368 | Mental Health Central | 394 | -20 | 374 | 374 | 374 | 374 | 374 |
| 6,764 | Adult Mental Health | 7,248 | -421 | 6,827 | 6,897 | 6,986 | 7,063 | 7,083 |
| 5,840 | Older People Mental Health | 7,417 | -1,219 | 6,198 | 6,582 | 7,013 | 7,488 | 7,871 |
| **128,147** | **Subtotal Director of Adults and Safeguarding** | **176,986** | **-46,493** | **130,493** | **135,369** | **146,701** | **156,213** | **162,387** |
| | **Director of Commissioning** | | | | | | | |
| 859 | Strategic Management - Commissioning | 915 | -49 | 866 | 866 | 866 | 866 | 866 |
| 865 | Access to Resource & Quality | 958 | -79 | 879 | 879 | 879 | 879 | 879 |
| 300 | Local Assistance Scheme | 300 | - | 300 | 300 | 300 | 300 | 300 |
| | *Adults Commissioning* | | | | | | | |
| 5,590 | Central Commissioning - Adults | 35,146 | -28,147 | 6,999 | 10,357 | 10,411 | 10,450 | 10,450 |
| 951 | Integrated Community Equipment Service | 5,810 | -4,756 | 1,054 | 1,117 | 1,180 | 1,240 | 1,300 |
| 3,730 | Mental Health Commissioning | 3,742 | -105 | 3,637 | 3,637 | 3,637 | 3,637 | 3,637 |
| | *Childrens Commissioning* | | | | | | | |
| 19,642 | LAC Placements | 22,852 | - | 22,852 | 21,997 | 21,979 | 24,642 | 27,244 |
| 2,472 | Commissioning Services | 2,497 | - | 2,497 | 2,497 | 2,497 | 2,497 | 2,497 |

# Section 3 - A: People & Communities

## Table 1: Revenue - Summary of Net Budget by Operational Division

**Budget Period: 2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---:|---|---:|---:|---:|---:|---:|---:|---:|
| 7,871 | Home to School Transport - Special | 9,930 | -109 | 9,821 | 10,183 | 10,545 | 10,937 | 11,344 |
| 1,631 | LAC Transport | 2,004 | - | 2,004 | 2,056 | 2,110 | 2,164 | 2,223 |
| **43,911** | **Subtotal Director of Commissioning** | **84,154** | **-33,245** | **50,909** | **53,889** | **54,404** | **57,613** | **60,741** |
| | **Director of Community & Safety** | | | | | | | |
| -38 | Strategic Management - Communities & Safety | 26 | -63 | -37 | -37 | -37 | -37 | -37 |
| 969 | Youth Offending Service | 1,699 | -753 | 946 | 946 | 946 | 946 | 946 |
| 356 | Youth and Community Services | 336 | -6 | 330 | 330 | 330 | 330 | 330 |
| 904 | Safer Communities Partnership | 995 | -110 | 885 | 885 | 885 | 885 | 885 |
| 498 | Strengthening Communities | 523 | -61 | 462 | 495 | 495 | 495 | 495 |
| -176 | Adult Learning and Skills | 2,484 | -2,304 | 180 | 180 | 180 | 180 | 180 |
| **2,513** | **Subtotal Director of Community & Safety** | **6,063** | **-3,297** | **2,766** | **2,799** | **2,799** | **2,799** | **2,799** |
| | **Director of Children & Safeguarding** | | | | | | | |
| 3,479 | Strategic Management - Children & Safeguarding | 4,342 | -90 | 4,252 | 4,252 | 4,252 | 4,252 | 4,252 |
| 1,988 | Partnerships and Quality Assurance | 2,249 | -167 | 2,082 | 2,082 | 1,997 | 1,997 | 1,997 |
| 11,112 | Children in Care | 13,858 | -2,392 | 11,466 | 12,108 | 12,889 | 13,793 | 14,846 |
| 2,660 | Integrated Front Door | 2,896 | -208 | 2,688 | 2,688 | 2,688 | 2,688 | 2,688 |
| -100 | Children´s Centres Strategy | 70 | -170 | -100 | 70 | 70 | 70 | 70 |
| 839 | Support to Parents | 2,901 | -2,057 | 844 | 994 | 994 | 994 | 994 |
| 5,282 | Adoption | 5,351 | - | 5,351 | 5,351 | 5,351 | 5,351 | 5,351 |
| 1,940 | Legal Proceedings | 1,940 | - | 1,940 | 1,940 | 1,940 | 1,940 | 1,940 |
| | *District Delivery Service* | | | | | | | |
| 4,646 | Safeguarding Hunts and Fenland | 4,678 | - | 4,678 | 4,678 | 4,678 | 4,678 | 4,678 |
| 4,489 | Safeguarding East & South Cambs and Cambridge | 4,557 | -35 | 4,522 | 4,522 | 4,522 | 4,522 | 4,522 |
| 4,817 | Early Help District Delivery Service - North | 4,984 | -78 | 4,906 | 4,906 | 4,906 | 4,906 | 4,906 |
| 4,736 | Early Help District Delivery Service - South | 4,973 | -140 | 4,833 | 4,833 | 4,833 | 4,833 | 4,833 |
| **45,888** | **Subtotal Director of Children & Safeguarding** | **52,799** | **-5,337** | **47,462** | **48,424** | **49,120** | **50,024** | **51,077** |
| | **Director of Education** | | | | | | | |
| 136 | Strategic Management - Education | 115 | - | 115 | 115 | 115 | 115 | 115 |
| 1,443 | Early Years Service | 1,694 | -458 | 1,236 | 1,220 | 1,220 | 1,220 | 1,220 |
| 62 | Schools Curriculum Service | 244 | -181 | 63 | 63 | 63 | 63 | 63 |
| 1,095 | Schools Intervention Service | 1,542 | -532 | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 |
| 776 | Schools Partnership Service | 954 | -143 | 811 | 811 | 811 | 811 | 811 |
| 199 | Childrens´ Innovation & Development Service | 533 | -332 | 201 | 216 | 216 | 216 | 216 |

## Section 3 - A:  People & Communities

### Table 1:  Revenue - Summary of Net Budget by Operational Division

**Budget Period:  2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---|---|---|---|---|---|---|---|---|
| 2,910 | Redundancy & Teachers Pensions | 3,385 | -475 | 2,910 | 2,910 | 2,910 | 2,910 | 2,910 |
| | *SEND Specialist Services (0 - 25 years)* | | | | | | | |
| 8,071 | SEND Specialist Services | 8,272 | -166 | 8,106 | 8,113 | 8,113 | 8,113 | 8,113 |
| 24,796 | Funding to Special Schools and Units | 24,796 | - | 24,796 | 24,796 | 24,796 | 24,796 | 24,796 |
| 6,542 | Children´s Disability Service | 7,043 | -465 | 6,578 | 6,578 | 6,578 | 6,578 | 6,578 |
| 15,315 | High Needs Top Up Funding | 15,315 | - | 15,315 | 15,315 | 15,315 | 15,315 | 15,315 |
| 9,972 | SEN Placements | 10,864 | -891 | 9,973 | 9,973 | 9,973 | 9,973 | 9,973 |
| 381 | Early Years Specialist Support | 381 | - | 381 | 381 | 381 | 381 | 381 |
| 1,519 | Out of School Tuition | 1,519 | - | 1,519 | 1,519 | 1,519 | 1,519 | 1,519 |
| | *0-19 Place Planning & Organisaion Service* | | | | | | | |
| 3,765 | 0-19 Organisation & Planning | 4,023 | -302 | 3,721 | 3,721 | 3,721 | 3,721 | 3,721 |
| 92 | Early Years Policy, Funding & Operations | 93 | - | 93 | 93 | 93 | 93 | 93 |
| 168 | Education Capital | 272 | -98 | 174 | 174 | 174 | 174 | 174 |
| 8,742 | Home to School Transport - Mainstream | 9,369 | -183 | 9,186 | 9,389 | 9,624 | 9,883 | 10,149 |
| **85,984** | **Subtotal Director of Education** | **90,414** | **-4,226** | **86,188** | **86,397** | **86,632** | **86,891** | **87,157** |
| | **P&C Executive Director** | | | | | | | |
| 4,558 | P&C Executive Director | 4,820 | -250 | 4,570 | 250 | 1,901 | 1,901 | 1,901 |
| 90 | Central Financing | 91 | - | 91 | 91 | 91 | 91 | 91 |
| **4,648** | **Subtotal P&C Executive Director** | **4,911** | **-250** | **4,661** | **341** | **1,992** | **1,992** | **1,992** |
| -21,563 | DSG Adjustment | - | -67,846 | -67,846 | -67,846 | -67,846 | -67,846 | -67,846 |
| - | **UNIDENTIFIED SAVINGS TO BALANCE BUDGET** | - | - | - | - | - | - | - |
| | **Future Years** | | | | | | | |
| - | Inflation | - | - | - | 2,917 | 5,777 | 8,638 | 11,499 |
| - | Savings | - | - | - | | | | |
| **289,528** | **P&C BUDGET TOTAL** | **415,327** | **-160,694** | **254,633** | **262,290** | **279,579** | **296,323** | **309,805** |

# Section 3 - A:  People & Communities
## Table 2:  Revenue - Net Budget Changes by Operational Division
### Budget Period:  2019-20

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| **Director of Adults and Safeguarding** | | | | | | | |
| Strategic Management - Adults | -15,188 | 32 | - | 105 | - | -3,774 | -18,825 |
| Principal Social Worker, Practice and Safeguarding | 1,454 | 14 | - | - | - | - | 1,468 |
| Autism and Adult Support | 939 | 8 | 87 | 11 | - | - | 1,045 |
| Carers | 661 | 5 | - | - | - | -250 | 416 |
| *Learning Disability Partnership* | | | | | | | |
| LD Head of Service | 3,614 | 1 | - | 2,001 | - | -1,262 | 4,354 |
| LD - City, South and East Localities | 34,173 | 22 | 402 | 663 | - | - | 35,260 |
| LD - Hunts and Fenland Localities | 29,663 | 30 | 325 | 587 | - | - | 30,605 |
| LD - Young Adults Team | 5,782 | 54 | 900 | 100 | - | - | 6,835 |
| LD - In House Provider Services | 6,071 | 113 | - | - | - | - | 6,184 |
| LD - NHS Contribution to Pooled Budget | -18,387 | - | - | -298 | - | - | -18,685 |
| *Older People and Physical Disability Services* | | | | | | | |
| Physical Disabilities | 11,147 | 131 | 407 | 146 | - | -62 | 11,769 |
| OP - City & South Locality | 17,951 | 274 | 890 | 394 | - | -1,094 | 18,415 |
| OP - East Cambs Locality | 5,787 | 80 | 368 | 127 | - | -471 | 5,891 |
| OP - Fenland Locality | 8,858 | 125 | 481 | 177 | - | -592 | 9,049 |
| OP - Hunts Locality | 11,811 | 183 | 707 | 288 | - | -899 | 12,090 |
| Neighbourhood Cares | 710 | 10 | - | 28 | - | - | 748 |
| Discharge Planning Teams | 1,872 | 18 | - | - | - | - | 1,890 |
| Shorter Term Support and Maximising Independence | 8,257 | 148 | - | - | - | 180 | 8,585 |
| *Mental Health* | | | | | | | |
| Mental Health Central | 368 | 6 | - | - | - | - | 374 |
| Adult Mental Health | 6,764 | 65 | 24 | 76 | - | -102 | 6,827 |
| Older People Mental Health | 5,840 | 86 | 274 | 102 | - | -104 | 6,198 |
| **Subtotal Director of Adults and Safeguarding** | **128,147** | **1,405** | **4,865** | **4,507** | **-** | **-8,430** | **130,493** |
| **Director of Commissioning** | | | | | | | |
| Strategic Management - Commissioning | 859 | 7 | - | - | - | - | 866 |
| Access to Resource & Quality | 865 | 14 | - | - | - | - | 879 |
| Local Assistance Scheme | 300 | - | - | - | - | - | 300 |
| *Adults Commissioning* | | | | | | | |
| Central Commissioning - Adults | 5,590 | 74 | - | 52 | - | 1,283 | 6,999 |
| Integrated Community Equipment Service | 951 | 39 | 64 | - | - | - | 1,054 |
| Mental Health Commissioning | 3,730 | 6 | - | - | - | -99 | 3,637 |
| *Childrens Commissioning* | | | | | | | |
| LAC Placements | 19,642 | 360 | 2,161 | 2,700 | - | -2,011 | 22,852 |
| Commissioning Services | 2,472 | 25 | - | - | - | - | 2,497 |

## Section 3 - A: People & Communities

### Table 2: Revenue - Net Budget Changes by Operational Division

**Budget Period: 2019-20**

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| Home to School Transport - Special | 7,871 | 237 | 348 | 1,475 | - | -110 | 9,821 |
| LAC Transport | 1,631 | 49 | 49 | 275 | - | - | 2,004 |
| **Subtotal Director of Commissioning** | **43,911** | **811** | **2,622** | **4,502** | **-** | **-937** | **50,909** |
| **Director of Community & Safety** | | | | | | | |
| Strategic Management - Communities & Safety | -38 | 1 | - | - | - | - | -37 |
| Youth Offending Service | 969 | 17 | - | - | - | -40 | 946 |
| Youth and Community Services | 356 | 14 | - | - | - | -40 | 330 |
| Safer Communities Partnership | 904 | 11 | - | - | - | -30 | 885 |
| Strengthening Communities | 498 | 4 | - | - | - | -40 | 462 |
| Adult Learning and Skills | -176 | - | - | - | - | 356 | 180 |
| **Subtotal Director of Community & Safety** | **2,513** | **47** | **-** | **-** | **-** | **206** | **2,766** |
| **Director of Children & Safeguarding** | | | | | | | |
| Strategic Management - Children & Safeguarding | 3,479 | 88 | - | 685 | - | - | 4,252 |
| Partnerships and Quality Assurance | 1,988 | 9 | - | 85 | - | - | 2,082 |
| Children in Care | 11,112 | 130 | 660 | 235 | - | -671 | 11,466 |
| Integrated Front Door | 2,660 | 28 | - | - | - | - | 2,688 |
| Children´s Centres Strategy | -100 | - | - | - | - | - | -100 |
| Support to Parents | 839 | 5 | - | - | - | - | 844 |
| Adoption | 5,282 | 69 | - | - | - | - | 5,351 |
| Legal Proceedings | 1,940 | - | - | - | - | - | 1,940 |
| *District Delivery Service* | | | | | | | |
| Safeguarding Hunts and Fenland | 4,646 | 32 | - | - | - | - | 4,678 |
| Safeguarding East & South Cambs and Cambridge | 4,489 | 33 | - | - | - | - | 4,522 |
| Early Help District Delivery Service - North | 4,817 | 89 | - | - | - | - | 4,906 |
| Early Help District Delivery Service - South | 4,736 | 97 | - | - | - | - | 4,833 |
| **Subtotal Director of Children & Safeguarding** | **45,888** | **580** | **660** | **1,005** | **-** | **-671** | **47,462** |
| **Director of Education** | | | | | | | |
| Strategic Management - Education | 136 | 12 | - | 148 | - | -181 | 115 |
| Early Years Service | 1,443 | 9 | - | - | - | -216 | 1,236 |
| Schools Curriculum Service | 62 | 1 | - | - | - | - | 63 |
| Schools Intervention Service | 1,095 | 15 | - | - | - | -100 | 1,010 |

# Section 3 - A: People & Communities

## Table 2: Revenue - Net Budget Changes by Operational Division

**Budget Period: 2019-20**

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| Schools Partnership Service | 776 | 35 | - | - | - | - | 811 |
| Childrens´ Innovation & Development Service | 199 | 2 | - | - | - | - | 201 |
| Redundancy & Teachers Pensions | 2,910 | - | - | - | - | - | 2,910 |
| *SEND Specialist Services (0 - 25 years)* | | | | | | | |
| SEND Specialist Services | 8,071 | 35 | - | - | - | - | 8,106 |
| Funding to Special Schools and Units | 24,796 | - | - | - | - | - | 24,796 |
| Children´s Disability Service | 6,542 | 36 | - | - | - | - | 6,578 |
| High Needs Top Up Funding | 15,315 | - | - | - | - | - | 15,315 |
| SEN Placements | 9,972 | - | - | - | - | - | 9,973 |
| Early Years Specialist Support | 381 | - | - | - | - | - | 381 |
| Out of School Tuition | 1,519 | - | - | - | - | - | 1,519 |
| *0-19 Place Planning & Organisaion Service* | | | | | | | |
| 0-19 Organisation & Planning | 3,765 | 6 | - | - | - | -50 | 3,721 |
| Early Years Policy, Funding & Operations | 92 | 1 | - | - | - | - | 93 |
| Education Capital | 168 | 6 | - | - | - | - | 174 |
| Home to School Transport - Mainstream | 8,742 | 265 | 179 | - | - | - | 9,186 |
| **Subtotal Director of Education** | **85,984** | **423** | **179** | **148** | **-** | **-547** | **86,188** |
| **P&C Executive Director** | | | | | | | |
| P&C Executive Director | 4,558 | 12 | - | - | - | - | 4,570 |
| Central Financing | 90 | - | - | - | - | - | 91 |
| **Subtotal P&C Executive Director** | **4,648** | **12** | **-** | **-** | **-** | **-** | **4,661** |
| DSG Adjustment | -67,846 | - | - | - | - | | -67,846 |
| UNIDENTIFIED SAVINGS TO BALANCE BUDGET | - | - | - | - | - | - | - |
| **P&C BUDGET TOTAL** | **243,245** | **3,278** | **8,326** | **10,162** | **-** | **-10,379** | **254,633** |

# Section 3 - A: People and Communities

## Table 3: Revenue - Overview

### Budget Period: 2019-20 to 2023-24

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **1** | **OPENING GROSS EXPENDITURE** | **368,970** | **415,327** | **417,239** | **434,685** | **451,586** | | |
| A/R.1.001 | Increase in expenditure funded from external sources | 5,344 | - | - | - | - | Increase in expenditure budgets (compared to published 2018-19 Business Plan) as advised during the budget preparation period and permanent in-year changes made during 2018-19. | **C&P, C&YP, Adults** |
| A/R.1.002 | Base Adjustment - movement from DSG to P&C | 24,887 | - | - | - | - | Transfer of Special Schools, SEN Units and Special School Outreach DSG budgets from Schools to P&C. | **C&YP** |
| A/R.1.003 | Transferred Function - Independent Living Fund (ILF) | -38 | -36 | -34 | - | - | The ILF, a central government funded scheme supporting care needs, closed in 2015. Since then the local authority has been responsible for meeting eligible social care needs for former ILF clients. The government has told us that their grant will be based on a 5% reduction in the number of users accessing the service each year. | **Adults** |
| A/R.1.004 | Improved Better Care Fund (BCF) | 1,743 | -3,301 | - | - | - | The Improved Better Care Fund is a grant from Central Government for adult social care, to ensure that the health and social care market is not destabilised by pressures on Adult Social Care. The spending plan includes schemes around preventing falls, increasing independence, investment in suitable housing for vulnerable people and enhanced intermediate tier, Reablement and homecare for people leaving hospital.The Better Care Fund includes an element of funding intended to protect Adult Social Care services, as the revenue support grant has decreased and demand continues to increase. | **Adults** |
| A/R.1.005 | Transferred Function - National Careers service | -356 | - | - | - | - | Transferred Function - National Careers service | **C&P** |
| A/R.1.006 | Base Adjustment - Social Care Support and Winter Pressures Grants | 6,050 | -6,050 | - | - | - | Increase in base budget for 2019/20 funded by the Social Care Support and Winter Pressures Grants. | **C&P, C&YP, Adults** |
| A/R.1.007 | Removal of temporary project worker funding | -45 | - | - | - | - | Removal of one-year funding for post | **Adults** |
| A/R.1.013 | Change in Public Health grant MOU funded expenditure | 10 | - | - | - | - | Child and Adolescent Mental Health trainer service move to Public Health Directorate and Kick Ash service moved into P&C from P&E. | **C&YP** |
| A/R.1.014 | Funded Nursing Care costs to be funded by CCG directly | -3,285 | - | - | - | - | The CCG has implemented a change in the arrangements for the payment of the Funded Nursing Care (FNC) contribution to nursing home care providers. From 1st January 2019 the CCG will make all FNC payments directly to relevant providers, replacing previous arrangements where payments were made to providers by the Council and recharged back to the CCG. | **Adults** |
| **1.999** | **REVISED OPENING GROSS EXPENDITURE** | **403,280** | **405,940** | **417,205** | **434,685** | **451,586** | | |
| **2** | **INFLATION** | | | | | | | |
| A/R.2.001 | Centrally funded inflation - Staff pay and employment costs | 1,060 | 867 | 806 | 807 | 807 | Forecast pressure from inflation relating to employment costs. On average, 0.6% inflation has been budgeted for, to include inflation on pay of 1%, employer's National Insurance and employer's pension contributions in line with previous years national pay offers.The Local Government Pay offer for 2019-20 includes a minimum 2% increase however, to reflect the effect this has on the Council as a whole this increased pressure is being held centrally ref. C/R.4.010. | **Adults, C&YP** |
| A/R.2.002 | Centrally funded inflation - Care Providers | 1,213 | 1,199 | 1,199 | 1,199 | 1,199 | Forecast pressure from general inflation relating to care providers. Additional pressure funding is allocated to enable increases in the minimum wage to be factored into provider uplifts as A/R.4.009. | **Adults, C&YP** |
| A/R.2.003 | Centrally funded inflation - Looked After Children (LAC) placements | 510 | 538 | 542 | 542 | 542 | Inflation is currently forecast at 2.2%. | **Adults, C&YP** |
| A/R.2.004 | Centrally funded inflation - Transport | 551 | 367 | 367 | 367 | 367 | Forecast pressure for inflation relating to transport. This is estimated at 3%. | **Adults, C&YP** |

# Section 3 - A: People and Communities

## Table 3: Revenue - Overview

### Budget Period: 2019-20 to 2023-24

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| A/R.2.005 | Centrally funded inflation - Miscellaneous other budgets | 101 | 103 | 103 | 103 | 103 | Forecast pressure from inflation relating to miscellaneous other budgets, on average this is calculated at 1.2% increase. | Adults, C&YP |
| **2.999** | **Subtotal Inflation** | **3,435** | **3,074** | **3,017** | **3,018** | **3,018** | | |
| **3** | **DEMOGRAPHY AND DEMAND** | | | | | | | |
| A/R.3.002 | Funding for additional Physical Disabilities demand | 407 | 456 | 470 | 484 | 500 | Additional funding to ensure we meet the rising level of needs amongst people with physical disabilities. Based on modelling the expected increased number of service users and the increase complexity of existing service users needs we are increasing funding by £407k to ensure we can provide the care that is needed. | Adults |
| A/R.3.003 | Additional funding for Autism and Adult Support demand | 87 | 89 | 91 | 92 | 95 | Additional funding to ensure we meet the rising level of needs amongst people with autism and other vulnerable people. It is expected that 17 people will enter this service in 19/20 and so, based on a the anticipated average cost, we are investing an additional £87k to ensure we give them the help they need. | Adults |
| A/R.3.004 | Additonal funding for Learning Disability Partnership (LDP) demand | 1,627 | 1,584 | 1,543 | 1,505 | 1,469 | Additional funding to ensure we meet the rising level of needs amongst people with learning disabilities - We need to invest an additional £899k in 2019/20 to provide care for a projected 60 new service users (primarily young people) who outnumber the number of people leaving services. We also need to invest £728k in the increasing needs of existing service users and the higher complexity we are seeing in adults over age 25. The total additional resource we are allocating is therefore £1,627k to ensure we provide the right care for people with learning disabilities. | Adults |
| A/R.3.005 | Funding for Adult Mental Health Demand | 38 | 39 | 30 | 35 | 35 | Additional funding for a net increase of 2 full time effect packages for 2019/20 and further increases of 2 full time effect packages for each subsequent year. | Adults |
| A/R.3.006 | Additional funding for Older People demand | 2,446 | 2,761 | 2,696 | 3,730 | 3,707 | Additional funding to ensure we meet the increased demand for care amongst older people, providing care at home as well as residential and nursing placements. Population growth in Cambridgeshire and the fact that people are living longer results in steeply increasing numbers of older people requiring care. We estimate that numbers will increase by around 2.7% each year and the current pattern of activity and expenditure is modelled forward to estimate the additional budget requirement for each age group and type of care. Account is then taken of increasing complexity of cases coming through the service. This work has supported the case for additional funding of £2,446k in 2019/20 to ensure we can continue to provide the care for people who need it. | Adults |
| A/R.3.007 | Funding for Older People Mental Health Demand | 260 | 282 | 305 | 381 | 368 | Additional funding to ensure we meet the increased demand for care amongst older people with mental health needs, providing care at home as well as residential and nursing placements.The current pattern of activity and expenditure is modelled forward using population forecasts to estimate the additional budget requirement for each age group and type of care. Some account is then taken of increasing complexity of cases coming through the service. This work has supported the case for additional funding of £260k in 2019/20 to ensure we can continue to provide the care for people who need it. | Adults |
| A/R.3.008 | Home to school transport mainstream | 179 | 203 | 235 | 259 | 266 | Additional funding required to provide home to schools transport for pupils attending mainstream schools. This additional funding is required due to the anticipated 2% increase in pupils attending Cambridgeshire schools in 2019/20. | C&YP |
| A/R.3.009 | Home to school transport LAC | 49 | 52 | 54 | 54 | 59 | Additional funding required to provide home to schools transport for Looked After Children. This additioanl funding is required due to an anticipated 3.1% increase in the school-aged LAC population in 2019/20. | C&YP |

# Section 3 - A:  People and Communities

## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| A/R.3.010 | Funding for Home to School Special Transport demand | 348 | 362 | 362 | 392 | 407 | Additional funding required to provide transport to education provision for children and young people with special educational needs. The additional funding is needed as there are increasing numbers of children with SEN and increasing complexity of need which requires individual or bespoke transport solutions. The cost of transport is also affected by the increasing number of places at Special Schools. | C&YP |
| A/R.3.011 | Funding for rising Looked After Children (LAC) Numbers and need | 2,400 | 2,531 | 2,645 | 2,765 | 2,890 | Additional budget required to provide care for children who become looked after. As with many local authorities we have experienced a steady rise in the number of Looked after Children in recent years. Looking ahead, the number of Looked after Children is predicted to increase by around 4% each year and this equates to around 30 more children to care for,many of which relate to a higher proportion of high cost residential placements than usual, based on recent trend. The additional investment will ensure we can fully deliver our responsibilities as corporate parents and fund suitable foster, residential or other supported accommodation placements for all children becoming looked after. | C&YP |
| A/R.3.016 | Funding for additional Special Guardianship Orders/Adoption demand costs | 421 | 425 | 517 | 628 | 765 | Additional funding required to cover the cost of providing care for looked after children with adoptive parents or with extended family and other suitable guardians. As numbers of children increase we need to invest in adoptive and guardianship placements which provide stable, loving and permanent care for children who come into the care system. | C&YP |
| A/R.3.017 | Funding for additional demand for Community Equipment | 64 | 63 | 63 | 60 | 60 | Over the last five years our social work strategy has been successful in supporting a higher proportion of older people and people with disabilities to live at home (rather than requiring residential care).  Additional funding is required to maintain the proportion of services users supported to live independently through the provision of community equipment and home adaptations in the context of an increasing population. | Adults, C&YP |
| **3.999** | **Subtotal Demography and Demand** | **8,326** | **8,847** | **9,011** | **10,385** | **10,621** | | |
| **4** | **PRESSURES** | | | | | | | |
| A/R.4.002 | Adults & Safeguarding - Fair Cost of Care and Placement Costs | - | 1,000 | 2,000 | 1,000 | - | The Care Act says Councils need to make sure the price paid for Adult Social Care reflects the actual costs of providing that care. A strategic investment in the residential sector is envisaged from 2020 onwards. The timing and extent of this will be kept under close review as several factors develop including the impact of the national living wage, local market conditions and the overall availability of resources. | Adults |
| A/R.4.009 | Impact of National Living Wage (NLW) on Contracts | 2,561 | 3,367 | 3,185 | 2,324 | - | As a result of the introduction of the National Living Wage it is expected that the cost of contracts held by CCC with independent and voluntary sector care providers will increase.  Our analysis suggests the changes from April 2019 will lead to price increases between 1% and 3.5%, dependent on the cost of providing different types of care. | Adults, C&YP |
| A/R.4.018 | Impact of National Living Wage (NLW) on CCC employee costs | - | 151 | 151 | - | - | The cost impact of the introduction of the NLW on directly employed CCC staff is minimal, due to a low number of staff being paid below the proposed NLW rates. Traded services whose staff are paid below the NLW will be expected to recover any additional cost through their pricing structure. | Adults, C&YP |

# Section 3 - A:  People and Communities

## Table 3:  Revenue - Overview

### Budget Period:  2019-20 to 2023-24

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| A/R.4.022 | Dedicated Schools Grant Contribution to Combined Budgets | - | 1,579 | 1,500 | - | - | Based on historic levels of spend an element of the Dedicated Schools Grant (DSG) spend is retained centrally and contributes to the overall funding for the LA.  Schools Forum is required to approve the spend on an annual basis and following national changes the expectation is that these historic commitments/arrangements will unwind over time.  The DfE expect local authorities to reflect this in their annual returns, will monitor historic spend year-on-year and challenge LA's where spend is not reducing.  The most recent schools funding consultation document refers to the ability of the LA to recycle money for historic commitments into schools, high needs or early years. Schools Forum approved the continuation of this funding for 2019/20, but this pressure reflects the current anticpated reduction in the contribution to combined budgets in future years. | C&YP |
| A/R.4.024 | Pressures from 2018/19 in Adult Social Care | 2,000 | - | - | - | - | Pressures brought forward from 2018/19 due to additional demand on Adults & Safeguarding budgets, particularly Learning Disability Services. These were caused by higher than expected demand on services, and were partially offset in-year on a one-off basis, but need to be permanently addressed to enable Adult Social Care to go through a major transformation prgramme that will mitigate demand increases over the medium term. | Adults |
| A/R.4.026 | Looked After Children Placements | 2,700 | - | - | - | - | A permanent pressure of £2.7m is anticipated for Looked After Children Placements. This is due to:<br>- Savings targets established for Children's Services through the Children's Change Programme of 2017 which were predicated on reductions in demand that have not been achieved<br>- A history of over-optimism in our work with families facing significant challenges, before action was taken and children removed. This has resulted in a larger than expected group of children of primary school age in the LAC population.<br>- The need to ensure that children and young people are not moved from placements where they are settled | C&YP |
| A/R.4.027 | Supervised contact (numbers of children) | 235 | -35 | - | - | - | Higher than anticipated numbers of children in care have resulted in continuing overspends in directly related budgets, including those associated with supervised contact. | C&YP |
| A/R.4.028 | Independent reviewing officers (numbers of children) | 85 | - | -85 | - | - | Numbers of children in care remain at around 100 higher than they should be if our performance was in line with the average of our statistical neighbours which has implications for IRO capacity. Independent Reviewing Officers review children's care plans, and have an important role to play in ensuring that these plans are progressed. These higher than anticipated numbers in care have resulted in continuing overspends in the IRO budget. | C&YP |
| A/R.4.029 | New duties - leaving care | 390 | - | - | - | - | Pressure resulting from new duties imposed by government including the provision of additional personal advisers. | C&YP |
| A/R.4.030 | Children's services reduced grant income expectation | 295 | - | - | - | - | Pressure resulting from the loss of expected grant from the DFE of £295k. | C&YP |
| A/R.4.031 | Education Directorate Pressure | 148 | - | - | - | - | The savings plan for the Education directorate has been redesigned following the appointment of a joint Director across Cambridgeshire and Peterborough. Some pre-existing savings are being removed, to be replaced by a new programme delivering greater savings overall. | C&YP |
| A/R.4.032 | Home to School Transport - Special | 1,475 | - | - | - | - | A greater than anticipated increase in the number of pupils with Education, Health and Care Plans (EHCPs) requiring transport to school, especially in the post-19 cohort, has resulted in an ongoing pressure of £750k on the Home to School - Special budget. | C&YP |
| A/R.4.033 | LAC - Home to School Transport | 275 | - | - | - | - | Additional presures identified during 2018/19 | C&YP |
| **4.999** | **Subtotal Pressures** | **10,164** | **6,062** | **6,751** | **3,324** | **-** | | |

# Section 3 - A: People and Communities

## Table 3: Revenue - Overview

### Budget Period: 2019-20 to 2023-24

| Ref | Title | 2019-20 £000 (Detailed Plans) | 2020-21 £000 (Outline Plans) | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **5** | **INVESTMENTS** | | | | | | | |
| A/R.5.001 | Permanent Funding for Investments into Social Work | - | - | 1,000 | - | - | As part of the Adults Positive Challenge Programme, a number of investments will be made from the Transformation Fund to deliver an ambitious package of demand management measures. This funding in 2021/22 is to provide a permanent basis for those investments that will need to continue, and will be allocated following a review of which investments worked and will continue to deliver benefit. | Adults |
| A/R.5.003 | Flexible Shared Care Resource | - | - | - | 174 | - | Funding to bridge the gap between fostering and community support and residential provision has ended. Investment will be repaid over 5 years, at £174k pa from 17/18 to 21-22, from savings in placement costs. | C&YP |
| **5.999** | **Subtotal Investments** | **-** | **-** | **1,000** | **174** | **-** | | |
| **6** | **SAVINGS** | | | | | | | |
| | **Adults** | | | | | | | |
| A/R.6.114 | Learning Disabilities - Increasing independence and resilience when meeting the needs of people with learning disabilities | -200 | - | - | - | - | A three-year programme of work was undertaken in Learning Disability Services from 2016/17 to ensure service-users had the appropriate level of care - this saving is the remaining impact of part-year savings made in 2018/19. | Adults |
| A/R.6.120 | Re-investment in support to family carers reflecting improved uptake | - | 100 | 100 | - | - | This is the reversal, over several years, of a temporary reduction in the Carers budget while work was undertaken to increase activity in this area | Adults |
| A/R.6.126 | Learning Disabilities - Converting Residential Provision to Supported Living | -250 | - | - | - | - | This is an opportunity to de-register a number of residential homes for people with learning disabilities and change the service model to supported living. The people in these services will benefit from a more progressive model of care that promotes greater independence. | Adults |
| A/R.6.127 | Care in Cambridgeshire for People with Learning Disabilities | -250 | - | - | - | - | Work to enable people with learning disabilities who have been placed 'out of county' to move closer to their family by identifying an alternative placement which is closer to home. To be approached on a case by case basis and will involve close work with the family and the person we support. Will also involve ensuring out of county placements are cost effective and are appropriately funded by the NHS. | Adults |
| A/R.6.128 | Better Care Fund - Investing to support social care and ease pressures in the health and care system | -1,300 | - | - | - | - | The Improved Better Care Fund is a grant from Central Government for adult social care, to ensure that the health and social care market is not destabilised by pressures on Adult Social Care. A proportion of the funding will be taken as a saving in order to offset increased cost in social care as a result of demand rising and legislative pressures. The IBCF also provides targeted investment in social care services that will promote better outcomes for patients and social care services. The funding has not been confirmed beyond 2019/20, and so at this stage this remains a temporary saving. | Adults |
| A/R.6.132 | Mental Health Social Work PRISM Integration Project | -200 | - | - | - | - | The introduction of social workers and social care support staffing into the community / primary care health services (PRISM) will deliver improved mental health outcomes for Cambridgeshire residents and reduce demand for services through a focus on prevention, early intervention and strengths-based approach. | Adults |
| A/R.6.133 | Impact of investment in Occupational Therapists | -220 | - | - | - | - | OT involvement in reablement goal-setting and review will improve outcomes at the end of the pathway through achieving greater service user independence at the end of reablement. | Adults |

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## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| | | Detailed Plans | Outline Plans | | | | | |
| A/R.6.143 | Review of Support Functions in Adults | -150 | - | - | - | - | A review of support functions to ensure that capacity is aligned appropriately to the needs of the services supported. | Adults |
| A/R.6.174 | Review of Supported Housing Commissioning | 317 | - | - | - | - | An ambitious saving of £1m was included in the 2018-23 Business Plan linked to a review of commissioning arrangements for supported housing. Following a detailed review of contract opportunities over the last 12 months, a reduction in the overall saving level is required. The remaining saving will be achieved through working with district partners and providers to redesign services. | Adults |
| A/R.6.176 | Adults Positive Challenge Programme | -3,800 | -3,800 | - | - | - | Through the Adults Positive Challenge Programme, the County Council has set out to design a new service model for Adult Social Care which will continue to improve outcomes whilst also being economically sustainable in the face of the huge pressure on the sector. This work will focus on promoting independence and changing the conversation with staff and service-users to enable people to stay independent for longer, and has already had success in 2018/19 through a fast-forward element of the programme. | Adults |
| A/R.6.177 | Savings through contract reviews | -412 | - | - | - | - | Several contracts have been retendered throughout 17/18 and 18/19 and have delivered efficiencies, which can now be taken as savings. The largest of these was a retender of domiciliary care block car rounds in late 2017/18. | Adults |
| | **C&P** | | | | | | | |
| A/R.6.211 | Safer Communities Partnership | -30 | - | - | - | - | A review of the required management and support functions within the team will be undertaken depending on the outcome of funding bids, and could deliver a saving of £30,000 during 2019/20. | C&P |
| A/R.6.212 | Strengthening Communities Service | -30 | - | - | - | - | The deletion of a recently vacant Community Protection Project Officer post. The community led no cold calling zones project, which was coordinated by the previous post holder, has now successfully concluded | C&P |
| | **C&YP** | | | | | | | |
| A/R.6.213 | Youth Offending Service - efficiencies from joint commissioning and vacancy review | -40 | - | - | - | - | The full year impact of savings realised as a result of the Commissioning of Appropriate Adults and Reparation Services with Peterborough City Council and Cambridgeshire Constabulary. The removal of all capacity within the Youth Offending Service to spot purchase time limited support programmes, tailored to meet individual needs, which may be over and above the core offer. The removal of a part time vacant case holding post,and part time vacantSeniorYOSOfficer post. | C&YP |
| A/R.6.214 | Youth Support Services | -40 | - | - | - | - | Removal of a staff training budget for Youth Staff (£10k), a reduction in staff capacity and the Community Reach Fund (£30k) | C&YP |
| A/R.6.252 | Total Transport - Home to School Transport (Special) | -110 | - | - | - | - | Saving to be made through re-tendering contracts, route reviews, looking across client groups and managing demand for children requiring transport provision | C&YP |
| A/R.6.253 | Looked After Children (LAC) - Mitigating additional external residential placement numbers | -500 | - | - | - | - | There is currently a shortage of foster placements due to increased numbers of children in care both locally and nationally. This has resulted in a growing number of young people being placed in much higher cost residential placements. This business case describes how we will seek to mitigate 3 of the 8 additional residential placements expected and hence requiring a reduced contribution to the placement budget from demography funding. | C&YP |

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**Budget Period:  2019-20 to 2023-24**

| Ref | Title | 2019-20 £000 (Detailed Plans) | 2020-21 £000 (Outline Plans) | 2021-22 £000 (Outline Plans) | 2022-23 £000 (Outline Plans) | 2023-24 £000 (Outline Plans) | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| A/R.6.254 | Looked After Children (LAC) - Fee negotiation and review of high cost placements | -200 | - | - | - | - | Negotiation of external placement costs and review of high cost placements. This will be delivered by:<br>- Cost discounts<br>- Volume/long term discounts<br>- Reviewing packages of support for all purchased placement types<br>- Reviewing high cost placements | C&YP |
| A/R.6.255 | Looked After Children (LAC) - Placement composition and reduction in numbers | -1,311 | -3,134 | -2,399 | - | - | Numbers of children in care remain at around 100 higher than they should be if our performance was in line with the average of our statistical neighbours. This business case is targeted at reducing demand in the system and delivering sustainable savings by reducing costs associated with higher numbers of children in care in the system as well as increasing in-house fostering numbers and reducing the number of independent agency placements, which are more costly. | C&YP |
| A/R.6.256 | Delivering Greater Impact for Troubled Families | - | 150 | - | - | - | Our multi-agency Together for Families programme will deliver and evidence greater impact for more families and so will receive increase ‘payment by results’ income from central government. | C&YP |
| A/R.6.258 | Children's home changes (underutilised) | -350 | - | - | - | - | Anticpated savings resulting from the closure of the Victoria Road children’s home that is currently underutilised. The budget associated with the residential element of the children’s home is £600K per annum. The placement costs of the young people living in the provision until mid-June is in the region of £230K per annum, resulting in a full year saving of around £350K per annum. | C&YP |
| A/R.6.259 | Early Years Service | -200 | - | - | - | - | A review of services provided by the Early Years Service in light of the links with Peterborough and growing traded services. | C&YP |
| A/R.6.260 | Reduction of internal funding to school facing traded services | -151 | - | - | - | - | A reduction to the internal funding of the ICT Service and the PE and Sports Advisory Service recognising a reduction in LA useage | C&YP |
| A/R.6.261 | Schools Intervention Service | -100 | - | - | - | - | Reduction in capacity of the service in line with the reduced number of maintained schools that require a direct service | C&YP |
| A/R.6.263 | Term time only contracts | -30 | - | - | - | - | A voluntary change to term time only contracts (or annualised hours) for staff in the Education Directorate where this is appropriate for their role. | C&YP |
| A/R.6.264 | Review of Therapy Contracts | -321 | - | - | - | - | Savings will be delivered by reviewing existing arrangements but further details are unavailable at this time due to commercial confidence. | C&YP |
| **6.999** | **Subtotal Savings** | **-9,878** | **-6,684** | **-2,299** | **-** | **-** | | |
| | | | | | | | | |
| | **TOTAL GROSS EXPENDITURE** | **415,327** | **417,239** | **434,685** | **451,586** | **465,225** | | |
| **7** | **FEES, CHARGES & RING-FENCED GRANTS** | | | | | | | |
| A/R.7.001 | Previous year's fees, charges & ring-fenced grants | -129,846 | -160,694 | -154,949 | -155,106 | -155,263 | Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward. | Adults, C&YP |
| A/R.7.002 | Changes to fees, charges and schools income compared to 2018-19 | -5,302 | - | - | - | - | Adjustment for permanent changes to income expectation from decisions made in 2018-19. | Adults, C&YP |
| A/R.7.003 | Fees and charges inflation | -157 | -157 | -157 | -157 | -157 | Increase in external charges to reflect inflation pressures on the costs of services. | Adults, C&YP |
| | **Changes to fees & charges** | | | | | | | |
| A/R.7.101 | Early Years subscription package | -16 | -16 | - | - | - | Proposal to develop Early Years subscription package for trading with settings. | C&YP |
| A/R.7.103 | Attendance and Behaviour Service income | -50 | - | - | - | - | A review of charging models and use of school absence penalty notices within the Attendance and Behaviour Service | C&YP |

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## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| A/R.7.104 | Reduction in recharged income from CCG | 3,285 | - | - | - | - | The CCG has implemented a change in the arrangements for the payment of the Funded Nursing Care (FNC) contribution to nursing home care providers. From 1st January 2019 the CCG will make all FNC payments directly to relevant providers, replacing previous arrangements where payments were made to providers by the Council and recharged back to the CCG. | Adults |
| | **Changes to ring-fenced grants** | | | | | | | |
| A/R.7.201 | Change in Public Health Grant | -10 | 293 | - | - | - | Change in ring-fenced Public Health grant to reflect treatment as a corporate grant from 2019-20 due to removal of ring-fence. | Adults, C&YP |
| A/R.7.202 | Change in National Careers service grant | 356 | - | - | - | - | Change in National Careers service grant | C&P |
| A/R.7.208 | Improved Better Care Fund | -1,743 | 3,301 | - | - | - | Changes to the Improved Better Care Fund grant.  See also proposal A/R.1.004. | Adults, C&YP |
| A/R.7.209 | Transfer of Schedule 2 DSG to People and Communities | -24,887 | - | - | - | - | Transfer of budgets into P&C which were previously reported as part of the Dedicated Schools Grant. | C&YP |
| A/R.7.213 | Winter Pressures Grant | -2,324 | 2,324 | - | - | - | Winter Pressures Grant provided by Government in 2019/20 to ease pressures on the local care economy. | C&P, C&YP, Adults |
| **7.999** | **Subtotal Fees, Charges & Ring-fenced Grants** | **-160,694** | **-154,949** | **-155,106** | **-155,263** | **-155,420** | | |
| | | | | | | | | |
| | **TOTAL NET EXPENDITURE** | **254,633** | **262,290** | **279,579** | **296,323** | **309,805** | | |

| FUNDING SOURCES | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **8** | **FUNDING OF GROSS EXPENDITURE** | | | | | | | |
| A/R.8.001 | Budget Allocation | -254,633 | -262,290 | -279,579 | -296,323 | -309,805 | Net spend funded from general grants, business rates and Council Tax. | Adults, C&YP |
| A/R.8.002 | Fees & Charges | -51,675 | -51,848 | -52,005 | -52,162 | -52,319 | Fees and charges for the provision of services. | Adults, C&YP |
| A/R.8.003 | Expected income from Cambridgeshire Maintained Schools | -7,783 | -7,783 | -7,783 | -7,783 | -7,783 | Expected income from Cambridgeshire maintained schools. | C&YP |
| A/R.8.004 | Dedicated Schools Grant (DSG) | -67,846 | -67,846 | -67,846 | -67,846 | -67,846 | DSG directly managed by P&C. | C&YP |
| A/R.8.005 | Better Care Fund (BCF) Allocation for Social Care | -15,453 | -15,453 | -15,453 | -15,453 | -15,453 | The NHS and County Council pool budgets through the Better Care Fund (BCF), promoting joint working. This line shows the revenue funding flowing from the BCF into Social Care. | Adults |
| A/R.8.007 | Youth Justice Board Good Practice Grant | -500 | -500 | -500 | -500 | -500 | Youth Justice Board Good Practice Grant. | C&YP |
| A/R.8.009 | Social Care in Prisons Grant | -339 | -339 | -339 | -339 | -339 | Care Act New Burdens funding. | Adults |
| A/R.8.011 | Improved Better Care Fund | -12,401 | -9,100 | -9,100 | -9,100 | -9,100 | Improved Better Care Fund grant. | Adults |
| A/R.8.012 | Education and Skills Funding Agency Grant | -2,080 | -2,080 | -2,080 | -2,080 | -2,080 | Ring-fenced grant funding for the Adult Learning and Skills service. | C&P |
| A/R.8.014 | Winter Pressures Grant | -2,324 | - | - | - | - | Winter Pressures Grant provided by Government in 2019/20 to ease pressures on the local care economy. | C&P, C&YP, Adults |
| A/R.8.401 | Public Health Funding | -293 | - | - | - | - | Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team. | Adults, C&YP |
| **8.999** | **TOTAL FUNDING OF GROSS EXPENDITURE** | **-415,327** | **-417,239** | **-434,685** | **-451,586** | **-465,225** | | |

# Section 3 - A:  People and Communities
## Table 4:  Capital Programme
### Budget Period:  2019-20 to 2028-29

| Summary of Schemes by Start Date | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| Ongoing | 19,770 | - | -6,043 | -1,022 | 1,776 | 2,116 | -244 | 23,187 |
| Committed Schemes | 414,748 | 212,068 | 95,098 | 51,651 | 43,326 | 9,837 | 2,655 | 113 |
| 2018-2019 Starts | 38,500 | 160 | 270 | 390 | 550 | 24,600 | 12,000 | 530 |
| 2019-2020 Starts | 98,260 | 2,779 | 36,895 | 39,251 | 15,255 | 3,925 | 155 | - |
| 2020-2021 Starts | 3,500 | - | 70 | 180 | 2,300 | 900 | 50 | - |
| 2021-2022 Starts | 15,480 | 10 | - | 10 | 500 | 8,150 | 5,700 | 1,110 |
| 2022-2023 Starts | 27,341 | 1 | - | - | 1,020 | 13,185 | 12,710 | 425 |
| 2023-2024 Starts | 29,460 | - | - | 250 | 5,000 | 4,000 | 16,790 | 3,420 |
| 2024-2025 Starts | 23,800 | - | - | - | - | - | 500 | 23,300 |
| **TOTAL BUDGET** | **670,859** | **215,018** | **126,290** | **90,710** | **69,727** | **66,713** | **50,316** | **52,085** |

| Summary of Schemes by Category | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| Basic Need - Primary | 273,607 | 99,467 | 51,085 | 27,157 | 24,792 | 18,631 | 24,645 | 27,830 |
| Basic Need - Secondary | 321,129 | 97,604 | 64,327 | 50,245 | 41,591 | 45,117 | 21,305 | 940 |
| Basic Need - Early Years | 5,718 | 5,518 | 100 | 100 | - | - | - | - |
| Adaptations | 20,659 | 4,632 | 7,357 | 7,801 | 350 | 204 | 300 | 15 |
| Condition & Maintenance | 26,000 | 1,000 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 12,500 |
| Building Schools for the Future | - | - | - | - | - | - | - | - |
| Schools Mananged Capital | 10,050 | - | 1,005 | 1,005 | 1,005 | 1,005 | 1,005 | 5,025 |
| Specialist Provision | 20,128 | 5,288 | 6,370 | 3,900 | 350 | 370 | 3,850 | - |
| Site Acquisition & Development | 600 | - | 150 | 150 | 150 | 150 | - | - |
| Temporary Accommodation | 12,500 | - | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 5,000 |
| Children Support Services | 2,575 | - | 275 | 275 | 275 | 250 | 250 | 1,250 |
| Adult Social Care | 30,095 | - | 5,565 | 5,565 | 5,565 | 5,600 | 1,300 | 6,500 |
| Capital Programme Variation | -52,202 | 1,509 | -13,944 | -9,488 | -8,351 | -8,614 | -6,339 | -6,975 |
| Corporate Services | - | - | - | - | - | - | - | - |
| **TOTAL BUDGET** | **670,859** | **215,018** | **126,290** | **90,710** | **69,727** | **66,713** | **50,316** | **52,085** |

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A/C.01** | **Basic Need - Primary** | | | | | | | | | | | |
| A/C.01.018 | Pathfinder Primary, Northstowe | New 3 form entry school with 52 Early Years provision:<br>£8,300k Basic Need requirement 630 places<br>£1,500k Early Years Basic Need 52 places<br>£1,500k Community facilities - Children's Centre | | Committed | 11,301 | 11,231 | 70 | - | - | - | - | - |

# Section 3 - A: People and Communities
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A/C.01.020 | Godmanchester Bridge, (Bearscroft Development) | New 2 form entry school with 52 Early Years provision: £7,148k Basic Need requirement 420 places £2,102k Early Years Basic Need 52 places | | Committed | 9,250 | 9,076 | 174 | - | - | - | - | - |
| A/C.01.021 | North West Cambridge (NIAB site) primary | New 2 form entry school with 52 Early Years provision: £8,874k Basic Need requirement 420 places £1,700k Early Years Basic Need 52 places £1,200k Community facilities - Children's Centre | | Committed | 11,776 | 585 | - | 6,952 | 4,000 | 239 | - | - |
| A/C.01.024 | Clay Farm / Showground primary, Cambridge | New 3 form entry school with 52 Early Years provision: £10,300k Basic Need requirement 630 places £1,700k Early Years Basic Need 52 places | | Committed | 12,000 | 11,836 | 164 | - | - | - | - | - |
| A/C.01.025 | Fordham Primary | Expansion from 1 to 2 form entry school / replacement of temporary buildings: £4,125k Basic Need requirement 210 places | | Committed | 4,125 | 4,018 | 107 | - | - | - | - | - |
| A/C.01.026 | Little Paxton Primary | Expansion from 1 to 2 form entry school / replacement of temporary buildings: £3,350k Basic Need requirement 210 places | | Committed | 3,350 | 3,330 | 20 | - | - | - | - | - |
| A/C.01.027 | Ramnoth Primary, Wisbech | Expansion of 12 classrooms: £7,340k Basic Need requirement 300 places | | Committed | 7,341 | 7,117 | 224 | - | - | - | - | - |
| A/C.01.028 | Fulbourn Phase 2 | Expansion of 4 classrooms: £6,950k Basic Need requirement 120 places | | Committed | 6,950 | 6,557 | 293 | 100 | - | - | - | - |
| A/C.01.029 | Sawtry Infants | Expansion of 3 classrooms with 26 Early Years provision: £3,911k Basic Need requirement 90 places £1,600k Early Years Basic Need 26 places | | Committed | 5,511 | 2,122 | 2,500 | 750 | 139 | - | - | - |
| A/C.01.030 | Sawtry Junior | Extension of 4 classrooms to complete 1 form entry expansion: £3,214k Basic Need requirement 120 places | | Committed | 3,214 | 300 | 2,100 | 700 | 114 | - | - | - |
| A/C.01.031 | Hatton Park, Longstanton | Expansion of 1 form of entry: £5,080k Basic Need requirement 210 places | | Committed | 5,080 | 5,017 | 63 | - | - | - | - | - |
| A/C.01.032 | Meldreth | Expansion to 1 form of entry: £2,250k Basic Need requirement | | Committed | 2,250 | 2,113 | 137 | - | - | - | - | - |
| A/C.01.034 | St Neots, Wintringham Park | New 3 form entry school with 78 Early Years provision: £11,210k Basic Need requirement 630 places £2,640k Early Years Basic Need 78 places | | Committed | 14,236 | 614 | 9,000 | 4,000 | 400 | 222 | - | - |
| A/C.01.035 | The Shade Primary, Soham | Expansion of 2 forms of entry (Phase 2): £2,560k Basic Need requirement 210 places | | Committed | 2,560 | 2,554 | 6 | - | - | - | - | - |
| A/C.01.036 | Pendragon, Papworth | Expansion of 0.5 form of entry: £3,500 Basic Need requirement | | Committed | 3,500 | - | - | - | 150 | 1,900 | 1,450 | - |
| A/C.01.037 | Chatteris New School | New 1 form of entry School with 26 Early Years places: £6,155k Basic Need requirement 210 places £ 825k Early Years | | Committed | 6,980 | 272 | 4,600 | 1,900 | 208 | - | - | - |

# Section 3 - A:  People and Communities
## Table 4:  Capital Programme
### Budget Period:  2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A/C.01.038 | Westwood Primary, March, Phase 2 | Expansion from 3 to 4 form entry school:<br>£3,241k Basic Need requirement 120 places | | Committed | 3,241 | 3,207 | 34 | - | - | - | - | - |
| A/C.01.039 | Wyton Primary | New replacement 1.5 form entry school:<br>£9,226k Basic Need requirement 315 places | | Committed | 9,226 | 8,640 | 400 | 186 | - | - | - | - |
| A/C.01.040 | Ermine Street, Alconbury, Phase 2 | Expansion to 3 form entry school (Phase 2):<br>£3,350k Basic Need requirement 210 places | | 2019-20 | 3,350 | - | 150 | 1,800 | 1,300 | 100 | - | - |
| A/C.01.041 | Barrington | Expansion to 1 form of entry:<br>£3,090k Basic Need requirement | | Committed | 3,090 | 1,112 | 1,800 | 178 | - | - | - | - |
| A/C.01.043 | Littleport 3rd primary | New 1 form entry school (with 2 form entry infrastructure) (Phase 1):<br>£4,350k Basic Need requirement 210 places<br>£ 950k Early Years Basic Need 26 places | | 2019-20 | 5,300 | - | 180 | 3,400 | 1,600 | 120 | - | - |
| A/C.01.044 | Loves Farm primary, St Neots | New 2 form entry school:<br>£11,660k Basic Need requirement 420 places | | 2019-20 | 11,660 | 5 | 100 | 200 | 8,200 | 3,000 | 155 | - |
| A/C.01.045 | Melbourn Primary | Expansion of 4 classrooms, hall and refurbishment:<br>£4,441k Basic Need requirement 60 places | | Committed | 4,441 | 4,247 | 194 | - | - | - | - | - |
| A/C.01.046 | Sawston Primary | Extension of 4 classrooms to complete 1 form entry expansion:<br>£2,460k Basic Need requirement 120 places | | 2019-20 | 2,460 | 959 | 1,400 | 101 | - | - | - | - |
| A/C.01.048 | Histon Additional Places | Expansion of 1 form of entry within Histon area:<br>£17,171k Basic Need requirement 210 places | | Committed | 17,171 | 7,142 | 6,859 | 2,900 | 270 | - | - | - |
| A/C.01.049 | Northstowe 2nd primary | New 2 form entry school with 52 Early Years provision and community facilities:<br>£10,330k Basic Need requirement 420 places<br>£1,260k Early Years Basic Need 52 places | | 2021-22 | 11,590 | - | - | 10 | 400 | 8,000 | 3,000 | 180 |
| A/C.01.050 | March new primary | New 1 form entry school (Phase 1):<br>£8,770k Basic Need requirement 210 places | | 2023-24 | 8,770 | - | - | 250 | 5,000 | 3,350 | 170 | - |
| A/C.01.051 | Wisbech new primary | New 1 form entry school; this is to be an on-going review:<br>£8,940k Basic Need requirement 210 places | | 2023-24 | 8,940 | - | - | - | - | 250 | 8,520 | 170 |
| A/C.01.052 | NIAB 2nd primary | New 2 form entry school with 52 Early Years provision and community facilities:<br>£8,900k Basic Need requirement 420 places<br>£1,500k Early Years Basic Need 52 places<br>£1,500k Community facilities - Children's Centre | | 2024-25 | 11,900 | - | - | - | - | - | 250 | 11,650 |
| A/C.01.056 | Alconbury Weald 2nd primary | New 2 form entry school with 52 Early Years provision and community facilities:<br>£10,228k Basic Need requirement 420 places<br>£1,522k Early Years Basic Need 52 places | | 2023-24 | 11,750 | - | - | - | - | 400 | 8,100 | 3,250 |
| A/C.01.057 | Northstowe 3rd primary | New 2 form entry school with 52 Early Years provision and community facilities:<br>£10,567k Basic Need requirement 420 places<br>£1,333k Early Years Basic Need 52 places | | 2024-25 | 11,900 | - | - | - | - | - | 250 | 11,650 |

# Section 3 - A:  People and Communities
## Table 4:  Capital Programme
### Budget Period:  2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A/C.01.061 | Gamlingay Primary School | Extension of 4 classrooms to complete 1 form entry expansion with new hall:<br>£4,800k Basic Need requirement 120 places | | Committed | 4,800 | 4,644 | 156 | - | - | - | - | - |
| A/C.01.062 | Waterbeach Primary School | Expansion of 1 form of entry due to in-catchment development:<br>£6,759 Basic Need requirement 120 places | | Committed | 6,759 | 819 | 5,600 | 200 | 140 | - | - | - |
| A/C.01.063 | St Neots Eastern Expansion | Temporary expansion of 1 form of entry:<br>£704k Temporary Provision | | Committed | 737 | 668 | 69 | - | - | - | - | - |
| A/C.01.065 | New Road Primary | Expansion to 2 form of entry:<br>£6,808k Basic Need requirement | | Committed | 6,808 | 722 | 5,500 | 400 | 186 | - | - | - |
| A/C.01.066 | Bassingbourn Primary School | Expansion | | 2019-20 | 3,050 | 150 | 2,715 | 150 | 35 | - | - | - |
| A/C.01.067 | WING Development - Cambridge | New 2 form entry school with 52 Early Years provision and community facilities:<br>£8,590k Basic Need requirement 420 places<br>£1,260k Early Years Basic Need 52 places | | 2019-20 | 9,850 | 400 | 6,400 | 2,800 | 250 | - | - | - |
| A/C.01.068 | St Philips Primary School | Expansion of 0.5 form of entry:<br>£3,500k Basic Need requirement 60 places | | 2020-21 | 3,500 | - | 70 | 180 | 2,300 | 900 | 50 | - |
| A/C.01.069 | Caldecote Primary | Expansion of 0.5 form of entry:<br>£3890k Basic Need requirement 60 places | | 2021-22 | 3,890 | 10 | - | - | 100 | 150 | 2,700 | 930 |
| | **Total - Basic Need - Primary** | | | | **273,607** | **99,467** | **51,085** | **27,157** | **24,792** | **18,631** | **24,645** | **27,830** |
| **A/C.02** | **Basic Need - Secondary** | | | | | | | | | | | |
| A/C.02.003 | Littleport secondary and special | New 4 form entry school (with 5 form entry core facilities) with new SEN school and 52 Early Years provision:<br>£29,482k Basic Need requirement 600 places<br>£1,500k Early Years Basic Need 26 places<br>£12,400k SEN 110 places | | Committed | 43,381 | 43,187 | 194 | - | - | - | - | - |
| A/C.02.004 | Bottisham Village College | Expansion to 10 form entry school:<br>£14,969k Basic Need requirement 150 places | | Committed | 14,969 | 14,659 | 240 | 70 | - | - | - | - |
| A/C.02.006 | Northstowe secondary | New 4 form entry school (with 12 form entry core facilities) & 100 place SEN Provision:<br>£50,373k Basic Need requirement 600 places | | Committed | 50,373 | 9,678 | 33,000 | 5,500 | 1,500 | 500 | 195 | - |
| A/C.02.007 | North West Fringe secondary | New 4 form entry school (Phase 1):<br>£20,518k Basic Need requirement 600 places | | Committed | 20,518 | 18 | 2,718 | 12,700 | 4,700 | 382 | - | - |
| A/C.02.008 | Cambridge City secondary | Additional capacity for Cambridge City:<br>£18,355k Basic Need requirement 450 places | | Committed | 18,355 | 16,620 | 1,550 | 185 | - | - | - | - |
| A/C.02.009 | Alconbury Weald secondary and Special | New 4 form entry school (with 8 form entry core facilities):<br>£27,900k Basic Need requirement 600 places<br>£13,000k SEN 110 places | | Committed | 40,900 | - | 350 | 4,000 | 30,000 | 6,000 | 550 | - |

# Section 3 - A: People and Communities
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A/C.02.010 | Cambourne Village College | Expansion to 7 form entry (Phase 2):<br>£9,956k Basic Need requirement 300 places<br>Follow on expansion to 9 form entry:<br>£9,066k Basic Need requirement 300 places | | Committed | 19,023 | 12,267 | 6,255 | 350 | 151 | - | - | - |
| A/C.02.011 | New secondary capacity to serve Wisbech | New 4 form entry school with 8FE core and SEMH provision:<br>£26,500k Basic Need requirement 750 places<br>£12,300 SEMH Provision | | 2019-20 | 38,800 | 700 | 14,100 | 22,000 | 1,500 | 500 | - | - |
| A/C.02.012 | Cromwell Community College | Expansion from 7 to 8 form entry school:<br>£8,320k Basic Need requirement 150 places | | 2019-20 | 8,320 | 300 | 5,500 | 2,250 | 270 | - | - | - |
| A/C.02.013 | St. Neots secondary | Additional capacity for St Neots:<br>£11,130 Basic Need requirement | | 2022-23 | 11,130 | - | - | - | 500 | 6,500 | 3,940 | 190 |
| A/C.02.014 | Northstowe secondary, phase 2 | Additional capacity for Northstowe:<br>£11,640 Basic Need requirement 600 places | | 2022-23 | 11,860 | - | - | - | 520 | 6,500 | 4,620 | 220 |
| A/C.02.015 | Sir Harry Smith | Expansion of 1 form entry:<br>£5,000k Basic Need requirement 150 places | | 2019-20 | 5,000 | 15 | 150 | 2,800 | 1,900 | 135 | - | - |
| A/C.02.016 | Cambourne West secondary | New 6 form entry school with 300 place sixth form provision:<br>£38,500k Basic Need requirement 900 places | | 2018-19 | 38,500 | 160 | 270 | 390 | 550 | 24,600 | 12,000 | 530 |
| | **Total - Basic Need - Secondary** | | | | **321,129** | **97,604** | **64,327** | **50,245** | **41,591** | **45,117** | **21,305** | **940** |
| **A/C.03** | **Basic Need - Early Years** | | | | | | | | | | | |
| A/C.03.003 | LA maintained Early Years Provision | Funding which enables the Council to increase the number of free Early Years funded places to ensure the Council meets its statutory obligation. This includes providing one-off payments to external providers to help meet demand as well as increasing capacity attached to Cambridgeshire primary schools. | | Committed | 5,718 | 5,518 | 100 | 100 | - | - | - | - |
| | **Total - Basic Need - Early Years** | | | | **5,718** | **5,518** | **100** | **100** | **-** | **-** | **-** | **-** |
| **A/C.04** | **Adaptations** | | | | | | | | | | | |
| A/C.04.004 | Morley Memorial Primary | Expansion of 2 classrooms and internal re-modelling with 52 Early Years provision:<br>£2,137k Basic Need requirement 60 places<br>£1,900k Early Years Basic Need 18 places | | Committed | 4,077 | 4,000 | 77 | - | - | - | - | - |
| A/C.04.006 | Sawtry Village Academy | New block build to address serious Health, Safety and Wellbeing issues due to inadequate condition of existing accommodation. | | Committed | 2,000 | 500 | 1,500 | - | - | - | - | - |
| A/C.04.007 | William Westley | Adaptation to existing classrooms to ensure they are in accordance with current Building Bulletin guidance. | | 2022-23 | 351 | 1 | - | - | - | 35 | 300 | 15 |

## Section 3 - A:  People and Communities
### Table 4:  Capital Programme
**Budget Period:  2019-20 to 2028-29**

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A/C.04.008 | St Ives, Eastfield / Westfield / Wheatfields | Expansion of 1 form of entry: £14.231k Basic Need requirement 210 places | | Committed | 14,231 | 131 | 5,780 | 7,801 | 350 | 169 | - | - |
| | **Total - Adaptations** | | | | **20,659** | **4,632** | **7,357** | **7,801** | **350** | **204** | **300** | **15** |
| **A/C.05** | **Condition & Maintenance** | | | | | | | | | | | |
| A/C.05.001 | School Condition, Maintenance & Suitability | Funding that enables the Council to undertake work that addresses condition and suitability needs identified in schools' asset management plans, ensuring places are sustainable and safe. | | Ongoing | 24,350 | - | 2,000 | 2,350 | 2,500 | 2,500 | 2,500 | 12,500 |
| A/C.05.002 | Kitchen Ventilation | Works to improve ventilation & gas safety in school kitchens (where gas is used for cooking) is required to comply with the Gas safety regulations BS 6173:2009. | | Committed | 1,650 | 1,000 | 500 | 150 | - | - | - | - |
| | **Total - Condition & Maintenance** | | | | **26,000** | **1,000** | **2,500** | **2,500** | **2,500** | **2,500** | **2,500** | **12,500** |
| **A/C.07** | **Schools Mananged Capital** | | | | | | | | | | | |
| A/C.07.001 | School Devolved Formula Capital | Funding is allocated directly to Cambridgeshire Maintained schools to enable them to undertake low level refurbishments and condition works. | | Ongoing | 10,050 | - | 1,005 | 1,005 | 1,005 | 1,005 | 1,005 | 5,025 |
| | **Total - Schools Mananged Capital** | | | | **10,050** | **-** | **1,005** | **1,005** | **1,005** | **1,005** | **1,005** | **5,025** |
| **A/C.08** | **Specialist Provision** | | | | | | | | | | | |
| A/C.08.001 | Trinity School Hartford, Huntingdon | This scheme provides for the relocation of the school's base in Huntingdon, which is unsuitable for the educational requirements and needs of the pupils and staff. The funding covers purchase of a site in St Neots and its redevelopment for use by Trinity and local early years and childcare providers. | | Committed | 5,058 | 5,038 | 20 | - | - | - | - | - |
| A/C.08.003 | SEN Pupil Adaptations | This budget is to fund child specific adaptations to facilitate the placement of children with SEND in line with decisions taken by the County Resourcing Panel. | | Ongoing | 600 | - | 150 | 150 | 150 | 150 | - | - |
| A/C.08.004 | Replacement Pilgrim Pupil Referral Unit - Medical  Provision | Replacement required as current site will not be available for future use. | | 2022-23 | 4,000 | - | - | - | - | 150 | 3,850 | - |
| A/C.08.006 | Highfields Phase 2 | This scheme is provide essential ancillary facilities recommended for a school of this size and nature | | 2019-20 | 6,870 | 250 | 3,600 | 2,800 | 150 | 70 | - | - |
| A/C.08.007 | Samuel Pepys | Expansion to 140 places | | 2019-20 | 3,600 | - | 2,600 | 950 | 50 | - | - | - |
| | **Total - Specialist Provision** | | | | **20,128** | **5,288** | **6,370** | **3,900** | **350** | **370** | **3,850** | **-** |

# Section 3 - A:  People and Communities
## Table 4:  Capital Programme
### Budget Period:  2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A/C.09** | **Site Acquisition & Development** | | | | | | | | | | | |
| A/C.09.001 | Site Acquisition, Development, Analysis and Investigations | Funding which enables the Council to undertake investigations and feasibility studies into potential land acquisitions to determine their suitability for future school development sites. | | Ongoing | 600 | - | 150 | 150 | 150 | 150 | - | - |
| | **Total - Site Acquisition & Development** | | | | **600** | **-** | **150** | **150** | **150** | **150** | **-** | **-** |
| **A/C.10** | **Temporary Accommodation** | | | | | | | | | | | |
| A/C.10.001 | Temporary Accommodation | Funding which enables the Council to increase the number of school places provided through use of mobile accommodation. This scheme covers the cost of purchasing new mobiles and the transportation of provision across the county to meet demand. | | Ongoing | 12,500 | - | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 5,000 |
| | **Total - Temporary Accommodation** | | | | **12,500** | **-** | **1,500** | **1,500** | **1,500** | **1,500** | **1,500** | **5,000** |
| **A/C.11** | **Children Support Services** | | | | | | | | | | | |
| A/C.11.001 | Children's Minor Works and Adaptions | Funding which enables remedial and essential work to be undertaken, maintaining the Council's in-house LAC provision. | | Ongoing | 75 | - | 25 | 25 | 25 | - | - | - |
| A/C.11.003 | P&C Buildings & Capital Team Capitalisation | Salaries for the Buildings and Capital Team are to be capitalised on an ongoing basis. These are budgeted as one line, but are eventually capitalised against individual schemes. | | Ongoing | 2,500 | - | 250 | 250 | 250 | 250 | 250 | 1,250 |
| | **Total - Children Support Services** | | | | **2,575** | **-** | **275** | **275** | **275** | **250** | **250** | **1,250** |
| **A/C.12** | **Adult Social Care** | | | | | | | | | | | |
| A/C.12.002 | Enhanced Frontline in Adults Social Care | Planned spending on in-house provider services and independent care accommodation to address building condition and improvements.  Service requirements and priorities will be agreed and aligned with the principles of Transforming Lives. | | Ongoing | 635 | - | 150 | 150 | 150 | 185 | - | - |
| A/C.12.004 | Disabled Facilities Grant | Funding provided through the Better Care Fund, in partnership with local housing authorities. Disabled Facilities Grant enables accommodation adaptations so that people with disabilities can continue to live in their own homes. | | Ongoing | 16,460 | - | 4,115 | 4,115 | 4,115 | 4,115 | - | - |

# Section 3 - A: People and Communities
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A/C.12.005 | Integrated Community Equipment Service | Funding to continue annual capital investment in community equipment, that helps people to sustain their independence. The Council contributes to a pooled budget purchasing community equipment for health and social care needs for people of all ages | | Ongoing | 13,000 | - | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 6,500 |
| | **Total - Adult Social Care** | | | | **30,095** | **-** | **5,565** | **5,565** | **5,565** | **5,600** | **1,300** | **6,500** |
| **A/C.13** | **Capital Programme Variation** | | | | | | | | | | | |
| A/C.13.001 | Variation Budget | The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis. | | Ongoing | -61,000 | - | -16,688 | -12,017 | -9,369 | -9,039 | -6,799 | -7,088 |
| A/C.13.002 | Capitalisation of Interest Costs | The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year. | | Committed | 8,798 | 1,509 | 2,744 | 2,529 | 1,018 | 425 | 460 | 113 |
| | **Total - Capital Programme Variation** | | | | **-52,202** | **1,509** | **-13,944** | **-9,488** | **-8,351** | **-8,614** | **-6,339** | **-6,975** |
| | | | | | | | | | | | | |
| | **TOTAL BUDGET** | | | | **670,859** | **215,018** | **126,290** | **90,710** | **69,727** | **66,713** | **50,316** | **52,085** |

| Funding | Total Funding £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| **Government Approved Funding** | | | | | | | | |
| Basic Need | 120,712 | 54,938 | 6,905 | 20,626 | 10,000 | 10,000 | 9,654 | 8,589 |
| Capital Maintenance | 35,765 | 3,411 | 4,126 | 3,877 | 3,877 | 3,877 | 3,877 | 12,720 |
| Devolved Formula Capital | 10,050 | - | 1,005 | 1,005 | 1,005 | 1,005 | 1,005 | 5,025 |
| Specific Grants | 21,824 | 2,286 | 6,167 | 5,141 | 4,115 | 4,115 | - | - |
| **Total - Government Approved Funding** | **188,351** | **60,635** | **18,203** | **30,649** | **18,997** | **18,997** | **14,536** | **26,334** |

## Section 3 - A:  People and Communities
### Table 4:  Capital Programme
**Budget Period:  2019-20 to 2028-29**

| | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| **Locally Generated Funding** | | | | | | | | |
| Agreed Developer Contributions | 72,839 | 17,401 | 11,624 | 5,665 | 9,706 | 6,421 | 9,536 | 12,486 |
| Anticipated Developer Contributions | 99,886 | 8,124 | 3,384 | 15,686 | 29,520 | 26,076 | 500 | 16,596 |
| Prudential Borrowing | 295,030 | 112,639 | 71,381 | 38,299 | 21,328 | 17,259 | 25,994 | 8,130 |
| Prudential Borrowing (Repayable) | 1 | 13,242 | 11,598 | -1,197 | -9,891 | -2,040 | -250 | -11,461 |
| Other Contributions | 14,752 | 2,977 | 10,100 | 1,608 | 67 | - | - | - |
| **Total - Locally Generated Funding** | **482,508** | **154,383** | **108,087** | **60,061** | **50,730** | **47,716** | **35,780** | **25,751** |
| | | | | | | | | |
| **TOTAL FUNDING** | **670,859** | **215,018** | **126,290** | **90,710** | **69,727** | **66,713** | **50,316** | **52,085** |

# Section 3 - A:  People and Communities
## Table 5:  Capital Programme - Funding
### Budget Period:  2019-20 to 2028-29

| Summary of Schemes by Start Date | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|
| Ongoing | 19,770 | 55,940 | -14,030 | - | - | -22,140 |
| Committed Schemes | 414,748 | 81,640 | 110,317 | 13,544 | - | 209,247 |
| 2018-2019 Starts | 38,500 | - | 14,810 | - | - | 23,690 |
| 2019-2020 Starts | 98,260 | 20,168 | 15,197 | 1,208 | - | 61,687 |
| 2020-2021 Starts | 3,500 | 2,710 | - | - | - | 790 |
| 2021-2022 Starts | 15,480 | 992 | 11,590 | - | - | 2,898 |
| 2022-2023 Starts | 27,341 | 13,600 | - | - | - | 13,741 |
| 2023-2024 Starts | 29,460 | 6,002 | 18,770 | - | - | 4,688 |
| 2024-2025 Starts | 23,800 | 7,299 | 16,071 | - | - | 430 |
| **TOTAL BUDGET** | **670,859** | **188,351** | **172,725** | **14,752** | **-** | **295,031** |

| Ref | Scheme | Linked Revenue Proposal | Net Revenue Impact | Scheme Start | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **A/C.01** | **Basic Need - Primary** | | | | | | | | | |
| A/C.01.018 | Pathfinder Primary, Northstowe | | - | Committed | 11,301 | 105 | 10,800 | - | - | 396 |
| A/C.01.020 | Godmanchester Bridge, (Bearscroft Development) | | - | Committed | 9,250 | 150 | 4,622 | 7 | - | 4,471 |
| A/C.01.021 | North West Cambridge (NIAB site) primary | | - | Committed | 11,776 | 90 | 7,317 | - | - | 4,369 |
| A/C.01.024 | Clay Farm / Showground primary, Cambridge | | - | Committed | 12,000 | 3,591 | 8,409 | - | - | - |
| A/C.01.025 | Fordham Primary | | - | Committed | 4,125 | 1,082 | 8 | - | - | 3,035 |
| A/C.01.026 | Little Paxton Primary | | - | Committed | 3,350 | 1,628 | 624 | - | - | 1,098 |
| A/C.01.027 | Ramnoth Primary, Wisbech | | - | Committed | 7,341 | 4,213 | - | - | - | 3,128 |
| A/C.01.028 | Fulbourn Phase 2 | | - | Committed | 6,950 | 6,118 | 320 | - | - | 512 |
| A/C.01.029 | Sawtry Infants | | - | Committed | 5,511 | 3,329 | 224 | - | - | 1,958 |
| A/C.01.030 | Sawtry Junior | | - | Committed | 3,214 | 1,114 | - | - | - | 2,100 |
| A/C.01.031 | Hatton Park, Longstanton | | - | Committed | 5,080 | 2,169 | - | - | - | 2,911 |
| A/C.01.032 | Meldreth | | - | Committed | 2,250 | 1,136 | - | - | - | 1,114 |
| A/C.01.034 | St Neots, Wintringham Park | | - | Committed | 14,236 | - | 9,190 | - | - | 5,046 |
| A/C.01.035 | The Shade Primary, Soham | | - | Committed | 2,560 | 199 | 272 | - | - | 2,089 |
| A/C.01.036 | Pendragon, Papworth | | - | Committed | 3,500 | 909 | 1,000 | - | - | 1,591 |
| A/C.01.037 | Chatteris New School | | - | Committed | 6,980 | 1,938 | - | - | - | 5,042 |
| A/C.01.038 | Westwood Primary, March, Phase 2 | | - | Committed | 3,241 | 2,641 | - | - | - | 600 |
| A/C.01.039 | Wyton Primary | | - | Committed | 9,226 | 3,868 | - | - | - | 5,358 |
| A/C.01.040 | Ermine Street, Alconbury, Phase 2 | | - | 2019-20 | 3,350 | 45 | 3,305 | - | - | - |
| A/C.01.041 | Barrington | | - | Committed | 3,090 | 330 | 1,000 | - | - | 1,760 |
| A/C.01.043 | Littleport 3rd primary | | - | 2019-20 | 5,300 | 4,704 | - | - | - | 596 |
| A/C.01.044 | Loves Farm primary, St Neots | | - | 2019-20 | 11,660 | 1,504 | - | - | - | 10,156 |
| A/C.01.045 | Melbourn Primary | | - | Committed | 4,441 | 1,530 | 1,229 | - | - | 1,682 |
| A/C.01.046 | Sawston Primary | | - | 2019-20 | 2,460 | 59 | - | - | - | 2,401 |
| A/C.01.048 | Histon Additional Places | | - | Committed | 17,171 | 5,651 | - | - | - | 11,520 |

# Section 3 - A:  People and Communities
## Table 5:  Capital Programme - Funding
### Budget Period:  2019-20 to 2028-29

| Ref | Scheme | Linked Revenue Proposal | Net Revenue Impact | Scheme Start | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|---|---|---|---|
| A/C.01.049 | Northstowe 2nd primary | | - | 2021-22 | 11,590 | - | 11,590 | - | - | - |
| A/C.01.050 | March new primary | | - | 2023-24 | 8,770 | 1,520 | 7,020 | - | - | 230 |
| A/C.01.051 | Wisbech new primary | | - | 2023-24 | 8,940 | 4,482 | - | - | - | 4,458 |
| A/C.01.052 | NIAB 2nd primary | | - | 2024-25 | 11,900 | 3,325 | 8,145 | - | - | 430 |
| A/C.01.056 | Alconbury Weald 2nd primary | | - | 2023-24 | 11,750 | - | 11,750 | - | - | - |
| A/C.01.057 | Northstowe 3rd primary | | - | 2024-25 | 11,900 | 3,974 | 7,926 | - | - | - |
| A/C.01.061 | Gamlingay Primary School | | - | Committed | 4,800 | 776 | 29 | - | - | 3,995 |
| A/C.01.062 | Waterbeach Primary School | | - | Committed | 6,759 | 159 | - | - | - | 6,600 |
| A/C.01.063 | St Neots Eastern Expansion | | - | Committed | 737 | - | - | - | - | 737 |
| A/C.01.065 | New Road Primary | | - | Committed | 6,808 | - | 22 | - | - | 6,786 |
| A/C.01.066 | Bassingbourn Primary School | | - | 2019-20 | 3,050 | 167 | - | - | - | 2,883 |
| A/C.01.067 | WING Development - Cambridge | | - | 2019-20 | 9,850 | - | 8,642 | 1,208 | - | - |
| A/C.01.068 | St Philips Primary School | | - | 2020-21 | 3,500 | 2,710 | - | - | - | 790 |
| A/C.01.069 | Caldecote Primary | | - | 2021-22 | 3,890 | 992 | - | - | - | 2,898 |
| | **Total - Basic Need - Primary** | | **-** | | **273,607** | **66,208** | **103,444** | **1,215** | **-** | **102,740** |
| **A/C.02** | **Basic Need - Secondary** | | | | | | | | | |
| A/C.02.003 | Littleport secondary and special | | - | Committed | 43,381 | 1,695 | 5,000 | - | - | 36,686 |
| A/C.02.004 | Bottisham Village College | | - | Committed | 14,969 | 9,722 | 134 | 1,190 | - | 3,923 |
| A/C.02.006 | Northstowe secondary | | - | Committed | 50,373 | 8,966 | 11,034 | 10,400 | - | 19,973 |
| A/C.02.007 | North West Fringe secondary | | - | Committed | 20,518 | - | 19,650 | - | - | 868 |
| A/C.02.008 | Cambridge City secondary | | - | Committed | 18,355 | 10,991 | - | 1,621 | - | 5,743 |
| A/C.02.009 | Alconbury Weald secondary and Special | | - | Committed | 40,900 | 2,550 | 23,400 | - | - | 14,950 |
| A/C.02.010 | Cambourne Village College | | - | Committed | 19,023 | 150 | 5,853 | 200 | - | 12,820 |
| A/C.02.011 | New secondary capacity to serve  Wisbech | | - | 2019-20 | 38,800 | 3,954 | - | - | - | 34,846 |
| A/C.02.012 | Cromwell Community College | | - | 2019-20 | 8,320 | 2,090 | 3,250 | - | - | 2,980 |
| A/C.02.013 | St. Neots secondary | | - | 2022-23 | 11,130 | 10,430 | - | - | - | 700 |
| A/C.02.014 | Northstowe secondary, phase 2 | | - | 2022-23 | 11,860 | 3,170 | - | - | - | 8,690 |
| A/C.02.015 | Sir Harry Smith | | - | 2019-20 | 5,000 | 5,000 | - | - | - | - |
| A/C.02.016 | Cambourne West secondary | | - | 2018-19 | 38,500 | - | 14,810 | - | - | 23,690 |
| | **Total - Basic Need - Secondary** | | **-** | | **321,129** | **58,718** | **83,131** | **13,411** | **-** | **165,869** |
| **A/C.03** | **Basic Need - Early Years** | | | | | | | | | |
| A/C.03.003 | LA maintained Early Years Provision | | - | Committed | 5,718 | 1,600 | 56 | 34 | - | 4,028 |
| | **Total - Basic Need - Early Years** | | **-** | | **5,718** | **1,600** | **56** | **34** | **-** | **4,028** |

# Section 3 - A: People and Communities
## Table 5: Capital Programme - Funding
### Budget Period: 2019-20 to 2028-29

| Ref | Scheme | Linked Revenue Proposal | Net Revenue Impact | Scheme Start | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **A/C.04** | **Adaptations** | | | | | | | | | |
| A/C.04.004 | Morley Memorial Primary | | - | Committed | 4,077 | 1,830 | 124 | 92 | - | 2,031 |
| A/C.04.006 | Sawtry Village Academy | | - | Committed | 2,000 | - | - | - | - | 2,000 |
| A/C.04.007 | William Westley | | - | 2022-23 | 351 | - | - | - | - | 351 |
| A/C.04.008 | St Ives, Eastfield / Westfield / Wheatfields | | - | Committed | 14,231 | - | - | - | - | 14,231 |
| | **Total - Adaptations** | | **-** | | **20,659** | **1,830** | **124** | **92** | **-** | **18,613** |
| **A/C.05** | **Condition & Maintenance** | | | | | | | | | |
| A/C.05.001 | School Condition, Maintenance & Suitability | | - | Ongoing | 24,350 | 24,350 | - | - | - | - |
| A/C.05.002 | Kitchen Ventilation | | - | Committed | 1,650 | 1,410 | - | - | - | 240 |
| | **Total - Condition & Maintenance** | | **-** | | **26,000** | **25,760** | **-** | **-** | **-** | **240** |
| **A/C.07** | **Schools Mananged Capital** | | | | | | | | | |
| A/C.07.001 | School Devolved Formula Capital | | - | Ongoing | 10,050 | 10,050 | - | - | - | - |
| | **Total - Schools Mananged Capital** | | **-** | | **10,050** | **10,050** | **-** | **-** | **-** | **-** |
| **A/C.08** | **Specialist Provision** | | | | | | | | | |
| A/C.08.001 | Trinity School Hartford, Huntingdon | | - | Committed | 5,058 | - | - | - | - | 5,058 |
| A/C.08.003 | SEN Pupil Adaptations | | - | Ongoing | 600 | - | - | - | - | 600 |
| A/C.08.004 | Replacement Pilgrim Pupil Referral Unit - Medical Provision | | - | 2022-23 | 4,000 | - | - | - | - | 4,000 |
| A/C.08.006 | Highfields Phase 2 | | - | 2019-20 | 6,870 | 1,233 | - | - | - | 5,637 |
| A/C.08.007 | Samuel Pepys | | - | 2019-20 | 3,600 | 1,412 | - | - | - | 2,188 |
| | **Total - Specialist Provision** | | **-** | | **20,128** | **2,645** | **-** | **-** | **-** | **17,483** |
| **A/C.09** | **Site Acquisition & Development** | | | | | | | | | |
| A/C.09.001 | Site Acquisition, Development, Analysis and Investigations | | - | Ongoing | 600 | 100 | - | - | - | 500 |
| | **Total - Site Acquisition & Development** | | **-** | | **600** | **100** | **-** | **-** | **-** | **500** |
| **A/C.10** | **Temporary Accommodation** | | | | | | | | | |
| A/C.10.001 | Temporary Accommodation | | - | Ongoing | 12,500 | 4,980 | - | - | - | 7,520 |
| | **Total - Temporary Accommodation** | | **-** | | **12,500** | **4,980** | **-** | **-** | **-** | **7,520** |

# Section 3 - A: People and Communities
## Table 5: Capital Programme - Funding
### Budget Period: 2019-20 to 2028-29

| Ref | Scheme | Linked Revenue Proposal | Net Revenue Impact | Scheme Start | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **A/C.11** | **Children Support Services** | | | | | | | | | |
| A/C.11.001 | Children's Minor Works and Adaptions | | - | Ongoing | 75 | - | - | - | - | 75 |
| A/C.11.003 | P&C Buildings & Capital Team Capitalisation | | - | Ongoing | 2,500 | - | - | - | - | 2,500 |
| | **Total - Children Support Services** | | **-** | | **2,575** | **-** | **-** | **-** | **-** | **2,575** |
| **A/C.12** | **Adult Social Care** | | | | | | | | | |
| A/C.12.002 | Enhanced Frontline in Adults Social Care | | - | Ongoing | 635 | - | - | - | - | 635 |
| A/C.12.004 | Disabled Facilities Grant | | - | Ongoing | 16,460 | 16,460 | - | - | - | - |
| A/C.12.005 | Integrated Community Equipment Service | | - | Ongoing | 13,000 | - | - | - | - | 13,000 |
| | **Total - Adult Social Care** | | **-** | | **30,095** | **16,460** | **-** | **-** | **-** | **13,635** |
| **A/C.13** | **Capital Programme Variation** | | | | | | | | | |
| A/C.13.001 | Variation Budget | | - | Ongoing | -61,000 | - | -14,030 | - | - | -46,970 |
| A/C.13.002 | Capitalisation of Interest Costs | | - | Committed | 8,798 | - | - | - | - | 8,798 |
| | **Total - Capital Programme Variation** | | **-** | | **-52,202** | **-** | **-14,030** | **-** | **-** | **-38,172** |
| | | | | | | | | | | |
| | **TOTAL BUDGET** | | | | **670,859** | **188,351** | **172,725** | **14,752** | **-** | **295,031** |

# Section 3 - B: Place & Economy

## Table 1: Revenue - Summary of Net Budget by Operational Division

**Budget Period: 2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---:|---|---:|---:|---:|---:|---:|---:|---:|
| | **Executive Director** | | | | | | | |
| 186 | Executive Director | 186 | 1 | 187 | 201 | 215 | 215 | 215 |
| 241 | Business Support | 244 | - | 244 | 244 | 244 | 244 | 244 |
| **427** | **Subtotal Executive Director** | **430** | **1** | **431** | **445** | **459** | **459** | **459** |
| | **Highways** | | | | | | | |
| 120 | Asst Dir - Highways | 120 | - | 120 | 120 | 120 | 120 | 120 |
| 6,351 | Local Infrastructure Maintenance and Improvement | 6,238 | -111 | 6,127 | 6,127 | 6,127 | 6,127 | 6,127 |
| -136 | Traffic Management | 2,702 | -2,800 | -98 | -98 | -98 | -98 | -98 |
| 505 | Highways Projects and Road Safety | 910 | -392 | 518 | 588 | 588 | 588 | 588 |
| 5,827 | Street Lighting | 10,079 | -4,104 | 5,975 | 5,996 | 5,998 | 6,002 | 6,002 |
| 569 | Asset Management | 1,662 | -1,090 | 572 | 572 | 572 | 572 | 572 |
| - | Parking Enforcement | 5,271 | -5,271 | - | - | - | - | - |
| 2,047 | Winter Maintenance | 2,125 | - | 2,125 | 2,125 | 2,125 | 2,125 | 2,125 |
| 320 | Park & Ride | 1,882 | -1,546 | 336 | 336 | 336 | 336 | 336 |
| **15,603** | **Subtotal Highways** | **30,989** | **-15,314** | **15,675** | **15,766** | **15,768** | **15,772** | **15,772** |
| | **Cultural & Community Services** | | | | | | | |
| 123 | Asst Dir - Cultural & Community Services | 124 | - | 124 | 124 | 124 | 124 | 124 |
| 3,294 | Public Library Services | 4,219 | -873 | 3,346 | 3,395 | 3,395 | 3,395 | 3,395 |
| 104 | Cultural Services | 372 | -266 | 106 | 106 | 106 | 106 | 106 |
| 354 | Archives | 477 | -41 | 436 | 436 | 436 | 436 | 436 |
| -540 | Registration & Citizenship Services | 988 | -1,514 | -526 | -526 | -526 | -526 | -526 |
| 903 | Coroners | 1,595 | -487 | 1,108 | 1,128 | 1,148 | 1,168 | 1,188 |
| 2,201 | Passenger Transport other | 2,821 | -557 | 2,264 | 2,264 | 2,264 | 2,264 | 2,264 |
| 4,668 | Concessionary Fares | 4,819 | -15 | 4,804 | 4,804 | 4,804 | 4,804 | 4,804 |
| **11,107** | **Subtotal Cultural & Community Services** | **15,415** | **-3,753** | **11,662** | **11,731** | **11,751** | **11,771** | **11,791** |
| | **Environment & Commercial Services** | | | | | | | |
| 121 | Asst Dir - Environment & Commercial Services | 147 | -25 | 122 | 122 | 122 | 122 | 122 |
| 418 | County Planning, Minerals & Waste | 642 | -219 | 423 | 369 | 315 | 315 | 315 |
| 56 | Historic Environment | 370 | -320 | 50 | 50 | 50 | 50 | 50 |
| 684 | Trading Standards | 739 | -45 | 694 | 694 | 694 | 694 | 694 |
| 410 | Flood Risk Management | 516 | -98 | 418 | 418 | 418 | 418 | 418 |
| 72 | Energy | 292 | -220 | 72 | 72 | 72 | 72 | 72 |
| 33,309 | Waste Disposal including PFI | 39,619 | -4,100 | 35,519 | 35,843 | 36,174 | 36,513 | 36,859 |
| **35,070** | **Subtotal Environment & Commercial Services** | **42,325** | **-5,027** | **37,298** | **37,568** | **37,845** | **38,184** | **38,530** |

## Section 3 - B: Place & Economy

### Table 1: Revenue - Summary of Net Budget by Operational Division

**Budget Period: 2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---|---|---|---|---|---|---|---|---|
| | **Infrastructure & Growth** | | | | | | | |
| 120 | Asst Dir - Infrastrucuture & Growth | 120 | - | 120 | 120 | 120 | 120 | 120 |
| 1,100 | Major Infrastructure Delivery | 1,574 | -274 | 1,300 | - | - | - | - |
| 103 | Transport & Infrastructure Policy & Funding | 42 | -10 | 32 | 32 | 32 | 32 | 32 |
| 547 | Growth & Development | 921 | -371 | 550 | 550 | 550 | 550 | 550 |
| - | Highways Development Management | 1,135 | -1,135 | - | - | - | - | - |
| **1,870** | **Subtotal Infrastructure & Growth** | **3,792** | **-1,790** | **2,002** | **702** | **702** | **702** | **702** |
| -22,653 | Income from Combined Authority | | -8,738 | -8,738 | -8,866 | -8,993 | -9,117 | -9,239 |
| | **Future Years** | | | | | | | |
| - | Inflation | - | - | - | 1,984 | 4,106 | 6,207 | 8,308 |
| - | Savings | - | - | - | - | - | - | - |
| **41,424** | **P&E BUDGET TOTAL** | **92,951** | **-34,621** | **58,330** | **59,330** | **61,638** | **63,978** | **66,323** |

# Section 3 - B: Place & Economy

## Table 2: Revenue - Net Budget Changes by Operational Division

**Budget Period: 2019-20**

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| **Executive Director** | | | | | | | |
| Executive Director | 186 | 1 | - | - | - | - | 187 |
| Business Support | 241 | 3 | - | - | - | - | 244 |
| **Subtotal Executive Director** | **427** | **4** | **-** | **-** | **-** | **-** | **431** |
| **Highways** | | | | | | | |
| Asst Dir - Highways | 120 | - | - | - | - | - | 120 |
| Local Infrastructure Maintenance and Improvement | 6,351 | 276 | - | - | - | -500 | 6,127 |
| Traffic Management | -136 | 38 | - | - | - | - | -98 |
| Highways Projects and Road Safety | 505 | 13 | - | - | - | - | 518 |
| Street Lighting | 5,827 | 137 | - | - | - | 11 | 5,975 |
| Asset Management | 569 | 3 | - | - | - | - | 572 |
| Parking Enforcement | - | - | - | - | - | - | - |
| Winter Maintenance | 2,047 | 78 | - | - | - | - | 2,125 |
| Park & Ride | 320 | 16 | - | - | - | - | 336 |
| **Subtotal Highways** | **15,603** | **561** | **-** | **-** | **-** | **-489** | **15,675** |
| **Cultural & Community Services** | | | | | | | |
| Asst Dir - Cultural & Community Services | 123 | 1 | - | - | - | - | 124 |
| Public Library Services | 3,294 | 52 | - | - | - | - | 3,346 |
| Cultural Services | 104 | 2 | - | - | - | - | 106 |
| Archives | 354 | 4 | - | 78 | - | - | 436 |
| Registration & Citizenship Services | -540 | 14 | - | - | - | - | -526 |
| Coroners | 903 | 11 | 194 | - | - | - | 1,108 |
| Passenger Transport other | 2,201 | 63 | - | - | - | - | 2,264 |
| Concessionary Fares | 4,668 | 136 | - | - | - | - | 4,804 |
| **Subtotal Cultural & Community Services** | **11,107** | **283** | **194** | **78** | **-** | **-** | **11,662** |
| **Environment & Commercial Services** | | | | | | | |
| Asst Dir - Environment & Commercial Services | 121 | 1 | - | - | - | - | 122 |
| County Planning, Minerals & Waste | 418 | 5 | - | - | - | - | 423 |
| Historic Environment | 56 | 4 | - | - | - | -10 | 50 |
| Trading Standards | 684 | - | - | - | - | 10 | 694 |
| Flood Risk Management | 410 | 8 | - | - | - | - | 418 |
| Energy | 72 | - | - | - | - | - | 72 |
| Waste Disposal including PFI | 33,309 | 997 | 373 | 900 | - | -60 | 35,519 |
| **Subtotal Environment & Commercial Services** | **35,070** | **1,015** | **373** | **900** | **-** | **-60** | **37,298** |

## Section 3 - B: Place & Economy

### Table 2: Revenue - Net Budget Changes by Operational Division

**Budget Period: 2019-20**

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| **Infrastructure & Growth** | | | | | | | |
| Asst Dir - Infrastrucuture & Growth | 120 | - | - | - | - | - | 120 |
| Major Infrastructure Delivery | 1,100 | - | - | 200 | - | - | 1,300 |
| Transport & Infrastructure Policy & Funding | 103 | 8 | - | - | - | -79 | 32 |
| Growth & Development | 547 | 3 | - | - | - | - | 550 |
| Highways Development Management | - | - | - | - | - | - | - |
| **Subtotal Infrastructure & Growth** | **1,870** | **11** | **-** | **200** | **-** | **-79** | **2,002** |
| Income from Combined Authority | **-22,653** | **-198** | **-** | **-** | **-** | **14,113** | **-8,738** |
| **P&E BUDGET TOTAL** | **41,424** | **1,676** | **567** | **1,178** | **-** | **13,485** | **58,330** |

# Section 3 - B:  Place and Economy

## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **1** | **OPENING GROSS EXPENDITURE** | **89,583** | **92,951** | **93,970** | **96,416** | **98,891** | | |
| B/R.1.001 | Base adjustments | 381 | - | - | - | - | Adjustment for permanent changes to base budget from decisions made in 2018-19. | E&E, H&CI |
| B/R.1.005 | Movement of Business and Communities PH funding from P&E to P&C | -10 | - | - | - | - | Public Health grant funding for Kick Ash has moved to P&C within Communities and Partnership. | E&E |
| **1.999** | **REVISED OPENING GROSS EXPENDITURE** | **89,954** | **92,951** | **93,970** | **96,416** | **98,891** | | |
| **2** | **INFLATION** | | | | | | | |
| B/R.2.001 | Inflation | 1,890 | 1,995 | 2,133 | 2,112 | 2,112 | Some County Council services have higher rates of inflation than the national level.  For example, this is due to factors such as increasing oil costs that feed through into services like road repairs. This overall figure comes from an assessment of likely inflation in all ETE services. | E&E, H&CI |
| **2.999** | **Subtotal Inflation** | **1,890** | **1,995** | **2,133** | **2,112** | **2,112** | | |
| **3** | **DEMOGRAPHY AND DEMAND** | | | | | | | |
| B/R.3.004 | Coroner Service | 194 | 20 | 20 | 20 | 20 | Extra costs associated with an increasing population and a higher number of deaths. | H&CI |
| B/R.3.007 | Waste Disposal | 373 | 324 | 331 | 339 | 346 | Extra cost of landfilling additional waste produced by an increasing population. | H&CI |
| **3.999** | **Subtotal Demography and Demand** | **567** | **344** | **351** | **359** | **366** | | |
| **4** | **PRESSURES** | | | | | | | |
| B/R.4.005 | Libraries to serve new developments | - | 49 | - | - | - | Cost of running the Eddington Library in North West Cambridge to serve the new community. | H&CI |
| B/R.4.008 | Impact of National Living Wage (NLW) on CCC Employee Costs | - | 14 | 14 | - | - | The extra cost of the National Living Wage on directly employed CCC staff. | E&E, H&CI |
| B/R.4.009 | Cambridgeshire and Peterborough Minerals and Waste Local Plan | - | -54 | -54 | - | - | Work has commenced on a new Minerals and Waste Plan with Peterborough City Council.  The plan requires to be updated to minimise the risk of future challenge from developers. | E&E |
| B/R.4.011 | Archives Centre | 78 | - | - | - | - | Funding towards the running costs of the new Archives Centre at Ely. | H&CI |
| B/R.4.013 | Guided Busway Defects | 200 | -1,300 | - | - | - | The Council is in dispute with the contractor over defects in the busway construction.  This is to fund repairs to defects and legal costs in support of the Council's legal action against the Contractor.  The Council expects to recover these costs. | E&E |
| B/R.4.016 | Underachievement of planned £1m 2018/19 waste contract savings | 900 | - | - | - | - | The ongoing renegotiation of the Waste contract has not yet achieved the £1m target in 2018/19 and this creates a £900K pressure. | H&CI |
| **4.999** | **Subtotal Pressures** | **1,178** | **-1,291** | **-40** | **-** | **-** | | |
| **5** | **INVESTMENTS** | | | | | | | |
| **5.999** | **Subtotal Investments** | **-** | **-** | **-** | **-** | **-** | | |

# Section 3 - B:  Place and Economy

## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **6** | **SAVINGS** | | | | | | | |
| | **E&E** | | | | | | | |
| B/R.6.103 | Shared Service: Historic Environment | -10 | - | - | - | - | Income generation shared services with Peterborough. | E&E |
| B/R.6.105 | Transformation of the Infrastructure & Growth Service into a profit centre. | -79 | - | - | - | - | The service predominantly recovers its operating costs through recharge and development related income. A large proportion of this is for external clients, such as the Combined Authority & GCP. Commerical operation of the service will maximise income opportunities and standardise the approach to working with external clients, enabling consideration of the associated risks. Revenue generated from this approach will support those services such as strategy and development related planning activities that aren't rechargeable. | E&E |
| | **H&CI** | | | | | | | |
| B/R.6.202 | Highways Maintenance | -350 | - | - | - | - | Utilising a greater proportion of the on-street parking surplus to fund highways and transport works as allowed by current legislation. | H&CI |
| B/R.6.204 | Road Safety | - | -50 | - | - | - | At the March H&CI committee members approved the implementation of a new transformative model for deliverying all elements of road safety (education, engineering, school crossing patrols, safety cameras, audits etc). The approach is an integrated model with Peterborough, built around core and commercial activities. The £50k will be achieved through more efficient working practices (moving resource online and co-location) | H&CI |
| B/R.6.206 | Highways Shared Services Model | -150 | - | - | - | - | Creation of a single, shared highway service across Cambridgeshire and Peterborough. Whilst the emphasis is on creating resilience and flexibility there will be the opportunity to make some savings through the creation of the new,streamlined structure. | H&CI |
| B/R.6.210 | Household Recycling Centre changes | -60 | - | - | - | - | Implementation of a permitting system for vans and trailers. | H&CI |
| B/R.6.214 | Street Lighting - contract synergies | 11 | 21 | 2 | 4 | - | Annual saving from joint contract drafting with partners.  This will not lead to any reduction in street lighting provision. | H&CI |
| **6.999** | **Subtotal Savings** | **-638** | **-29** | **2** | **4** | **-** | | |
| | | | | | | | | |
| | **TOTAL GROSS EXPENDITURE** | **92,951** | **93,970** | **96,416** | **98,891** | **101,369** | | |
| **7** | **FEES, CHARGES & RING-FENCED GRANTS** | | | | | | | |
| B/R.7.001 | Previous year's fees, charges & ring-fenced grants | -48,155 | -34,621 | -34,640 | -34,778 | -34,913 | Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward. | E&E, H&CI |
| B/R.7.002 | Fees and charges inflation | -16 | -11 | -11 | -11 | -11 | Additional income for increases to fees and charges in line with inflation, not including the effect of the Combined Authority Levy. | E&E, H&CI |
| B/R.7.004 | Inflation on Levy charged to the Combined Authority | -198 | -128 | -127 | -124 | -122 | Inflation of the Combined Authority Levy - this is matched to the inflation in ETE expenditure for which the Combined Authority are billed. | E&E, H&CI |
| B/R.7.005 | Reduction in Levy charged to Combined Authority | 14,113 | - | - | - | - | Budgeted income for services provided by the Council on behalf of the Combined Authority. | E&E, H&CI |
| B/R.7.006 | Changes to Fees and Charges from previous year | -455 | - | - | - | - | Changes to Fees and Charges caused by decisions in 2018-19 after the publication of the 2018-19 Business Plan. | E&E, H&CI |
| | **Changes to fees & charges** | | | | | | | |
| B/R.7.202 | Change in Public Health Grant | 10 | 120 | - | - | - | Change in ring-fenced Public Health grant to reflect change of function and treatment as a corporate grant from 2019-20 due to removal of ring-fence. | E&E, H&CI |
| B/R.7.205 | Change in Waste PFI grant | 80 | - | - | - | - | Change in Waste PFI grant income for 2019/20 | E&E |
| **7.999** | **Subtotal Fees, Charges & Ring-fenced Grants** | **-34,621** | **-34,640** | **-34,778** | **-34,913** | **-35,046** | | |
| | | | | | | | | |
| | **TOTAL NET EXPENDITURE** | **58,330** | **59,330** | **61,638** | **63,978** | **66,323** | | |

# Section 3 - B: Place and Economy

## Table 3: Revenue - Overview

**Budget Period: 2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | Outline Plans 2021-22 £000 | Outline Plans 2022-23 £000 | Outline Plans 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCES** | | | | | | | | |
| **8** | **FUNDING OF GROSS EXPENDITURE** | | | | | | | |
| B/R.8.001 | Budget Allocation | -58,330 | -59,330 | -61,638 | -63,978 | -66,323 | Net spend funded from general grants, business rates and Council Tax. | E&E, H&CI |
| B/R.8.002 | Public Health Grant | -120 | - | - | - | - | Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team. | E&E, H&CI |
| B/R.8.003 | Fees & Charges | -27,946 | -28,085 | -28,223 | -28,358 | -28,491 | Fees and charges for the provision of services. | E&E, H&CI |
| B/R.8.004 | PFI Grant - Street Lighting | -3,944 | -3,944 | -3,944 | -3,944 | -3,944 | PFI Grant from DfT for the life of the project. | H&CI |
| B/R.8.005 | PFI Grant - Waste | -2,611 | -2,611 | -2,611 | -2,611 | -2,611 | PFI Grant from DEFRA for the life of the project. | H&CI |
| **8.999** | **TOTAL FUNDING OF GROSS EXPENDITURE** | **-92,951** | **-93,970** | **-96,416** | **-98,891** | **-101,369** | | |

# Section 3 - B: Place and Economy
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Summary of Schemes by Start Date | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| Ongoing | 133,372 | 65,258 | 11,038 | 15,740 | 17,251 | 14,260 | 14,025 | -4,200 |
| Committed Schemes | 311,366 | 239,738 | 33,131 | 9,799 | 2,101 | 4,508 | 1,089 | 21,000 |
| 2019-2020 Starts | 1,660 | - | 1,246 | 414 | - | - | - | - |
| **TOTAL BUDGET** | **446,398** | **304,996** | **45,415** | **25,953** | **19,352** | **18,768** | **15,114** | **16,800** |

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **B/C.01** | **Integrated Transport** | | | | | | | | | | | |
| B/C.1.002 | Air Quality Monitoring | Funding towards supporting air quality monitoring work in relation to the road network with local authority partners across the county. | | Ongoing | 115 | - | 23 | 23 | 23 | 23 | 23 | - |
| B/C.1.009 | Major Scheme Development & Delivery | Resources to support the development and delivery of major schemes. | | Ongoing | 1,000 | - | 200 | 200 | 200 | 200 | 200 | - |
| B/C.1.011 | Local Infrastructure improvements | Provision of the Local Highway Improvement Initiative across the county, providing accessibility works such as disabled parking bays and provision of improvements to the Public Rights of Way network. | | Ongoing | 3,410 | - | 682 | 682 | 682 | 682 | 682 | - |
| B/C.1.012 | Safety Schemes | Investment in road safety engineering work at locations where there is strong evidence of a significantly high risk of injury crashes. | | Ongoing | 2,970 | - | 594 | 594 | 594 | 594 | 594 | - |
| B/C.1.015 | Strategy and Scheme Development work | Resources to support Transport & Infrastructure strategy and related work across the county, including long term strategies and District and Market Town Transport Strategies, as well as funding towards scheme development work. | | Ongoing | 1,725 | - | 345 | 345 | 345 | 345 | 345 | - |
| B/C.1.019 | Delivering the Transport Strategy Aims | Supporting the delivery of Transport Strategies and Market Town Transport Strategies to help improve accessibility and mitigate the impacts of growth. | | Ongoing | 6,730 | - | 1,346 | 1,346 | 1,346 | 1,346 | 1,346 | - |
| | **Total - Integrated Transport** | | | | **15,950** | **-** | **3,190** | **3,190** | **3,190** | **3,190** | **3,190** | **-** |
| **B/C.02** | **Operating the Network** | | | | | | | | | | | |
| B/C.2.001 | Carriageway & Footway Maintenance including Cycle Paths | Allows the highway network throughout the county to be maintained. With the significant backlog of works to our highways well documented, this fund is crucial in ensuring that we are able to maintain our transport links. | | Ongoing | 53,360 | - | 10,672 | 10,672 | 10,672 | 10,672 | 10,672 | - |
| B/C.2.002 | Rights of Way | Allows improvements to our Rights of Way network which provides an important local link in our transport network for communities. | | Ongoing | 700 | - | 140 | 140 | 140 | 140 | 140 | - |

# Section 3 - B: Place and Economy
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| B/C.2.004 | Bridge strengthening | Bridges form a vital part of the transport network. With many structures to maintain across the county it is important that we continue to ensure that the overall transport network can operate and our bridges are maintained. | | Ongoing | 12,820 | - | 2,564 | 2,564 | 2,564 | 2,564 | 2,564 | - |
| B/C.2.005 | Traffic Signal Replacement | Traffic signals are a vital part of managing traffic throughout the county. Many signals require to be upgraded to help improve traffic flow and ensure that all road users are able to safely use the transport network. | | Ongoing | 4,250 | - | 850 | 850 | 850 | 850 | 850 | - |
| B/C.2.006 | Smarter Travel Management - Integrated Highways Management Centre | The Integrated Highways Management Centre (IHMC) collects, processes and shares real time travel information to local residents, businesses and communities within Cambridgeshire. In emergency situations the IHMC provides information to ensure that the impact on our transport network is mitigated and managed. | | Ongoing | 1,000 | - | 200 | 200 | 200 | 200 | 200 | - |
| B/C.2.007 | Smarter Travel Management - Real Time Bus Information | Provision of real time passenger information for the bus network. | | Ongoing | 825 | - | 165 | 165 | 165 | 165 | 165 | - |
| | **Total - Operating the Network** | | | | **72,955** | **-** | **14,591** | **14,591** | **14,591** | **14,591** | **14,591** | **-** |
| **B/C.03** | **Highways** | | | | | | | | | | | |
| B/C.3.001 | Highways Maintenance (carriageways only from 2015/16 onwards) | This fund allows the Council to increase its investment in the transport network throughout the county. With the significant backlog of works to our transport network well documented, this fund is crucial in ensuring that we reduce the rate of deterioration of our highways. | | Ongoing | 78,700 | 64,654 | 4,300 | 4,300 | 4,300 | 1,146 | - | - |
| | **Total - Highways** | | | | **78,700** | **64,654** | **4,300** | **4,300** | **4,300** | **1,146** | **-** | **-** |
| **B/C.04** | **Infrastructure & Growth** | | | | | | | | | | | |
| B/C.4.001 | Ely Bypass | The project will alleviate traffic congestion on the A142 at the level crossing adjacent to Ely railway station, which will benefit local businesses and residents. The station area is a gateway to the city. Implementation of the bypass option would remove a significant amount of traffic around the station and enhance the gateway area, making the city more attractive to tourists and improve the local environment. | | Committed | 49,000 | 48,000 | 1,000 | - | - | - | - | - |
| B/C.4.006 | Guided Busway | Guided Busway construction contract retention payments. | | Committed | 149,791 | 145,591 | 3,460 | 370 | 370 | - | - | - |

# Section 3 - B: Place and Economy
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| B/C.4.021 | Abbey - Chesterton Bridge | The Chisolm Trail cycle route scheme is being delivered as part of the City Deal Programme and will link together three centres of employment in the city along a North / South axis, including Addenbrooke's hospital, the CB1 Area and the Science Park. The Abbey - Chesterton Bridge scheme is one element of the trail that is not included within the City Deal scheme. | | Committed | 4,602 | 4,127 | 475 | - | - | - | - | - |
| B/C.4.023 | King's Dyke | The level crossing at King's Dyke between Whittlesey and Peterborough has long been a problem for people using the A605. The downtime of the barriers at the crossing causes traffic to queue for significant periods of time and this situation will get worse as rail traffic increases along the Ely to Peterborough railway line in the future. The issue is also made worse during the winter months as the B1040 at North Brink often floods, leading to its closure and therefore increasing traffic use of the A605 across King's Dyke. | | Committed | 29,982 | 10,965 | 14,176 | 4,841 | - | - | - | - |
| B/C.4.028 | A14 | Improvement of the A14 between Cambridge and Huntingdon. This is a scheme led by the Highways Agency but in order to secure delivery a local contribution to the total scheme cost, which is in excess of £1bn, is required. The Council element of this local contribution is £25m and it is proposed that it should be paid in equal instalments over a period of 25 years commencing in 2020. | | Committed | 25,200 | 200 | - | 1,000 | 1,000 | 1,000 | 1,000 | 21,000 |
| | **Total - Infrastructure & Growth** | | | | **258,575** | **208,883** | **19,111** | **6,211** | **1,370** | **1,000** | **1,000** | **21,000** |
| **B/C.05** | **Environment & Commercial Services** | | | | | | | | | | | |
| B/C.5.012 | Waste – Household Recycling Centre (HRC) Improvements | To deliver Household Recycling Centre (HRC) improvements by acquiring appropriate sites, gaining planning permission, designing and building new or upgraded facilities. A new facility is proposed in the Greater Cambridge area, a site is required to replace the current facility in March and works are required to maintain/upgrade other HRCs in the network. The programme also includes funds to develop the St Neots HRC reuse facility. | | Committed | 8,183 | 443 | 3,357 | 581 | 395 | 3,407 | - | - |
| B/C.5.029 | Energy Efficiency Fund | Establish a funding stream (value £250k per year, for four years) for investment in energy and water efficiency improvement measures in Council buildings. | F/R.6.108 | Ongoing | 1,000 | 604 | 250 | 146 | - | - | - | - |
| | **Total - Environment & Commercial Services** | | | | **9,183** | **1,047** | **3,607** | **727** | **395** | **3,407** | **-** | **-** |

# Section 3 - B:  Place and Economy
## Table 4:  Capital Programme
### Budget Period:  2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **B/C.06** | **Cultural & Community Services** | | | | | | | | | | | |
| B/C.6.101 | Development of Archives Centre premises | Development of fit for purpose premises for Cambridgeshire Archives, to conserve and make available unique historical records of the county as part of an exciting new cultural heritage centre. | | Committed | 5,280 | 4,323 | 957 | - | - | - | - | - |
| B/C.6.108 | New Community Hub / Library Service Provision Darwin Green | Contribution to the fit-out of new community hub / library facilities in areas of growth in the county. | | 2019-20 | 340 | - | - | 340 | - | - | - | - |
| B/C.6.111 | Community Hubs - Sawston | To develop a community hub in Sawston combining the library, children's centre, locality team and flexible community meeting facilities, in close association with Sawston Village College. | | Committed | 1,810 | 896 | 914 | - | - | - | - | - |
| B/C.6.112 | Libraries - Open access & touchdown facilities | The introduction of Open Access (self-service) technology to maximise the use of our library properties supporting the Cambs 2020 hub and spokes approach with staff increasingly operating in localities. Open access will extend the times libraries are open to our communities and enable Council, public sector and partner agency staff, particularly peripatetic staff, to increasingly use libraries as touchdown and meeting sites, in line with the objectives of One Public Estate. This will provide open access in 9 hub libraries and equipment/furnishings to ensure fit for purpose accessible touchdown facilities and digital access across the library network. | | 2019-20 | 567 | - | 567 | - | - | - | - | - |
| B/C.6.113 | Library Service - Card payments in Libraries | Conversion of 21 smaller libraries to community managed libraries phased over two years, including installation of cashless (Chip & PIN) option for library payments on the self service machines (RFID) to reduce and overtime negate the need of cash handling. | | 2019-20 | 148 | - | 74 | 74 | - | - | - | - |
| B/C.6.115 | Libraries - Open access & touchdown facilities - further 22 Libraries | This will provide open access to a further 22 hub libraries and equipment/furnishings to ensure fir for purpose accessible touchdown facilities and digital access across the library network. | | 2019-20 | 605 | - | 605 | - | - | - | - | - |
| | **Total - Cultural & Community Services** | | | | **8,750** | **5,219** | **3,117** | **414** | **-** | **-** | **-** | **-** |

# Section 3 - B: Place and Economy
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **B/C.07** | **Other Schemes** | | | | | | | | | | | |
| B/C.7.002 | Investment in Connecting Cambridgeshire | Connecting Cambridgeshire is working to ensure businesses, residents and public services can make the most of opportunities offered by a fast-changing digital world. Led by the Council, this ambitious partnership programme is improving Cambridgeshire's broadband, mobile and Wi-Fi coverage, whilst supporting online skills, business growth and technological innovation to meet future digital challenges. | | Committed | 36,290 | 24,486 | 8,500 | 3,000 | 304 | - | - | - |
| | **Total - Other Schemes** | | | | **36,290** | **24,486** | **8,500** | **3,000** | **304** | **-** | **-** | **-** |
| **B/C.08** | **Capital Programme Variation** | | | | | | | | | | | |
| B/C.8.001 | Variation Budget | The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis. | | Ongoing | -35,233 | - | -11,293 | -6,487 | -4,830 | -4,667 | -3,756 | -4,200 |
| B/C.8.002 | Capitalisation of Interest Costs | The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year. | | Committed | 1,228 | 707 | 292 | 7 | 32 | 101 | 89 | - |
| | **Total - Capital Programme Variation** | | | | **-34,005** | **707** | **-11,001** | **-6,480** | **-4,798** | **-4,566** | **-3,667** | **-4,200** |
| | | | | | | | | | | | | |
| | **TOTAL BUDGET** | | | | **446,398** | **304,996** | **45,415** | **25,953** | **19,352** | **18,768** | **15,114** | **16,800** |

| Funding | Total Funding £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| **Government Approved Funding** | | | | | | | | |
| Department for Transport | 206,543 | 101,493 | 16,087 | 17,808 | 18,056 | 18,081 | 18,218 | 16,800 |
| Specific Grants | 38,750 | 38,250 | 500 | - | - | - | - | - |
| **Total - Government Approved Funding** | **245,293** | **139,743** | **16,587** | **17,808** | **18,056** | **18,081** | **18,218** | **16,800** |

# Section 3 - B: Place and Economy
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Funding | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| **Locally Generated Funding** | | | | | | | | |
| Agreed Developer Contributions | 21,956 | 17,785 | 4,066 | 105 | - | - | - | - |
| Anticipated Developer Contributions | 11,907 | 544 | 256 | 70 | 758 | 767 | 812 | 8,700 |
| Capital Receipts | 39 | 39 | - | - | - | - | - | - |
| Prudential Borrowing | 119,783 | 121,279 | 7,533 | 3,129 | 538 | -80 | -3,916 | -8,700 |
| Other Contributions | 47,420 | 25,606 | 16,973 | 4,841 | - | - | - | - |
| **Total - Locally Generated Funding** | **201,105** | **165,253** | **28,828** | **8,145** | **1,296** | **687** | **-3,104** | **-** |
| | | | | | | | | |
| **TOTAL FUNDING** | **446,398** | **304,996** | **45,415** | **25,953** | **19,352** | **18,768** | **15,114** | **16,800** |

# Section 3 - B: Place and Economy
## Table 5: Capital Programme - Funding
### Budget Period: 2019-20 to 2028-29

| Summary of Schemes by Start Date | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|
| Ongoing | 133,372 | 84,982 | -1,552 | - | - | 49,942 |
| Committed Schemes | 311,366 | 160,311 | 35,116 | 47,420 | 39 | 68,480 |
| 2019-2020 Starts | 1,660 | - | 299 | - | - | 1,361 |
| **TOTAL BUDGET** | **446,398** | **245,293** | **33,863** | **47,420** | **39** | **119,783** |

| Ref | Scheme | Linked Revenue Proposal | Net Revenue Impact | Scheme Start | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **B/C.01** | **Integrated Transport** | | | | | | | | | |
| B/C.1.002 | Air Quality Monitoring | | - | Ongoing | 115 | 115 | - | - | - | - |
| B/C.1.009 | Major Scheme Development & Delivery | | - | Ongoing | 1,000 | 1,000 | - | - | - | - |
| B/C.1.011 | Local Infrastructure improvements | | - | Ongoing | 3,410 | 3,410 | - | - | - | - |
| B/C.1.012 | Safety Schemes | | - | Ongoing | 2,970 | 2,970 | - | - | - | - |
| B/C.1.015 | Strategy and Scheme Development work | | - | Ongoing | 1,725 | 1,725 | - | - | - | - |
| B/C.1.019 | Delivering the Transport Strategy Aims | | - | Ongoing | 6,730 | 6,730 | - | - | - | - |
| | **Total - Integrated Transport** | | **-** | | **15,950** | **15,950** | **-** | **-** | **-** | **-** |
| **B/C.02** | **Operating the Network** | | | | | | | | | |
| B/C.2.001 | Carriageway & Footway Maintenance including Cycle Paths | | - | Ongoing | 53,360 | 53,360 | - | - | - | - |
| B/C.2.002 | Rights of Way | | - | Ongoing | 700 | 700 | - | - | - | - |
| B/C.2.004 | Bridge strengthening | | - | Ongoing | 12,820 | 12,820 | - | - | - | - |
| B/C.2.005 | Traffic Signal Replacement | | - | Ongoing | 4,250 | 4,250 | - | - | - | - |
| B/C.2.006 | Smarter Travel Management - Integrated Highways Management Centre | | - | Ongoing | 1,000 | 1,000 | - | - | - | - |
| B/C.2.007 | Smarter Travel Management - Real Time Bus Information | | - | Ongoing | 825 | 825 | - | - | - | - |
| | **Total - Operating the Network** | | **-** | | **72,955** | **72,955** | **-** | **-** | **-** | **-** |
| **B/C.03** | **Highways** | | | | | | | | | |
| B/C.3.001 | Highways Maintenance (carriageways only from 2015/16 onwards) | | - | Ongoing | 78,700 | 4,932 | - | - | - | 73,768 |
| | **Total - Highways** | | **-** | | **78,700** | **4,932** | **-** | **-** | **-** | **73,768** |
| **B/C.04** | **Infrastructure & Growth** | | | | | | | | | |
| B/C.4.001 | Ely Bypass | | - | Committed | 49,000 | 22,000 | 1,000 | 6,294 | - | 19,706 |
| B/C.4.006 | Guided Busway | | - | Committed | 149,791 | 94,667 | 29,488 | 9,282 | - | 16,354 |
| B/C.4.021 | Abbey - Chesterton Bridge | | - | Committed | 4,602 | 1,894 | 2,025 | 683 | - | - |
| B/C.4.023 | King's Dyke | | - | Committed | 29,982 | 8,000 | - | 19,902 | - | 2,080 |

# Section 3 - B: Place and Economy
## Table 5: Capital Programme - Funding
### Budget Period: 2019-20 to 2028-29

| Ref | Scheme | Linked Revenue Proposal | Net Revenue Impact | Scheme Start | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|---|---|---|---|
| B/C.4.028 | A14 | | - | Committed | 25,200 | 25,000 | - | 200 | - | - |
| | **Total - Infrastructure & Growth** | | **-** | | **258,575** | **151,561** | **32,513** | **36,361** | **-** | **38,140** |
| **B/C.05** | **Environment & Commercial Services** | | | | | | | | | |
| B/C.5.012 | Waste – Household Recycling Centre (HRC) Improvements | | - | Committed | 8,183 | - | 2,603 | - | - | 5,580 |
| B/C.5.029 | Energy Efficiency Fund | F/R.6.108 | -550 | Ongoing | 1,000 | - | - | - | - | 1,000 |
| | **Total - Environment & Commercial Services** | | **-550** | | **9,183** | **-** | **2,603** | **-** | **-** | **6,580** |
| **B/C.06** | **Cultural & Community Services** | | | | | | | | | |
| B/C.6.101 | Development of Archives Centre premises | | - | Committed | 5,280 | - | - | 34 | - | 5,246 |
| B/C.6.108 | New Community Hub / Library Service Provision Darwin Green | | - | 2019-20 | 340 | - | 299 | - | - | 41 |
| B/C.6.111 | Community Hubs - Sawston | | - | Committed | 1,810 | - | - | - | 39 | 1,771 |
| B/C.6.112 | Libraries - Open access & touchdown facilities | | - | 2019-20 | 567 | - | - | - | - | 567 |
| B/C.6.113 | Library Service - Card payments in Libraries | | - | 2019-20 | 148 | - | - | - | - | 148 |
| B/C.6.115 | Libraries - Open access & touchdown facilities - further 22 Libraries | | | 2019-20 | 605 | - | - | - | - | 605 |
| | **Total - Cultural & Community Services** | | **-** | | **8,750** | **-** | **299** | **34** | **39** | **8,378** |
| **B/C.07** | **Other Schemes** | | | | | | | | | |
| B/C.7.002 | Investment in Connecting Cambridgeshire | | - | Committed | 36,290 | 8,750 | - | 11,025 | - | 16,515 |
| | **Total - Other Schemes** | | **-** | | **36,290** | **8,750** | **-** | **11,025** | **-** | **16,515** |
| **B/C.08** | **Capital Programme Variation** | | | | | | | | | |
| B/C.8.001 | Variation Budget | | - | Ongoing | -35,233 | -8,855 | -1,552 | - | - | -24,826 |
| B/C.8.002 | Capitalisation of Interest Costs | | - | Committed | 1,228 | - | - | - | - | 1,228 |
| | **Total - Capital Programme Variation** | | **-** | | **-34,005** | **-8,855** | **-1,552** | **-** | **-** | **-23,598** |
| | | | | | | | | | | |
| | **TOTAL BUDGET** | | | | **446,398** | **245,293** | **33,863** | **47,420** | **39** | **119,783** |

## Section 3 - C: Corporate and Managed Services

### Table 1: Revenue - Summary of Net Budget by Operational Division

**Budget Period: 2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---|---|---|---|---|---|---|---|---|
| | **Corporate & Customer Services** | | | | | | | |
| 599 | Director, Corporate and Customer Services | 3,011 | -301 | 2,710 | 2,815 | 2,819 | 2,819 | 2,819 |
| 122 | Chief Executive | 125 | -3 | 122 | 122 | 122 | 122 | 122 |
| 725 | Communication and Information | 732 | - | 732 | 732 | 732 | 732 | 732 |
| 1,675 | Customer Services | 1,811 | -110 | 1,701 | 1,701 | 1,701 | 1,701 | 1,701 |
| 465 | Information Management | 498 | -25 | 473 | 473 | 473 | 473 | 473 |
| 2,073 | IT & Digital Service | 2,204 | -125 | 2,079 | 2,079 | 2,079 | 2,079 | 2,079 |
| 165 | Elections | 165 | - | 165 | 165 | 165 | 165 | 165 |
| 866 | Redundancy, Pensions & Injury | 1,029 | -173 | 856 | 846 | 846 | 846 | 846 |
| **6,690** | **Subtotal Corporate & Customer Services** | **9,575** | **-737** | **8,838** | **8,933** | **8,937** | **8,937** | **8,937** |
| | **Corporate Savings & Funding** | | | | | | | |
| 322 | Demography Reserve | 322 | - | 322 | 322 | 322 | 322 | 322 |
| -64 | Commercial approach to contract management | -64 | - | -64 | -64 | -64 | -64 | -64 |
| -938 | Organisational Structure Review | -938 | - | -938 | -938 | -938 | -938 | -938 |
| -182 | Citizen First, Digital First | - | - | - | - | - | - | - |
| -225 | PCC Shared Services | -725 | - | -725 | -725 | -725 | -725 | -725 |
| -38 | Automation | -38 | - | -38 | -38 | -38 | -38 | -38 |
| **-1,125** | **Subtotal Corporate Savings & Funding** | **-1,443** | **-** | **-1,443** | **-1,443** | **-1,443** | **-1,443** | **-1,443** |
| | **Business Improvement & Development** | | | | | | | |
| 148 | Transformation Team | 162 | - | 162 | 162 | 162 | 162 | 162 |
| 754 | Business Intelligence | 1,102 | -336 | 766 | 766 | 766 | 766 | 766 |
| **902** | **Subtotal Business Improvement & Development** | **1,264** | **-336** | **928** | **928** | **928** | **928** | **928** |
| | **Deputy Chief Executive** | | | | | | | |
| 325 | Resources Directorate | 387 | -60 | 327 | 327 | 327 | 327 | 327 |
| **325** | **Subtotal Deputy Chief Executive** | **387** | **-60** | **327** | **327** | **327** | **327** | **327** |
| | **Legal & Governance** | | | | | | | |
| 102 | Legal & Governance Services | 102 | - | 102 | 102 | 102 | 102 | 102 |
| **102** | **Subtotal Legal & Governance** | **102** | **-** | **102** | **102** | **102** | **102** | **102** |

## Section 3 - C: Corporate and Managed Services

### Table 1: Revenue - Summary of Net Budget by Operational Division

**Budget Period: 2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---|---|---|---|---|---|---|---|---|
| | **LGSS Managed** | | | | | | | |
| 117 | External Audit | 117 | - | 117 | 117 | 117 | 117 | 117 |
| 2,139 | Insurance | 2,139 | - | 2,139 | 2,139 | 2,139 | 2,139 | 2,139 |
| 2,994 | IT Managed | 4,578 | -202 | 4,376 | 4,376 | 4,376 | 4,376 | 4,376 |
| 1,034 | Members´ Allowances | 1,046 | - | 1,046 | 1,046 | 1,046 | 1,046 | 1,046 |
| 172 | OWD Managed | 184 | -8 | 176 | 176 | 176 | 176 | 176 |
| 110 | Subscriptions | 110 | - | 110 | 110 | 110 | 110 | 110 |
| 48 | Authority-wide Miscellaneous | 166 | -118 | 48 | 148 | 148 | 148 | 148 |
| 36 | HR Managed | 36 | - | 36 | 36 | 36 | 36 | 36 |
| - | Corporate Redundancies | - | - | - | - | - | - | - |
| 7,536 | Transformation Fund | 3,428 | - | 3,428 | 2,580 | 944 | 944 | 944 |
| **14,186** | **Subtotal LGSS Managed** | **11,804** | **-328** | **11,476** | **10,728** | **9,092** | **9,092** | **9,092** |
| | **Greater Cambridge Partnership** | | | | | | | |
| 863 | City Deal with Greater Cambridge Partnership | 4,044 | -3,443 | 601 | 488 | 602 | 602 | 602 |
| **863** | **Subtotal Greater Cambridge Partnership** | **4,044** | **-3,443** | **601** | **488** | **602** | **602** | **602** |
| **-** | **UNIDENTIFIED SAVINGS TO BALANCE BUDGET** | **-13,134** | **-** | **-13,134** | **-24,568** | **-28,917** | **-36,952** | **-42,096** |
| | **Future Years** | | | | | | | |
| - | Inflation | - | - | - | 94 | 188 | 282 | 376 |
| **21,943** | **CS BUDGET TOTAL** | **12,599** | **-4,904** | **7,695** | **-4,411** | **-10,184** | **-18,125** | **-23,175** |

# Section 3 - C: Corporate and Managed Services

## Table 2: Revenue - Net Budget Changes by Operational Division

**Budget Period: 2019-20**

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| **Corporate & Customer Services** | | | | | | | |
| Director, Corporate and Customer Services | 599 | 383 | - | 1,928 | - | -200 | 2,710 |
| Chief Executive | 122 | - | - | - | - | - | 122 |
| Communication and Information | 725 | 7 | - | - | - | - | 732 |
| Customer Services | 1,675 | 26 | - | - | - | - | 1,701 |
| Information Management | 465 | 8 | - | - | - | - | 473 |
| IT & Digital Service | 2,073 | 6 | - | - | - | - | 2,079 |
| Elections | 165 | - | - | - | - | - | 165 |
| Redundancy, Pensions & Injury | 866 | - | - | - | - | -10 | 856 |
| **Subtotal Corporate & Customer Services** | **6,690** | **430** | **-** | **1,928** | **-** | **-210** | **8,838** |
| **Corporate Savings & Funding** | | | | | | | |
| Demography Reserve | 322 | - | - | - | - | - | 322 |
| Commercial approach to contract management | -64 | - | - | - | - | - | -64 |
| Organisational Structure Review | -938 | - | - | - | - | - | -938 |
| Citizen First, Digital First | -182 | - | - | 182 | - | - | - |
| PCC Shared Services | -225 | - | - | - | - | -500 | -725 |
| Automation | -38 | - | - | - | - | - | -38 |
| **Subtotal Corporate Savings & Funding** | **-1,125** | **-** | **-** | **182** | **-** | **-500** | **-1,443** |
| **Business Improvement & Development** | | | | | | | |
| Transformation Team | 148 | 14 | - | - | - | - | 162 |
| Business Intelligence | 754 | 12 | - | - | - | - | 766 |
| **Subtotal Business Improvement & Development** | **902** | **26** | **-** | **-** | **-** | **-** | **928** |
| **Deputy Chief Executive** | | | | | | | |
| Resources Directorate | 325 | 2 | - | - | - | - | 327 |
| **Subtotal Deputy Chief Executive** | **325** | **2** | **-** | **-** | **-** | **-** | **327** |
| **Legal & Governance** | | | | | | | |
| Legal & Governance Services | 102 | - | - | - | - | - | 102 |
| **Subtotal Legal & Governance** | **102** | **-** | **-** | **-** | **-** | **-** | **102** |

## Section 3 - C: Corporate and Managed Services

### Table 2: Revenue - Net Budget Changes by Operational Division

**Budget Period: 2019-20**

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| **LGSS Managed** | | | | | | | |
| External Audit | 117 | - | - | - | - | - | 117 |
| Insurance | 2,139 | - | - | - | - | - | 2,139 |
| IT Managed | 2,994 | 1 | - | 1,381 | - | - | 4,376 |
| Members´ Allowances | 1,034 | 12 | - | - | - | - | 1,046 |
| OWD Managed | 172 | 4 | - | - | - | - | 176 |
| Subscriptions | 110 | - | - | - | - | - | 110 |
| Authority-wide Miscellaneous | 48 | - | - | - | - | - | 48 |
| HR Managed | 36 | - | - | - | - | - | 36 |
| Corporate Redundancies | - | - | - | - | - | - | - |
| Transformation Fund | 7,536 | - | - | - | -4,108 | - | 3,428 |
| **Subtotal LGSS Managed** | **14,186** | **17** | **-** | **1,381** | **-4,108** | **-** | **11,476** |
| **Greater Cambridge Partnership** | | | | | | | |
| City Deal with Greater Cambridge Partnership | 862 | - | - | - | -261 | - | 601 |
| **Subtotal Greater Cambridge Partnership** | **862** | **-** | **-** | **-** | **-261** | **-** | **601** |
| **UNIDENTIFIED SAVINGS TO BALANCE BUDGET** | **-13,134** | | **-** | **-** | **-** | | **-13,134** |
| **CS BUDGET TOTAL** | **8,808** | **475** | **-** | **3,491** | **-4,369** | **-710** | **7,695** |

# Section 3 - C: Corporate and Managed Services

## Table 3: Revenue - Overview

**Budget Period: 2019-20 to 2023-24**

| | | Detailed Plans | Outline Plans | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Ref** | **Title** | **2019-20 £000** | **2020-21 £000** | **2021-22 £000** | **2022-23 £000** | **2023-24 £000** | **Description** | **Committee** |
| **1** | **OPENING GROSS EXPENDITURE** | **24,029** | **12,599** | **292** | **-5,481** | **-13,422** | | |
| C/R.1.001 | Base Adjustments | -383 | - | - | - | - | Adjustment for permanent changes to base budget from decisions made in 2018-19. | GPC |
| C/R.1.006 | Base Adjustment - Re-Phasing of Adults 17-18 Transformation Funding | 3,000 | - | - | - | - | As per submission to GPC the funding allocated as part of the 2017-18 business planning process is to be re-phased with £3m spent in 2018-19 rather than 2017-18 | GPC |
| **1.999** | **REVISED OPENING GROSS EXPENDITURE** | **26,646** | **12,599** | **292** | **-5,481** | **-13,422** | | |
| **2** | **INFLATION** | | | | | | | |
| C/R.2.001 | Inflation | 97 | 94 | 94 | 94 | 94 | Some services have higher rates of inflation than the national level. For example, this is due to factors such as increasing running costs of Council properties. This overall figure comes from an assessment of likely inflation in all Corporate services. Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures. | GPC |
| C/R.2.002 | Inflation - Additional pension contributions | 378 | - | - | - | - | Increase in pensions inflation required to fund the lump sum element of LGPS contributions | GPC |
| **2.999** | **Subtotal Inflation** | **475** | **94** | **94** | **94** | **94** | | |
| **3** | **DEMOGRAPHY AND DEMAND** | | | | | | | |
| **3.999** | **Subtotal Demography and Demand** | **-** | **-** | **-** | **-** | **-** | | |
| **4** | **PRESSURES** | | | | | | | |
| C/R.4.009 | Disaster Recovery facility for critical business systems | 41 | - | - | - | - | Implementation of a second technology platform, in LGSS's Angel Street data centre, able to deliver core and critical IT services in the event of disaster or disruption to the Shire Hall data centre. | GPC |
| C/R.4.010 | Impact of Local Government Pay offer on CCC Employee Costs | 430 | 4 | 4 | - | - | The cost impact of the 2019/20 local government pay offer which covers all CCC staff below Professional band. | GPC |
| C/R.4.012 | Microsoft Licensing Costs | 240 | - | - | - | - | Microsoft have announced major changes to their licensing arrangement with Crown Commercial Services. As a result services need to be remodelled to adopt Cloud-based licensing. This brings an estimated 25% increase in cost. | GPC |
| C/R.4.014 | De-capitalisation of rolling laptop refresh | 1,100 | - | - | - | - | After review of the capital business case it was identified that there was no financial benefit to the continued capitalisation of of the rolling laptop refresh. | GPC |
| C/R.4.015 | Citizen First Digital First - underachievement of planned savings | 182 | - | - | - | - | An underachievement of £182k is forecast against the Citizen First, Digital First savings target. This is due to a change in the scope of the Citizen First, Digital First project and the need to find a more effective mechanism to facilitate automation savings to be achieved in other service areas across the Council. | GPC |

## Section 3 - C: Corporate and Managed Services

### Table 3: Revenue - Overview

**Budget Period: 2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| C/R.4.016 | Workforce cost planning | 498 | - | - | - | - | There are a number of costs associated with the workforce and employment, where additional central provision is needed:<br>i) A 1% uplift has been budgeted for professional level staff in 2019-20, however the public sector pay cap increasingly appears to be lifting, the national local government pay scales (which CCC uses up to £30k pa directly below the professional scales) has a 2% uplift in April 2019. The uplift for professional level staff is decided by the Chief Executive in consultation with Staffing Committee, taking account of recruitment & retention trends, and this is unlikely to be confirmed before the budget is set.<br>ii)Reform is anticipated to lower pay bandings in response to the living wage and national pay scale changes. This may give some lower paid staff more pay progression opportunities, subject to performance, which would have a cost impact.<br>iii)There is future risk to unfunded public sector pension schemes as a result of a changes in national policy: this does not impact the LGPS (which is funded) but could impact Council contributions to NHS and Teachers pensions. | GPC |
| C/R.4.017 | Central services - future business risks | 1,000 | - | - | - | - | The cost of central services to CCC is low in comparison to statistical neighbours. A number of services are currently delivered under shared services arrangements through LGSS. This line provides budgetary provision to respond to the financial risk if some services are withdrawn from LGSS or if the planned level of growth in the business model is not currently fully achievable, given pressures facing other partners. | GPC |
| **4.999** | **Subtotal Pressures** | **3,491** | **4** | **4** | **-** | **-** | | |
| **5** | **INVESTMENTS** | | | | | | | |
| C/R.5.009 | Dedicated capacity to undertake case reviews of specialist transport provision | 50 | -50 | - | - | - | Continuing transformation funding for additional capacity within the Social, Education Transport Team to review LAC Transport processes and provision | GPC |
| C/R.5.014 | Additional workforce - Children in care & Business Support | 339 | -72 | -72 | - | - | The additional team is needed as caseloads for qualified social workers in the current 14-25 service are 30 and more; caseloads at this level will not allow workers to drive care plans forward, and will therefore frustrate the ambition to reduce the number of children in care.<br>Good business support is essential to any children's service. There is a savings target against delivery of business support within children's services of £245K. As part of the current re-structure of children's services, we will propose a re-design of business support job description 'families' and a move to increase efficiency in management costs across children's social care and early help services.<br>Links to Children's Services Later Years Savings Target (A/R.6.255). | GPC |
| C/R.5.015 | Contact Centre (screening for MASH and Front door) | 142 | -100 | -42 | - | - | The proposed staffing structure aims to deliver caseloads for case holding staff of between 15 and 20.<br>In order to achieve this, we need to establish one team for children and young people in care that is over the long term establishment. This is to manage the 100 children and young people over and above the average of our statistical neighbours. This additional team would be needed for up to 24 months, from September 2018. As numbers in care reduce, the additional capacity will be absorbed into vacancies elsewhere in the structure.<br>Links to Children's Services Later Years Savings Target (A/R.6.255). | GPC |

# Section 3 - C:  Corporate and Managed Services

## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| C/R.5.016 | Family Group Conferencing | 250 | - | - | - | - | Family Group Conferencing was removed from the budget as part of phase 1 the Children's Change Programme in 2017. The plan was that social workers and clinicians within the units would ensure that appropriate family group meetings would take place in line with the systemic model of practice that is embedded in Cambridgeshire and that this approach would compensate for the loss of a standalone Family Group Conferencing Service.<br>It is, however, clear that these intended family meetings are not taking place. This is important because where family meetings are run effectively, extended families can become involved in ensuring that there is a family plan that safeguards the child after a period when they have been subject to a child protection plan. Contingency arrangements including whether there are relatives who could offer a permanent home to the child concerned can also be addressed, and family members ruled in or out of the process. This can avoid care proceedings altogether, reducing legal costs and avoids late presentation at court of potential extended family members who have not been assessed prior to proceedings.<br>It is estimated that re-instating the Family Group Conferencing Service will cost an additional £250K per annum.<br>Links to Children's Services Later Years Savings Targets (A/R.6.255). | GPC |
| C/R.5.017 | Commissioning and brokerage capability (Adults&CYP) | 499 | - | - | - | - | Links to Children's Services Later Years Savings Target (A/R.6.255). | GPC |
| C/R.5.018 | Adults Positive Challenge | 1,500 | -500 | -1,000 | - | - | The Adult Positive Challenge Programme is focused on delivering demand management opportunities throughout the service, seeking to maximise independence and support outcomes through each client conversation. Links to Adults Positive Challenge savings programme A/R.6.176. | GPC |
| C/R.5.019 | Positive Behaviour Support | 245 | - | -245 | - | - | Commission an intensive support team to work with children and young people with learning disabilities and/or autism across Cambridgeshire & Peterborough who are at high risk of exclusion from local support and at risk of inpatient admission or 52 week placement as a consequence of challenging behaviour | GPC |
| C/R.5.020 | Cambs 2020 | 277 | - | -277 | - | - | To deliver the broader aspirations of a community based service delivery model for council services under the Cambs 2020 Programme. | GPC |
| C/R.5.102 | Total Transport | 38 | -38 | - | - | - | Continuing Transformation Funding for additional capacity within the Home to School Transport Team to undertake route reviews and pursue other areas for efficiencies. | GPC |
| C/R.5.319 | Remove Adults Services investment holding figure | -3,000 | - | - | - | - | This proposal has now been replaced by proposal C/R.5.018 now that the Adults Positive Challenge programme has been specified in more detail. | GPC |
| C/R.5.900 | Reversal of 17-18 Transformation Fund Investments | -1,608 | -38 | - | - | - | Transformation funded projects are provided with investments for 1-3 years in order to deliver ongoing savings. This is the reversal of the investment for schemes funded in 2017-18. | GPC |
| C/R.5.901 | Reversal of 18-19 Transformation Fund Investments | -2,840 | -50 | - | - | - | Transformation funded projects are provided with investments for 1-3 years in order to deliver ongoing savings. This is the reversal of the investment for schemes funded in 2018-19. It is anticipated that further transformation funds will come through for funding in 2019-20. | GPC |
| C/R.5.953 | Greater Cambridge Partnership's Revenue Costs | -261 | -113 | 114 | - | - | The Council's contribution to the Greater Cambridge Partnership's revenue costs funded by the growth in New Homes Bonus, revised following a reduction in the number of payment years. | GPC |
| **5.999** | **Subtotal Investments** | **-4,369** | **-961** | **-1,522** | **-** | **-** | | |

# Section 3 - C:  Corporate and Managed Services

## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | 2019-20 £000 (Detailed Plans) | 2020-21 £000 (Outline Plans) | 2021-22 £000 (Outline Plans) | 2022-23 £000 (Outline Plans) | 2023-24 £000 (Outline Plans) | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **6** | **SAVINGS** | | | | | | | |
| | **GPC** | | | | | | | |
| C/R.6.101 | Sharing with other Councils | -500 | - | - | - | - | A joint working agreement is now in place with Peterborough City Council along with a growing number of shared posts. | GPC |
| C/R.6.106 | Reduction in costs on Redundancy, Pensions & Injury budget | -10 | -10 | - | - | - | Reduction in costs on Redundancy, Pensions & Injury budget, held within Corporate Services. | GPC |
| **6.999** | **Subtotal Savings** | **-510** | **-10** | **-** | **-** | **-** | | |
| | **UNIDENTIFIED SAVINGS TO BALANCE BUDGET** | **-13,134** | **-11,434** | **-4,349** | **-8,035** | **-5,144** | | |
| | **TOTAL GROSS EXPENDITURE** | **12,599** | **292** | **-5,481** | **-13,422** | **-18,472** | | |
| **7** | **FEES, CHARGES & RING-FENCED GRANTS** | | | | | | | |
| C/R.7.001 | Previous year's fees, charges & ring-fenced grants | -5,696 | -4,904 | -4,703 | -4,703 | -4,703 | Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward. | GPC |
| C/R.7.002 | Changes to fees, charges & ring-fenced grants | 992 | - | - | - | - | Adjustment for changes to fees, charges & ring-fenced grants reflecting decisions made in 2018-19. | GPC |
| | **Changes to fees & charges** | | | | | | | |
| C/R.7.101 | BP 19/20 - Council Tax: Increasing Contributions | -200 | - | - | - | - | We will seek to work with Cambridgeshire District Councils to identify the best possible activities to drive up increased payment of Council Tax in Cambridgeshire. Based upon these discussions, we will procure support to undertake a process of identifying residents who are incorrectly paying less Council Tax than they should be, notify them and bill them appropriately, bringing in additional revenue. We may also seek to support arrangements to enable people who are genuinely unable to pay their Council Tax by offering more flexible payment terms. Based upon previous work in this area, there is a reasonable likelihood that this activity could be commissioned on a no-win-no-fee basis, with the Local Authority only having to pay if the work undertaken is successful. | GPC |
| | **Changes to ring-fenced grants** | | | | | | | |
| C/R.7.201 | Change in Public Health Grant | - | 201 | - | - | - | Change in ring-fenced Public Health grant to reflect treatment as a corporate grant from 2019-20 due to removal of ring-fence. | GPC |
| **7.999** | **Subtotal Fees, Charges & Ring-fenced Grants** | **-4,904** | **-4,703** | **-4,703** | **-4,703** | **-4,703** | | |
| | | | | | | | | |
| | **TOTAL NET EXPENDITURE** | **7,695** | **-4,411** | **-10,184** | **-18,125** | **-23,175** | | |

# Section 3 - C: Corporate and Managed Services

## Table 3: Revenue - Overview

**Budget Period: 2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCES** | | | | | | | | |
| **8** | **FUNDING OF GROSS EXPENDITURE** | | | | | | | |
| C/R.8.001 | Budget Allocation | -7,695 | 4,411 | 10,184 | 18,125 | 23,175 | Net spend funded from general grants, business rates and Council Tax. | GPC |
| C/R.8.002 | Public Health Grant | -201 | - | - | - | - | Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team. | GPC |
| C/R.8.003 | Fees & Charges | -4,703 | -4,703 | -4,703 | -4,703 | -4,703 | Fees and charges for the provision of services. | GPC |
| **8.999** | **TOTAL FUNDING OF GROSS EXPENDITURE** | **-12,599** | **-292** | **5,481** | **13,422** | **18,472** | | |

# Section 3 - C: Corporate and Managed Services
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Summary of Schemes by Start Date | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| Ongoing | 16,603 | 7,791 | 2,429 | 3,164 | 3,219 | - | - | - |
| Committed Schemes | 9,315 | 4,978 | 4,062 | 275 | - | - | - | - |
| **TOTAL BUDGET** | **25,918** | **12,769** | **6,491** | **3,439** | **3,219** | **-** | **-** | **-** |

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **C/C.01** | **Corporate Services** | | | | | | | | | | | |
| C/C.1.003 | Citizen First, Digital First | Further improvements to be made to automate our systems and processes. To take out costs and to improve the speed of transactions with the Council for our customers, partners and providers. | | Ongoing | 3,546 | 1,821 | 575 | 575 | 575 | - | - | - |
| C/C.1.005 | Children's Services IT System | Procurement and implementation of a case management and information system for CCC Children's Services that can be aligned with the system in use in Peterborough City Council. | | Committed | 2,653 | 1,418 | 1,235 | - | - | - | - | - |
| | **Total - Corporate Services** | | | | **6,199** | **3,239** | **1,810** | **575** | **575** | **-** | **-** | **-** |
| **C/C.02** | **Managed Services** | | | | | | | | | | | |
| C/C.2.006 | CPSN Replacement | This is for the procurement of a replacement Wide Area Network solution. The current contracted service (CPSN) is due to end in June 2018, but we have secured continuance to June 2019. 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 (EastNet). | | Committed | 5,500 | 3,015 | 2,485 | - | - | - | - | - |
| C/C.2.010 | IT Infrastructure Refresh | Upgrades/refresh of the core CCC IT systems that underpin use of IT across the Council. This essential work will ensure that the critical IT Infrastructure continues to be fit for purpose and supports changes in technology and business requirements | | Committed | 660 | 220 | 165 | 275 | - | - | - | - |
| C/C.2.011 | Replacement of office networking hardware | Replacement of end-of-life networking hardware (switches) in all CCC offices to maintain stability, supportability and security of access to business systems for CCC staff. | | Committed | 354 | 177 | 177 | - | - | - | - | - |
| | **Total - Managed Services** | | | | **6,514** | **3,412** | **2,827** | **275** | **-** | **-** | **-** | **-** |

# Section 3 - C: Corporate and Managed Services
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **C/C.03** | **Transformation** | | | | | | | | | | | |
| C/C.3.001 | Capitalisation of Transformation Team | Funding the Transformation team from capital instead of revenue, by using the flexibility of capital receipts direction. | | Ongoing | 9,396 | 2,850 | 2,182 | 2,182 | 2,182 | - | - | - |
| C/C.3.002 | Capitalisation of Redundancies | Funding the cost of redundancies from capital instead of revenue, using the flexibility of capital receipts direction. | | Ongoing | 6,228 | 3,120 | 1,036 | 1,036 | 1,036 | - | - | - |
| | **Total - Transformation** | | | | **15,624** | **5,970** | **3,218** | **3,218** | **3,218** | **-** | **-** | **-** |
| **C/C.10** | **Capital Programme Variation** | | | | | | | | | | | |
| C/C.10.001 | Variation Budget | The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis. | | Ongoing | -2,567 | - | -1,364 | -629 | -574 | - | - | - |
| C/C.10.002 | Capitalisation of Interest Costs | The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year. | | Committed | 148 | 148 | - | - | - | - | - | - |
| | **Total - Capital Programme Variation** | | | | **-2,419** | **148** | **-1,364** | **-629** | **-574** | **-** | **-** | **-** |
| | | | | | | | | | | | | |
| | **TOTAL BUDGET** | | | | **25,918** | **12,769** | **6,491** | **3,439** | **3,219** | **-** | **-** | **-** |

| Funding | Total Funding £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| **Locally Generated Funding** | | | | | | | | |
| Prudential Borrowing | 10,186 | 6,799 | 3,165 | 221 | 1 | - | - | - |
| Ring-Fenced Capital Receipts | 15,732 | 5,970 | 3,326 | 3,218 | 3,218 | - | - | - |
| **Total - Locally Generated Funding** | **25,918** | **12,769** | **6,491** | **3,439** | **3,219** | **-** | **-** | **-** |
| | | | | | | | | |
| **TOTAL FUNDING** | **25,918** | **12,769** | **6,491** | **3,439** | **3,219** | **-** | **-** | **-** |

# Section 3 - C: Corporate and Managed Services

## Table 5: Capital Programme - Funding

**Budget Period: 2019-20 to 2028-29**

| Summary of Schemes by Start Date | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|
| Ongoing | 16,603 | - | - | - | 15,624 | 979 |
| Committed Schemes | 9,315 | - | - | - | 108 | 9,207 |
| **TOTAL BUDGET** | **25,918** | **-** | **-** | **-** | **15,732** | **10,186** |

| Ref | Scheme | Linked Revenue Proposal | Net Revenue Impact | Scheme Start | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **C/C.01** | **Corporate Services** | | | | | | | | | |
| C/C.1.003 | Citizen First, Digital First | | - | Ongoing | 3,546 | - | - | - | - | 3,546 |
| C/C.1.005 | Children's Services IT System | | - | Committed | 2,653 | - | - | - | 108 | 2,545 |
| | **Total - Corporate Services** | | **-** | | **6,199** | **-** | **-** | **-** | **108** | **6,091** |
| **C/C.02** | **Managed Services** | | | | | | | | | |
| C/C.2.006 | CPSN Replacement | | - | Committed | 5,500 | - | - | - | - | 5,500 |
| C/C.2.010 | IT Infrastructure Refresh | | - | Committed | 660 | - | - | - | - | 660 |
| C/C.2.011 | Replacement of office networking hardware | | - | Committed | 354 | - | - | - | - | 354 |
| | **Total - Managed Services** | | **-** | | **6,514** | **-** | **-** | **-** | **-** | **6,514** |
| **C/C.03** | **Transformation** | | | | | | | | | |
| C/C.3.001 | Capitalisation of Transformation Team | | - | Ongoing | 9,396 | - | - | - | 9,396 | - |
| C/C.3.002 | Capitalisation of Redundancies | | - | Ongoing | 6,228 | - | - | - | 6,228 | - |
| | **Total - Transformation** | | **-** | | **15,624** | **-** | **-** | **-** | **15,624** | **-** |
| **C/C.10** | **Capital Programme Variation** | | | | | | | | | |
| C/C.10.001 | Variation Budget | | - | Ongoing | -2,567 | - | - | - | - | -2,567 |
| C/C.10.002 | Capitalisation of Interest Costs | | - | Committed | 148 | - | - | - | - | 148 |
| | **Total - Capital Programme Variation** | | **-** | | **-2,419** | **-** | **-** | **-** | **-** | **-2,419** |
| | **TOTAL BUDGET** | | | | **25,918** | **-** | **-** | **-** | **15,732** | **10,186** |

# Section 3 - C: Corporate and Managed Services

## Table 6: Revenue - Financing Debt Charges Overview

### Budget Period: 2019-20 to 2023-24

| Ref | Title | 2019-20 £000 (Detailed Plans) | 2020-21 £000 (Outline Plans) | 2021-22 £000 (Outline Plans) | 2022-23 £000 (Outline Plans) | 2023-24 £000 (Outline Plans) | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| 1 | **OPENING GROSS EXPENDITURE** | **25,983** | **28,195** | **33,027** | **38,756** | **41,068** | | |
| 1.999 | **REVISED OPENING GROSS EXPENDITURE** | **25,983** | **28,195** | **33,027** | **38,756** | **41,068** | | |
| 2 | **INFLATION** | | | | | | | |
| 2.999 | **Subtotal Inflation** | **-** | **-** | **-** | **-** | **-** | | |
| 3 | **DEMOGRAPHY AND DEMAND** | | | | | | | |
| 3.999 | **Subtotal Demography and Demand** | **-** | **-** | **-** | **-** | **-** | | |
| 4 | **PRESSURES** | | | | | | | |
| 4.999 | **Subtotal Pressures** | **-** | **-** | **-** | **-** | **-** | | |
| 5 | **INVESTMENTS** | | | | | | | |
| G/R.5.001 | Revenue impact of Capital decisions | 1,541 | 5,477 | 3,710 | 1,298 | 1,945 | Change in borrowing costs as a result of changes to levels of prudential borrowing in the capital programme. | GPC |
| 5.999 | **Subtotal Investments** | **1,541** | **5,477** | **3,710** | **1,298** | **1,945** | | |
| 6 | **SAVINGS** | | | | | | | |
| | **GPC** | | | | | | | |
| G/R.6.003 | MRP: Accountable Body | 660 | 849 | - | - | - | As Accountable Body the Council incurs certain administrative costs in undertaking this role. However it also holds the cash on an interim basis pending utilisation by those parties. The Council maximises the use of these resources whilst not detrimentally affecting those resources. This is only possible where the body or partnership does not use the funds that have been awarded in the financial year in which they are provided. This is an adverse effect, it is the reversal of savings made in previous years as the cash received in prior years is utilised by by the parties for whom we hold the funds and can no longer be used to offset borrowing requirements | GPC |
| G/R.6.004 | Capitalisation of interest on borrowing | 11 | -1,494 | 2,019 | 1,014 | 306 | Through a change in the Council's accounting policy in 2017-18, the cost of borrowing within all schemes will be capitalised. This will help to better reflect the cost of assets when they actually become operational. | GPC |
| 6.999 | **Subtotal Savings** | **671** | **-645** | **2,019** | **1,014** | **306** | | |
| | **TOTAL GROSS EXPENDITURE** | **28,195** | **33,027** | **38,756** | **41,068** | **43,319** | | |
| 7 | **FEES, CHARGES & RING-FENCED GRANTS** | | | | | | | |
| 7.999 | **Subtotal Fees, Charges & Ring-fenced Grants** | **-** | **-** | **-** | **-** | **-** | | |
| | **TOTAL NET EXPENDITURE** | **28,195** | **33,027** | **38,756** | **41,068** | **43,319** | | |

# Section 3 - C: Corporate and Managed Services

## Table 6: Revenue - Financing Debt Charges Overview

### Budget Period: 2019-20 to 2023-24

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCES** | | | | | | | | |
| **8** | **FUNDING OF GROSS EXPENDITURE** | | | | | | | |
| G/R.8.101 | Budget Allocation | -28,195 | -33,027 | -38,756 | -41,068 | -43,319 | Net spend funded from general grants, business rates and Council Tax. | **GPC** |
| **8.999** | **TOTAL FUNDING OF GROSS EXPENDITURE** | **-28,195** | **-33,027** | **-38,756** | **-41,068** | **-43,319** | | |

# Section 3 - D: LGSS - Cambridge Office

## Table 1: Revenue - Summary of Net Budget by Operational Division

**Budget Period: 2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---|---|---|---|---|---|---|---|---|
| | **Finance Services** | | | | | | | |
| 228 | Procurement & Insurance | 315 | -84 | 231 | 231 | 231 | 231 | 231 |
| 1,556 | Professional Finance | 1,573 | - | 1,573 | 1,573 | 1,573 | 1,573 | 1,573 |
| 10 | Integrated Finance Services | 496 | -480 | 16 | 16 | 16 | 16 | 16 |
| 218 | Audit and Risk Management | 620 | -390 | 230 | 230 | 230 | 230 | 230 |
| 1,107 | Finance Operations | 1,191 | -63 | 1,128 | 1,128 | 1,128 | 1,128 | 1,128 |
| - | Pensions Operations | 600 | -600 | - | - | - | - | - |
| 507 | Debt & Income Service | 517 | - | 517 | 517 | 517 | 517 | 517 |
| **3,626** | **Subtotal Finance Services** | **5,312** | **-1,617** | **3,695** | **3,695** | **3,695** | **3,695** | **3,695** |
| | **Human Resources** | | | | | | | |
| 1,380 | Learning & Development | 1,830 | -431 | 1,399 | 1,399 | 1,399 | 1,399 | 1,399 |
| 263 | Workforce Policy & Strategy | 344 | -79 | 265 | 265 | 265 | 265 | 265 |
| 1,093 | HR Advisory | 1,104 | - | 1,104 | 1,104 | 1,104 | 1,104 | 1,104 |
| -38 | Payroll & HR Transactions | 70 | -108 | -38 | -38 | -38 | -38 | -38 |
| **2,698** | **Subtotal Human Resources** | **3,348** | **-618** | **2,730** | **2,730** | **2,730** | **2,730** | **2,730** |
| | **Information Technology** | | | | | | | |
| 2,286 | IT Services | 2,323 | - | 2,323 | 2,323 | 2,323 | 2,323 | 2,323 |
| 1,002 | LGSS Business Systems, Projects & Change Management | 1,020 | - | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 |
| **3,288** | **Subtotal Information Technology** | **3,343** | **-** | **3,343** | **3,343** | **3,343** | **3,343** | **3,343** |
| | **Managing Director & Support** | | | | | | | |
| 8 | Customer Engagement | 8 | - | 8 | 8 | 8 | 8 | 8 |
| 149 | LGSS Business Planning & Finance | 150 | - | 150 | 150 | 150 | 150 | 150 |
| 380 | Democratic Services | 384 | -2 | 382 | 382 | 382 | 382 | 382 |
| **537** | **Subtotal Managing Director & Support** | **542** | **-2** | **540** | **540** | **540** | **540** | **540** |
| | **Central Management** | | | | | | | |
| - | Central Management | -919 | - | -919 | -694 | -689 | -689 | -689 |
| -1,314 | Trading | 3,948 | -5,262 | -1,314 | -1,314 | -1,314 | -1,314 | -1,314 |
| **-1,314** | **Subtotal Central Management** | **3,029** | **-5,262** | **-2,233** | **-2,008** | **-2,003** | **-2,003** | **-2,003** |

## Section 3 - D: LGSS - Cambridge Office

### Table 1: Revenue - Summary of Net Budget by Operational Division

**Budget Period: 2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---|---|---|---|---|---|---|---|---|
| | **Future Years** | | | | | | | |
| - | Inflation | - | - | - | 136 | 272 | 409 | 546 |
| - | Savings | | | - | -907 | -1,473 | -1,757 | -1,757 |
| **8,835** | **LGSS - CAMBRIDGE OFFICE BUDGET TOTAL** | **15,574** | **-7,499** | **8,075** | **7,529** | **7,104** | **6,957** | **7,094** |

# Section 3 - D:  LGSS - Cambridge Office

## Table 2:  Revenue - Net Budget Changes by Operational Division

**Budget Period:  2019-20**

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| **Finance Services** | | | | | | | |
| Procurement & Insurance | 228 | 3 | - | - | - | - | 231 |
| Professional Finance | 1,556 | 17 | - | - | - | - | 1,573 |
| Integrated Finance Services | 10 | 6 | - | - | - | - | 16 |
| Audit and Risk Management | 218 | 12 | - | - | - | - | 230 |
| Finance Operations | 1,107 | 21 | - | - | - | - | 1,128 |
| Pensions Operations | - | - | - | - | - | - | - |
| Debt & Income Service | 507 | 10 | - | - | - | - | 517 |
| **Subtotal Finance Services** | **3,626** | **69** | **-** | **-** | **-** | **-** | **3,695** |
| **Human Resources** | | | | | | | |
| Learning & Development | 1,380 | 19 | - | - | - | - | 1,399 |
| Workforce Policy & Strategy | 263 | 2 | - | - | - | - | 265 |
| HR Advisory | 1,093 | 11 | - | - | - | - | 1,104 |
| Payroll & HR Transactions | -38 | - | - | - | - | - | -38 |
| **Subtotal Human Resources** | **2,698** | **32** | **-** | **-** | **-** | **-** | **2,730** |
| **Information Technology** | | | | | | | |
| IT Services | 2,286 | 37 | - | - | - | - | 2,323 |
| LGSS Business Systems, Projects & Change Management | 1,002 | 18 | - | - | - | - | 1,020 |
| **Subtotal Information Technology** | **3,288** | **55** | **-** | **-** | **-** | **-** | **3,343** |
| **Managing Director & Support** | | | | | | | |
| Customer Engagement | 8 | - | - | - | - | - | 8 |
| LGSS Business Planning & Finance | 149 | 1 | - | - | - | - | 150 |
| Democratic Services | 380 | 2 | - | - | - | - | 382 |
| **Subtotal Managing Director & Support** | **537** | **3** | **-** | **-** | **-** | **-** | **540** |
| **Central Management** | | | | | | | |
| Central Management | - | - | - | - | - | -919 | -919 |
| Trading | -1,314 | - | - | - | - | - | -1,314 |
| **Subtotal Central Management** | **-1,314** | **-** | **-** | **-** | **-** | **-919** | **-2,233** |
| | | | | | | | |
| **LGSS - CAMBRIDGE OFFICE BUDGET TOTAL** | **8,835** | **159** | **-** | **-** | **-** | **-919** | **8,075** |

# Section 3 - D:  LGSS - Cambridge Office

## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | 2019-20 £000 (Detailed Plans) | 2020-21 £000 (Outline Plans) | 2021-22 £000 (Outline Plans) | 2022-23 £000 (Outline Plans) | 2023-24 £000 (Outline Plans) | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **1** | **OPENING GROSS EXPENDITURE** | **21,954** | **15,574** | **14,808** | **14,383** | **14,236** | | |
| D/R.1.001 | Base Adjustments | -5,620 | - | - | - | - | Adjustment for permanent changes to base budget from decisions made in 2018-19. | LGSS JC |
| **1.999** | **REVISED OPENING GROSS EXPENDITURE** | **16,334** | **15,574** | **14,808** | **14,383** | **14,236** | | |
| **2** | **INFLATION** | | | | | | | |
| D/R.2.001 | Inflation | 159 | 136 | 136 | 137 | 137 | Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures. | LGSS JC |
| **2.999** | **Subtotal Inflation** | **159** | **136** | **136** | **137** | **137** | | |
| **3** | **DEMOGRAPHY AND DEMAND** | | | | | | | |
| **3.999** | **Subtotal Demography and Demand** | **-** | **-** | **-** | **-** | **-** | | |
| **4** | **PRESSURES** | | | | | | | |
| D/R.4.002 | Impact of National Living Wage (NLW) on CCC Employee Costs | - | 5 | 5 | - | - | The cost impact of the introduction of the NLW on directly employed CCC staff is minimal, due to a low number of staff being paid below the proposed NLW rates. | LGSS JC |
| **4.999** | **Subtotal Pressures** | **-** | **5** | **5** | **-** | **-** | | |
| **5** | **INVESTMENTS** | | | | | | | |
| **5.999** | **Subtotal Investments** | **-** | **-** | **-** | **-** | **-** | | |
| **6** | **SAVINGS** | | | | | | | |
| | **GPC** | | | | | | | |
| D/R.6.999 | LGSS Savings | -919 | -907 | -566 | -284 | - | Expected annual savings from LGSS:<br>£305k is from savings being driven out by the Milton Keynes Council partnership, from LGSS income growth and from efficiencies following the introduction of the new ERP system.<br>£460k is predicated on growth in LGSS' trading base through acquiring a fourth partner and further customer growth.  With much of the work to achieve this on hold whilst the review of the LGSS operating model is completed there is risk around the delivery of this saving;.<br>A further £154k is an additional savings ask by CCC above and beyond the savings share between the three partners.  This will need to be delivered through a reduced service offering to CCC and options are being drawn up by LGSS for consideration by CCC for the delivery of this saving. | GPC |
| **6.999** | **Subtotal Savings** | **-919** | **-907** | **-566** | **-284** | **-** | | |
| | | | | | | | | |
| | **TOTAL GROSS EXPENDITURE** | **15,574** | **14,808** | **14,383** | **14,236** | **14,373** | | |

# Section 3 - D: LGSS - Cambridge Office

## Table 3: Revenue - Overview

### Budget Period: 2019-20 to 2023-24

| Ref | Title | 2019-20 £000 (Detailed Plans) | 2020-21 £000 (Outline Plans) | 2021-22 £000 (Outline Plans) | 2022-23 £000 (Outline Plans) | 2023-24 £000 (Outline Plans) | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **7** | **FEES, CHARGES & RING-FENCED GRANTS** | | | | | | | |
| D/R.7.001 | Previous year's fees, charges & ring-fenced grants | -13,083 | -7,499 | -7,279 | -7,279 | -7,279 | Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward. | LGSS JC |
| D/R.7.003 | Changes to fees and charges in 2018-19 | 5,584 | - | - | - | - | Changes to fees and charges as a result of decisions in 2018-19. | LGSS JC |
| | **Changes to fees & charges** | | | | | | | |
| D/R.7.201 | Change in Public Health Grant | - | 220 | - | - | - | Change in ring-fenced Public Health grant to reflect treatment as a corporate grant from 2019-20 due to removal of ring-fence. | LGSS JC |
| **7.999** | **Subtotal Fees, Charges & Ring-fenced Grants** | **-7,499** | **-7,279** | **-7,279** | **-7,279** | **-7,279** | | |
| | | | | | | | | |
| | **TOTAL NET EXPENDITURE** | **8,075** | **7,529** | **7,104** | **6,957** | **7,094** | | |

| **FUNDING SOURCES** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **8** | **FUNDING OF GROSS EXPENDITURE** | | | | | | | |
| D/R.8.001 | Budget Allocation | -8,075 | -7,529 | -7,104 | -6,957 | -7,094 | Net spend funded from general grants, business rates and Council Tax. | LGSS JC |
| D/R.8.003 | Fees & Charges | -7,279 | -7,279 | -7,279 | -7,279 | -7,279 | Fees and charges for the provision of services. | LGSS JC |
| D/R.8.004 | Public Health Grant | -220 | - | - | - | - | Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team. | LGSS JC |
| **8.999** | **TOTAL FUNDING OF GROSS EXPENDITURE** | **-15,574** | **-14,808** | **-14,383** | **-14,236** | **-14,373** | | |

# Section 3 - E:  Public Health

## Table 1:  Revenue - Summary of Net Budget by Operational Division

**Budget Period:  2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---|---|---|---|---|---|---|---|---|
| | **Children Health** | | | | | | | |
| 7,253 | Children 0-5 PH Programme | 6,855 | - | 6,855 | 6,855 | 6,855 | 6,855 | 6,855 |
| 1,706 | Children 5-19 PH Programme - Non Prescribed | 1,706 | - | 1,706 | 1,706 | 1,706 | 1,706 | 1,706 |
| 307 | Children Mental Health | 271 | - | 271 | 271 | 271 | 271 | 271 |
| **9,266** | **Subtotal Children Health** | **8,832** | **-** | **8,832** | **8,832** | **8,832** | **8,832** | **8,832** |
| | **Drugs & Alcohol** | | | | | | | |
| 5,625 | Drug & Alcohol Misuse | 5,655 | -192 | 5,463 | 5,336 | 5,273 | 5,273 | 5,273 |
| **5,625** | **Subtotal Drugs & Alcohol** | **5,655** | **-192** | **5,463** | **5,336** | **5,273** | **5,273** | **5,273** |
| | **Sexual Health & Contraception** | | | | | | | |
| 3,829 | SH STI testing & treatment - Prescribed | 3,829 | - | 3,829 | 3,829 | 3,829 | 3,829 | 3,829 |
| 1,176 | SH Contraception - Prescribed | 1,116 | - | 1,116 | 1,101 | 1,101 | 1,101 | 1,101 |
| 152 | SH Services Advice Prevn Promtn - Non-Prescribed | 152 | - | 152 | 152 | 152 | 152 | 152 |
| **5,157** | **Subtotal Sexual Health & Contraception** | **5,097** | **-** | **5,097** | **5,082** | **5,082** | **5,082** | **5,082** |
| | **Behaviour Change / Preventing Long Term Conditions** | | | | | | | |
| 1,980 | Integrated Lifestyle Services | 1,980 | - | 1,980 | 1,980 | 1,980 | 1,980 | 1,980 |
| 413 | Other Health Improvement | 413 | - | 413 | 413 | 413 | 413 | 413 |
| 703 | Smoking Cessation GP & Pharmacy | 703 | - | 703 | 703 | 703 | 703 | 703 |
| 716 | NHS Health Checks Prog - Prescribed | 625 | - | 625 | 625 | 625 | 625 | 625 |
| **3,812** | **Subtotal Behaviour Change / Preventing Long Term Conditions** | **3,721** | **-** | **3,721** | **3,721** | **3,721** | **3,721** | **3,721** |
| | **Falls Prevention** | | | | | | | |
| 80 | Falls Prevention | 80 | - | 80 | 80 | 80 | 80 | 80 |
| **80** | **Subtotal Falls Prevention** | **80** | **-** | **80** | **80** | **80** | **80** | **80** |
| | **General Prevention Activities** | | | | | | | |
| 56 | General Prevention, Traveller Health | 56 | - | 56 | 56 | 56 | 56 | 56 |
| **56** | **Subtotal General Prevention Activities** | **56** | **-** | **56** | **56** | **56** | **56** | **56** |

# Section 3 - E: Public Health

## Table 1: Revenue - Summary of Net Budget by Operational Division

### Budget Period: 2019-20 to 2023-24

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---|---|---|---|---|---|---|---|---|
| | **Adult Mental Health & Community Safety** | | | | | | | |
| 256 | Adult Mental Health & Community Safety | 256 | - | 256 | 256 | 256 | 256 | 256 |
| **256** | **Subtotal Adult Mental Health & Community Safety** | **256** | **-** | **256** | **256** | **256** | **256** | **256** |
| | **Public Health Directorate** | | | | | | | |
| 1,796 | Public Health - Admin & Salaries | 1,794 | -184 | 1,610 | 1,610 | 1,610 | 1,610 | 1,610 |
| -25,419 | Public Health Grant | - | -24,726 | -24,726 | - | - | - | - |
| **-23,623** | **Subtotal Public Health Directorate** | **1,794** | **-24,910** | **-23,116** | **1,610** | **1,610** | **1,610** | **1,610** |
| | **Future Years** | | | | | | | |
| - | Inflation | - | - | - | 18 | 36 | 55 | 74 |
| - | Savings | - | - | - | - | - | - | - |
| **629** | **PUBLIC HEALTH TOTAL** | **25,491** | **-25,102** | **389** | **24,991** | **24,946** | **24,965** | **24,984** |

Note: *Public Health - Admin & Salaries* includes direct delivery of health improvement programmes, health protection, and specialist healthcare public health advice services by public health directorate staff.

The above Public Health Directorate does not constitute the full extent of Public Health expenditure. The reconciliation below sets out where the Public Health grant is being managed in other areas of the County Council.

| **Public Health Grant breakdown** | **2019-20** |
|---|---|
| **People and Communities** | |
| Public Health expenditure delivered by P&C | 293 |
| **Subtotal People and Communities** | **293** |
| **Place and Economy** | |
| Public Health expenditure delivered by P&E | 120 |
| **Subtotal Place and Eceonomy** | **120** |
| **Corporate Services** | |
| Public Health expenditure delivered by CS | 201 |
| **Subtotal Corporate Services** | **201** |
| **LGSS - Cambridge Office** | |
| Overheads associated with Public Health function | 220 |
| **Subtotal LGSS - Cambridge Office** | **220** |
| **PUBLIC HEALTH MANAGED IN OTHER SERVICE AREAS TOTAL** | **834** |
| PH Grant Managed in PH Directorate | 24,726 |
| **EXPENDITURE FUNDED BY PUBLIC HEALTH GRANT TOTAL** | **25,560** |

# Section 3 - E: Public Health

## Table 2: Revenue - Net Budget Changes by Operational Division

**Budget Period: 2019-20**

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| **Children Health** | | | | | | | |
| Children 0-5 PH Programme | 7,253 | - | - | - | - | -398 | 6,855 |
| Children 5-19 PH Programme - Non Prescribed | 1,706 | - | - | - | - | - | 1,706 |
| Children Mental Health | 307 | - | - | - | - | -36 | 271 |
| **Subtotal Children Health** | **9,266** | **-** | **-** | **-** | **-** | **-434** | **8,832** |
| **Drugs & Alcohol** | | | | | | | |
| Drug & Alcohol Misuse | 5,625 | - | - | - | - | -162 | 5,463 |
| **Subtotal Drugs & Alcohol** | **5,625** | **-** | **-** | **-** | **-** | **-162** | **5,463** |
| **Sexual Health & Contraception** | | | | | | | |
| SH STI testing & treatment - Prescribed | 3,829 | - | - | - | - | - | 3,829 |
| SH Contraception - Prescribed | 1,176 | - | - | - | - | -60 | 1,116 |
| SH Services Advice Prevn Promtn - Non-Prescribed | 152 | - | - | - | - | - | 152 |
| **Subtotal Sexual Health & Contraception** | **5,157** | **-** | **-** | **-** | **-** | **-60** | **5,097** |
| **Behaviour Change / Preventing Long Term Conditions** | | | | | | | |
| Integrated Lifestyle Services | 1,980 | - | - | - | - | - | 1,980 |
| Other Health Improvement | 413 | - | - | - | - | - | 413 |
| Smoking Cessation GP & Pharmacy | 703 | - | - | - | - | - | 703 |
| NHS Health Checks Prog - Prescribed | 716 | - | - | - | - | -91 | 625 |
| **Subtotal Behaviour Change / Preventing Long Term Conditions** | **3,812** | **-** | **-** | **-** | **-** | **-91** | **3,721** |

# Section 3 - E: Public Health

## Table 2: Revenue - Net Budget Changes by Operational Division

**Budget Period: 2019-20**

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| **Falls Prevention** | | | | | | | |
| Falls Prevention | 80 | - | - | - | - | - | 80 |
| **Subtotal Falls Prevention** | **80** | **-** | **-** | **-** | **-** | **-** | **80** |
| **General Prevention Activities** | | | | | | | |
| General Prevention, Traveller Health | 56 | - | - | - | - | - | 56 |
| **Subtotal General Prevention Activities** | **56** | **-** | **-** | **-** | **-** | **-** | **56** |
| **Adult Mental Health & Community Safety** | | | | | | | |
| Adult Mental Health & Community Safety | 256 | - | - | - | - | - | 256 |
| **Subtotal Adult Mental Health & Community Safety** | **256** | **-** | **-** | **-** | **-** | **-** | **256** |
| **Public Health Directorate** | | | | | | | |
| Public Health - Admin & Salaries | 1,796 | 16 | - | - | - | -202 | 1,610 |
| Public Health Grant | -25,419 | - | - | - | - | 693 | -24,726 |
| **Subtotal Public Health Directorate** | **-23,623** | **16** | **-** | **-** | **-** | **491** | **-23,116** |
| | | | | | | | |
| **PUBLIC HEALTH TOTAL** | **629** | **16** | **-** | **-** | **-** | **-256** | **389** |

# Section 3 - E: Public Health

## Table 3: Revenue - Overview

**Budget Period: 2019-20 to 2023-24**

| Ref | Title | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| | | Detailed Plans | Outline Plans | | | | | |
| **1** | **OPENING GROSS EXPENDITURE** | **26,478** | **25,491** | **25,367** | **25,322** | **25,341** | | |
| E/R.1.001 | Base Adjustments | -54 | - | - | - | - | Adjustment for permanent changes to base budget from decisions made in 2018-19. | Health |
| **1.999** | **REVISED OPENING GROSS EXPENDITURE** | **26,424** | **25,491** | **25,367** | **25,322** | **25,341** | | |
| **2** | **INFLATION** | | | | | | | |
| E/R.2.001 | Inflation | 16 | 18 | 18 | 19 | 19 | Forecast pressure from inflation in the Public Health Directorate, excluding inflation on any costs linked to the standard rate of inflation where the inflation rate is assumed to be 0%. Inflation appears low due to the majority of public health spend being committed to external contracts. Providers are expected to meet inflationary and demographic pressures within the agreed contract envelope. | Health |
| **2.999** | **Subtotal Inflation** | **16** | **18** | **18** | **19** | **19** | | |
| **3** | **DEMOGRAPHY AND DEMAND** | | | | | | | |
| **3.999** | **Subtotal Demography and Demand** | **-** | **-** | **-** | **-** | **-** | | |
| **4** | **PRESSURES** | | | | | | | |
| **4.999** | **Subtotal Pressures** | **-** | **-** | **-** | **-** | **-** | | |
| **5** | **INVESTMENTS** | | | | | | | |
| **5.999** | **Subtotal Investments** | **-** | **-** | **-** | **-** | **-** | | |
| **6** | **SAVINGS** | | | | | | | |
| | **Health** | | | | | | | |
| E/R.6.031 | NHS Health Checks - IT software contract decommissioned | -41 | - | - | - | - | NHS Health Checks is a cardiovascular risk assessment offered to people aged to 40 to 74 year olds every five years who do not have a diagnosed health condition. GP practices are commissioned to identify and invite eligible individuals to have an NHS Health Check. A robust data collection process is required to manage patient data and to ensure that anonymized data is sent to the Local Authority as part of the performance monitoring and payment system to the GPs. In 2017 after securing agreement from the Clinical Commissioning Group (CCG) which has responsibility for practice systems new software was commissioned to sit on GP practice systems. The introduction of GPPR compromised the security of the software as it could not meet fully the GDPR requirements and therefore the contract was decommissioned. The IT company fully agreed with this approach and assumed any additional cost for removing systems already in practices.<br><br>GP practice systems have developed rapidly and they are now able to manage NHS Health Check data electronically and share anonymized data with the Local Authority at no cost to the Local Authority. | Health |

# Section 3 - E:  Public Health

## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | Outline Plans 2021-22 £000 | Outline Plans 2022-23 £000 | Outline Plans 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| E/R.6.032 | NHS Health Checks Funding | -50 | - | - | - | - | There has been a recurrent underspend on the NHS Health Checks Programme since the transfer of the funding from the NHS to the Local Authority which has reflected fairly stable activity levels. | Health |
| E/R.6.033 | Drug & Alcohol service - funding reduction built in to new service contract | -162 | -127 | -63 | - | - | Savings will be secured through the re-commissioning of the Cambridgeshire Adult Drug and Alcohol Treatment Services, which will enable transformational changes to be undertaken. The Drugs and Alcohol Joint Strategic Needs Assessment, (2016) indicated changes in needs that are addressed in the new service model. An aging long-term drug using population that enter and re-enter the Service has complex health and social problems that do not require intensive acute drug treatment services but more cost effective support services to ensure their good mental and physical health and social support needs are met. Strengthened recovery services using cost-effective peer support models to avoid readmission, different staffing models and a mobile outreach service. | Health |
| E/R.6.034 | Recommissioning of the Integrated Contraception and Sexual Health (iCASH) Service contract | - | -15 | - | - | - | The iCaSH Service will be recommissioned with a new contract scheduled to start in October 2019. It will be a joint contract between Cambridgeshire County Council and Peterborough City Council. The current services have already undertaken transformational changes reflecting new technologies and rationalising clinics to ensure that they are not located where there is very little activity. This transformational work is ongoing but there will be “backroom” savings from having one contract across the two areas. | Health |
| E/R.6.035 | Children 5-19 - Mental Health Training for Children’s workforce | -36 | - | - | - | - | This proposal ceases funding for intensive training for a relatively small number of the young people’s workforce each year, delivered face to face by Cambridgeshire and Peterborough NHS Foundation Trust. Instead it is proposed that Public Health staff work together with the Heads of Early Help to establish a clear specification of the training requirements and success criteria for an e-learning training package with less intensive face to face training in 2019/20, focussed on the mental health training needs of Young People’s workers in the Early Help Teams. | Health |

# Section 3 - E: Public Health

## Table 3: Revenue - Overview

### Budget Period: 2019-20 to 2023-24

| Ref | Title | 2019-20 £000 (Detailed Plans) | 2020-21 £000 (Outline Plans) | 2021-22 £000 (Outline Plans) | 2022-23 £000 (Outline Plans) | 2023-24 £000 (Outline Plans) | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| E/R.6.036 | Children's 0-19 Services - Healthy Child Programme - Proposal previously agreed in 2017/18 business planning process | -238 | - | - | - | - | This £238k savings proposal was previously discussed by Health Committee in the autumn 2017 business planning round. It was agreed to fund the £238k saving from public health reserves in 2018/19, to allow further time to develop the 0-19 Healthy Child integration programme (and associated savings) for implementation in 2019/20.<br>The Healthy Child programme is a universal-progressive, needs-based service delivered at 4 levels: Community, Universal, Universal Plus (single agency involvement) and Universal Partnership Plus (multi-agency involvement). All children, young people and families are offered a core programme of evidence based, early intervention and preventative health care with additional care and support for those who need it.<br>The 0-19 Healthy Child Programme (HCP) consists of Health Visiting (0-5yrs), Family Nurse Partnership (for vulnerable teenage parents), and School Nursing (5-19yrs). It is delivered by CCS in Cambridgeshire and CPFT in Peterborough. The 2018/19 budget allocations are £8,926,739 in Cambridgeshire and £3,695,226 in Peterborough. Total approximately £12.6 million. Savings will be achieved by integrating the two services with a common management structure, and redesigning the service model to achieve savings through improved skill mix. A Transformation Board including commissioners, public health and senior management from the two provider organisations has been set up to oversee the project from design to implementation.<br>The positive impact of this integration is that it will reduce duplication freeing up workforce capacity to improve areas of poor performance across the HCP particularly in mandated 0-5 checks. There will be an increased focus on areas of need so workforce and services will be resourced to ensure there is an improvement in outcomes and reduced inequalities. The Benson modelling tool has been used to model the workforce requirements and various options possible by changing the skill-mix and activities delivered.<br><br>Implementation is expected to take 3-6 months from decision, and will include a communications and engagement plan, to include service users and local GP practices. | Health |
| E/R.6.037 | Children's 0-19 Services - Healthy Child Programme - Additional savings proposal for 2018/19 | -160 | - | - | - | - | See description for proposal E/R.6.036. This proposal is for additional savings associated with integration of the 0-19 Healthy Child integration programme, not previously discussed in autumn 2017. | Health |
| E/R.6.038 | Public Health Directorate - In house staff rationalisation | -80 | - | - | - | - | It has been possible to build on the efficiencies created by creating a joint public health directorate across Cambridgeshire County Council and Peterborough City Council, by merging two team leader posts in the joint public health commissioning unit. In addition it is proposed to delete three vacant posts in the public health directorate. The saving will be shared across Cambridgeshire County Council and Peterborough City Council, and some of the saving is offset by a technical change to the recharge across the two Councils. | Health |
| E/R.6.039 | Reduce Long Acting Reversible Contraception (LARCs) funding in line with audit results and completion of clinician training | -60 | - | - | - | - | LARCs are commissioned from GP practices. The Clinical Commissioning Group (CCG) recharges the LA for the cost of the contraception devices. Audits have been undertaken of the services which revealed that the recharges included the cost of items for which the LA is not liable i.e. injectable contraception and the use of devices for gynaecological purposes. In addition the training programme for clinicians to ensure that there is capacity in the system to accommodate retiring GPs has now been completed. | Health |

## Section 3 - E:  Public Health

### Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | Detailed Plans | Outline Plans | | | | | |
|---|---|---|---|---|---|---|---|---|
| Ref | Title | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
| E/R.6.040 | Reduce immunisations promotion budget | -13 | - | - | - | - | In 2016/17 funding of £20k per annum was allocated by Cambridgeshire County Council for promotion of immunisations. Since then childhood immunisation rates have improved, although still with some further work to do, and the PHE/NHS England screening and immunisations team have been actively taking forward further improvement measures. It is proposed to mainstream promotion of immunisations within the wider health protection and communications functions. £7k will be allocated to the health protection budget and the remaining £13k taken as a saving. | Health |
| E/R.6.041 | Expected operational savings across Public Health staffing and contracts | -109 | - | - | - | - | In-year vacancy savings and efficiencies within demand-led contracts. | Health |
| **6.999** | **Subtotal Savings** | **-949** | **-142** | **-63** | **-** | **-** | | |
| | | | | | | | | |
| | **TOTAL GROSS EXPENDITURE** | **25,491** | **25,367** | **25,322** | **25,341** | **25,360** | | |
| **7** | **FEES, CHARGES & RING-FENCED GRANTS** | | | | | | | |
| E/R.7.001 | Previous year's fees, charges & ring-fenced grants | -25,849 | -25,102 | -376 | -376 | -376 | Fees and charges expected to be received for services provided and Public Health ring-fenced grant from Government. | Health |
| E/R.7.002 | Changes to fees, charges & ring-fenced grants in 2018-19 | 54 | - | - | - | - | Permanent changes to income from fees, charges & ring-fenced grants as a result of decisons made in 2018-19. | Health |
| | **Changes to fees & charges** | | | | | | | |
| E/R.7.201 | Change in Public Health Grant | 693 | 24,726 | - | - | - | Grant reductions announced in the comprehensive spending review, and removal of the ring-fence in 2019-20 | Health |
| **7.999** | **Subtotal Fees, Charges & Ring-fenced Grants** | **-25,102** | **-376** | **-376** | **-376** | **-376** | | |
| | | | | | | | | |
| | **TOTAL NET EXPENDITURE** | **389** | **24,991** | **24,946** | **24,965** | **24,984** | | |

| Ref | Title | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **FUNDING SOURCES** | | | | | | | | |
| **8** | **FUNDING OF GROSS EXPENDITURE** | | | | | | | |
| E/R.8.001 | Budget Allocation | -389 | -24,991 | -24,946 | -24,965 | -24,984 | Net spend funded from general grants, business rates and Council Tax. | Health |
| E/R.8.101 | Public Health Grant | -24,726 | - | - | - | - | Direct expenditure funded from Public Health grant. | Health |
| E/R.8.102 | Fees & Charges | -376 | -376 | -376 | -376 | -376 | Income generation (various sources). | Health |
| **8.999** | **TOTAL FUNDING OF GROSS EXPENDITURE** | **-25,491** | **-25,367** | **-25,322** | **-25,341** | **-25,360** | | |

# Section 3 - F:  Commercial & Investments

## Table 1:  Revenue - Summary of Net Budget by Operational Division

**Budget Period:  2019-20 to 2023-24**

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2019-20 £000 | Fees, Charges & Ring-fenced Grants 2019-20 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 | Net Budget 2023-24 £000 |
|---|---|---|---|---|---|---|---|---|
| | **Commercial Activity** | | | | | | | |
| -5,002 | Commercial Property Investments | -200 | -5,002 | -5,202 | -5,202 | -5,202 | -5,202 | -5,202 |
| -882 | Commercial Energy Investments | 180 | -1,065 | -885 | -859 | -5,670 | -5,509 | -5,288 |
| -200 | Shareholder Company Dividends | 96 | -200 | -104 | -104 | -200 | -200 | -200 |
| -4,346 | Housing Investment (This Land Company) | 2,556 | -8,406 | -5,850 | -5,796 | -6,063 | -6,063 | -6,063 |
| - | Commercial Activity Financing | - | - | - | - | - | - | - |
| **-10,430** | **Subtotal Commercial Activity** | **2,632** | **-14,673** | **-12,041** | **-11,961** | **-17,135** | **-16,974** | **-16,753** |
| | **Property Services** | | | | | | | |
| 1,093 | Building Maintenance | 1,182 | -89 | 1,093 | 1,093 | 1,093 | 1,093 | 1,093 |
| 4,096 | County Offices | 6,219 | -1,996 | 4,223 | 3,626 | 3,628 | 3,630 | 3,630 |
| 645 | Property Services | 653 | - | 653 | 653 | 653 | 653 | 653 |
| 203 | Property Compliance | 247 | -42 | 205 | 205 | 205 | 205 | 205 |
| **6,037** | **Subtotal Property Services** | **8,301** | **-2,127** | **6,174** | **5,577** | **5,579** | **5,581** | **5,581** |
| | **Strategic Assets** | | | | | | | |
| -4,023 | County Farms | 712 | -4,815 | -4,103 | -4,103 | -4,103 | -4,103 | -4,103 |
| 806 | Strategic Assets | 812 | - | 812 | 812 | 812 | 812 | 812 |
| **-3,217** | **Subtotal Strategic Assets** | **1,524** | **-4,815** | **-3,291** | **-3,291** | **-3,291** | **-3,291** | **-3,291** |
| | **Traded Services to Schools and Parents** | | | | | | | |
| -408 | Traded Services to Schools and Parents | -58 | - | -58 | -58 | -58 | -58 | -58 |
| -200 | ICT Service (Education) | 831 | -1,031 | -200 | -200 | -200 | -200 | -200 |
| -71 | Professional Development Centres | 78 | -149 | -71 | -71 | -71 | -71 | -71 |
| 6 | Cambridgeshire Music | 2,076 | -2,071 | 5 | 5 | 5 | 5 | 5 |
| -77 | Outdoor Education (includes Grafham Water) | 1,845 | -1,922 | -77 | -77 | -77 | -77 | -77 |
| -9,678 | Cambridgeshire Catering & Cleaning Services | 479 | -449 | 30 | 30 | 30 | 30 | 30 |
| **-10,428** | **Subtotal Traded Services to Schools and Parents** | **5,251** | **-5,622** | **-371** | **-371** | **-371** | **-371** | **-371** |
| | **Future Years** | | | | | | | |
| - | Inflation | - | - | - | 35 | 74 | 114 | 154 |
| **-18,038** | **COMMERCIAL & INVESTMENTS TOTAL** | **17,708** | **-27,237** | **-9,529** | **-10,011** | **-15,144** | **-14,941** | **-14,680** |

# Section 3 - F:  Commercial & Investments

## Table 2:  Revenue - Net Budget Changes by Operational Division

**Budget Period:  2019-20**

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|---|---|---|---|---|---|---|
| **Commercial Activity** | | | | | | | |
| Commercial Property Investments | -5,002 | - | - | - | - | -200 | -5,202 |
| Commercial Energy Investments | -882 | - | - | 5 | - | -8 | -885 |
| Shareholder Company Dividends | -200 | - | - | 96 | - | - | -104 |
| Housing Investment (This Land Company) | -4,346 | - | - | - | -21 | -1,483 | -5,850 |
| Commercial Activity Financing | - | - | - | - | - | - | - |
| **Subtotal Commercial Activity** | **-10,430** | **-** | **-** | **101** | **-21** | **-1,691** | **-12,041** |
| **Property Services** | | | | | | | |
| Building Maintenance | 1,093 | - | - | - | - | - | 1,093 |
| County Offices | 4,096 | 167 | - | - | - | -40 | 4,223 |
| Property Services | 645 | 8 | - | - | - | - | 653 |
| Property Compliance | 203 | 2 | - | - | - | - | 205 |
| **Subtotal Property Services** | **6,037** | **177** | **-** | **-** | **-** | **-40** | **6,174** |
| **Strategic Assets** | | | | | | | |
| County Farms | -4,023 | -80 | - | - | - | - | -4,103 |
| Strategic Assets | 806 | 6 | - | - | - | - | 812 |
| **Subtotal Strategic Assets** | **-3,217** | **-74** | **-** | **-** | **-** | **-** | **-3,291** |
| **Traded Services to Schools and Parents** | | | | | | | |
| Traded Services to Schools and Parents | -408 | - | - | 350 | - | - | -58 |
| ICT Service (Education) | -200 | - | - | - | - | - | -200 |
| Professional Development Centres | -71 | - | - | - | - | - | -71 |
| Cambridgeshire Music | 6 | - | - | - | - | - | 5 |
| Outdoor Education (includes Grafham Water) | -77 | - | - | - | - | - | -77 |
| Cambridgeshire Catering & Cleaning Services | -9,678 | - | - | 479 | - | 9,229 | 30 |
| **Subtotal Traded Services to Schools and Parents** | **-10,428** | **-** | **-** | **829** | **-** | **9,229** | **-371** |
| | | | | | | | |
| **COMMERCIAL & INVESTMENTS TOTAL** | **-18,038** | **103** | **-** | **930** | **-21** | **7,498** | **-9,529** |

## Section 3 - F:  Commercial and Investments

### Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| **1** | **OPENING GROSS EXPENDITURE** | **21,813** | **17,708** | **16,802** | **17,554** | **17,752** | | |
| F/R.1.001 | Base adjustments | 4,238 | - | - | - | - | Adjustment for permanent changes to base budget from decisions made in 2018-19. | C&I |
| F/R.1.002 | Base adjustment - closure of Cambridgeshire Catering and Cleaning Services | -9,229 | - | - | - | - | Permanent reduction in base budget as a result of the closure of Cambridgeshire Catering and Cleaning Services in 2018-19. | C&I |
| **1.999** | **REVISED OPENING GROSS EXPENDITURE** | **16,822** | **17,708** | **16,802** | **17,554** | **17,752** | | |
| **2** | **INFLATION** | | | | | | | |
| F/R.2.001 | Inflation | 196 | 129 | 133 | 134 | 134 | Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures. | C&I |
| **2.999** | **Subtotal Inflation** | **196** | **129** | **133** | **134** | **134** | | |
| **3** | **DEMOGRAPHY AND DEMAND** | | | | | | | |
| **3.999** | **Subtotal Demography and Demand** | **-** | **-** | **-** | **-** | **-** | | |
| **4** | **PRESSURES** | | | | | | | |
| F/R.4.005 | Closure of Cambridgeshire Catering and Cleaning Services | 479 | - | - | - | - | Removal of budgeted revenue contribution due to closure of Cambridgeshire Catering and Cleaning Services. | C&I |
| F/R.4.006 | Traded Services to Schools and Parents | 350 | - | - | - | - | Delivery of a prior year income target has slipped and the income target is now not expected to be achieved in full. | C&I |
| F/R.4.007 | LGSS Law dividend expectation | 96 | - | -96 | - | - | Reduced dividend expectations fom LGSS Law in 2019/20 and 2020/21. The company is making progress with improved utilisation of fee earning lawyers, under the stewardship of a new finance director. | C&I |
| F/R.4.903 | Renewable Energy - Soham | 5 | 4 | 5 | 40 | - | Operating costs associated with the capital investment in Renewable Energy, at the Soham Solar Farm. Links to capital proposal C/C.2.102 in BP 2016-17. | C&I |
| **4.999** | **Subtotal Pressures** | **930** | **4** | **-91** | **40** | **-** | | |
| **5** | **INVESTMENTS** | | | | | | | |
| F/R.5.001 | Invest to Save Housing Schemes - Interest Costs | -21 | -517 | -79 | - | - | Revenue costs associated with the development of the Cambridge Housing and Investment Company in order to generate long-term income streams. | C&I |
| F/R.5.001 | St Ives Smart Energy Grid - operating costs | - | 39 | 1 | 1 | 1 | The Council is building a Smart Energy Grid at the St Ives Park & Ride site, capital project reference F/C.2.118. These are the expected operating costs. | C&I |
| F/R.5.002 | Babraham Smart Energy Grid - operating costs | - | - | 120 | 3 | 4 | The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. These are the expected operating costs. | C&I |
| F/R.5.004 | Trumpington Smart Energy Grid - operating costs | - | - | 63 | 2 | 2 | The Council is building a Smart Energy Grid at the Trumpington Park & Ride site, capital project reference F/C.2.120. These are the expected operating costs. | C&I |
| F/R.5.005 | Stanground Closed Landfill Site - operating costs | - | - | 115 | 3 | 4 | The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. These are the expected operating costs. | C&I |

# Section 3 - F:  Commercial and Investments

## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | Detailed Plans 2019-20 £000 | Outline Plans 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| F/R.5.006 | Woodston Closed Landfill Site - operating costs | - | - | 48 | 1 | 2 | The Council is installing a solar park facility and battery storage system at the Woodston closed landfill site, capital project reference F/C.2.122. These are the expected operating costs. | C&I |
| F/R.5.007 | Renewable Energy - Mere Farm, Soham - operating costs | - | - | 440 | 12 | 13 | The Council is installing a solar park facility at Mere Farm, Soham, capital project reference F/C.2.123. These are the expected operating costs. | C&I |
| **5.999** | **Subtotal Investments** | **-21** | **-478** | **708** | **22** | **26** | | |
| **6** | **SAVINGS** | | | | | | | |
| | **C&I** | | | | | | | |
| F/R.6.001 | BP 19/20 Contract Efficiency | -200 | - | - | - | - | A review of specific areas identified within the contract register to discover what potential there is for savings through more commercially minded renegotiation, re-consideration of service specifications and consideration of where smarter payment processes may assist in driving down costs. | C&I |
| F/R.6.107 | Rationalisation of Property Portfolio | - | -553 | - | - | - | Savings generated by the more efficient use of Council properties. | C&I |
| F/R.6.108 | Energy Efficiency Fund - Repayment of Financing Costs | -19 | -8 | 2 | 2 | - | Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal F/C.2.119 | C&I |
| **6.999** | **Subtotal Savings** | **-219** | **-561** | **2** | **2** | **-** | | |
| | **TOTAL GROSS EXPENDITURE** | **17,708** | **16,802** | **17,554** | **17,752** | **17,912** | | |
| **7** | **FEES, CHARGES & RING-FENCED GRANTS** | | | | | | | |
| F/R.7.001 | Previous year's fees, charges & ring-fenced grants | -30,001 | -27,237 | -26,813 | -32,698 | -32,693 | Previous year's fees and charges for the provision of services and ring-fenced grant funded rolled forward. | C&I |
| F/R.7.002 | Increase in fees, charges & ring-fenced grants | -4,859 | - | - | - | - | Adjustment for changes to fees, charges & ring-fenced grants reflecting decisions made in 2018-19. | C&I |
| F/R.7.003 | Fees and charges inflation | -94 | -94 | -94 | -94 | -94 | Uplift in external charges to reflect inflation pressures on the cost of services. | C&I |
| | **Changes to fees & charges** | | | | | | | |
| F/R.7.103 | County Farms Investment (Viability) - Surplus to Repayment of Financing Costs | 16 | -4 | - | - | - | Increase in County Farms rental income resulting from capital investment. Element surplus to repaying financing costs. | C&I |
| F/R.7.104 | County Farms Investment (Viability) - Repayment of Financing Costs | -16 | 4 | - | - | - | Increase in County Farms rental income resulting from capital investment. Links to capital proposal F/C.2.101. | C&I |
| F/R.7.105 | Renewable Energy Soham - Repayment of Financing Costs | -8 | 100 | 70 | 16 | - | Income generation resulting from capital investment in solar farm at Soham. Element to repay financing costs. Links to capital proposal C/C.2.102 in BP 2016-17. | C&I |
| F/R.7.106 | Utilisation/commercialisation of physical assets | -21 | -36 | - | - | - | One Public Estate<br>Asset plan<br>Maximise the income generated from parking<br>Venue request tool | C&I |
| F/R.7.113 | Invest to Save Housing Schemes - Income Generation | -1,483 | 571 | -188 | - | - | The Council is  a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This will require CCC to move from being a seller of sites to being a developer of sites, through a Housing Company. In the future, CCC will operate to make best use of sites with development potential in a co-ordinated and planned manner to develop them for a range of development options, generating capital receipts to support site development and significant revenue and capital income to support services and communities. | C&I |

## Section 3 - F: Commercial and Investments

### Table 3: Revenue - Overview

**Budget Period: 2019-20 to 2023-24**

| Ref | Title | 2019-20 £000 (Detailed Plans) | 2020-21 £000 (Outline Plans) | 2021-22 £000 (Outline Plans) | 2022-23 £000 (Outline Plans) | 2023-24 £000 (Outline Plans) | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| F/R.7.114 | St Ives Smart Energy Grid - Surplus to Repayment of Financing Costs | - | -79 | 84 | -8 | -8 | The Council is building a Smart Energy Grid at St Ives Park & Ride site, capital project reference F/C.2.118. This is the expected income surplus from the sale of energy. | C&I |
| F/R.7.115 | St Ives Smart Energy Grid - Repayment of Financing Costs | - | -38 | -89 | 2 | 2 | The Council is building a Smart Energy Grid at St Ives Park & Ride site, capital project reference F/C.2.118. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy. | C&I |
| F/R.7.116 | Babraham Smart Energy Grid - Surplus to Repayment of Financing Costs | - | - | -319 | -46 | 171 | The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. This is the expected income surplus from the sale of energy. | C&I |
| F/R.7.117 | Babraham Smart Energy Grid - Repayment of Financing Costs | - | - | -829 | 14 | 13 | The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy. | C&I |
| F/R.7.118 | Trumpington Smart Energy Grid - Surplus to Repayment of Financing Costs | - | - | 44 | -24 | 42 | The Council is building a Smart Energy Grid at the Trumpington Park & Ride site, capital project reference F/C.2.120. This is the expected income surplus from the sale of energy. | C&I |
| F/R.7.119 | Trumpington Smart Energy Grid - Repayment of Financing Costs | - | - | -507 | 9 | 8 | The Council is building a Smart Energy Grid at the Trumpington & Ride site, capital project reference F/C.2.120. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy. | C&I |
| F/R.7.120 | Stanground Closed Landfill Site - Surplus to Repayment of Financing Costs | - | - | -714 | 149 | 21 | The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. This is the expected income surplus from the sale of energy and provision of grid services. | C&I |
| F/R.7.121 | Stanground Closed Landfill Site - Repayment of Financing Costs | - | - | -709 | 12 | 12 | The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy and provision of grid services. | C&I |
| F/R.7.122 | Woodston Closed Landfill Site - Surplus to Repayment of Financing Costs | - | - | -196 | 47 | 9 | The Council is installing a solar park facility and battery storage system at the Woodston closed landfill site, capital project reference F/C.2.122. This is the expected income surplus from the sale of energy and provision of grid services. | C&I |
| F/R.7.123 | Woodston Closed Landfill Site - Repayment of Financing Costs | - | - | -184 | 3 | 3 | The Council is installing a solar park facility and battery storage system at the Woodston closed landfill site, capital project reference F/C.2.122. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy and provision of grid services. | C&I |
| F/R.7.124 | Income adjustment - Closure of Cambridgeshire Catering and Cleaning Services | 9,229 | - | - | - | - | Reduction in budgeted income as a result of the closure of Cambridgeshire Catering and Cleaning Services in 2018-19. | C&I |
| F/R.7.125 | Renewable Energy - Mere Farm, Soham - Surplus to Repayment of Financing Costs | - | - | -761 | -99 | -101 | The Council is installing a solar park facility at Mere Farm, Soham, capital project reference F/C.2.123. This is the expected income surplus from the sale of energy. | C&I |
| F/R.7.126 | Renewable Energy - Mere Farm, Soham - Repayment of Financing costs | - | - | -1,493 | 24 | 23 | The Council is installing a solar park facility at Mere Farm, Soham, capital project reference F/C.2.123. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy. | C&I |
| **7.999** | **Subtotal Fees, Charges & Ring-fenced Grants** | **-27,237** | **-26,813** | **-32,698** | **-32,693** | **-32,592** | | |
| | | | | | | | | |
| | **TOTAL NET EXPENDITURE** | **-9,529** | **-10,011** | **-15,144** | **-14,941** | **-14,680** | | |

# Section 3 - F:  Commercial and Investments

## Table 3:  Revenue - Overview

**Budget Period:  2019-20 to 2023-24**

| Ref | Title | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Description | Committee |
|---|---|---|---|---|---|---|---|---|
| | | Detailed Plans | Outline Plans | | | | | |
| **FUNDING SOURCES** | | | | | | | | |
| **8** | **FUNDING OF GROSS EXPENDITURE** | | | | | | | |
| F/R.8.001 | Budget Surplus | 9,529 | 10,011 | 15,144 | 14,941 | 14,680 | Net surplus from Commercial and Investment activities contributed to funding other Services. | C&I |
| F/R.8.003 | Fees & Charges | -26,455 | -26,031 | -31,916 | -31,911 | -31,810 | Fees and charges for the provision of services. | C&I |
| F/R.8.004 | Arts Council Funding | -782 | -782 | -782 | -782 | -782 | Ring-fenced grant from the Arts Council to part-fund Cambridgeshire Music | C&I |
| **8.999** | **TOTAL FUNDING OF GROSS EXPENDITURE** | **-17,708** | **-16,802** | **-17,554** | **-17,752** | **-17,912** | | |

# Section 3 - F: Commercial and Investments
## Table 4: Capital Programme
### Budget Period: 2019-20 to 2028-29

| Summary of Schemes by Start Date | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| Ongoing | 64,976 | 40,000 | 30,316 | -11,702 | 762 | 800 | 800 | 4,000 |
| Committed Schemes | 182,262 | 113,597 | 57,587 | 10,886 | 192 | - | - | - |
| 2018-2019 Starts | 53,858 | 242 | 1,990 | 51,626 | - | - | - | - |
| 2019-2020 Starts | 550 | - | 550 | - | - | - | - | - |
| **TOTAL BUDGET** | **301,646** | **153,839** | **90,443** | **50,810** | **954** | **800** | **800** | **4,000** |

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **F/C.01** | **Commercial Activity** | | | | | | | | | | | |
| F/C.1.117 | Commercial Investments | Development of a portfolio of strategic investments which are able to provide an income return. This will be developed through commercial research into options available, appropriate balance of portfolio and the extent of risk. | F/R.7.110 | Ongoing | 91,907 | 40,000 | 51,907 | - | - | - | - | - |
| F/C.1.118 | Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride | Low carbon energy generation assets with battery storage on Council assets at St Ives Park and Ride | F/R.7.114 | Committed | 3,645 | 246 | 3,280 | 119 | - | - | - | - |
| F/C.1.119 | Babraham Smart Energy Grid | The project is to develop a high level assessment, then an Investment Grade Proposal for a renewable energy scheme on the Babraham Park and Ride site. This project at Babraham will look to build on the skills developed in the St Ives project to replicate on other Park and Ride sites. A 2.1 MW solar canopy project is proposed at the HLA stage. | TBC | 2018-19 | 11,399 | 76 | 383 | 10,940 | - | - | - | - |
| F/C.1.120 | Trumpington Smart Energy Grid | The project is to develop a high level assessment, then an Investment Grade Proposal for a renewable energy scheme on the Trumpington Park and Ride site. This project at Trumpington will look to build on the skills developed in the St Ives project to replicate on other Park and Ride sites. A 2.1 MW solar canopy project is proposed at the HLA stage. | TBC | 2018-19 | 6,969 | 25 | 292 | 6,652 | - | - | - | - |
| F/C.1.121 | Stanground Closed Landfill Energy Project | The project is to develop a high level assessment, then an Investment Grade Proposal for a clean energy scheme on the closed landfill site in Stanground. Bouygues propose a 2.25MWp Solar PV ground mounted array on the site together with a 10MW 2C battery storage system for demand side response. | TBC | 2018-19 | 9,745 | 62 | 397 | 9,286 | - | - | - | - |

# Section 3 - F:  Commercial and Investments
## Table 4:  Capital Programme
### Budget Period:  2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| F/C.1.122 | Woodston Closed Landfill Energy Project | The project is to develop a high level assessment, then an Investment Grade Proposal for a clean energy scheme on the closed landfill site in Woodston. A tailored 3MW 2C Battery Storage for Demand Side Response services is proposed. This would provide a steady revenue stream, while being respectful of the local environment in terms of disruption and visual amenity. | TBC | 2018-19 | 2,526 | 43 | 246 | 2,237 | - | - | - | - |
| F/C.1.123 | Renewable Energy - Mere Farm, Soham | Investment in a second solar farm at Soham, boardering the Triangle Farm solar farm site. The scheme aims to maximise potential revenue from Council land holdings, help to secure national energy supplies and help meet Government carbon reduction targets. | | 2018-19 | 23,219 | 36 | 672 | 22,511 | - | - | - | - |
| F/C.1.240 | Housing schemes | The Council is in a position of continuing to be a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This will require CCC to move from being a seller of sites to being a developer of sites, through a Housing Company. In the future, CCC will operate to make best use of sites with development potential in a co-ordinated and planned manner to develop them for a range of development options, generating capital receipts to support site development and significant revenue and capital income to support services and communities. | F/R.7.113 | Committed | 153,009 | 109,942 | 43,067 | - | - | - | - | - |
| | **Total - Commercial Activity** | | | | **302,419** | **150,430** | **100,244** | **51,745** | **-** | **-** | **-** | **-** |
| | | | | | | | | | | | | |
| **F/C.02** | **Property Services** | | | | | | | | | | | |
| F/C.2.112 | Building Maintenance | This budget is used to carry out replacement of failed elements and maintenance refurbishments. | | Ongoing | 6,000 | - | 600 | 600 | 600 | 600 | 600 | 3,000 |
| | **Total - Property Services** | | | | **6,000** | **-** | **600** | **600** | **600** | **600** | **600** | **3,000** |
| **F/C.03** | **Strategic Assets** | | | | | | | | | | | |
| F/C.3.101 | County Farms investment (Viability) | To invest in projects which protect and improve the County Farms Estate's revenue potential, asset value and long term viability. | F/R.7.103 | Ongoing | 3,000 | - | 300 | 300 | 300 | 300 | 300 | 1,500 |
| F/C.3.103 | Local Plans - representations | Making representations to Local Plans and where appropriate following through to planning applications with a view to adding value to County Farms and other Council land, whilst meeting Council objectives through the use / development of such land. | | Ongoing | 1,000 | - | 100 | 100 | 100 | 100 | 100 | 500 |

# Section 3 - F:  Commercial and Investments
## Table 4:  Capital Programme
### Budget Period:  2019-20 to 2028-29

| Ref | Scheme | Description | Linked Revenue Proposal | Scheme Start | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| F/C.3.109 | Community Hubs - East Barnwell | Creation of a community hub in the Abbey ward by renovating and extending East Barnwell community centre and adjoining preschool. To accommodate a library, a base for the South City locality team, to extend the childcare facility to address insufficiency in local provision, as well as provide flexible community facilities with dedicated space for young people. | | Committed | 1,950 | 131 | 910 | 909 | - | - | - | - |
| F/C.3.114 | MAC Joint Highways Depot | 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. | | Committed | 5,198 | 582 | 4,616 | - | - | - | - | - |
| F/C.3.116 | Shire Hall Relocation | As part of the Cambs 2020 vision, the Council plans to vacate Shire Hall and relocate to outside of Cambridge. | TBC | Committed | 18,326 | 2,643 | 5,633 | 9,858 | 192 | - | - | - |
| F/C.3.117 | Investment in the CCC asset portfolio | Change in use of Shire Hall maintenance budget to support much needed investment into the wider estate. | | 2019-20 | 550 | - | 550 | - | - | - | - | - |
| | **Total - Strategic Assets** | | | | **30,024** | **3,356** | **12,109** | **11,167** | **592** | **400** | **400** | **2,000** |
| **F/C.04** | **Capital Programme Variation** | | | | | | | | | | | |
| F/C.4.001 | Variation Budget | The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis. | | Ongoing | -36,931 | - | -22,591 | -12,702 | -238 | -200 | -200 | -1,000 |
| F/C.4.002 | Capitalisation of Interest Costs | The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year. | | Committed | 134 | 53 | 81 | - | - | - | - | - |
| | **Total - Capital Programme Variation** | | | | **-36,797** | **53** | **-22,510** | **-12,702** | **-238** | **-200** | **-200** | **-1,000** |
| | | | | | | | | | | | | |
| | **TOTAL BUDGET** | | | | **301,646** | **153,839** | **90,443** | **50,810** | **954** | **800** | **800** | **4,000** |

## Section 3 - F:  Commercial and Investments
### Table 4:  Capital Programme
**Budget Period:  2019-20 to 2028-29**

| Summary of Schemes by Start Date | Total Cost £000 | Previous Years £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | 2023-24 £000 | Later Years £000 |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| **Funding** | **Total Funding £000** | **Previous Years £000** | **2019-20 £000** | **2020-21 £000** | **2021-22 £000** | **2022-23 £000** | **2023-24 £000** | **Later Years £000** |
| **Government Approved Funding** | | | | | | | | |
| Capital Maintenance | 550 | - | 550 | - | - | - | - | - |
| Specific Grants | 1,822 | - | 1,759 | 63 | - | - | - | - |
| **Total - Government Approved Funding** | **2,372** | **-** | **2,309** | **63** | **-** | **-** | **-** | **-** |
| **Locally Generated Funding** | | | | | | | | |
| Agreed Developer Contributions | 260 | - | 130 | 130 | - | - | - | - |
| Capital Receipts | 91,259 | 44,178 | 42,077 | 2,004 | - | 500 | 500 | 2,000 |
| Prudential Borrowing | 59,438 | 8,137 | -866 | 48,613 | 954 | 300 | 300 | 2,000 |
| Prudential Borrowing (Repayable) | - | 98,724 | 39,193 | -600 | -4,200 | - | - | -133,117 |
| Ring-Fenced Capital Receipts | 4,800 | - | - | 600 | 4,200 | - | - | - |
| Other Contributions | 143,517 | 2,800 | 7,600 | - | - | - | - | 133,117 |
| **Total - Locally Generated Funding** | **299,274** | **153,839** | **88,134** | **50,747** | **954** | **800** | **800** | **4,000** |
| | | | | | | | | |
| **TOTAL FUNDING** | **301,646** | **153,839** | **90,443** | **50,810** | **954** | **800** | **800** | **4,000** |

# Section 3 - F: Commercial and Investments

## Table 5: Capital Programme - Funding

### Budget Period: 2019-20 to 2028-29

| Summary of Schemes by Start Date | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|
| Ongoing | 64,976 | - | - | - | 86,391 | -21,415 |
| Committed Schemes | 182,262 | 1,822 | 260 | 143,517 | 9,668 | 26,995 |
| 2018-2019 Starts | 53,858 | - | - | - | - | 53,858 |
| 2019-2020 Starts | 550 | 550 | - | - | - | - |
| **TOTAL BUDGET** | **301,646** | **2,372** | **260** | **143,517** | **96,059** | **59,438** |

| Ref | Scheme | Linked Revenue Proposal | Net Revenue Impact | Scheme Start | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **F/C.01** | **Commercial Activity** | | | | | | | | | |
| F/C.1.117 | Commercial Investments | F/R.7.110 | -159,000 | Ongoing | 91,907 | - | - | - | 91,907 | - |
| F/C.1.118 | Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride | F/R.7.114 | -1,641 | Committed | 3,645 | 1,822 | - | - | - | 1,823 |
| F/C.1.119 | Babraham Smart Energy Grid | TBC | -24,336 | 2018-19 | 11,399 | - | - | - | - | 11,399 |
| F/C.1.120 | Trumpington Smart Energy Grid | TBC | -7,001 | 2018-19 | 6,969 | - | - | - | - | 6,969 |
| F/C.1.121 | Stanground Closed Landfill Energy Project | TBC | -36,908 | 2018-19 | 9,745 | - | - | - | - | 9,745 |
| F/C.1.122 | Woodston Closed Landfill Energy Project | TBC | -9,010 | 2018-19 | 2,526 | - | - | - | - | 2,526 |
| F/C.1.123 | Renewable Energy - Mere Farm, Soham | | -43,536 | 2018-19 | 23,219 | - | - | - | - | 23,219 |
| F/C.1.240 | Housing schemes | F/R.7.113 | -65,867 | Committed | 153,009 | - | - | 143,517 | 4,837 | 4,655 |
| | **Total - Commercial Activity** | | **-347,299** | | **302,419** | **1,822** | **-** | **143,517** | **96,744** | **60,336** |
| **F/C.02** | **Property Services** | | | | | | | | | |
| F/C.2.112 | Building Maintenance | | - | Ongoing | 6,000 | - | - | - | - | 6,000 |
| | **Total - Property Services** | | **-** | | **6,000** | **-** | **-** | **-** | **-** | **6,000** |
| **F/C.03** | **Strategic Assets** | | | | | | | | | |
| F/C.3.101 | County Farms investment (Viability) | F/R.7.103 | -7,400 | Ongoing | 3,000 | - | - | - | - | 3,000 |
| F/C.3.103 | Local Plans - representations | | - | Ongoing | 1,000 | - | - | - | - | 1,000 |
| F/C.3.109 | Community Hubs - East Barnwell | | - | Committed | 1,950 | - | 260 | - | 31 | 1,659 |
| F/C.3.114 | MAC Joint Highways Depot | | -183 | Committed | 5,198 | - | - | - | 4,800 | 398 |
| F/C.3.116 | Shire Hall Relocation | TBC | - | Committed | 18,326 | - | - | - | - | 18,326 |
| F/C.3.117 | Investment in the CCC asset portfolio | | - | 2019-20 | 550 | 550 | - | - | - | - |
| | **Total - Strategic Assets** | | **-7,583** | | **30,024** | **550** | **260** | **-** | **4,831** | **24,383** |

## Section 3 - F: Commercial and Investments

### Table 5: Capital Programme - Funding

**Budget Period: 2019-20 to 2028-29**

| Ref | Scheme | Linked Revenue Proposal | Net Revenue Impact | Scheme Start | Total Funding £000 | Grants £000 | Develop. Contr. £000 | Other Contr. £000 | Capital Receipts £000 | Prud. Borr. £000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **F/C.04** | **Capital Programme Variation** | | | | | | | | | |
| F/C.4.001 | Variation Budget | | - | Ongoing | -36,931 | - | - | - | -10,520 | -26,411 |
| F/C.4.002 | Capitalisation of Interest Costs | | - | Committed | 134 | - | - | - | - | 134 |
| | **Total - Capital Programme Variation** | | **-** | | **-36,797** | **-** | **-** | **-** | **-10,520** | **-26,277** |
| F/C.9.001 | Excess Corporate Services capital receipts used to reduce total prudential borrowing | | | Ongoing | - | - | - | - | 5,004 | -5,004 |
| | **TOTAL BUDGET** | | | | **301,646** | **2,372** | **260** | **143,517** | **96,059** | **59,438** |

People & Communities: Children & Young People Committee Business Cases

# Business Case

## A/R.6.213 Youth Offending Service (YOS) - Efficiencies from Joint Commissioning and Vacancy Review

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.213 Youth Offending Service (YOS) - Efficiencies from Joint Commissioning and Vacancy Review | | |
| **Project Code** | TR001431 | **Business Planning Reference** | A/R.6.213 |
| **Business Planning Brief Description** | The full year impact of savings are realised from commissioning of Appropriate Adults and Reparation Services with PCC and Cambridgeshire Constabulary. Removal of all capacity within the YOS to spot purchase time limited support programmes, tailored to meet individual needs, which may be over and above the core offer. Removal of a part time vacant case holding post. Savings from now jointly commissioned arrangements, therefore no reduced service, just more efficient and economies of scales. | | |
| **Senior Responsible Officer** | Sarah Ferguson | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

In order to meet savings, the following areas have been identified;

Efficiency savings from joint procurement of the Appropriate Adults contract across Cambridgeshire and Peterborough.
Reduction in capacity to purchase other additional services such as Educational Psychology.
Reduction in Case Holder capacity.

**What would happen if we did not complete this project?**

Increased pressure on other parts of People and Communities.

#### Approach

**Aims / Objectives**

To secure financial efficiencies through jointly procuring the Appropriate Adult contracts with Peterborough City Council.
For the Youth Offending Service to continue to manage caseloads under current establishment, as it has for the past two years.

**Project Overview - What are we doing**

Meeting efficiency savings by jointly procuring contracts with Peterborough City Council.
Maintaining current casework capacity, thus maintaining financial savings.

**What assumptions have you made?**

That the budget can withstand the removal of any capacity to spot purchase time-limited support.
Appropriate Adults provision will continue to be commissioned across Peterborough & Cambridgeshire.

**What constraints does the project face?**

None.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Appropriate Adult contracts.
Youth Offending Service provision.

**What is outside of scope?**

Other related contracts and service provisions.

## Project Dependencies

**Title**

Peterborough City Council

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

Appropriate Adult contract will be jointly procured and maintained - with effective provision to both PCC & CCC.

**Title**

## Risks

**Title**

Maintaining current casework capacity.

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Young people aged 10-17 who are the subject of the criminal justice system are the recipients of the Youth Offending Service. The cost savings are delivered through more efficient delivery of the appropriate adult service with Peterborough City Council and will secure more consistent delivery to young people across PCC and CCC

**What positive impacts are anticipated from this proposal?**

The cost saving is being realised in part through the permanent reduction in case work time from a current vacant post. This does not represent a reduction in service to young people as the post has been vacant for some time due to re-structures.

Joint contract with PCC on Reparation/Appropriate Adult provision.

Maintenance of current service provision across Youth Offending Service caseworkers.

**What negative impacts are anticipated from this proposal?**

With less flexibility in the budget the service will have less capacity to spot purchase additional or specialist support if required. The service will need to ensure that the most is being made of alternative provision being provided by other services and organisations. The service will also need to continue to flex its internal resource to meet the needs of young people.

The savings are being made on the basis of current YOS caseloads. If these were to significantly increase, or needs intensify, this will reduce the capacity of the service to respond effectively. Demands into the service are determined by court if pressures in the service were to significantly increase, current preventative services would need to be diverted to meet statutory need.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being disproportionately impacted by implications of this proposal have been identified.

# Business Case

## A/R.6.214 Central Integrated Youth Support Services

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.214 Central Integrated Youth Support Services | | |
| **Project Code** | TR001436 | **Business Planning Reference** | A/R.6.214 |
| **Business Planning Brief Description** | Removal of staff training budget for youth staff as there are no longer staff studying for their JNC qualification. Proposed reduction in staff capacity equitable to 0.5 FTE post within the Youth and Community Team. A reduction of £10.5k in the Community Reach Fund which equates to approximately 30% of the total budget. Community groups could be supported to apply to alternative funding streams including CCC's Innovate & Cultivate Fund and those administered for communities by the Big lottery. | | |
| **Senior Responsible Officer** | Sarah Ferguson | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

To realise efficiencies within the service.

**What would happen if we did not complete this project?**

Savings would need to be found elsewhere.

#### Approach

**Aims / Objectives**

To realise efficiencies across the service to release savings across People and Communities.

**Project Overview - What are we doing**

We will review the establishment of youth staff and remove the training budget for a historical training requirement.

**What assumptions have you made?**

There are no additional training requirements.
The service can absorb a reduction in post.

**What constraints does the project face?**

There is a current establishment.

### Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Current staff team.

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

N/A

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

The service is concentrated in delivering in areas of highest deprivation across the County. The proposal will affect young people and local communities as there will be less capacity and fewer resources to pump prime community initiatives.

The current team delivering this service will see a reduction of 0.5 FTE which will impact upon staff as a re-structure may be required to achieve this.

**What positive impacts are anticipated from this proposal?**

Savings will be achieved

**What negative impacts are anticipated from this proposal?**

A reduction in the Community Reach Fund of 20% will mean a reduced capacity to create community based activities for young people and local communities. For example more limited resources to invest in community initiatives which provide positive activities for young people and limit the opportunities for them to participate in the life of their community. A proportion of the Community Reach Fund will remain to fund some initiatives and groups can be delivered to the Innovate and Cultivate Fund.

A reduction in staffing is a negative impact of this proposal and the mitigation is to ensure correct procedure is followed in relation to any potential restructure situations.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for this proposal

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being disproportionately impacted by implications of this proposal have been identified.

# Business Case

## A/R.6.252 Home to School Transport (Special) – Route Retendering

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.252 Home to School Transport (Special) – Route Retendering | | |
| **Project Code** | TR001416 | **Business Planning Reference** | A/R.6.210 |
| **Business Planning Brief Description** | Retendering contracts, identifying high-cost cohorts, encouraging greater independence and managing demand for Home to School Transport pupils with SEND eligible for free transport based on learning from approach taken to Mainstream Home to School Transport (Total Transport). The £110k savings figure is rolled over from 18/19 as the savings from the retendering process only have a part year effect (starting in September), and so the actual realisation won't be until 19/20. | | |
| **Senior Responsible Officer** | Hazel Belchamber | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

There has been a successful pilot approach to Total Transport in East Cambridgeshire for Mainstream Home to School Transport which is now being rolled out across the County and will deliver further efficiencies through full roll-out if this project is undertaken. It will also encourage greater independence and the development of life skills. This project aims to build upon the momentum, principles and lessons learned from this work and apply them to Special Education Needs and Disability (SEND) Home to School Transport.

**What would happen if we did not complete this project?**

The opportunity to trial new approaches to delivering SEND transport more efficiently and effectively through this project would be lost.

#### Approach

**Aims / Objectives**

We expect to achieve savings through the process of retendering and managing Home to School Transport contracts for pupils with Special Educational Needs that are eligible for free transport.

**Project Overview - What are we doing**

Based upon learning from the approach taken to achieving savings in Mainstream Home to School Transport through the Total Transport transformation work, this consists of a combination of contract re-tendering, route reviews, looking across client groups to target high cost cohorts and managing demand for children requiring transport provision, including the impact of the new Highfield Littleport Area Special School and access improvements to the Meadowgate Special School footpath in Wisbech. We will also work closely with the SEND service, organisations such as Pinpoint and SENDIASS, and children with SEND and their families at an early stage to ensure that these changes support the development and independence of SEND children.

The part year effect in 18/19 of route efficiencies made in 17/18 will be £82k. In order to achieve the remaining £242k of savings, route reviews that are undertaken in 18/19 should be expected to achieve an 11% reduction in costs.

**What assumptions have you made?**

It is assumed that savings broadly in line with Mainstream Home to School Transport are achievable in SEND transport, although it is accepted that this will be on more of an individual case-by-case basis and further work is required to evaluate this approach. Additional savings of £82k will also result from the ongoing impact of tenders completed in 17/18.

**What constraints does the project face?**

The overwhelming majority of tenders for SEND transport are not up for tender in 18/19 and so tenders will be for in-year re-tenders and changes to individual transport provision (where this can be done more efficiently).

If the number of SEND children requiring transport significantly increases above the expected trend then this will have a knock-on impact upon the savings achievable for this project.

There may also be challenges to proposals to change specific current transport provision.

## Delivery Options

**Has an options and feasibility study been undertaken?**

Based upon the learning of the Total Transport (Mainstream) work it has been identified that a combination of Route Reviews, retendering, identifying and managing demand for high cost cohorts, and improved decision-making processes could yield the greatest efficiency savings in this area.   There may also be challenges to proposals to change specific current transport provision.

## Scope / Interdependencies

**Scope**

**What is within scope?**

Home to School Transport (Special)

**What is outside of scope?**

Home to School Transport (Main Stream)

## Project Dependencies

**Title**

Work with SEND service to align decisions around care needs and transport provision.

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

A more efficient and effective SEND care and transport system
Greater levels of self-sufficiency for children with Special Educational Needs and their families (with appropriate support)

**Title**

## Risks

**Title**

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

Pupils with SEND who are eligible for free school transport and their families.

**What positive impacts are anticipated from this proposal?**

The changes will seek to achieve a more efficient and effective service.

**What negative impacts are anticipated from this proposal?**

The changes may result in pupils with SEND being asked to spend more time on transport to accommodate more efficient use of vehicles.

**Are there other impacts which are more neutral?**

The changes may result in more pupils being asked to share vehicles with other SEND pupils or make their own way to school, in particular circumstances, with the necessary support. This would mean fewer individual journeys for SEND pupils and their families, and offer opportunities for self-development and independence for these pupils.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Any changes will be considered in relation to compliance with SEND pupils care statements or plans in discussion with frontline Children's SEND teams at the County Council, with organisations such as PinPoint and SENDIASS and with the children and their families at an early stage.

# Business Case

## A/R.6.253 Looked After Children (LAC) - Mitigating Additional Residential Placements

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.253 Looked After Children (LAC) - Mitigating Additional Residential Placements | | |
| **Project Code** | TR001429 | **Business Planning Reference** | A/R 6.253 |
| **Business Planning Brief Description** | There is currently a shortage of foster placements due to increased numbers of children in care both locally and nationally. This has resulted in a growing number of young people being placed in much higher cost residential placements. This business case describes how we will seek to mitigate 3 of the additional 8 residential placements expected in residential hence requiring a reduced contribution to the placement budget from demography funding. | | |
| **Senior Responsible Officer** | Lou Williams | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Residential placements are high cost and in most cases are not a positive choice based on the needs of the child or young person concerned, the exception being where specialist residential care is required to support children and young people with complex disabilities. For most children and young people in care, residential placements come about after two, three or more unplanned foster placement endings. As part of our broader changes under Change for Children, we are improving the capacity of social workers in our new specialist Corporate Parenting service, which will focus solely on supporting children and young people in care and care leavers. Through this approach, we aim to improve placement stability, making it less likely that young people's needs escalate to the point that only residential care is available.

**What would happen if we did not complete this project?**

Levels of expenditure would increase in line with previous years, outcomes for children and young people would be likely to be less good than they could be.

#### Approach

**Aims / Objectives**

Improving placement stability for children and young people in foster placements, and so delivering better outcomes for them, while reducing the likelihood of unplanned escalation into residential placements. The combined effect will be to maintain numbers in residential at current levels, reducing the amount of demographic funding required compared with the projection.

**Project Overview - What are we doing**

The activity of the system-wide changes has been described above and in A/R 6.255 Looked After Children - Reducing the number of LAC. This will not only reduce LAC numbers outright but will also support the reduction of the number of unplanned placement endings and thereby reduce the number of children/young people placed in residential care.

There is a significant amount of work being done in 19/20 to develop the in house fostering service and increase their capacity. There is also work being done to retender the contract with independent fostering agencies. Taken together these activities are aiming to increase the availability of foster placements, this will also contribute to reducing the number of children/young people placed in residential care as some young people are currently placed in residential care because there are no appropriate foster placements available to meet their needs.

Combined the two activities above will support in reducing the number of children/young people placed in residential care, however there are likely to be some children/young people for whom residential care is the most appropriate placement. Therefore there is also activity planned to review the existing cohort of children/young people placed in residential care with a view to supporting older teenagers into semi-independent placements where this is in line with their care plans.

**What assumptions have you made?**

That the Change for Children programme delivers the expected improved outcomes in terms of improving support to our children and young people in care, and so is successful in helping to improve placement stability.

**What constraints does the project face?**

There are risks that the market for placements for children in care continues to tighten, increasing the pressure on foster placement availability and so resulting in a continued increase in use of residential placements.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

**Scope**

**What is within scope?**

Children in care placements

**What is outside of scope?**

## Project Dependencies

| Title |
|---|
| Change for Children Programme |
| Recruitment of foster carers |

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

Improved placement stability and increased recruitment of our own foster placements are beneficial in terms of long term outcomes for children in care.

**Title**

## Risks

**Title**

Reduction in number of foster placements available

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

This is a county-wide approach affecting small numbers of children and young people in care. Fewer than 90 children and young people access a residential placement in the course of any one year.

Residential provision is a positive choice for very few children and young people. Some, particularly those who have complex disabilities, will always require specialist residential provision and this will continue to be provided in accordance with assessed need.

The majority, however, move to residential placements after a number of family based placements have come to an unplanned end. In almost all cases, outcomes for young people in residential care are less good than those who remain placed in a consistent family based placement. Reducing overall use of residential placements is therefore likely to result in improved outcomes for children and young people.

**What positive impacts are anticipated from this proposal?**

As noted above, maintaining children and young people within stable family-based placements and reducing use of residential care is likely to improve overall outcomes for children and young people in care.

**What negative impacts are anticipated from this proposal?**

No negative impacts identified for this proposal, as this proposal is about mitigating a predicted increase rather than changing existing placements.

**Are there other impacts which are more neutral?**

No neutral impacts identified for this proposal.

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

No disproportionate impacts identified for this proposal as this proposal is about mitigating a predicted increase rather than changing existing placements.

# Business Case

## A/R.6.254 Looked After Children (LAC) - Fee Negotiations, Review and High Cost Placements

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.254 Looked After Children (LAC) - Fee Negotiations, Review and High Cost Placements | | |
| **Project Code** | TR001430 | **Business Planning Reference** | A/R.6.254 |
| **Business Planning Brief Description** | Negotiations of external placement costs and reviews of high cost placements including: Pursuing discounts, both volume and long-term discounts Reviewing packages of support for all purchased placement types Reviewing high cost placements | | |
| **Senior Responsible Officer** | Lou Williams | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Numbers of children in care have been increasing year on year nationally for the last few years and the increase in Cambridgeshire has been much more rapid than national or local comparators.
Market capacity has not kept pace with the increase in numbers of Looked After Children so placements are increasingly being made in expensive or out of county placements.

The demand being placed on children's services can also mean that children are coming into care in an unplanned or emergency way following a crisis. This tends to mean that placement costs are higher than if the entry into care had been more planned.

**What would happen if we did not complete this project?**

Placement costs for children and young people will remain as they are at point of placement. This would mean once the placement has stabilised and the need is lower, the placement would no longer offer value for money.

#### Approach

**Aims / Objectives**

Ensure that all placements are offering value for money

**Project Overview - What are we doing**

This is a continuation of work that has taken place over the last few years to negotiate placement costs for children in care. The approach will differ but will include individual placement negotiations, negotiations around inflationary increases, pursuit of contractual discounts and wider contract negotiations. This will also include reviews of existing packages of support as well as high cost placements. This will be monitored by taking a targeted approach of those recently placed and those whose packages of support are particularly high.

**What assumptions have you made?**

Placement negotiations are possible and will deliver savings.

**What constraints does the project face?**

Competition in the market means that negotiation of costs is increasingly difficult.

Tough negotiation on inflation costs over the last few years means that further negotiation this year may be challenging.

The contract with Independent Fostering Agencies is due to be re-procured this year, this is likely to result in an increase in unit cost.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

All placements made with external providers

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Providers of external placements

**What positive impacts are anticipated from this proposal?**

Better value for money from external placements made.

**What negative impacts are anticipated from this proposal?**

There will be no impact on service level, this proposal is about negotiating fees with the service providers.

**Are there other impacts which are more neutral?**

There will be no impact on service level, this proposal is about negotiating fees with the service providers.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

There will be no disproportionate impact on service level, this proposal is about negotiating fees with the service providers.

# Business Case

## A/R 6.255 Looked After Children (LAC) - Placement Mix Changes and Reducing LAC Numbers

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R 6.255 Looked After Children (LAC) - Placement Mix Changes and Reducing LAC Numbers | | |
| **Project Code** | TR001428 | **Business Planning Reference** | A/R.6.255 |
| **Business Planning Brief Description** | Numbers of children in care remain at around 100 higher than they should be if our performance was in line with the average of our statistical neighbours. This business case is targeted at reducing demand in the system and delivering sustainable savings by reducing costs associated with higher numbers of children in care in the system as well as increasing in-house fostering numbers and reducing the number of independent agency placements which are more costly. | | |
| **Senior Responsible Officer** | Lou Williams | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

There are two main contributors to overall placement costs: numbers of children and young people in care and placement mix. It is already likely that there will be an overspend of between £2m and £2.75m on direct placement costs in 2018/19. This includes the non-delivery of a £1.5m savings target.

There are around 715 children and young people in care in Cambridgeshire. If we were looking after the number of children at the same rate as the average of the 10 most similar authorities, we would have around 610 children and young people in care.

While numbers in care have been increasing year on year nationally for the last few years (and with a particularly marked increase in 2016/17, the last year for which comparative figures are available) the increase in Cambridgeshire has been much more rapid than national or local comparators. While the rate of increase in Cambridgeshire slowed significantly in 2017/18, from just under 700 to around 715, it is potentially too soon to say we have reached a plateau in numbers, let alone to be able to confidently predict a decline.

Higher than expected numbers of children in care is often the result of a complex interplay of factors, including:

Current thresholds into the care system that are too low;
Children spending too long in care as a result of a lack of focused planning;
The failure of early help services to have an impact or lack of availability of such services;
Too much confidence in likelihood of family to achieve sustainable change and/or the impact of earlier decisions to maintain thresholds for accessing the care system very high;
Under use of the Public Law Outline and/or family meetings/family group conferences or use of measures too late in the progress of the case;
A growing population of children in the general population;
Changing demographics including as a result of a need to look after, for example, higher numbers of unaccompanied asylum seeking young people.

Because of the complexity of issues likely to be present we invited Oxford Brookes to undertake a deep dive into the reasons behind our increased care population. Our initial hypothesis was that the generic nature of the work in the small units, combined with a lack of dedicated line management oversight was leading to delays in care planning, with the result that number of care days was increased, resulting in higher overall numbers as well as delays for children who would spend more time in care than they needed to before moving on to permanent homes including through adoption, Special Guardianship Order or return home to family.

Evidence of delays in care planning was identified, as expected, and this is one of the reasons for us developing specialist teams including specialist teams for children in care. There were other factors identified by Oxford Brookes, however, which included a lack of engagement by early help services (it should be noted that most cases looked at would have been accessing early help under the previous model prior to the reconfiguration as part of children's services aligned in districts) but in a significant number of cases, an over-extended period of support as children in need or subject to child protection plans, without sufficient regard to the impact that this was having on the lives of the children concerned. Oxford Brookes noted that this was then often followed by swift decisions to accommodate and/or issue legal proceedings, with few children and young people being subject to pre-proceedings or being considered within family meetings or family group conferences. Their view was that the decision to accommodate, when taken, was the right one in almost all cases they analysed, but that this decision was often not timely and earlier opportunities had been missed.

An audit of the most recent 15 children to come into the care system identified very similar themes – the decision to accommodate being the right one, but too often after a period of prolonged over-optimism and lack of real understanding of the impact of support being provided to families in changing the lives of the children concerned.

This lack of timely action is also a feature of a generic unit system without sufficiently close management oversight and the changes proposed to develop specialist assessment and children's teams with dedicated team managers will address this issue. What it does mean, however, is that the population of children in care will include more children of an age where they are most likely to remain in care for a long period and probably to adulthood.

Children under the age of 5 years are the ones who are most likely to leave care through adoption or Special Guardianship Order. In March 2016, 86 or 14% of the 610 children and young people in care were under 5; this had increased to 115 or 16% of 698 as of 31st March 2018. Of the age group 5-11 – the group most likely to spend their childhoods in care 28% of the population looked after as of 31st March 2016: this proportion had increased to 30% by March 2018 – an increase of 36 over this period.

Changes to the way that services are delivered are essential if we are to ensure that children receive effective and timely interventions before care, with consistent decision making based on evidence of impact on the lived experience of the child. These same changes are also essential to ensure sufficient management oversight and focused attention on the needs of children in care through the proposed specialist children in care teams.

While the changes proposed to the children's services structure will address our higher than expected children in care numbers, these changes will not be implemented until autumn 2018 and so are unlikely to begin to have any impact until 2019/20. This means placement numbers are unlikely to begin to reduce in the current financial year.

Cambridgeshire also has a higher proportion of placements made with Independent Fostering Agencies than statistical neighbours. The average weekly cost of a placement with an Independent Fostering Agency is £850 compared with the average weekly cost of an in house fostering placement which is £350. The high proportion of Cambridgeshire placements made with Independent Fostering Agencies is a major factor contributing to the overspend in the placements budget.

**What would happen if we did not complete this project?**

The savings would not be made, LAC numbers would not reduce and there would potentially be further pressures on the placement budget.

**Approach**

**Aims / Objectives**

This work will:

Remodel the MASH and Integrated Front Door;
Create dedicated specialist teams including for children and young people in care;
Increase the number of in-house fostering placements through recruitment campaigns thereby reducing the need for expensive independent placements.

**Project Overview - What are we doing**

A full analysis of the underlying reasons for the increased volumes of children in the system was completed in Spring/Summer 2018, informed by the work commissioned from Oxford Brookes, the recent Ofsted focussed visit and the MASH Peer Review.

This has led to a major change programme and restructure which is due to be implemented by January 2019. The various aspects of the change programme and restructure that will directly impact on LAC numbers are as follows:

**Increase in management capacity within the safeguarding teams**
This will reduce delay and drift in social work and increase resilience of the teams
Reduction in case loads for front line staff
Implementation of specialised teams
One of the observations made by the external reviews was that balancing the demands of short-term and long-term work is challenging, particularly around balancing Child Protection work with longer term work with Looked After Children. The specialised teams will mitigate this effect by allowing teams to focus on one type of work.

**Establishment of children's practitioner role**
Children's Practitioners will be working on with Children in Need. Children in Need are often at less risk of imminent harm than children on a Child Protection Plan. This means when there is significant demand in the service, there can be drift and delay in the support they receive which in turn can lead to an escalation of need and possibly the need to accommodate.

**Establishment of dedicated adolescent teams**
There is a cohort of young people usually aged 14-17 who are in crisis and are on the edge of care. This cohort often needs intensive and responsive support for crises to prevent the need to accommodate. The dedicated adolescent teams will be able to provide this.

**Development of reunification support service**
It is well understood that the likelihood of a child in care returning home diminishes progressively for every week they spend in care. Having a dedicated reunification support service will enable wraparound support to be available to support reunification, where identified in the child's care plan, from the point of accommodation.

**Additional capacity in the children in care teams**
Changing the placement mix will yield benefits. Innovative recruitment campaigns are about to commence and we expect to see an increase in the numbers of households applying to become foster carers with Cambridgeshire County Council. This is important, since in-house fostering unit costs are around 50% of the

unit cost of Independent fostering agency placements.

However, any enquiries by prospective carers received now will not convert into new placements for between four to six months, as all carers have to be assessed, trained and then approved by panel. This means that the benefits from the new approaches to recruitment will again only begin to take effect during 2019/20.

There are a number of metrics about the way the placement mix and reduction in overall LAC numbers will be measured:

45 new SGOs (Special Guardianship Orders) in 2019/20 of which 12 will convert from Independent Fostering Agency placements
6 young people move on to staying close, staying connected
43 new placements with the in house foster agency (net gain)
13 children exiting care, not including those aged 18, some of whom will be from districts who came into care under S20 in an unplanned or emergency way and some via the RAPS service whose caseload is identified through the permanency planning and tracking group

**What assumptions have you made?**

The key assumption made for this business case is that there are people within Cambridgeshire who can be recruited to increase the capacity of our in house fostering service, other assumptions are included above.

**What constraints does the project face?**

There is a larger than expected group of children of primary school age among our child in care population.

Children and young people should not be moved from placements where they are settled, unless this is in their best longer term interest and is in accordance with their care plans.

Due to the general lack of capacity in the market, the recruitment campaign for our in house fostering service will be in competition with recruitment campaigns from other fostering agencies.

Other constraints are included above.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Children's Services in Cambridgeshire
Safeguarding Teams
Corporate Parenting Service
Performance and Quality Assurance
Integrated Front Door for Cambridgeshire and Peterborough (including Cambridgeshire's Early Help Hub)
Looked After Children in independent placements
New foster carers

**What is outside of scope?**

Business Support for Children's Services in Cambridgeshire
All other Peterborough Services
Early Help teams in Cambridgeshire (not including the Early Help Hub)
Children's Disability Teams in Cambridgeshire

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Looked After Children, particularly those in independent placements as well as their parents, carers and social workers.

**What positive impacts are anticipated from this proposal?**

Maintaining children and young people within stable family-based placements is likely to improve overall outcomes for children and young people in care.

These proposals are intending to ensure that children receive effective and timely interventions before care, with consistent decision making based on evidence of impact on the lived experience of the child. They will also ensure sufficient management oversight and focused attention on the needs of children in care through the specialist children in care teams.

**What negative impacts are anticipated from this proposal?**

All decisions about children's care are based on their individual needs. There are no negative impacts anticipated.

**Are there other impacts which are more neutral?**

No neutral impacts identified for this proposal.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Children with disabilities are overrepresented in the looked after children cohort nationwide, so they will be more affected by the positive impacts in the proposals.

# Business Case

## A/R.6.256 Delivering Greater Impact for Troubled Families

| Project Overview | | | |
|---|---|---|---|
| **Project Title** | A/R.6.256 Delivering Greater Impact for Troubled Families | | |
| **Project Code** | TR001433 | **Business Planning Reference** | A/R.6.256 |
| **Business Planning Brief Description** | The project considers how we can maximise the income from the national Troubled Families programme | | |
| **Senior Responsible Officer** | Alison Smith | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

The national Troubled Families Programme began in 2012 with the goal of reaching families with multiple and complex problems. The programme is based around a 'payment by results' (PBR) methodology with the Authority receiving payments for evidencing how we have supported whole families to achieve positive outcomes in their lives. We have the opportunity to increase the PBR income from Central Government by improving how we evidence this work.

If we can improve the way in which we support families and improve our ability to record outcomes on our case management system across the organisation it will improve the ability to evidence a PBR claim – giving more potential to maximise the income from Government. Previously we have budgeted for 'medium' return but achieving maximum income delivers £870,000 over three years (approximately £290,000 per year)

**What would happen if we did not complete this project?**

At the start of this project planned expenditure was £868,000 short of total possible income from PBR claims. As a result of this proposal £300,000 of this was committed to savings. We have also now agreed to fund For Baby's Sake at a cost of £179,314. If this project is not completed we will not achieve the savings, or sufficient funding for For Baby's Sake and will lose out on approximately £388,000 of additional income.

### Approach

**Aims / Objectives**

Across People and Communities services we want to improve the way in which we work with families and better evidence achieved outcomes within case recording. Aims are:

More families that Social Care District Units, Special Educational Needs and Disabilities (SEND) and Youth Offending Services (YOS) teams work with are identified for the 'Troubled Families' cohort
More of our interventions have whole family assessments, a lead professional and the plan addresses all family needs

All plans are linked to the 'Outcomes Framework'. Closing summaries clearly show what outcomes have been achieved

We can more easily identify families that have made 'Sustained and Significant Progress' (SSP)

**Project Overview - What are we doing**

Across People and Community services we want to improve evidence of outcomes within case recording. We also want to subsequently increase cases collated and presented as PBR claims.

In order to increase the cases collated and presented as PBR claims we need to increase the resource that currently carries out this work. We will therefore submit a bid for Transformation Funding to allow for the recruitment of one Full Time Equivalent (FTE) Family researcher for 18 months at total cost of £45,000. We also need to implement a PBR improvement plan to address the aims identified in the project.

**What assumptions have you made?**

That the PBR process will continue until 2020 and the Outcomes Framework will remain the same.
That there will be sufficient families achieving sustained and significant progress.
That we will have sufficient staff to work with the number of families.

**What constraints does the project face?**

Making the PBR claim is dependent upon a number of factors:

Families achieving sustained and significant progress against a standard set of measures. We will therefore be constrained by the number of families achieving these outcomes.
Professionals effectively evidencing these outcomes as part of their case notes. This is more challenging if there is a high turnover of staff.
Having the required level of resource to process and submit PBR claims

To achieve the required income we are required to work with and evidence sustained and significant progress for an extra 1,085 families up to 2020.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

**Scope**

**What is within scope?**

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

Payment By Results

## Risks

**Title**

How income is used

Staff not recording outcomes correctly

Families not achieving outcomes

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Children and families across Cambridgeshire will be affected by this proposal

**What positive impacts are anticipated from this proposal?**

It is our proposal to use a proportion of the additional income to reinvest back into the wider system supporting children and their families to improve multi-agency whole-family working.

We recognise that when we support a whole family rather than individuals within families we are much more likely to address the root causes for ongoing support needs and work to resolve these at an earlier time. Therefore, if we are able to invest funding into how we work with whole families, we will support more vulnerable children and adults to increase their skills and assets to live well independently.

**What negative impacts are anticipated from this proposal?**

It is not anticipated that there will be any negative impacts from this proposal

**Are there other impacts which are more neutral?**

No neutral impacts have been identified

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

There are no disproportionate impacts upon people with a protected characteristic

# Business Case

# A/R 6.258 Children's Home Changes

## Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R 6.258 Children's Home Changes | | |
| **Project Code** | TR001457 | **Business Planning Reference** | A/R 6.258 |
| **Business Planning Brief Description** | Savings attributable to the closure of Victoria Road Children's Home | | |
| **Senior Responsible Officer** | Lou Williams, Service Director - Children's Services | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

There are two young people in residence at Victoria Road and on each occasion we have sought to place a third, the unit has become unmanageable. The core difficulty has been the ongoing difficulty in the recruitment of suitably experienced staff to work in a residential setting with some of our most challenging young people.

**What would happen if we did not complete this project?**

Victoria Road would remain open at a cost of £600k per annum and deliver placements for two young people. This gives a weekly cost of around £5,700 per young person per week. Appropriate alternative provision has been identified for the two young people at a cost of £3,200 and £1,200 per week respectively.

### Approach

**Aims / Objectives**

To close Victoria Road Children's Home

**Project Overview - What are we doing**

Closure of Victoria Road Children's Home

**What assumptions have you made?**

N/A

**What constraints does the project face?**

N/A

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Staff working at Victoria Road Children's Home and young people living there

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Staff working at Victoria Road Children's Home and young people living in Victoria Road

**What positive impacts are anticipated from this proposal?**

Decrease in cost to Cambridgeshire County Council

**What negative impacts are anticipated from this proposal?**

Redundancy or redistribution of existing staff team.

**Are there other impacts which are more neutral?**

Placement move of the two young people currently living in Victoria Road

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

There are no disproportionate impacts anticipated as this will only affect service provision for two young people.

# Business Case

## A/R.6.259 Early Years Service savings

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.259 Early Years Service savings | | |
| **Project Code** | TR001450 | **Business Planning Reference** | A.R.6.259 |
| **Business Planning Brief Description** | A review of services provided by the Early Years Service in light of the link with Peterborough and growing traded services. | | |
| **Senior Responsible Officer** | Jonathan Lewis | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Budget constraints within the council require that all areas are considered for savings including statutory and non-statutory services areas.

**What would happen if we did not complete this project?**

Financial pressures on the council will escalate.

#### Approach

**Aims / Objectives**

Analysis has shown that relative to our benchmark statistical neighbours, we spend more per head and given the financial challenge we will look to bring ourselves down to the statistical average

**Project Overview - What are we doing**

We are currently reviewing the service offer, trading income opportunities and our statutory duties to decide how this reduction will be delivered. This will be complete in October.

**What assumptions have you made?**

The proposal will generate £200k saving for the council.

**What constraints does the project face?**

We have a complex funding arrangement with the Dedicated Schools Grant which will need further consideration.

### Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Early Years Service

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Schools and Settings will be affected through a reduced service. We may be able to offset these reductions through generating more income or seeking external funding.

**What positive impacts are anticipated from this proposal?**

There are no positive impacts anticipated for communities from this proposal

**What negative impacts are anticipated from this proposal?**

Schools and settings will be affected over a reduced offer that may lead to schools / settings quality being reduced and ofsted results falling.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities at this time

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

The reduction may impact vulnerable groups including pupil premium children.

# Business Case

## A/R.6.260 Reduction of internal funding to school facing traded services

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.260 Reduction of internal funding to school facing traded services | | |
| **Project Code** | TR001448 | **Business Planning Reference** | A/R.6.260 |
| **Business Planning Brief Description** | A reduction to the internal funding to the ICT Service and the PE and Sports Advisory service recognising a reduction in LA useage | | |
| **Senior Responsible Officer** | Jonathan Lewis | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Budget constraints within the council require that all areas are considered for savings including statutory and non-statutory services areas.

**What would happen if we did not complete this project?**

Financial pressures on the council will escalate

#### Approach

**Aims / Objectives**

Historically, both the ICT services and our PE advice to schools have been supported for core activities through a subsidy from the Education Director. The number of schools benefiting from this service have reduced as they have moved to academy status.

**Project Overview - What are we doing**

We are removing all the subsidy from ICT and half the funding to support our PE advisor. Both areas are not core statutory functions although there are some H&S requirement around PE and the remaining funding is there to support these services. This will mean less services will be provided free to schools.

**What assumptions have you made?**

The proposal will generate £151k saving for the council.

**What constraints does the project face?**

Both reductions may lead to further questioning of the viability of these services. There may also be a time lag in how quickly these changes can be made prior to the commencement of the new financial years.

### Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Schools will face reduced services, although it is the responsibility of governors to meet their statutory duties in these areas

**What positive impacts are anticipated from this proposal?**

There are no positive impacts anticipated for communities at this time

**What negative impacts are anticipated from this proposal?**

Schools will be affected through the reductions as they may have to fund more as a result.
Schools with financial challenges may face more difficulties as a result of these changes.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities at this time

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

The reduction may impact vulnerable groups including pupil premium children.

# Business Case

## A/R.6.261 Schools Intervention Service

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.261 Schools Intervention Service | | |
| **Project Code** | TR001451 | **Business Planning Reference** | A/R.6.261 |
| **Business Planning Brief Description** | Reduction in capacity of the service in line with the reduced number of maintained schools that require a direct service. | | |
| **Senior Responsible Officer** | Jonathan Lewis | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Budget constraints within the council require that all areas are considered for savings including statutory and non-statutory services areas.

**What would happen if we did not complete this project?**

Financial pressures on the council will escalate.

#### Approach

**Aims / Objectives**

Analysis has shown that relative to our benchmark statistical neighbours, we spend more per head and given the financial challenge we will look to bring ourselves down to the statistical average.

**Project Overview - What are we doing**

We are currently reviewing the service offer, trading income opportunities and our statutory duties to decide how this reduction will be delivered. This will be complete in October.

**What assumptions have you made?**

The proposal will generate £100k saving for the council.

**What constraints does the project face?**

We have a complex funding arrangement with the Dedicated Schools Grant which will need further consideration.

### Delivery Options

**Has an options and feasibility study been undertaken?**

### Scope / Interdependencies

#### Scope

**What is within scope?**

Review of the School Intervention Services, including the service offer, trading income opportunities and our statutory duties

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

Schools will be affected through a reduced service.  We may be able to offset these reductions through generating more income or seeking external funding.

**What positive impacts are anticipated from this proposal?**

No positive impacts have been identified as a result of this proposal

**What negative impacts are anticipated from this proposal?**

Schools will be affected over a reduced offer than may lead to schools / settings quality being reduced and ofsted results falling.

**Are there other impacts which are more neutral?**

No neutral impacts have been identified as a result of this proposal

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

The reduction may impact vulnerable groups including pupil premium children.

# Business Case

## A/R.6.263 Terms and Conditions (Term-Time Only contracts)

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.263 Terms and Conditions (Term-Time Only contracts) | | |
| **Project Code** | TR001449 | **Business Planning Reference** | A/R.6.263 |
| **Business Planning Brief Description** | A voluntary change to term time only contracts (or annualised hours) for staff within the Education Directorate where this is appropriate for their role | | |
| **Senior Responsible Officer** | Jonathan Lewis | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Budget constraints within the council require that all areas are considered for savings including statutory and non-statutory services areas.

**What would happen if we did not complete this project?**

Financial pressures on the council will escalate.

#### Approach

**Aims / Objectives**

Currently there are service areas where we have staff on a '52 week' year contract supporting activities in schools that only run across a 38 week year school term.  These need aligning through voluntary changes in terms and conditions.

**Project Overview - What are we doing**

Offer to all staff the opportunities to access part time hours and make budget savings in light of these.  Each case will be considered on a business need so will vary from service area to service area.

**What assumptions have you made?**

The proposal will generate £30k saving for the council.

**What constraints does the project face?**

Nobody comes forward and volunteers to take a pay reduction in line with reduced days across the year.

### Delivery Options

**Has an options and feasibility study been undertaken?**

### Scope / Interdependencies

#### Scope

**What is within scope?**

Relevant Education staff supporting activities in schools that run across a 38 week school term

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Staff working on a 52 week contract in the service areas specified.

**What positive impacts are anticipated from this proposal?**

This is a voluntary request in the first instance, therefore, a positive impact for staff that may wish to change to a term time only contract.

**What negative impacts are anticipated from this proposal?**

This is a voluntary request in the first instance and if there are no volunteers forthcoming we may need to look at individual roles and consider whether restructure is the most appropriate way to realise savings.

There may be a need to refuse requests to reduce hours as a result of business need.

**Are there other impacts which are more neutral?**

There are no neutral impacts identified for this proposal

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being negatively impacted by implications of this proposal have been identified.

# Business Case

## A/R.6.264 Decommissioning of Multi-Systemic Therapy (MST)

## Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.264 Decommissioning of Multi-Systemic Therapy (MST) | | |
| **Project Code** | TR001445 | **Business Planning Reference** | A/R.6.264 |
| **Business Planning Brief Description** | Decommissioning of MST, an intensive intervention with families where children aged 11-17 are at risk of coming into care, becoming involved in offending or experiencing other poor outcomes. | | |
| **Senior Responsible Officer** | Oliver Haywood / Lou Williams | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

MST is a commissioned service providing high cost, intensive interventions with families with children aged 11-17 and who are experiencing a range of significant challenges. As detailed below, recent research has found that outcomes after 18 months are not statistically different to those achieved through more usual and much lower cost forms of support.

**What would happen if we did not complete this project?**

The service would continue to be funded, meaning that savings would be required elsewhere.

### Approach

**Aims / Objectives**

To decommission the MST programme, capturing some of the resulting savings as a cashable saving towards helping to manage the Council's challenging financial position, while securing the remainder for use in maintaining investment in other early help and edge of care support services. The outcome will be to ensure that we are providing effective support to as many young people at risk of coming into care and/or prevent involvement in offending as possible.

**Project Overview - What are we doing**

As aims and objectives

**What assumptions have you made?**

None

**What constraints does the project face?**

Must be compliant with the terms and conditions associated with ending the contract for the provision of MST.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

MST contract; associated services to close.
Early Help/Edge of Care services – options for further investment subject to needs assessment.

**What is outside of scope?**

N/A

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

Supporting edge of care and early help services while decommissioning high cost MST services should increase the number of young people and families able to access support owing to markedly reduced unit costs.

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Small numbers of young people 'on the edge of care' currently accessing MST will access other services. To put this in context, 22 young people had been supported by MST in the first six months of 2018/19. Higher numbers of young people should be able to be supported through use of lower unit-cost early help and edge of care services.

**What positive impacts are anticipated from this proposal?**

**Introduction to Multi-Systemic Therapy (MST)**

MST was developed in the United States where it has had a positive impact in improving outcomes for young people aged between 11 and 17 who are engaging in serious anti-social behaviour. It was introduced into Britain in 2011 following positive research outcomes, particularly in the US but also in some European countries.

MST is delivered according to a standard model, in order to preserve the fidelity of the approach. There are two forms of the approach provided by the contractor in Cambridgeshire: A specialist form of MST that works with young people displaying problematic sexual behaviour [MST-PSB] and a standard MST programme, focused on working with young people displaying moderate to severe anti-social behaviour and at risk of very poor outcomes as a result. The expectation of volume in the contract is for up to eight young people on the MST-PSB, with one young person currently engaged as of the middle of November 2018.

The expectation of volume in the contract for Standard MST is thirty-five, with sixteen young people accessing the service as of mid-November 2018.

MST is an intensive model of intervention, which its proponents argue is effective because it reduces the likelihood of young people leaving the home network and moving into higher cost residential or other care placements or into custody. From the perspective of longer-term outcomes for the young people concerned, this is also of course beneficial.

Research in the USA, as noted above, indicated good outcomes in terms of preventing young people from the impact of family breakdown, with reduced use of residential care and custody among those accessing MST.

There is, however, always a risk in transplanting models from one country to another and expecting to see the same outcomes. This is because the context within which an approach such as MST is delivered will be very different, even if the model of intervention is exactly the same. Specifically in this context, there are a range of other services and interventions in place to support young people at risk of severely negative outcomes that are not in place in the United States. These services, things like CAMH services, youth offending, youth work and targeted early help services, are also working to prevent young people becoming at risk of very poor outcomes.

**The difficulty in evidencing impact of any intervention**

There are many types of family interventions that claim to prevent children and young people entering care, which are then used to justify the cost of the intervention concerned. The difficulty is in evidencing effectiveness in a way that is statistically reliable.

The most reliable studies are large-scale longitudinal randomised control trials. This methodology takes a group of families or young people who are all eligible for the service being tested, randomly divides this group into two, and offers intervention or treatment to only one half of the overall population. The eventual outcomes can then be compared between the group receiving the intervention with the group that did not receive the service, known as the control group.

Because these trials are expensive, take a long time to complete, and need to overcome various ethical issues – for example, whether it can be justified to withhold a supposedly beneficial service from children and their families for the purpose of research – there are relatively few trials of this type that take place in social sciences.

Without a randomised control study, however, it is not possible to be certain of the effectiveness of a particular intervention. The fact that an intensive programme is implemented in a particular area and care numbers then reduce, for example, does not evidence that one has caused the other, no matter what the operators of that programme may claim. A whole host of other factors may be at play including, for example, changes in the demography or improvements in the care planning processes or better application of thresholds in the authority where the intensive programme is being delivered.

**MST in the UK: A randomised control trial by University College, London [1]**

Having said that studies of this type are rare, there is a very important one available – the only large scale longitudinal study comparing outcomes under MST programmes with outcomes under 'Management as Usual'. Management as Usual was the researchers' term for the control group of young people who having been identified as being suitable for MST were instead offered the standard range of services in the area in which they lived.

The study considered the impact on 684 young people from ten sites where MST was operating across the UK, half of whom accessed MST and half accessed the range of other available support services available where they were living. Those accessing MST did so for between three and five months, with outcomes measured at baseline and then at six, 12 and 18 months. The primary outcome measured was the proportion living in out of home placements. Secondary outcomes included things like substance misuse, participant wellbeing, as well as service and criminal justice costs.

Because the services provided under Management as Usual [MAU] were essentially the services available to young people according to where they lived, there was no standard offer of support to this population of young people.  In most cases, however, these would have included mental health, youth and youth offending services as well as a variety of other family support prevention and other early help services.

**Outcomes of the University College London Study**

The research found that after 18 months, there was no significant difference in rates of out-of-home placement [i.e. coming into care or going into custody] between the MST group and the group supported by MAU.

There were consistent short-term symptom reductions from MST in the secondary outcomes, but no evidence that this short-term superiority was maintained over the longer term. Conduct disorders decreased by more than 40% in both groups. Time to first offence was comparable for both groups, but the number of offences was far higher for the MST group at 18 months than for the MAU group.

In other words, the findings of this study do not support MST over MAU as the intervention of choice for adolescents with moderate to severe anti-social behaviour. Differences between most outcomes were not statistically significant and there is some evidence that MST might actually increase the risk of offending behaviour among those participating.

Researchers said that their findings supported the effectiveness of the range of services already available to young people in the UK. This goes back to the point about how, when transplanting a model from one country to another, it is risky to expect the same outcomes, because the context in which the programmes are operating will be different.

**Applicability of findings to Cambridgeshire**

As noted above, there was no standard offer of preventative services in the above randomised control study. Young people in the control group accessed the range of support available in their home area.

Cambridgeshire is fortunate to have a wide range of early help and prevention services, including significant numbers of young people's workers and an effective youth offending service. These are likely to be at least as good as those accessed by the control groups in the above trial. In addition, and uniquely, there is an established offer of clinical support by the clinicians operating in Cambridgeshire, able to provide clinical oversight and support to those workers working with highly complex young people.

Were we not to continue with the MST contract, more than £300K would be available to further develop our edge of care offer to young people at greatest risk. Our clinical lead, Rachel Watson, is already working on what such an offer could look like, including how it would interlink with our existing edge of care services and with the current mental health offer.

In considering the Cambridgeshire context it is worth considering that the range of 'Management as Usual' services, which would include, for example, our extensive early help services are already very well developed. In this context, the added value of MST is even less likely to be significant.

De-commissioning this particular form of support enables the Council to make reductions in overall expenditure that may otherwise have had to have been made against existing early help services that offer support to vulnerable groups at lower cost. A proportion of the funding currently aligned with the MST programme will also be re-invested in protecting or supporting the range of support services available for young people across the county. This might include, for example, extending the role of the clinicians who are also a significant additional resource available to the local 'Management as Usual' services available here in Cambridgeshire that are not available elsewhere.

The annual cost of the service is £640,000; of this £321,000 will contribute to savings that Council must make, leaving a further £320,000 for investment to support investment in early help services. It is important to note that the £321,000 contribution to savings is also important in protecting continued investment in early help services, since contributions to savings targets protect other services from reductions in budget.

[1] The full report can be found at: http://discovery.ucl.ac.uk/10037910/22/Fonagy_START%20paper%20for%20resubmission%20161117%20cleanCombined.pdf

A summary is available at https://www.ucl.ac.uk/news/2018/jan/intensive-behaviour-therapy-no-better-conventional-support

**What negative impacts are anticipated from this proposal?**

There are unlikely to be any significant negative impacts from discontinuing the service.

**Are there other impacts which are more neutral?**

No neutral impacts identified for this proposal

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Numbers directly affected are very small, and other services will be available to support this population as described above. Children with disabilities are disproportionately highly represented in the Looked After Children cohort.

# Business Case

# A/R.7.103 Attendance and Behaviour Service Income

## Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.7.103 Attendance and Behaviour Service Income | | |
| **Project Code** | TR001452 | **Business Planning Reference** | A/R.7.103 |
| **Business Planning Brief Description** | A review of charging models and use of school absence penalty notices within the Attendance and Behaviour service | | |
| **Senior Responsible Officer** | Jonathan Lewis | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

Budget constraints within the council require that all areas are considered for savings including statutory and non-statutory services areas.

**What would happen if we did not complete this project?**

Financial pressures on the council will escalate.

### Approach

**Aims / Objectives**

A review of charging models and use of school absence penalty notices within the Attendance and Behaviour service

**Project Overview - What are we doing**

The project will look at all sources of income within attendance and behavior and look at opportunities to improve income collection whilst also supporting better outcomes. This will include offering more support for behaviour to schools on a traded basis and sharpening our focus on good school attendance including widening our capacity to collect income from parents for fines – this will help improve attendance including those children who are persistently late. There has been a significant increase in income since the Isle of Wight attendance judgement and those proposals seek to building this income into the budget setting process.

**What assumptions have you made?**

The proposal will generate £50k additional income for the council.

**What constraints does the project face?**

There could be changes in legislation that might impact upon this proposal.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

None

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

We will only extend our focus on collecting income in light of existing legislation so the impact on parents / schools should be insignificant unless they are not complying with legislation or wish to purchase more services from the LA.

**What positive impacts are anticipated from this proposal?**

Improved school attendance and less need for specialist provision for pupils with behavioural difficulties.

**What negative impacts are anticipated from this proposal?**

More potential parents affected as we focus on more fines for holidays and late arrival at schools.

**Are there other impacts which are more neutral?**

There are no neutral impacts identified as a result of this proposal

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

The reduction may impact vulnerable groups including pupil premium children.

# People & Communities: Adults Committee Business Cases

# Business Case

## A/R.6.114 Increasing independence and resilience when meeting the needs of people with learning disabilities

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.114 Increasing independence and resilience when meeting the needs of people with learning disabilities | | |
| **Project Code** | PR000176 | **Business Planning Reference** | A/R.6.114 |
| **Business Planning Brief Description** | A three-year programme of work was undertaken in Learning Disability Services from 2016/17 to ensure service-users had the appropriate level of care - this saving is the remaining impact of part-year savings made in 2018/19 | | |
| **Senior Responsible Officer** | Tracy Gurney | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Following the third year of a programme of reassessment work for all people open to the Learning Disability Partnership (LDP) in 2018/19, the focus was on continuing to develop independence and resilience of individuals and their networks through the Transforming Lives approach and the application of policy lines approved by Adults Committee in 2016.

The Project Assessment Team have been in place throughout 2017/18 and 2018/19 and have achieved savings using a combination of social work and specialised brokerage negotiations. The methodology that they have been using has been shared with the locality teams within the LDP who will use that methodology to achieve further savings from the remaining cases.

This 2019/20 saving of £200k, is the remaining impact of part year savings expected to be delivered in 2018/19

**What would happen if we did not complete this project?**

Some people with learning disabilities may be over-supported. Assistive technology may not be used to its full potential and some people with learning disabilities may be less independent than they could be.

#### Approach

**Aims / Objectives**

Ensure that all support packages for people with learning disabilities are appropriate to meet the needs of the people with learning disabilities and offer value for money for the Council.

**Project Overview - What are we doing**

This saving is the remaining impact of part-year savings made in 2018/19 - the existing programme of service user care reassessments which requires each person's care needs to be reassessed in line with the Transforming Lives model and with the revised policy framework with a view to identifying ways to meet their needs at reduced overall cost and a stronger focus on promoting independence and a strengths based approach.

Savings will be delivered through the remaining effect of care costs that have been reduced in 2018/19. Where savings are made in-year the remaining part of the 12 month effect is seen in the following financial year.

Savings achieved are monitored as part of the monthly process of monitoring package changes that social work teams engage in.

**What assumptions have you made?**

Savings are estimated based on an approximate £10k saving per case.
The saving is based on a set of assumptions about the phasing of the reassessment work - this is being monitored and may be subject to change.

**What constraints does the project face?**

The main constraint continues to relate to the capacity of the team delivering the reassessment work. There have been a number of difficulties recruiting social workers to the team and this has affected the pace of delivery.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

**Scope**

**What is within scope?**

500 highest cost packages of support for people with learning disabilities. Packages of support for people living in the same setting as those with high cost packages.

**What is outside of scope?**

Packages of support for other people with learning disabilities. Packages of support that have already been reassessed by the LDP locality teams.

## Project Dependencies

**Title**

Transforming Lives

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

People with learning disabilities with eligible social care needs receiving a funded care package.

**What positive impacts are anticipated from this proposal?**

The intention is to meet people's care needs whilst maximising their independence. The care model focusses on building on people’s existing strengths, their natural support networks, the use of technology and new care models to meet needs.

Reducing the overall cost of care packages will also produce a financial benefit for people who contribute to the cost of their own care (in full or in part). Social care costs can be substantial for families and so making care more cost effective can produce very significant financial benefits for families.

**What negative impacts are anticipated from this proposal?**

This proposal does not include any change in care thresholds or reduction in the commitment to meet eligible needs. However it does include the intention to make demand management savings by working with people in a way which supports them to be more independent of care services. It might therefore represent a less risk-averse model. Decisions about the best care setting for an individual will always be made in the best interests of service users with social workers acting to identify the most appropriate care plan and making judgements about the level of independence and support required.

**Are there other impacts which are more neutral?**

None

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

The project is focused on people with a learning disability with an eligible care need, therefore they are likely to be disproportionately affected by this proposal.

# Business Case

## A/R.6.126 - Learning Disability - Converting Residential Provision to Supported Living

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.126 - Learning Disability - Converting Residential Provision to Supported Living | | |
| **Project Code** | TR001412 | **Business Planning Reference** | A/R.6.126 |
| **Business Planning Brief Description** | This is an opportunity to unregister a number of residential homes for people with learning disabilities and change the service model to supported living. The people in these services will benefit from a more progressive model of care that promotes greater independence. | | |
| **Senior Responsible Officer** | Tracey Gurney - Head of Service, Learning Disability Partnership | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Supported living settings promote greater independence in people while still providing 24 hour support to meet their care needs. They have the advantage of allowing people to hold their own tenancies therefore providing security of accommodation in contrast to residential settings where the care provider can call notice on people.

There are also benefits to the Council. In residential settings, the Council pays for accommodation and living expenses as part of the weekly fee. In contrast in supported living settings, these costs are met by the individual, generally through benefits.

Converting residential settings to supported living settings will promote independence for people with learning disabilities within those settings as well as providing cost savings to the Council.

**What would happen if we did not complete this project?**

Savings would not be achieved and potential independence or improved outcomes for people living in residential settings would not be delivered.

#### Approach

**Aims / Objectives**

Aims are as follows;

Three services to convert from residential to supported living, over the duration of the programme (financial years 2017/18, 2018/19 and 2019/20)
Financial benefits to the council as housing costs are met through housing benefit.
Social benefits for people as they can hold their own tenancies, enabling them to have better control over the support they receive.

**Project Overview - What are we doing**

We are identifying existing residential care provision where there is potential to work with the provider and the service users to convert the model to supported living settings.

There is a staged process for each provider

initial service viewing.
initial benefits estimates
reassessments of service users
negotiation with out of area commissioners.
families meeting takes place.
financials are finalised.
feedback requested by families.
submit de-registration plan to CQC (Care Quality Commission).

**What assumptions have you made?**

1. Providers/Service users/Families are in agreement in principle with this idea.
2. Assumption is that our calculations are correct in that this is better value for the Council.
3. OOA commissioners will be in agreement.
4. CQC will be in support of the de-registration plans.
5. All three services are able to be de-registered, and by the end of the multi-year delivery programme.

**In progress [Full year effect £150k, 18ppl for 2018/19]**

Churchfield Avenue – six people
St David's – three people
St Joseph's – three people
Kay Hitch – three people
Waterbeach – three people

**Start 1/4/18 [Full year effect £75k, 17ppl] – if providers agree**

Bramley – five people
Alderton House – nine people
Conifer Lodge – three people

**What constraints does the project face?**

1. There is no potential to extend the project.
2. Dependent upon unanimous agreement from Service Users/Families/providers. Therefore delays are expected in delivery.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

**Scope**

**What is within scope?**

From the original number of 15 residential units identified there are three units left, leaving approximately 17 people as potentially suitable to be in scope at this stage.

**What is outside of scope?**

All other residential units and other settings.

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

People with learning disabilities currently living in residential settings.

**What positive impacts are anticipated from this proposal?**

The model of supported living will be more focused on empowerment and independence and choice and control than residential provision.

In most cases service users will experience a positive financial impact as benefit entitlements will change meaning they will have improved disposable income.

Supported living arrangements also offer service users greater security of tenure, in residential settings providers are only obligated to offer 28 days notice if they want to end the offer of a place – whereas in supported living the tenure is significantly more secure.

**What negative impacts are anticipated from this proposal?**

No negative impacts are envisaged

**Are there other impacts which are more neutral?**

None

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

This project only relates to settings for people with learning disabilities and therefore is likely to have a disproportionate impact on people with learning disabilities. No negative impacts are anticipated from this project.

# Business Case

## A/R.6.127 Care in Cambridgeshire for People with Learning Disabilities

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.127 Care in Cambridgeshire for People with Learning Disabilities | | |
| **Project Code** | TR001441 | **Business Planning Reference** | A/R.6.127 |
| **Business Planning Brief Description** | Work to enable people with learning disabilities who have been placed out of county to move closer to their family by identifying an alternative placement which is closer to home. This will be approached on a case-by-case basis and will involve close work with the family and the person we support. It will also involve ensuring out of county placements are cost effective and are appropriately funded by the NHS. | | |
| **Senior Responsible Officer** | Tracy Gurney - Head of Service: Learning Disability Partnership | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

This is the continuation of a programme of work to achieve improved outcomes for people with learning disabilities and financial efficiency for the local authority by identifying and providing suitable care arrangements in Cambridgeshire for people who are currently living in other counties.

The work programme will continue to achieve two outcomes:

1. A comprehensive review of all current out of area placements and a managed programme to organise care in Cambridgeshire where it is in service users' best interests and in line with their wishes.

2. A strategic commissioning review of the sufficiency of care provision in Cambridgeshire now and in the future – and plan to create the additional capacity and improved commissioning processes we will need to minimise the number of new out of area placements in future.

Placements made out of area tend to be more expensive and less cost effective. This is often due to the placements being made to care for people with complex and very significant needs where there is no sufficiently specialist provision available in county. Out of area placements also tend to be less cost effective than those in county since out of area placements are more likely to be individual placements rather than as part of a larger service likely to deliver economies of scale. There are also additional ongoing costs to the locality teams when reviewing care and support for out of area placements.
This work is linked with the Transforming Care agenda to reduce the number of people with learning disabilities placed in in-patient settings. This work will give the opportunity to commission a specialist service to meet the needs of some of the people returning to county as well as some of the people in in-patient settings in county.

**What would happen if we did not complete this project?**

If this project were not completed, increasing numbers of people with learning disabilities would be placed out of county at a distance from their existing networks of support and potentially at an increased cost for the Council.

## Approach

### Aims / Objectives

1. A comprehensive review of all current out of area placements and a managed programme to organise care in Cambridgeshire where it is in service users' best interests and in line with their wishes.

2. A strategic commissioning review of the sufficiency of care provision in Cambridgeshire now and in the future – and plan to create the additional capacity and improved commissioning processes we will need to minimise the number of new out of area placements in future.

### Project Overview - What are we doing

It is proposed to use iBCF (improved Better Care Fund) funding in to 2019/20 to continue to fund two dedicated social workers to support this work. The expectation is that the funding will be front loaded to continue to progess delivering the savings, building on success from 2018/19. The overall saving to be achieved is £250k.

It is not necessarily appropriate for every person placed out of county to be brought back to Cambridgeshire. Of the 130 existing people with learning disabilities living out of area at the start of the programme, 27 have been identified where it would be beneficial for them to move back to Cambridgeshire. There are a further 35 people where more work is required to identify if a move back to Cambridgeshire would be beneficial.

### What assumptions have you made?

This is modelled on extending the existing cohort of people identified to move back to Cambridgeshire. The saving modelled is a full year effect, however the introduction of the 50% confidence level will allow account for some slippage relating to timing.

### What constraints does the project face?

Risks and mitigation relating to this saving are therefore:

a) 31 additional people are not able to be moved back into county. This risk is being mitigated by identifying dedicated social workers to work on this. This will enable the social workers to progress conversations with the existing provision, family and advocates at pace to support the move back into county.

b) There is insufficient provision in county to meet the needs of those moving back to county. This is being mitigated by dedicating capacity in service development and negotiation to meet the needs of those moving back to county.

c) People are moved back into county but there are fewer savings delivered than anticipated. This will be mitigated by the regular review and re-modelling of the savings to be delivered from the identified cases. The current modelling is based on a conservative estimate of the number of people that can be moved back into county combined with a challenging target for the amount of savings to be delivered from each case. Combined with the confidence level of 50%, this means that there is sufficient flexibility in the modelling for the savings to be delivered even if not necessarily from the originally anticipated people.

d) There is a risk that savings may be delayed if a number of the cases need to go to Court of Protection. The mitigation for this risk is frontloading the social workers' time to identify cases that may need to go to Court of Protection quickly so that the delay can be minimized.

## Delivery Options

### Has an options and feasibility study been undertaken?

See Documents section as above.

## Scope / Interdependencies

### Scope

**What is within scope?**

Current out of area placements with the exception of those placements that are actively being worked on by the locality teams.

A strategic commissioning review of the sufficiency of care provision in Cambridgeshire now and in the future.

**What is outside of scope?**

Placements in Cambridgeshire and those placements outside of Cambridgeshire where there is existing work to move people back to Cambridgeshire within the locality teams in the Learning Disability Partnership.

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

People with learning disabilities placed out of county
Parent/carers and support networks of people with learning disabilities
Providers for people with learning disabilities both in and out of county

**What positive impacts are anticipated from this proposal?**

People with learning disabilities who it is appropriate to move back into county will be closer to their existing support networks which is associated with better outcomes.

Parent/carers will no longer need to travel significant distances to visit service users.

People with learning disabilities for which it is not appropriate to bring back into Cambridgeshire will have a detailed reassessment to ensure that their current placement is meeting their needs.

**What negative impacts are anticipated from this proposal?**

There will potentially be some minor disruption in some services due to people moving in or out. This will not be of a greater magnitude than the normal disruption caused by placement moves.

**Are there other impacts which are more neutral?**

None

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

The project is focused on people with learning disabilities, therefore there will be a disproportionate impact on people with learning disabilities. The impact is expected to be positive.

# Business Case

## A/R.6.128 Better Care Fund

| Project Overview | | | |
|---|---|---|---|
| **Project Title** | A/R.6.128 Better Care Fund | | |
| **Project Code** | PR000227 | **Business Planning Reference** | A/R.6.128 |
| **Business Planning Brief Description** | The Better Care Fund (BCF) is our joint plan with health partners aimed at providing better and more joined up health and care provision and easing financial and demand pressures in the system. | | |
| **Senior Responsible Officer** | Will Patten | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

The Better Care Fund (BCF) is our joint plan with health partners aimed at providing better and more joined up health and care provision and easing financial and demand pressures in the system. Priority areas of focus are protecting frontline services, preventing avoidable admissions to hospital and ensuring people can leave hospital safely when their medical needs have been met.

The Cambridgeshire BCF plan provides vital support to mainstream services, and also funds a range of new schemes in areas including: preventing falls, increasing independence, investment in suitable housing for vulnerable people and enhanced intermediate care, Reablement and homecare for people leaving hospital.

The Better Care Fund includes an element of funding intended to protect Adult Social Care services, as the revenue support grant has decreased and demand continues to increase. On this basis a proportion of the overall BCF spend is proposed to be taken to savings, in order to protect services and avoid the need for any service reductions in adult social care services.

Cambridgeshire and Peterborough's full BCF plan is contained within the papers for the Health and Wellbeing Board, available at this link.

**What would happen if we did not complete this project?**

If we did not use the BCF to adequately protect social care services there is a significant risk that adult social care services would become unsustainable, creating safeguarding risks to adult social care service users.

### Approach

**Aims / Objectives**

The aim of Cambridgeshire's BCF is to move to a system in which health and social care help people to help themselves, and the majority of people's needs are met through family and community support where appropriate. This support will focus on returning people to independence as far as possible with more intensive and longer term support available to those that need it.

This shift means moving money away from acute health services, typically provided in hospital, and from ongoing social care support. This cannot be achieved immediately – such services are usually funded on a demand-led basis and provided as they are needed in order to avoid people being left untreated or unsupported when they have had a crisis. Therefore reducing spending is only possible if fewer people have crises. However, this is required if services are to be sustainable in the medium and long term.

**Project Overview - What are we doing**

The BCF creates a pooled budget between health, social care and housing services in each Health and Wellbeing Board area. Cambridgeshire has a single Health and Wellbeing Board. Plans are developed and agreed by local authorities and NHS commissioners, and signed off by the Health and Wellbeing Board.

BCF contains elements of funding that:
- provide mainstream health, social care and housing services
- supports the development and delivery of transformation projects that will support a shift away from acute health care and long term social care towards care that is more preventative and personalised and focused on keeping people well.
- supports the sustainability of the care market and protects social care services from reductions.

Cambridgeshire's BCF budget for 2018/19 will be c. £50m. It is proposed that £7,200k is taken as a saving to manage increasing demand for social care. The Better Care Fund includes an element of funding intended to protect Adult Social Care services, as our revenue support grant has decreased and demand continues to increase. This part of the BCF spend will be used to avoid the need for any service reductions.

**What assumptions have you made?**

We have assumed that the Better Care Fund budget will match previously published allocations for 2018/19.

**What constraints does the project face?**

Better Care Fund plans, including this proposed saving, must be agreed by a range of partners through the Health and Wellbeing Board; and signed off by NHS England and the Department for Communities and Local Government.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Social care services for adults; health services for older people and adults with long-term conditions

**What is outside of scope?**

Social care and health services for children 0-18

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

The Better Care Fund aims to shift demand across health and care services to an approach based around supporting people to live as independently as possible for as long as possible. In this way we can reduce care costs whilst also securing better quality of life for patients and service users. In particular we want to support people to remain living in their own homes for as long as possible and to receive support from their own network of natural support - rather than just a reliance on formal care provision.

**Title**

## Risks

**Title**

Reduction in Better Care Fund allocation

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

Patients and social care service users

**What positive impacts are anticipated from this proposal?**

Better coordinated care and more sustainable care market promoting better outcomes for service users and patients

**What negative impacts are anticipated from this proposal?**

This proposal does not include any change in care thresholds or reduction in the commitment to meet eligible needs. However the Better Care Fund is predicated on shifting demand by working with people in a way which supports them to be more independent of care services. It might therefore represent a less risk-averse model. The evidence suggest that service users living within the community and semi-independently supports better outcomes - with the community focus supporting effective recovery and a greater chance of them returning to good mental health sustained over the longer term. However living more independently does by definition mean that intensive help is not available as readily as it would be in a 24 hour setting for example. Decisions about the best care setting for an individual will of course always be made in the best interests of service users with social workers acting to identify the most appropriate care plan and making judgements about the level of independence and support required.

**Are there other impacts which are more neutral?**

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being disproportionately impacted by implications of this proposal have been identified.

# Business Case

# A/R.6.132 Mental Health Social Work PRISM Integration Project

## Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.132 Mental Health Social Work PRISM Integration Project | | |
| **Project Code** | TR001427 | **Business Planning Reference** | |
| **Business Planning Brief Description** | The introduction of social workers and social care support staffing into the community / primary care health services (PRISM) will deliver improved mental health outcomes for Cambridgeshire residents and reduce demand for services through a focus on prevention, early intervention and strengths-based approach. | | |
| **Senior Responsible Officer** | Fiona Davies, Head of Mental Health | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

Transformation funding of £340k was approved as part of the 2018/19 Business Plan to test the hypothesis that including social care practitioners in community/primary care mental health services (PRISM) and Adult Early Help (AEH) will deliver improved mental health outcomes for Cambridgeshire residents. This would lead to a reduction in demand and result in an estimated saving to Adult Social Care of £200k.

If the proposed approach delivers the outcomes predicted, the funding will constitute bridging funding to enable short term interventions to be delivered and caseloads to be built up in the new service while the capacity needed in the specialist mental health services is reduced and can then be reviewed. It will also allow deficiencies in the delivery of Local Authority Care Act responsibilities to be addressed.

**Strategic background**

The proposal supports delivery of the Transforming Lives principles and delivery of the Adults Positive Challenge Programme outcomes in terms of: maximising independence and outcomes, strengthening links with the community, influencing behaviour through the information and advice offer, engage more effectively with self-funders, making Technology Enabled Care the norm and increasing support for carers. It also supports delivery of the Cambridgeshire and Peterborough Mental Health Strategy for Adults Aged under 65 years (2016 – 2021).

**What would happen if we did not complete this project?**

Rates of referrals for secondary care would continue in line with current trends and social care costs would increase accordingly.
Mental health patients would continue to lack access to social care advice at the point that they receive primary care

### Approach

**Aims / Objectives**

**Improving service efficiency**

Social workers operating within NHS services as part of a Section 75 Partnership Agreement with local authorities are key to both facilitating access to support for people with mental health needs, providing a focus on the social aspects of mental health and playing a legal safeguarding role[1]. However, in Cambridgeshire (and Peterborough) they are currently based solely in the secondary care mental health services i.e., there are none present within PRISM. This means that it is likely that opportunities for early information, advice, support and interventions are being missed. Therefore, including social workers in PRISM is likely to be essential to addressing this issue and to maximising outcomes from both the PRISM service and specialist secondary care mental health services and ensuring best value for money is achieved.

[1] https://www.kingsfund.org.uk/sites/default/files/field/field_publication_file/mental-health-under-pressure-nov15_0.pdf

[2] PRISM is an enhanced community/primary care service for mental health commissioned from Cambridgeshire and Peterborough Foundation Trust (CPFT) by the Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) to support patients who fall into the gap between what "standard contracted GP care" can offer and meeting the specialist secondary care treatment provided by health and social care practitioners for people with more complex mental health challenges. The establishment of PRISM is enabling specialist (secondary care based) mental health practitioners to provide more intensive/consistent treatment in order to achieve strong recovery outcomes for people who need specialist treatment from specialist mental health services. Data collected by CPFT shows a 39.8% less referrals to specialist secondary mental health services than the Advice Referral Centre (shown below). PRISM = 1760 (2017-18). ARC = 4420 (2017-18).

**Project Overview - What are we doing**

In light of the gap in social care expertise within PRISM, it is proposed that a fully integrated health and social care community/ primary care mental health service should be created. This service would be capable of providing a single point of access to both primary and secondary care based services including: mental health assessment, information, advice and/or support. This will be achieved by including mental health social workers and support workers in the PRISM community/primary care mental health service, a recent innovation within the Cambridgeshire and Peterborough Foundation Trust (CPFT) integrated mental health service[2]. Within this model, a specialist mental health worker role would also be established within Adults Early Help (AEH) to provide specialist mental health advice and support to individuals and team members.

**What assumptions have you made?**

Reducing the number of assessments taking place for secondary care will reduce the number of new secondary care packages.
Efficiencies of 2-5% on gross cost of care will be achieved

**What constraints does the project face?**

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Integrating 1.75 FTE social work professionals into PRISM
Integrating 0.5 FTE social work professional into Adult Early Help
Seeking to reduce the number of new assessments for secondary care

**What is outside of scope?**

Removal of further posts within CPFT

## Project Dependencies

**Title**

Adults Positive Challenge Programme, Mental Health Reablement Workstream

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Increased capacity earlier in the pathway which will lead to a reduction in the overall numbers of people taken into secondary care**

Including:

1.1. A reduced number of onward referrals from PRISM for secondary/ specialist care by meeting customer need at first point of contact and thereby a reduction in the number of initial assessments that the team undertake.

1.2. An overall reduction in demand for secondary care services. In particular, it is anticipated that this model will impact on demand for the following elements of care provision:

- Residential Home Placements
- Domiciliary Care (HCST), and;
- Community Based support

1.3. A reduction in the duration of service user contact with services

Efficiencies/ cost avoidance

Improved outcomes for residents through earlier intervention: reduction/minimising escalation of symptoms; less time in services

**Increased service efficiency**

Including:

2.1. Delivery of a fully integrated offer across health and social care

2.2. Improve the service user / patient journey between organisations

2.3. Reduce bureaucracy between organisations and hand offs between services

Efficiencies

Improved outcomes for residents through earlier intervention: reduction/minimising escalation of symptoms; less time in services

**Improved focus on prevention, early intervention and strengths based approach**

Including:

3.1. Improvement in the provision of information, advice and support early in the course of delivery of early intervention/preventive approaches

3.2. Enabling and facilitating access to Tier 1 and Tier 2 services

3.3. Prevent the escalation of problems

3.4. Reducing the duration of episodes of mental illness

3.5. Ensure the deployment of a strengths-based approach

Efficiencies/cost avoidance

Improved outcomes for residents through earlier intervention: reduction/minimising escalation of symptoms; less time in services

**Collaborative approach through combining skills**

Including:

4.1. PRISM/ NHS workers more skilled in diverting people who might otherwise be taken into secondary care who have a social care need. This will reduce demand for social care.

4.2. Creating a model in which the social determinants for mental health as well as the clinical presentation are addressed.

Efficiencies/cost avoidance

Improved outcomes for residents through earlier intervention: reduction/minimising escalation of symptoms; less time in services

**Ensure compliance with the Care Act 2014.**

Statutory compliance

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

- Adults with mental health conditions that access primary care.
- Older people with mental health conditions that access primary care.

**What positive impacts are anticipated from this proposal?**

- Enabling and facilitating access to Tier 1 and Tier 2 services
- Facilitating the user journey for patients so that they are able to access social care advice earlier

**What negative impacts are anticipated from this proposal?**

No negative impacts are anticipated.

**Are there other impacts which are more neutral?**

The change of process will create a different customer journey. This may mean that individuals that have already accessed the service will experience a service that operates differently and offers a different process to that of their past experience.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

This project does not have any disproportionate impact on protected characteristics.

# Business Case

# A/R.6.133 Impact of Additional Occupational Therapist Investment

## Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.133 Impact of Additional Occupational Therapist Investment | | |
| **Project Code** | TR001438 | **Business Planning Reference** | TBC |
| **Business Planning Brief Description** | Investment in Occupational Therapy (OT) for Reablement and Adult Early Help Team | | |
| **Senior Responsible Officer** | Diana Mackay | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

**Occupational Therapy (OT) for Reablement**

The OT resource for Reablement has been severely underfunded since Reablement was first set up in 2010. As part of the original set-up, three posts were commissioned and deployed as part of the South Reablement service. A recent benchmarking exercise across the eastern region demonstrated that Cambridgeshire has one of the lowest rates of investment in therapy for Reablement when compared to counties of a similar size (Hertfordshire has 8.5 OT posts, and Suffolk has nine). Peterborough has 5 therapy posts (4 OT's and 1 physio).

OT intervention is an essential element of the Reablement pathway and is backed up by a number of pieces of evidence and research (available on request). By OT's being proactively involved in reablement goal setting and, most importantly, the review of those goals, evidence shows that people are able to achieve greater independence at the end of reablement which results in avoided costs in terms of domiciliary care.

**Adult Early Help Team**

When this team was set up, CPFT (Cambridgeshire and Peterborough Foundation Trust) were asked to commit two OT posts from their NT (Neighbourhood Team) establishment to work as part of the AEHT (Adult Early Help Team). Whilst this has always been referred to as a 'secondment', no formal agreement was ever signed off with CPFT and the arrangement simply resulted in a lack of capacity within the CPFT structure and affected waiting times for community assessment. A dedicated OT resource for AEHT is required as a matter of urgency so that the 'secondees' can return to their substantive posts within the CPFT Neighbourhood Team Structure, thereby releasing capacity in the mainstream community OT service.

**What would happen if we did not complete this project?**

It is likely that :

Community OT waiting times would continue to increase
Larger packages of care would be commissioned at the end of Reablement, thereby creating further strain on Adult Social Care budgets

## Approach

**Aims / Objectives**

To prevent, reduce and delay demand for social care through Occupational Therapy in-house intervention

**Project Overview - What are we doing**

Appoint an additional two OT's so that there are a total of five across the County
Appoint two OT's for Adult Early Help Team

**What assumptions have you made?**

AEHT have 4,000 cases per year. 75% of those are diverted away from social care already. 25% of the remaining 1,000 cases are likely to benefit from OT intervention (250 cases).

Average cost of a first-time social care package = £6K. If OT intervention means that 15% of these do not need any ongoing social care, that will deliver £225K savings (avoided costs).

In terms of Reablement, Older People services has a savings target of £1m for 2018-19. This will be addressed through a combination of initiatives, including Reablement. Additional OT resource will enhance the outcomes expected of the investment and will be closely monitored through better modelling of outcomes achieved at the completion of the reablement pathway. It is estimated that this could enhance the savings achieved by approx. £175K.

**What constraints does the project face?**

National shortage of OT's may make recruitment challenging.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Internal Recruitment of OT's.

Partnership working with CPFT OT service and other OT's within Cambridgeshire County Council

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

More people enabled to live as independently as possible in the home of their choice.

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

The proposal covers all of Cambridgeshire, applies to adult service user groups and will benefit a number of different demographic groups – i.e those in need of Occupational Therapy Assessment and review

**What positive impacts are anticipated from this proposal?**

This proposal will mean more capacity within Occupational Therapy Services which supports the early intervention and prevention agenda as well as delivering quantifiable savings across other parts of the health & social care system.

**What negative impacts are anticipated from this proposal?**

There are no negative impacts from this proposal but there is a risk that it will be difficult to recruit to the posts due to a national shortage of Occupational Therapists (OT's)

**Are there other impacts which are more neutral?**

None

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being disproportionately impacted by implications of this proposal have been identified.

# Business Case

## A/R.6.143 Review of Business Support Functions in Adults

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.143 Review of Business Support Functions in Adults | | |
| **Project Code** | TR001444 | **Business Planning Reference** | |
| **Business Planning Brief Description** | Review of Business Support Functions in Adults | | |
| **Senior Responsible Officer** | Emma Middleton | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Following the creation of the Adults Finance Team and launch of Mosaic we now need to review the functions of the Adults Business Support Team

**What would happen if we did not complete this project?**

We would have inconsistent service across teams and would be working in an inefficient way with existing processes

#### Approach

**Aims / Objectives**

To streamline processes and release capacity through automation

**Project Overview - What are we doing**

**What assumptions have you made?**

The adults finance team will be fully functioning by November 18 and the Mosaic implementation will go live according to current timescales.

**What constraints does the project face?**

Any delays to the Mosaic implementation would impact this project

### Delivery Options

**Has an options and feasibility study been undertaken?**

### Scope / Interdependencies

#### Scope

**What is within scope?**

All Adults Business Support Roles and Functions

**What is outside of scope?**

Non Adults Business Support Functions

## Project Dependencies

**Title**

Mosaic Implementation

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

1. Creating a flexible and county wide Business Support Service and to cover all client groups
2. Reviewing of processes to ensure consistency and efficiency
3. Refresh job descriptions and Business Support career paths

**Title**

## Risks

**Title**

Quality of Service

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

Business Support staff working in Adult Services will be affected by this proposal as they may be at risk of redundancy as a result of the consultation.

Communities will not be directly impacted as a result of this proposal.

**What positive impacts are anticipated from this proposal?**

There are no positive impacts anticipated for communities from this proposal, as communities will not be directly impacted.

Staff affected by this proposal are not expected to be impacted positively by this proposal as it could result in a risk of redundancy, however, this could be positive if alternative career opportunities are available as a result of redeployment.

**What negative impacts are anticipated from this proposal?**

There could be a period of service disruption through the consultation process. This will be mitigated against by line managers keeping impacted staff informed of the process and how any proposed changes could affect them.

All staff affected by risk of redundancy will receive employee support under the CCC redundancy policy.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated from this proposal as communities will not be directly impacted.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

No disproportionate impacts identified for protected characteristics from this proposal as communities will not be directly impacted.

Impacted staff will be kept updated by their line manager on proposed changes that specifically affect them.

# Business Case

## A/R.6.176 Demand management savings in adult services (Adults Positive Challenge Programme)

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.176 Demand management savings in adult services (Adults Positive Challenge Programme) | | |
| **Project Code** | TR001396 | **Business Planning Reference** | A/R.6.176 |
| **Business Planning Brief Description** | The Adults Positive Challenge Programme seeks to design a new service model for Adults Social Care which will continue to improve outcomes whilst also being economically sustainable in the face of the huge pressure on the sector. By 2023 local people will drive the delivery of care, health and wellbeing in their neighbourhoods. | | |
| **Senior Responsible Officer** | Charlotte Black | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Through investment from the Council's Transformation Fund, a consortium of Capgemini and iMPOWER was appointed to support an initial discovery phase of the Adults Positive Challenge Programme which has included a baseline analysis, development of a new vision and identification of opportunities for improvement, efficiency and further transformation.

The initial discovery phase has evidenced that the Cambridgeshire system is already broadly efficient and effective. The quality of outcomes for services users in Cambridgeshire was found to be in line with the national average, despite a lower than average level of expenditure. The analysis also found that the Transforming Lives Programme has made progress in encouraging a proactive, preventative and personalised approach to care and highlighted that a larger proportion of service users in Cambridgeshire are supported to live independently at home, rather than in residential or 24 hour care settings.

There are however, several key challenges that are driving the need for a new approach – specifically:

a substantial supply capacity challenge in the current care workforce;
continuing increases in demand from a growing and aging population;
a combination of demand growth and inflationary pressure leading to a substantial budget deficit in the coming years;
limited digital tools and inadequate use of data causing productivity losses in staff time and impacting on the frequency and quality of case reviews

In response, Cambridgeshire County Council (CCC) needs to design and create financially sustainable services that continue to enable residents to live fulfilled lives, to build on people's strengths, and to support people in a way that works for them. If left unchecked, financial pressure could lead to a budget deficit of £27m for CCC Adult Services by 2023.

There is evidence that over 30% of social care cases include people whose needs could have been prevented, delayed or reduced. CCC must make use of technology; change working practices and adopt a more community-centered approach to improve better outcomes for residents and to reduce costs.

**What would happen if we did not complete this project?**

Financial pressure could lead to a budget deficit of £27m for CCC Adult Services by 2023, if left unchecked. This would put at risk the council's ability to undertake its statutory requirements.

## Approach

**Aims / Objectives**

The fundamental principle of the strategic change is a model which is based on *putting choice and independence directly into the hands of individuals and communities*. The new model will be driven by the neighbourhood or place based approach, and success will mean that citizens have greater independence and better outcomes with reduced state intervention by:

addressing citizens' needs early on to prevent them from escalating - working in partnership with communities and health partners to share information, act as one care workforce and be proactive;
empowering individuals to do more for themselves - providing them with the resources, tools and local support network to make it a reality; and
building self-sufficient and resilient communities - devolving more preventative care and support resources at a neighbourhood level and enabling individuals to spend their long term care budget within their community.

By 2023 local people will drive the delivery of care, health and wellbeing in their neighbourhoods.

**Project Overview - What are we doing**

The work undertaken in Phase One of the programme indicates that taking our proposed approach could result in savings to the Council through demand management and cost avoidance strategies of approximately £17m over the next five years. The APC Programme is focused on taking forward the service demand management opportunities identified through the Outline Business Case (OBC) and subsequent work, and aims to deliver at least £3.8m of benefit in 2019/20 and an additional benefit of £3.8m in 2020/21.

The Adults Positive Challenge Programme has eight key work streams to achieve the council's future vision for Adult Social Care:

1) Changing the Conversation

This workstream will embed a person centered, strengths-based, community connected, and outcome focused approach in social care and support planning. This requires a step change in terms of culture and practice of staff and partners, and a change in mindset in service users, families, and other citizens of Cambridgeshire.

2) Expanding the use of Technology Enabled Care

This workstream will ensure that Technology Enabled Care (TEC) is one of the first considerations for support planning to facilitate as much independence as possible for people through the provision of more accessible and intelligent TEC solutions, and appropriate community equipment provision.

3) Commissioning for Outcomes

This workstream will  move commissioning away from a focus on activity, towards a focus on outcomes: getting the best possible result for neighbourhoods and for individuals in the way that suits them;enabling people to meaningfully direct their own care; and making the most effective use of the available resources, ensuring financial sustainability for the council.

4) Learning Disability Enablement

The aim of this workstream is to support individuals with a learning disability (including individuals with autism and Asperger's who may not have a learning disability) to acquire, develop and maintain independence.

5) Neighbourhood Based Operating Model

Building on the pilots already underway, this workstream will develop a neighbourhood-based approach to coordinating care.

6) Increasing Access to Carers Support

This workstream aims to minimise the demand on statutory services, the cost of crisis services and improve outcomes achieved for carers by ensuring that carers receive the right support at the right time to enable them to sustain their caring role.

7) Targeted Reablement

This workstream will deliver a consistent, effective and efficient Reablement service across Cambridgeshire and Peterborough that maximises outcomes for the whole community. The prevention element of the reablement service will be expanded so that it becomes a community resource.

8) Mental Health Model and Reablement

This workstream will improve outcomes and minimise the demand for long term support services from people with mental health problems by adopting a strengths based, holistic approach and conversations with individuals, drawing on best practice from both Cambridgeshire and Peterborough to deliver consistent outcomes, and effective and efficient reablement services for everyone with mental health problems who need them.

**What assumptions have you made?**

There will not be any changes in legislation with regards to adult social care.
Projections of population growth in Cambridgeshire over the next five years are accurate, particularly with regards to the 65-85 age group.
Needs can be prevented, delayed or reduced sufficiently across the adult social care cohort to achieve the demand management savings set out in this business case.
The demand management savings take account of where multiple work streams are working together to reduce demands for the same cohort. The financial savings are not counted multiple times.

**What constraints does the project face?**

Adult Social Care services must continue to meet the requirements of the Care Act.
There are financial constraints that the programme must work within.
There is limited scope to reduce the unit cost of existing care services as private care providers are already operating on narrow margins.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Demand management savings that result from the Adults Positive Challenge Programme.

**What is outside of scope?**

Any cashable savings that result from Adults Positive Challenge Programme.

## Project Dependencies

**Title**

Support from Enablers

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

The overarching benefits for the programme include:

Addressing needs early on to prevent them escalating
People receive the right package of care and support which targets what they want to achieve
Peoples' quality of life, mental and physical health and wellbeing, is improved
Maximising independence by empowering individuals to do more for themselves
Building self sufficient and resilient communities
Staff have the appropriate knowledge, skills and tools

**Title**

## Risks

**Title**

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

**The Adults Positive Challenge (APC) Programme is across Cambridgeshire and Peterborough, but also includes service users who may be placed out of county.**

The APC Programme will affect adults in Cambridgeshire and Peterborough with care and support needs primarily, but work will also link with teams working with young adults, embedding the approach as service users transition to Adult Services. There will also be implications for the staff supporting these service users.

Service users including:

People with learning disabilities with eligible social care needs receiving a funded care package
Informal Carers
People with care and support needs not eligible for Council funded support, including self-funders
Providers (existing and future)
Voluntary and Community Sector
Members
Partners (existing and future)
Staff directly or indirectly employed

As a result, it is likely that there will be a disproportionate impact on the following protected groups:

Age: The majority of recipients of social care services, and people with care and support needs are older people, in particular those over the age of 65. As a result this group will be disproportionately impacted by the proposals.

Disability: Adult Social Care services are delivered for individuals with disabilities and therefore this protected group will be disproportionately affected by the changes.

Sex: The majority of social care staff are female and therefore this group will be disproportionately affected by the proposals.

Rural Isolation: Some workstreams will have a positive impact on reducing rural isolation, such as through providing opportunities for using technology to enhance social networks, and introducing social care micro-enterprises (organisations that have local people (staff or volunteers) delivering support for other local people).

Deprivation:  People from deprived communities are more likely to develop care and support needs earlier in life and are more likely to be users of statutory care and support. They are therefore likely to be disproportionately impacted by proposals.

**What positive impacts are anticipated from this proposal?**

The Adults Positive Challenge Programme supports the need to shift social care practice away from long-term support towards more preventative support and advice, which will support people to live healthier and more independent lives.

**Service Users**

An overall positive impact for people with care and support needs of an asset-based approach is anticipated as a result of preventing escalation of need and opportunities to keep people independent and in their own homes. On a programme level, the following positive impacts are anticipated:

The support people receive will build on their current strengths
People are supported in the community, by the community
People receive the right package of care and support which targets what they want to achieve and maximises their independence
People are not waiting to receive care and support
Better evidenced decision making, with local people consistently informing commissioning decisions
Carers experience stability, are able to look after themselves, get the right support and have good wellbeing
People are supported with the correct Information, Advice and Guidance.

**Staff**

It is anticipated that there will be an overall positive impact for staff in their confidence in supporting clients in a strengths-based way:

Staff feel empowered and supported in their role
Increase in staff satisfaction and retention, and decrease in sickness absences
More stable social care workforce

**What negative impacts are anticipated from this proposal?**

At this point in time, there are no negative impacts anticipated from the APC Programme. However, individual workstreams will assess the community impact of particular activity within individual workstreams where appropriate.

**Are there other impacts which are more neutral?**

More neutral impacts might be the impact of individuals receiving care in a different way. The programme supports a shift away from long-term support and statutory services towards more preventative support in the community. Therefore the needs of citizens will continue to be met, but in different ways to how they have been met in the past.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

This document will capture at a programme level, specific groups with protected characteristics that are likely to be disproportionately impacted by the Adults Positive Challenge Programme. Due to the breadth of activities within the programme and because a number of the programme workstreams are still in development, it is not possible to produce a comprehensive impact assessment of all programme activities at this stage. Where applicable, detailed impact assessments will be produced at a workstream level at appropriate times during the programme and will be reported to the Adults Committee.

It is anticipated that there will be a disproportionate impact on the following groups with protected characteristics: Age, Disability, Sex, Rural Isolation and Deprivation. It is anticipated that the impacts on these groups will be predominantly positive and therefore mitigations will not be required.

Age: The majority of the recipients of Adult Social Care services are older people and as a result, the impact on this group will be disproportionate. The impacts are anticipated to be positive and neutral as a number of the workstreams are looking to support individuals to stay in their own homes and to be more independent. A number of the changes planned for services might mean that an individual’s needs are met in a different way but it is anticipated that the impact will be neutral, if not positive.

Disability: A significant proportion of recipients of Adult Social Care services have a disability and as a result, the impact of the programme on individuals with a disability will be disproportionate. The impacts of the programme are anticipated to be positive and neutral as a number of the workstreams are looking to support individuals to stay in their own homes and to be more independent. A number of the changes planned for services might mean that an individual’s needs are met in a different way but it is anticipated that the impact will be neutral, if not positive.

Sex: A majority of Cambridgeshire County Council’s care workforce are female and as a result, the impact of the Adults Positive Challenge Programme on the workforce is likely to be disproportionate to this group. It is anticipated at this stage that the impacts on this group are likely to be positive or neutral as this programme is looking to change how service

Rural Isolation: A number of the workstreams will have a positive impact on reducing rural isolation, such as through providing opportunities for using technology to enhance social networks, and introducing social care micro-enterprises (organisations that have local people (staff or volunteers) delivering support for other local people).

Deprivation – The likelihood of developing care support needs earlier in life is greater in deprived communities and the ability to self-fund care is limited for those experiencing deprivation, as a result the impact on this group will be disproportionate. The impacts are anticipated to be positive and neutral as a number of the workstreams are looking to support individuals to stay in their own homes and to be more independent. A number of the changes planned for services might mean that an individual’s needs are met in a different way but it is anticipated that the impact will be neutral, if not positive.

# People & Communities: Community & Partnership Business Cases

# Business Case

## C/R.6.101 Sharing with other councils - Cambridgeshire & Peterborough Shared Services Programme

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | C/R.6.101 Sharing with other councils - Cambridgeshire & Peterborough Shared Services Programme | | |
| **Project Code** | TR001408 | **Business Planning Reference** | A/R.6.209 |
| **Business Planning Brief Description** | We are continuing to explore further opportunities to share activities and costs and learn from one another's best practice. | | |
| **Senior Responsible Officer** | Amanda Askham | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Both Councils have been working on an ambitious programme of transformation, with a determination to improve lives for local people despite an increasingly challenging financial context.  Building a whole system approach which puts community outcomes firmly at the center of all that we do and which is built around shared priorities, outcomes and cost efficiencies is a crucial part of the programme. This work requires a greater degree of collaboration between local public services, their partners and providers and with the public than has been ever previously been experienced in Local Government.

As part of this new model of Local Government, Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) have come together with the support of their Members to explore the merits of shared and integrated services, looking at how we might further develop our close working relationship to reduce cost to serve, avoid duplication and ensure that we put outcomes for people at the heart of service delivery.

This approach is not new, over the last few years both Councils have taken advantage of opportunities for shared services as they arose.  In 2015, the Director of Public Health in CCC was appointed in PCC under a shared services arrangement.  In June 2016, the Chief Executive of PCC was appointed as Chief Executive of both Councils after a trial period which demonstrated the benefits of the shared role. Later that year, following the resignation of the CCC Executive Director for Children, Families and Adults (now the People and Communities (P&C) Directorate), Members in both Councils agreed a programme of integration for senior roles and all Directors in P&C are now in shared roles. There have also been an increasing number of shared or fully integrated functions and services:

Public Health including a joint commissioning unit
Children – Multi Agency Safeguarding Hub (MASH), Counselling Service
Adults – Delayed transfers of Care, Mental Health, Carers
Domestic Abuse Service
Joint Adult and Children Safeguarding Boards
Trading Standards
Minerals and Waste planning

These shared arrangements have so far delivered savings and benefits for staff, citizens and partners. However, the predicted increase in complexity and demand over the next two years means that the situation is unsustainable for both Councils and particularly for Peterborough as a smaller, unitary Council. The following factors are critical for both Councils:

Changes to the way we get our funding and what we get – reducing Revenue Support Grant (RSG)
Low funding for Adults and Childrens services
One of eleven most challenged health economies in the country
Growing population, increased demand for services alongside increasing complexities
Increase in numbers needing long term care across all client groups
Diminishing returns from contract negotiations

Following the success of these opportunistic arrangements and the benefits they delivered to both Councils, in November 2017, General Purposes Committee (GPC) noted PCC's request to the Chief Executive to explore delivery of further shared services and asked that this became a joint programme of work. Members acknowledged that opportunities could take a number of forms but principally the aim is to save money, make efficiencies and manage demand on Council services.

In January 2018, following a high level review of opportunity areas, Members at CCC and PCC approved a programme of work to identify and maximise opportunities in the following areas:

Sharing back office functions
Reducing leadership costs
Maximising purchasing power
Reducing duplication of systems and processes
Reducing estate costs
Building resilience through shared teams, shared systems and processes

The Joint Working Agreement (JWA) and Protocols that were approved by the Political Governance of both Councils in October 2018, allow both Councils to share the information, expert knowledge and the resource that are needed to develop a strategic and evidence based approach to further shared or integrated services. This detailed analysis work will now commence with both Officers and Members to establish a programme of change over the next two years. The programme will be agreed by the CCC Communities and Partnerships Committee and PCC Cabinet in February 2019.

This initial high level business case for savings of £500k for CCC is the minimum amount that we think can be achieved in year one. This will most likely be achieved through shared management posts and some service integration.

**What would happen if we did not complete this project?**

Significant risk to the financial sustainability of both Councils.

**Approach**

**Aims / Objectives**

The overriding ***mission*** for Peterborough and Cambridgeshire Shared and Integrated Services is a more financially sustainable future for PCC and CCC. This mission is supported by the following vision, objectives goals and strategies:

**Vision** - outcomes for citizens are improved for residents across Peterborough and Cambridgeshire

**Goals**

services are more resilient and are able to move with increased demand
statutory services are met in a more cost effective way

PCC and CCC are both better placed for devolution opportunities

**Objectives**

workforce can work for anyone from anywhere
operations are more streamlined and efficient

**Strategies**

- joint commissioning
- reduce overall headcount
- increased commercial opportunities
- organisational culture change

**Design principles**

As part of the scoping and feasibility work, a cross council workshop of Directors and key officers agreed the design principles for the initial stages of the programme. The group agreed that all areas of both Councils should be considered in scope and that the following principles should be applied when considering all options:

be outcomes focused – not organisation focused;
put people at the heart of a system that makes sense to them;
maximise opportunities for generating income and reducing cost to serve;
be ambitious, bold and innovative;
manage demand to meet future needs;
preserve and maintain local representation, championing equality and diversity in our communities;
use evidence and best practice to inform our decisions; and
do what has the best chance of success.

Seeking out best practice, external perspectives and cross sector learning will be essential to developing new service models. A number of public, private and voluntary sector organisations are joining roles, sharing services and maximising the financial benefits of joint commissioning; providing an increasing knowledge base on the advantages and opportunities from shared and integrated services which the programme will draw on to inform an options appraisal.

**Business Model**

Both Councils are committed to a business model which is focused on the best outcomes for citizens across Cambridgeshire and Peterborough, securing investment where it is needed and exploring a wide range of options.

Business cases for any proposed change will be developed, taking into consideration:

strategic fit
- impact on outcomes
- financial and non-financial benefits
- operational and financial baseline and efficiency
- needs and demand
- local identity, diversity and demography
- economies of scale
- potential for quality improvement
- workforce requirements
- deliverability and transition plans including governance and cost

**Project Overview - What are we doing**

Opportunities could take a number of forms but principally the aim is to save money, make efficiencies, manage demand on Council Services and improve outcomes for citizens. The current proposed scope of the programme is to identify and maximise opportunities in the following areas:

Sharing back office and corporate functions
Reducing leadership costs and further opportunities for shared roles
Building resilience through shared teams, shared systems and processes
Combining the expertise of both councils and other partners to bring wider solutions to the same demand and resource challenges
Maximising purchasing power – joint commissioning of services to increase purchasing leverage and achieve best value
Reducing duplication of systems and processes
Removing duplication and inefficiency

Each project under the programme will have its own project business case on Verto that will be jointly developed across the two Councils and in-line with the Joint Working Agreement and Protocols that have been developed.

**What assumptions have you made?**

The following assumptions have been made when developing the early stages of the programme:

That shared and integrated services across the two Councils will result in reduced cost.
That further integration of front line delivery services will be possible given the statutory responsibilities of both organisations.
That both Councils have the capacity to make changes at pace.

**What constraints does the project face?**

Both Councils already have ambitious savings targets across all service areas in current business plans.
The change programme required to move to shared and integrated services is likely to be resource intensive.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

**Scope**

**What is within scope?**

The programme is currently being re-scoped. Key data that is being used to do this includes, financial baselining of services, benchmarking against statistical neighbours, benefits quantification and savings/income versus ease of deliverability.

**What is outside of scope?**

To be determined.

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

Through transforming the way the Councils works in partnership and by making improvements to how we manage our business, our people and our money we can release benefits which reduce the need to make savings which negatively impact against outcomes:

financial efficiencies, freeing up resource and increasing productivity to reinvest in delivery of services;
commercial returns on our assets and investment to fund our core services and support for communities;
career development and learning experiences for our officers, supporting talent management, recruitment and retention
better use of existing expertise, providing access to a wider resource and increased resilience.
reduction in cost to serve across multiple functions and services;
increased partnership work, making it easier, faster and more cost effective to work with us leading to better outcomes for our residents;
reduced hand offs between teams and across geographical areas, increasing efficiency and productivity and;
getting more from our systems leadership role by aligning our footprint with other governance structures in the public sector system (i.e. CCG, Combined Authority)

Delivery of these strategic benefits will be reliant on political leadership, good governance and effective management arrangements as well as the compatibility of Peterborough and Cambridgeshire Councils in relation to their scope of services and strategic direction.

| **Title** |
|---|
| Peterborough City Council Savings |

## Risks

| **Title** |
|---|
| CCC and PCC capacity to deliver the programme |
| PCC contract negotiations and deliverability of savings |
| Ability to develop future proposals for the back office due to potential changes with the LGSS operating model |
| That the Shared Services Programme is unable to deliver anticipated benefits (financial and non-financial) |
| Influence of Senior Responsible Owner and Programme Team |
| Short term actions versus longer term delivery |
| Lack of appropriate skills or capacity in project lead functions |
| Members are not sufficiently engaged with the programme which creates uncertainty about benefits realisation |
| Insufficient capital/revenue to implement proposed shared services model |
| Business continuity not maintained during period of transition |
| Lack of stakeholder engagement in transition to shared services |

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Communities are not expected to be impacted directly by this initial business case as it relates to shared management posts and service integration. As the programme of work progresses and more detail is known, individual CIAs will be undertaken alongside individual business cases. Where a political key decision is required for the business case, this will be taken through the most appropriate Service Committee for approval.

**What positive impacts are anticipated from this proposal?**

There are currently no positive impacts anticipated.

**What negative impacts are anticipated from this proposal?**

There are currently no negative impacts anticipated.

**Are there other impacts which are more neutral?**

There are currently no neutral impacts anticipated.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each of the protected characteristics / groups of people have been considered and no foreseeable risks of them being negatively impacted by implications of this proposal have been identified. However, as proposals develop this will be considered and updated.

# Business Case

## A/R.6.211 Safer Communities Partnership - Substitute Grant Funding

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.211 Safer Communities Partnership - Substitute Grant Funding | | |
| **Project Code** | TR001432 | **Business Planning Reference** | A/R.6.211 |
| **Business Planning Brief Description** | A review of the required management and support functions within the team will be undertaken depending on the outcome of funding bids, and could deliver a saving of £30,000 during 2019/20. | | |
| **Senior Responsible Officer** | Sarah Ferguson | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

The current management and partnership support structure costs £174k and if grant funding is secured to offset some of these costs a saving will be made.

**What would happen if we did not complete this project?**

Savings would not be achieved.

#### Approach

**Aims / Objectives**

We aim to secure grant funding for the Safer Communities Partnership.

Objectives:

The funding would enable some of the Partnership's management costs to be substituted.
Savings would be achieved.

**Project Overview - What are we doing**

£30k of savings are being sought - it is hoped these will be achieved through a grant funding application, which would cover part of the Partnership's management costs.

**What assumptions have you made?**

Funding request will be successful.
Part of the agreed management costs will be covered by this.

**What constraints does the project face?**

Should the funding request be unsuccessful, the anticipated costs will need to be met by other sources and savings will be at risk.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

**Scope**

**What is within scope?**

The figure of £30k is sufficient to cover the identified management and project support costs related to the funding bid.

**What is outside of scope?**

Any other related services.

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

Outcome of grant application uncertain

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

The CORE County Council budget will be substituted by fixed term funding until March 2020. As a result of this a permanent staff reduction is likely to have to be made from March 2020

**What positive impacts are anticipated from this proposal?**

Should funding be secured, anticipated savings will be made and service provision will not be impacted

**What negative impacts are anticipated from this proposal?**

It may be necessary to effect a permanent staff reduction from 2020. The impact will be mitigated by following due process at this point in the future. Alternative external funding streams will also be sought to maintain current staffing if required.

**Are there other impacts which are more neutral?**

None.

| Disproportionate impacts on specific groups with protected characteristics |
|---|
| **Details of Disproportionate Impacts on protected characteristics and how these will be addressed** |
| Each protected characteristics / group of people have been considered and no foreseeable risks of them being disproportionately impacted by implications of this proposal have been identified. |

# Business Case

# A/R.6.212 Strengthening Communities - Post Savings

## Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | A/R.6.212 Strengthening Communities - Post Savings | | |
| **Project Code** | TR001435 | **Business Planning Reference** | A/R.6.212 |
| **Business Planning Brief Description** | The deletion of a recently vacant Community Protection Project Officer post. The community led 'no cold calling zones' project, which was coordinated by the previous post holder, has now successfully concluded. | | |
| **Senior Responsible Officer** | Sarah Ferguson | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

The Community Protection Project has recently ended and therefore the officer post is vacant and no longer required.

**What would happen if we did not complete this project?**

Nothing.

### Approach

**Aims / Objectives**

The Community Protection Project has been completed successfully and there is no further work planned for this.

**Project Overview - What are we doing**

Project complete.

**What assumptions have you made?**

N/A

**What constraints does the project face?**

N/A

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

N/A - project complete.

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

All benefits have been realised and the project is now complete.

**Title**

## Risks

**Title**

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

Nobody will be affected as there is no current post holder as the project has come to an end therefore the vacancy can be offered as a permanent saving.

**What positive impacts are anticipated from this proposal?**

Project has been completed and savings are on target to be made

**What negative impacts are anticipated from this proposal?**

None because there is no current post holder. The project has come to an end so the vacancy can be offered as a permanent saving.

**Are there other impacts which are more neutral?**

None.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being disproportionately impacted as the project is completed.

## Place & Economy: Highways & Community Infrastructure Committee business cases

# Business Case

# B/R.6.202 Highways Maintenance

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | B/R.6.202 Highways Maintenance | | |
| **Project Code** | TR001405 | **Business Planning Reference** | B/R.6.202 |
| **Business Planning Brief Description** | Utilising a greater proportion of the on-street parking surplus to fund highways and transport works as allowed by current legislation. | | |
| **Senior Responsible Officer** | Richard Lumley | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

If the on-street parking account generates sufficient surplus, then it makes sound business sense to reinvest that surplus back into the highway network, given the pressure on revenue funding.

**What would happen if we did not complete this project?**

There would be a continued pressure on revenue funding that may result in a reduction to the money invested into highways and transport.

#### Approach

**Aims / Objectives**

More local highways work to be covered by funding generated through the on-street parking account. This proposal will not change the amount of work undertaken but the funding source will change. This will mean that surplus money raised from on-street parking will be used to offset the current revenue budget and reduce cost to Highways.

**Project Overview - What are we doing**

£350k of highway maintenance (reactive) will be recharged to the on-street account and this will be set up at the start of the 2019/20 financial year.

**What assumptions have you made?**

That the on-street account continues to generate sufficient surplus to cover this additional cost.

**What constraints does the project face?**

The availability of sufficient surplus in the on-street account.

## Delivery Options

**Has an options and feasibility study been undertaken?**

Having investigated the restrictions placed on use of the on-street account, it is possible to cover more highway maintenance from this funding stream.  It will ensure that maintenance does not have to be scaled back and we can continue to deliver our asset management strategy as currently detailed.

## Scope / Interdependencies

### Scope

**What is within scope?**

The figure of £350k is sufficient to cover a proportion – approximately 38% - of the existing revenue element of highway maintenance in Fenland, East Cambridgeshire, and Huntingdonshire.

**What is outside of scope?**

South Cambridgeshire and Cambridge City are already being funded by the on-street parking account and will continue to be funded in this way. This proposal is to ensure that Fenland, East Cambridgeshire and Huntingdonshire are also funded in this way.

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

The ability to maintain the current level of service for maintaining the highway network.

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

The funding source will change, allowing savings on the revenue budget. This proposal will not change the amount of work undertaken, so would not affect residents.

**What positive impacts are anticipated from this proposal?**

The on-street account surplus may be spent on highway / transport / environmental measures.

**What negative impacts are anticipated from this proposal?**

None.

**Are there other impacts which are more neutral?**

Neutral impact. No change to amount of funding, therefore level of service and functions undertaken will remain as before.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

As this proposal does not affect the amount of work undertaken, and therefore does not affect residents, there will be no disproportionate impacts on protected characteristics.

# Business Case

## B/R.6.204 Road Safety

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | B/R.6.204 Road Safety | | |
| **Project Code** | TR001390 | **Business Planning Reference** | B/R.6.204 |
| **Business Planning Brief Description** | Implementation of a new transformative model for delivering all elements of road safety. | | |
| **Senior Responsible Officer** | Richard Lumley/Matt Staton | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

A new transformative model for delivering all elements of road safety (education, engineering, school crossing patrols, safety cameras, audits) was approved by Cambridgeshire County Council's (CCC) Highways & Community Infrastructure (H&CI) Committee on 13 March 2018.

The approach is an integrated model with Peterborough City Council (PCC). Once implemented, the new model will achieve savings by establishing more efficient working practices.

**What would happen if we did not complete this project?**

The Service would continue as now, with the road safety function sitting across a number of different teams. This would mean that the associated inefficiencies relating to a lack of coordinated activity would continue to exist.

Opportunities to access external funding would be missed. As well as providing the capacity to apply for external funding, the new structure will create greater transparency in terms of the bid process, ensuring the correct resource is used for the appropriate funding. This will mean less wasted effort, increased chance of success and bids that are aligned to the broader road safety and public health agendas.

#### Approach

**Aims / Objectives**

Implement a new delivery structure that will:

Improve coordination of road safety activity across Cambridgeshire and Peterborough
Provide the flexibility and expertise to access additional external grant funding to enhance service delivery
Maximize opportunities to offer services to others including, but not limited to, the Greater Cambridge Partnership, Combined Authority and Peterborough City Council
Provide a basic, universal level of service through online resources
Target resource more effectively at the areas of highest need
Embed a more proactive approach based around a safe systems framework, as suggested in the Government's Road Safety Statement 2015.

**Project Overview - What are we doing**

The proposed approach recognises the value of the road safety expertise that exists within the Council and relies on developing and exploiting this to realise commercial opportunities as well as deliver the Council's responsibilities and objectives.

The proposed approach would separate activity into core, additional and commercial elements:

Core activity comprises our statutory duties under the Road Traffic Act 1988 to:
- prepare and carry out a programme of measures designed to promote road safety
- investigate accidents arising out of the use of vehicles
- implement measures as appear to the authority to be appropriate to prevent such accidents

Core activity would also include programmes that mitigate the risk of higher costs to another Council service area.

Additional activity comprises those activities which would supplement core activity should additional funding be available/sourced for specific projects.

Commercial services are charged-for activities that the Road Safety Team will deliver for others (internally or externally).

Efficiency savings will be achieved through:

- The more efficient use of staff resources
In the Hub Model, roles will be much more flexible, not so task specific and areas of responsibility will be increased through integration with PCC. The hub will increasingly become a commissioning team, utilising specialists to carry out work as required but with the oversight of the hub team.

- Conversion of some resources to a digital online resource kit
The aim is to move as much activity as possible from the current face to face and hard resource approach e.g. leaflets, posters, booklets, demonstrations and visits, towards a self-service model.

**What assumptions have you made?**

There will be sufficient staff capacity to source, secure and manage additional grant income and moving forwards, there will be a good level of grant funding available.

The majority of service users will be able to access online resources.

**What constraints does the project face?**

The hub works closely with a number of services across the Council including Public Health, Business Intelligence, Highways project delivery. There will be new processes for the way these services interact with the Road Safety Hub and it is likely these will take time to be understood and bed in and this will apply across both Cambridgeshire and Peterborough.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Road safety related services across Cambridgeshire and Peterborough.

**What is outside of scope?**

The initial scope does not include any other road safety activity outside the control of the Local Authorities, although this could be explored as a future development.

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

Reduction in road traffic collisions.

Improved perception of safety by communities.

**Title**

## Risks

**Title**

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

Road safety staff
Home to school transport
Public health
Projects delivery teams that will be commissioned to carry out work by the hub
Schools
Target audience

**What positive impacts are anticipated from this proposal?**

Road traffic collisions are known to disproportionately affect young males and is of particular concern in areas of rural isolation where exposure is higher due to access to education/services often being reliant on vehicle ownership, higher annual mileage and higher speed roads. This new approach aims to enable better targeting of resources in areas of specific need while ensuring a greater basic level of service available to all through greater opportunities for self-service.

**What negative impacts are anticipated from this proposal?**

If the new approach is adopted it is not expected to have any negative impact on the above protected characteristics. This will be a broader service offering to a wider range of people.

**Are there other impacts which are more neutral?**

The change in approach is expected to have a neutral impact to characteristics not known to affect the risk of collision involvement in Cambridgeshire & Peterborough.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

The introduction of more self-service elements to the programme will need to be monitored to ensure that these resources are easily accessible, particularly where the focus is likely to be on digital platforms. The approach should enable resource to be allocated in target areas where self-service is not being routinely utilised in order to either support self-service in the future or deliver on behalf of at-risk groups.

# Business Case

## B/R.6.210 Household Recycling Centres

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | B/R.6.210 Household Recycling Centres | | |
| **Project Code** | TR001437 | **Business Planning Reference** | B/R.6.210 |
| **Business Planning Brief Description** | To introduce a van and trailer permit scheme for Household Recycling Centres (HRC) which would limit visits to 12 per year. This would be to reduce the cost of providing HRC services, postpone the requirement to invest in improved HRC infrastructure by reducing demand and align our services with other councils in the region. | | |
| **Senior Responsible Officer** | Adam Smith, Commission Manager - Waste | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Neighbouring authorities have made changes to the services offered at their Household Recycling Centres (HRCs)

After our neighbouring authorities brought in their reforms, the amount of waste brought to those HRCs sites close to our borders in Cambridgeshire has increased significantly. These increases are higher than the average growth seen in the amount of waste we collect for treatment and disposal.
Use of Cambridgeshire sites by other counties' residents has a detrimental impact on our communities as they are effectively subsidising the service for residents based out of the county.
To postpone the need for investment in HRC site infrastructure to cope with increased use.
To reduce the cost of the service and contribute to savings targets.
To assist our contractor to enforce existing policies and prevent illegal use

**What would happen if we did not complete this project?**

Waste Services would need to find the proportion of savings that would have been delivered from these changes from elsewhere.

The restrictions that have been introduced by neighbouring authorities and the ongoing introduction of additional restrictions at their HRC sites, combined with a lack of restrictions at Cambridgeshire sites, may encourage more cross border use of HRCs in Cambridgeshire. This will increase the tonnage of waste received, and the associated cost, to Cambridgeshire residents. Until CCC addresses these concerns, there will be an ongoing cost to the authority which will continue to rise when neighbouring authorities introduce further restrictions.

#### Approach

**Aims / Objectives**

Align our services with other councils in the region.
Protect our services from misuse.
Reduce the cost of providing HRC services in Cambridgeshire.
Postpone the requirement to invest in improved HRC infrastructure by reducing demand.

**Project Overview - What are we doing**

In June 2017 the Transformation Team was commissioned to revisit and refresh research previously undertaken into the policy changes that neighbouring and other UK authorities have implemented at HRC sites and provide an assessment of these options.

Since then, further work has been undertaken by waste officers to scope the feasibility of options and the introduction of a Van and Trailer permit scheme is proposed.

### Van and trailer permit

All members of the public arriving at the sites in vans or with trailers would need to obtain a permit to allow access.

Peterborough City Council and the majority of councils to the west of Cambridgeshire have policies that restrict the use of vans/trailers due to the quantity of waste they can carry, the potential for commercial waste abuse, the abuse of policies to limit DIY waste, health and safety reasons and to restrict the amount of construction and demolition waste delivered.

The savings from implementing a scheme of this type is difficult to quantify at this stage. Other local authorities have estimated savings of £80,000 a year and as high as £300,000 a year.

**What assumptions have you made?**

1. Savings allocated in 2019/20 assumes a commencement date of September 2019 for the van and trailer permit scheme.

2. The commencement date is subject to reaching a swift agreement with our Contractor on the estimated change in contract costs. Once a formal estimate has been received the forecast savings will need to be reviewed.

3. Savings assume our Contractor will not require additional staff to deliver and manage the scheme or seek compensation for any lost recyclable income.

4. We have assumed the policy will apply to all vans and trailers and permits will be limited to a maximum of 12 visits per year.

5. Savings will be achieved where the current numbers of vans and trailers visiting the site more than 12 times per year will need to find alternative disposal outlets (i.e. skip hire or direct tip at a private waste recycling or landfill facility).

6. Delivery assumes that Defra and the Contractor's senior lenders consent to the proposed change.

**What constraints does the project face?**

- The Council pays for Amey to dispose of all residual and organic waste collected in Cambridgeshire (excluding Peterborough). If the amount of contract waste collected and treated falls below 250,000 tonnes of contract waste a year the council still has to pay the Contractor for 250,000 tonnes to be treated anyway. We need to ensure, where possible, that any reductions in waste collected through policy changes take account of this.
- Impact on recycling rates at HRCs that can trigger bonus/penalty payments through the contract payment mechanism.
- Legislation regarding DIY; construction and demolition; and household waste.
- Legislation relating to HRC provision.
- Future changes in waste legislation that prohibit the changes being proposed in this project.
- Prior consent from Defra for the changes proposed in order to preserve the waste PFI grant payments.
- The waste PFI Contractor must be left "no better or no worse" as a result of the changes.
- The PFI Contractor's senior lenders must agree to the changes proposed prior to implementation.

## Delivery Options

**Has an options and feasibility study been undertaken?**

The original options appraisal can be found in 'documents'.

## Scope / Interdependencies

**Scope**

**What is within scope?**

Restrict residents with vans and/or trailers to a maximum of 12 visits per year

**What is outside of scope?**

## Project Dependencies

| Title |
| --- |
| RECAP Partners |
| PFI renegotiation |
| Neighbouring Councils |
| Peterborough City Council |
| Defra concent required to vary PFI contract |
| LGSS IT |

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

| Title |
| --- |
| Through ensuring sites are used for Cambridgeshire’s household waste only, the use of some of our HRCs will decrease, postponing the need to invest in additional infrastructure to cope with population increases and increasing demand. |
| The cost to the County Council for providing the HRC service and treating the collected waste should reduce. |
| The changes proposed will better enable our PFI Contractor to reduce conflict on sites, enforce our policies and deal with people misusing the sites. |
| Reduction in the abuse of the service by people attempting to dispose of trade waste and large quantities of construction and demolition waste. |

## Risks

| Title |
| --- |
| If the tonnage drops below 250,000 per year, the financial implications to the contract with Amey need to be considered |
| Fly-tipping could be attributed to the changes made to Cambridgeshire's HRC policies |
| Changes to policies result in additional complaints, resulting in reputational damage |

| |
|---|
| Changes to Cambridgeshire policies have an impact on neighbouring authorities |
| Approval process takes longer than expected |
| Additional consultation is required to inform a decision |
| Negotiation of Estimate takes longer than expected |
| Delays to implementation |
| Scale of savings is subject to negotiation with the PFI Contractor, Amey |
| Waste is displaced into other Cambridgeshire local authority collections |
| Recycling rates fall |
| Savings not delivered |

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Staff on site.
HRC site users.
County and district councillors.
Neighbouring authorities' residents.
Neighbouring waste authorities.

**What positive impacts are anticipated from this proposal?**

Through this van and trailer permit system we would reduce congestion at HRCs and will provide the site staff with the tools to ensure they are only accepting household waste. A public consultation in 2014 indicated that the majority of respondents in Cambridgeshire supported the introduction of a van and trailer permit system with only 15% disagreeing with its introduction.

**What negative impacts are anticipated from this proposal?**

The van and trailer permit system will be introduced across all nine sites in Cambridgeshire and no negative impacts have been identified for the various characteristics.

There will be some individuals who will only have access to a larger size van converted that is over our Vehicle Size Policy because of disability, large family, campervan etc. We currently have a system in place to provide these residents with an exemption to use our sites under our current system that is assessed on a case by case basis by contacting the waste service. The van and trailer permit system will continue to have the facility to provide these residents with a permit if their van is over the Vehicle Size Policy.

**Are there other impacts which are more neutral?**

The following issues and opportunities have been identified:

**Issues**

- Impact on Cambridgeshire residents who currently only have a van as a means of transport.
- The impacts any changes will have on the RECAP partners, including potential risks such as fly-tipping;
- Potential reputational risk to the County Council;
- Impact of introducing no change when neighbouring authorities are introducing new policies resulting in out of county use at our HRCs
- Increase in enquiries from residents resulting in short term resource pressures on both the Waste Management Team and Contact Centre.
- The site staff don’t challenge potential trade waste vans if they have a valid permit.

**Opportunities**

- Assist our contractor in enforcing our Vehicle Size Policy.
- Permit system would allow notes to be put on system when there are concerns about certain residents with permits using the sites that have been aggressive so that site staff and council officers can be aware of any issues.
- Key stakeholder and member involvement to help shape the van and trailer permit system prior to implementation.
- To reduce the cost of the service and contribute to the saving targets through less waste entering the HRCs.
- To provide an efficient and effective service taking into account best value to the 'public purse'.
- Prevent abuse from traders and businesses, the deposit of construction and demolition waste and out of county residents.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

The protected characteristics are not, in themselves, determining factors about whether an individual needs to use the household recycling service.

Therefore a van and trailer permit scheme will have a neutral impact on the following characteristics:

Age, disability, gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation; rural isolation and deprivation.

# Place & Economy: Economy & Environment Committee business cases

# Business Case

## B/R.6.103 Historic Environment

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | B/R.6.103 Historic Environment | | |
| **Project Code** | TR001313 | **Business Planning Reference** | B/R.6.103 |
| **Business Planning Brief Description** | For Cambridgeshire County Council (CCC) to provide archaeological services for Peterborough City Council (PCC), absorbing PCC's resources into the CCC team. | | |
| **Senior Responsible Officer** | Quinton Carroll | | |

### Project Approach

**Background**

**Why do we need to undertake this project?**

Archaeological services are required for both planning purposes, as required in the National Planning Policy Framework 2018, and also for community purposes as heritage and culture are significant economic and social drivers. However, it can be uneconomic and impractical for smaller authorities to maintain the full range of archaeological functions given the specialist nature of the work and the range of staff skills required to deliver it. The CCC Historic Environment Team (HET) has 9.2 Full Time Employees; PCC has one permanent post.

This project provides advantages for both parties. For CCC it generates an income stream plus additional staff resources in the north of the county, allowing for more efficient use of time. PCC will gain access to a far greater pool of resources, providing expertise and capacity, plus a more efficient provision of their Historic Environment Record (HER), both made available through economies of scale. It would also reduce their annual spend by a third.

**What would happen if we did not complete this project?**

The two authorities would continue to maintain separate service functions, and lose the advantages created by a joint solution which advantages both parties.

**Approach**

**Aims / Objectives**

Aims for CCC

To make this work financially we would request an annual lump sum from PCC, currently estimated to be £20,000, and introduce our charging schedule to provide the additional income necessary. At this stage we can only estimate the amount of income we could generate from archaeological casework and also from PCCs HER, but it would be reasonable to agree payment at one level then monitor the ongoing transactions. We can also introduce other chargeable services currently not undertaken by PCC, such as responding to Environmental Stewardship applications, a task that generates over £20k per year for CCC but currently PCC does not undertake.

Aims for PCC:

- More return for their investment – a combined team would have 9 staff with different areas of expertise. Joining with CCC will buy them access to that expertise rather than the one they currently have.
- Proactive – we can see where the gaps in their evidence base are for strategic planning purposes and seek grants to fill them.
- Resilience and sustainability – low numbers of staff means fluctuating levels of support for planning advice and HER access e.g. holidays and illness. The proposed approach allows for cover in these times. There will always be someone at the end of the line to get the job done.
- Reduced budget – if PCC choose to endorse the charging model used by CCC Historic Environment Team then it could reduce PCCs cash contributions.
- Quality – PCC's HER needs upgrading and improving; absorption into ours would expedite this process, plus reduce ICT overhead and raise its profile, whilst remaining detachable if needs be. It also provides capacity for environmental stewardship and for data enhancement projects to be bid for.
- Storage – merging PCC and CCC HET would bring CCC's Archaeological Archive storage processes to the table; whilst Peterborough Museum is a receiving body, nevertheless having access to our facility could work well with Vivacity and the Museum's forward planning by offering an opportunity to alleviate pressure.

**Project Overview - What are we doing**

We would provide a full service of HER and planning support to PCC. We would agree service standards similar to those we already have with the Cambridgeshire District Councils. PCC staff member stays as the main contact for the area, remains mainly a home worker but would now be one of 4.1 FTE Development Management Officers rather than by herself. This means extra CCC staff would be available to cover and share the load/provide cover, and PCC staff member could support north Cambs if needs be.

Additionally, we would take over PCC HER and deliver it via remote hosting alongside our own database, which is Exegesis HBSMR. We believe that once PCC data is integrated with CCCs into a single dataset we could operate PCCs updating and query functions fairly efficiently, in return for an annual fee and software licensing costs. PCC's current HER dataset will need a one-off investment to address shortcomings and get it to the point where it can be used efficiently. The scale of this will need some more assessment at our end, but this requirement for PCC would be fairly similar regardless of whether we absorbed their data into ours or created/acquired a new software package like Exegesis HBSMR.

**What assumptions have you made?**

- That there is enough work within PCC area to provide an income stream. We already generate income within Cambridgeshire in this way so are familiar with the 'market'.

- That PCC would support this level of charging for their services. Discussions with service managers indicate so, but evidently this could be a political decision.

**What constraints does the project face?**

The level of upgrade required to PCC resources to bring them up to CCC levels may be more than anticipated. At present PCC's current archaeology officer has to (we are told) be formally advised of this project. This is a current constraint because in order to fully understand any data and process issues within PCC existing function, we need access to information that is best known by her.

## Delivery Options

**Has an options and feasibility study been undertaken?**

Division of service functions with PCC; no transfer of employment of PCC officer

## Scope / Interdependencies

**Scope**

**What is within scope?**

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

For Peterborough a better and more resilient service provision for their users.

For Cambridgeshire a broader service base for resilience.

**Title**

## Risks

**Title**

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

Users of archaeology services in PCC (public, education and development)

**What positive impacts are anticipated from this proposal?**

A better and more resilient service

**What negative impacts are anticipated from this proposal?**

Very little apart from a possible perception of loss of 'locality' within PCC area

**Are there other impacts which are more neutral?**

None

**Disproportionate impacts on specific groups with protected characteristics**

| Details of Disproportionate Impacts on protected characteristics and how these will be addressed |
| --- |
| There will not be any disproportionate impacts on protected characteristics. Due to remote working there will be no extra travel. |

# Business Case

## B/R.6.105 Transformation of the Infrastructure & Growth Service into a profit centre

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | B/R.6.105 Transformation of the Infrastructure & Growth Service into a profit centre | | |
| **Project Code** | TR001392 | **Business Planning Reference** | B/R.6.105 |
| **Business Planning Brief Description** | Remove the revenue budget and expand the commercial activities delivered by the service to maximise income opportunities for the service through recharge and development-related income. | | |
| **Senior Responsible Officer** | Andrew Preston, Assistant Director of Infrastructure and Growth | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

To maximise income for the Council and create the potential for areas that cannot be recharged to capital to be supplemented by the areas that can through income from external organisations and enable a more commercial approach to the management of risk to the authority and overall cost of providing services.

**What would happen if we did not complete this project?**

Development related planning activities that aren't rechargeable would continue to create revenue pressures for the Council. Capital and revenue savings through efficient and effective commercial resource management and allocation would not be realised.

#### Approach

**Aims / Objectives**

Adopt a more commercial approach to the operation and management of the service
Appoint a partner to provide strategic support and expertise to support the operation of the service
Achieve revenue and capital savings through more effective use of resources and
Maximise income generation opportunities
Provide financial support for non-rechargeable services

**Project Overview - What are we doing**

**Summary**

Commercial operation of the service will maximise income opportunities and standardise the approach to working with external clients, enabling consideration of the associated commercial risks.

**Current practice**

The service predominantly recovers its operating costs through recharge and some development related income. A large proportion of this is for external clients, such as the Combined Authority & Greater Cambridge

Partnership (GCP).

**Future model**

Standardised approach to working with external clients offering the following services:
Delivery of major infrastructure projects
Transport planning and strategy services

**Growth and Development related services**

Expanding operations within Cambridgeshire and offering services to other local authorities. This would entail expanding the team to take on additional projects.

Joint delivery with a strategic partner that would supply personnel with expertise to deliver additional services / or hiring an external consultant to supply expertise and provide training to upskill members of the team

The new model would require a change in the way that the service operates including effective systems for time management.

Revenue generated from this approach will support those services such as strategy and development related planning activities that aren't rechargeable or covered by a specific revenue or capital budget.

The service will incorporate risk within its approach, adopting a private sector approach to resource and budget management.

**Delivery**

*Aug 2018 – Mar 2019:*

*Key milestones:*

- Service restructure in view of the upcoming changes look to bring together posts within Peterborough and Cambridgeshire
- Development of Shared Services arrangement with Peterborough
- Further scoping work to develop the project
- £79k reduction in the Transport Strategy & Funding Revenue budget. Develop marketing and business development strategy
- Draft an options appraisal setting out the options and a recommendation for the style of partnership the service will seek to set up with an external consultant (Partnership agreement / JV etc.)

*Apr 2019 – Mar 2020:*

*Key milestones:*

- Present options to C&I Committee for decision
- Carry out procurement exercise to appoint either a) a strategic partner or b) external consultant

**What assumptions have you made?**

. It would be possible to gain sufficient revenue to recover the costs of non-rechargeable activity savings currently offered.
. The workload for external organisations will continue to be in line with current trends and therefore existing income streams will stay the same/ yield increased returns

**What constraints does the project face?**

. Team capacity to expand operations with a commercial focus

. Mitigation: Joint delivery with Peterborough and operational partner

The service do not currently have the expertise to operate in this way

Mitigation: Specifying expertise required within tender specification for a partner or restructure considers business development role

The service do not currently have the right systems in place for full commercial operation (e.g. time management system)

Mitigation: Reviewing in-house products and procuring systems as necessary

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Developing a commercial trading operation within the LA
Expanding customer base
Investigating options for appointing a partner

**What is outside of scope?**

Becoming a Local Authority Company Traded Organisation (LACTO)

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

Optimising the skills quotient within the service
Positive outcomes through improvements to the efficiency and effectiveness of the service

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Staff within Growth and Regeneration
Current delivery partners
Current and future developers operating in the region

**What positive impacts are anticipated from this proposal?**

Better customer journey for developers as they can work with the service end to end
Facilitating the delivery of new major capital infrastructure projects
Income generation

**What negative impacts are anticipated from this proposal?**

Impact on competition within the market

**Are there other impacts which are more neutral?**

The re-strucuture may result in changes in roles and opportunities for career development. Commercial risk will need to be managed.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

The re-structure may result in changes in roles but this would be managed through the HR process to make sure that there is no disproportionate impacts on protected characteristics.

# Public Health Committee Business Cases

## Business Case

## E/R.6.031 NHS Health Checks IT Contract

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | E/R.6.031 NHS Health Checks IT Contract | | |
| **Project Code** | TR001402 | **Business Planning Reference** | E/R.6.039 |
| **Business Planning Brief Description** | NHS Health Checks are commissioned from GP practices. The contract for an IT software system to manage the data in practices and for performance management has been terminated as it could not fully meet GDPR requirements. New arrangements with the Clinical Commissioning Group are now available at no additional cost. | | |
| **Senior Responsible Officer** | Val Thomas | | |

### Project Approach

**Background**

**Why do we need to undertake this project?**

Cash reductions in the Public Health Grant and financial pressures upon the Local Authority require efficiencies and cost-effective innovative approaches to delivering commissioned services.

**What would happen if we did not complete this project?**

The savings would not be secured.

**Approach**

**Aims / Objectives**

This proposal aims to secure savings from severing the contract for the provision of an IT system that facilitates and improves the data collection and collation processes for the NHS Health Check Programme.

**Project Overview - What are we doing**

#### Background

NHS Health Checks is a cardiovascular risk assessment (offered to people aged from 40 to 74 years old) every five years who do not have a diagnosed health condition. Eligible individuals are identified by GP practices and sent an invitation to have an NHS Health Check at their practice. GP practices are paid for each NHS Health Check that they undertake.

We introduced outreach NHS Health Checks that are provided by the lifestyle service 'Everyone Health' that target high risk and often hard to reach populations through offering NHS Health Checks at workplaces and other community locations. The results are sent to the GP practices for them to follow up if necessary. Everyone Health is funded through a block contract that does not have a threshold for its activity.

A robust data collection process is required to: ensure that the correct patients are identified, any intervention is recorded whether in the GP practice or in the Outreach Service, that anonymized data is sent to the Local Authority as part of the performance monitoring of activity which also enables GPs to be paid, that data is sent from safely from the Outreach Service to the participants' GPs.

New technologies have been emerging that allow software to sit on GP practice systems, and after securing agreement with the Clinical Commissioning Group (CCG) which has responsibility for practice systems we commissioned new software that started to be installed in GP practices in 2017.

**Current position**

The introduction of GDPR compromised the security of the software as it could not fully meet the GDPR requirements and therefore it was not considered safe to continue with the contract. Although prior to GDPR it had been rigorously assessed by the CCG Information Governance and CCC Information Governance to ensure it was fully compliant with the pre-GDPR information governance requirements. The IT company fully agreed with this approach and assumed any additional cost for removing systems already in practices.

**What assumptions have you made?**

N/A

**What constraints does the project face?**

N/A

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

NHS Health Checks IT software contract

**What is outside of scope?**

The other parts of the NHS Health Checks Programme which includes payments to GPs and lifestyle service Outreach Health Checks programme and point of care blood testing.

## Project Dependencies

**Title**

The CCG IT Improvement Programme

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

The CCG IT improvements also affect the reporting of other Public Health services commissioned from GP practices.

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

This proposal covers the whole of Cambridgeshire

NHS Health Check recipients both in GP practices and an Outreach Programme. The recipients will be in the eligible age range of 40-74 years and without a diagnosed ongoing condition. This proposal is how information about their NHS Health Check is processed and managed. It does not include any changes to their actual NHS Health Check.

**What positive impacts are anticipated from this proposal?**

It will support the development of the local GP practice system and is a good local example of shared data protocols.

**What negative impacts are anticipated from this proposal?**

There are no negative impacts anticipated for communities as a result of the changes to the IT contract that collates data.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities as a result of the changes to the IT contract that collates data.

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being negatively impacted by implications of this proposal have been identified.

# Business Case

## E/R.6.032 NHS Health Checks Funding

| Project Overview | | | |
|---|---|---|---|
| **Project Title** | E/R.6.032 NHS Health Checks Funding | | |
| **Project Code** | TR001403 | **Business Planning Reference** | E/R.6.039 |
| **Business Planning Brief Description** | This proposal secures savings through a reduction in the allocation of funding for NHS Health Checks based on an historical budget that was transferred from the NHS. There has been a recurrent underspend and stable levels of activity. | | |
| **Senior Responsible Officer** | Val Thomas | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

Cash reductions in the Public Health Grant and financial pressures upon the Local Authority require efficiencies and cost-effective innovative approaches to delivering commissioned services.

**What would happen if we did not complete this project?**

The savings would not be achieved.

### Approach

**Aims / Objectives**

To reduce the allocated funding to the NHS Health Checks Programme without reducing its activity levels.

**Project Overview - What are we doing**

#### Background

NHS Health Checks is a cardiovascular risk assessment offered to those aged between 40 and 74 year old, every five years, who do not have a diagnosed health condition. Eligible individuals are identified by GP practices and sent an invitation to have an NHS Health Check at their practice. GP practices are paid for each NHS Health Check that they undertake. GP's are paid for each Health Check, it is a unit cost and relevant to the whole business case.

We introduced outreach NHS Health Checks that are provided by the lifestyle service 'Everyone Health' that target high risk and often hard to reach populations through offering NHS Health Checks at workplaces and other community locations. The results are sent to the GP practices for them to follow up if necessary. Everyone Health is funded through a block contract that does not have a threshold for its activity i.e. it is a block contract therefore no matter how many outreach checks are undertaken the contract price remains the same.

#### Current position

The funding allocation that was transferred from the NHS has not been met by the activity. Although improvements have been made and numbers have increased there has been a persistent underspend on the funding allocation.

The outreach programme has contributed to this as it has slowly been increasing the number of completed

NHS Health Checks but this has not created a cost pressure as the Provider is not paid for each NHS Health Check.

**What assumptions have you made?**

That the demand for GP delivered NHS Health Checks does not increase above the level that can be contained in the proposed new funding allocation.

**What constraints does the project face?**

An unprecedented increase in GP practice activity of NHS Health Check activity.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

NHS Health Checks funding allocation

**What is outside of scope?**

The NHS Funding allocation covers all aspects of the programme including GP payments, outreach NHS Health Checks and point of care blood tests.

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

None

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

This proposal covers the whole of Cambridgeshire.

The 40 to 70 year olds who are eligible for an NHS Health Check who do not have a diagnosed condition. However, no groups who are eligible will be adversely affected by the proposal.

**What positive impacts are anticipated from this proposal?**

The GP Practice NHS Health Check Programme will not be affected and efforts are ongoing to increase the uptake in the Outreach Programme as this targets the most at risk populations and the costs are contained within the block contract price.

**What negative impacts are anticipated from this proposal?**

There are no negative impacts anticipated for communities as a result of this proposal

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities as a result of this proposal

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

This proposal will increase the focus upon more deprived areas that have populations with higher risks of cardiovascular disease through the outreach service where costs are contained within the contract cost.

# Business Case

# E/R.6.033 Re-commissioning of Drug and Alcohol Treatment Service (Public Health)

## Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | E/R.6.033 Re-commissioning of Drug and Alcohol Treatment Service (Public Health) | | |
| **Project Code** | TR001380 | **Business Planning Reference** | E/R.6.033 |
| **Business Planning Brief Description** | The Adult Drug and Alcohol Treatment Services was re-commissioned in 2017 and the new Service will commence in October 2018. The value of the contract is being reduced over the course of the contract reflecting transformational changes in response to changing needs and service efficiencies. | | |
| **Senior Responsible Officer** | Val Thomas | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

Cash reductions in the Public Health Grant and financial pressures upon the Local Authority require efficiencies and cost-effective innovative approaches to delivering commissioned services. The re-commissioning of this service has enabled transformational service redesign and efficiencies that will be delivered over the course of the five year lifetime of the contract.

**What would happen if we did not complete this project?**

The required savings would not be realised.

### Approach

**Aims / Objectives**

The aim of this proposal is that the new Adult Drugs and Alcohol Treatment Service makes transformational changes that produce efficiencies and contribute towards improved outcomes.

The key objectives will impact at different stages of the contract and are as follows:

- Increase community treatment alternatives and the introduction of new cost-effective technologies as they come on stream.
- Manage service demand through strengthening early intervention and prevention services, strengthening work with other organizations to develop holistic care packages that support recovery and targeting high risk groups with harm reduction and community support interventions.
- Expand and strengthen recovery services to reduce clients re-presenting to the services.

**Project Overview - What are we doing**

**Background**

The Drug and Alcohol Joint Strategic Needs Assessment in 2016 found that there is a changing landscape for drug and alcohol misuse with changing patterns of demand and different client groups.

The current Adult Drug and Alcohol Treatment Service provided by the South Staffordshire NHS Foundation Trust through its Inclusion Service has evolved over the past five years in response to the changing needs of the client population. However in the current contract there are still services that are being delivered in a hospital setting when there is evidence that these could be undertaken safely in a more cost effective community setting. For example detoxification is currently undertaken in the community but also through a separate contract with the Cambridgeshire and Peterborough Foundation Trust that provides inpatient care at its Fulbourn site.

The current service design means that there has been limited investment in early intervention or prevention work. Providing intervention and brief advice to at risk populations is a cost-effective evidence based approach that has been undertaken randomly and not funded on an ongoing basis.

There are pathways between services that provide support for adult drug and alcohol users that usually have wide ranging needs. It is essential that these services work together to provide a holistic package of care that will produce positive outcomes for the client. These pathways especially with mental health and primary care services need to be strengthened to secure better outcomes and decrease ongoing demand for services.

Good recovery services that offer wide ranging support and link effectively with other services is recognized as being essential for ensuring good treatment outcomes and reducing representation to services.

**Current position**

To be able to meet these needs, in the context of reduced funding, the request for agencies bidding for the contract was to present proposals that would enable transformational change to deliver services in a different way and impact on demand going forward.

The following transformational changes have been built into the new service specifications and the contract has been awarded at a reduced value:

- More treatment will be undertaken in the community including an increased number of detoxification treatments.
- Funding has been allocated to the Lifestyle service for it to provide a Drugs and Alcohol Health Trainer who will focus on providing Identification and Brief Intervention (IBA) Training to a range of organisations to enable their staff to increase the numbers of high risk substance misusers who are identified and receive an appropriate service to prevent their misuse becoming a dependency. There will also be increased focus on promoting prevention generally in the community.
- The Recovery element of the service has been strengthened to provide more support and the provider will work with a range of organisations to ensure that the wide range of needs of clients in recovery are met to ensure that there is a decreased number of re-presentations to the Drug and Alcohol Service.
- Services have been redesigned to meet the new needs that have emerged, the increased number of older people accessing the service, the misuse of prescription drugs and the aging cohort of long term primarily opiate users whose dependency has effectively become a long term condition. These require different more cost effective approaches that are based on working with different organisations to ensure that they receive the right type of support that will enable them to remain in the community with less support from the treatment services.
- Other savings are through providing a mobile service, thereby avoiding accommodation costs.

**What assumptions have you made?**

- All clients diagnosed with requiring detoxification will be assessed for their suitability for community detoxification. Based on experience in other services the majority of clients can be effectively treated in the community. However, this assessment has not yet been undertaken on Cambridgeshire clients

- and there is an assumption that there will be a high number of patients suitable for a community detoxification.
- That organisations will engage with the IBA training and their staff will make an appropriate intervention and refer when necessary.
- For the Recovery Services to secure the desired positive outcomes will mean the engagement and collaboration of partner organisations.

**What constraints does the project face?**

- The contract for the new Service has been awarded and it will be performance monitored. .However some of the transformational changes are dependent on collaborative working with other agencies and subject to the assumptions described above.
- There could also be a delay before the positive impact of increasing the level of IBA in the community is experienced by the Service.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

**Scope**

**What is within scope?**

Adult Drug and Alcohol Services including all four tiers of the treatment Service

**What is outside of scope?**

Children and Young People Drug and Alcohol Treatment Services.

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

The transformational changes are aiming to improve outcomes for those misusing drugs and alcohol in terms of successful recovery and fewer representations to the Service.

Earlier identification of those at risk of developing from at risk users to dependent users.

Improved and more appropriate treatment of long term misusers of opiates, misuse of prescription drugs and older people.

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

This proposal covers the whole of Cambridgeshire. Adults who misuse Drugs and Alcohol ranging from those who are putting themselves at risk to those who are dependent on drugs and alcohol.

Certain groups are at a higher risk of drug and alcohol misuse , those suffering from mental illness, those in the criminal justice system (prisoners or ex-prisoners), the homeless and unemployed.

**What positive impacts are anticipated from this proposal?**

The Service will be more accessible as it provides a mobile service in more remote areas of the County.

The strengthened Recovery Service will improve recovery outcomes and lead to a decreased rate of re-presentations to the Service.

The Service aims to treat more people in the community through community detoxifications and therefore fewer people are admitted to hospital for treatment.

Increased collaboration with other services will ensure that people will be identified and treated early, ideally before they become dependent, and different types of needs will be better addressed (e.g. employment). These factors increase the chances of positive outcomes.

**What negative impacts are anticipated from this proposal?**

There are no negative impacts anticipated for communities as a result of this proposal

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities as a result of this proposal

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

This proposal will aim to target groups that have a high risk of misusing substance which includes those who suffer from mental illness, the deprived, homeless, in the criminal justice system and older people. The Service design includes a mobile service to increase accessibility and outreach work to ensure that these groups are targeted. The Service will build on work already in progress with the mental health and criminal justice system to aid early identification and referral to services. Older people are associated with an increased use of alcohol and prescribed drugs.

Early identification of these and appropriate interventions will be supported by collaborative working with the Clinical Commissioning Group to increase awareness amongst health professionals of these risks through the provision of information/training and enable more preventative and early intervention approaches that will facilitate early identification and referral when necessary.

The Identification and Brief Advice (IBA) training programme will target organisations that work with high risk groups. It will be provided by the Health Trainer from the Integrated Lifestyle Service with a specialist interest in drug and alcohol misuse and who will also support other health trainers and services to identify early and make an appropriate intervention.

# Business Case

## E/R.6.035 Mental Health training - focusing on children and young people's workforce

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | E/R.6.035 Mental Health training - focusing on children and young people's workforce | | |
| **Project Code** | TR001397 | **Business Planning Reference** | E/R.6.035 |
| **Business Planning Brief Description** | Reduction in funding for mental health training, with a focus on a smaller workforce group. | | |
| **Senior Responsible Officer** | Raj Lakshman | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

Financial constraints on Local Authority budgets require a review of current spending to ensure the best use of resource. A funding reduction can be achieved through a change in the type of training delivered and a re-focusing of the targeted workforce.

**What would happen if we did not complete this project?**

Required savings would not be met.

#### Approach

**Aims / Objectives**

The training seeks to:

- improve knowledge and understanding of mental health within the children and young people’s workforce.
- improve confidence in identifying and responding to mental health issues in children and young people.
- improve understanding of the mental health services and support available for children and young people.

This proposal aims to achieve these objectives with a reduced budget.

**Project Overview - What are we doing**

The service now delivers the following training for the broader children and young people’s workforce (which will still include some schools that wish to access further training):

- Mental Health Awareness Courses (1 day course)
- Child and Adolescent Mental Health Foundation Module (12 days)
- Introduction to CBT (6 days)
- CPD day courses (for those who have attended the Foundation Module course)
- E-learning package (piloting)

Previous analysis has shown that the Foundation Module course in particular is quite an expensive course (approximately £1,500 per person) with the nature of the Public Health grant meaning places can't be subsidised, but must be paid in full. The course is popular and does receive good outcomes in terms of people's increased understanding and confidence, but with the current investment it is limited in terms of how many people can be reached. In addition, although the course is always full, the length of the course (12 days) is a limitation for some individuals in terms of securing the days for attendance.

There is a variety of mental health training available, some of which is free (e.g. CHUMS training), and some training that schools / settings pay for. The Government also funds some Youth Mental Health First Aid training for secondary schools (every secondary school is entitled to 1 free place on the 1 day course). In addition the 2018 'Transforming children and young people's mental health provision' Green Paper indicates that there will be additional training made available for Designated Senior Leads for Mental Health in the future.

Where there is less training available is the broader children and young people's workforce, with bespoke training being commissioned in the past for certain workforce groups. With financial constraints it is logical to focus on upskilling a targeted part of the workforce.

Within the Local Authority, Early Help teams frequently work directly with young people and families, yet there is currently limited free training available (LGSS training and the CPFT training). In particular, the Heads of Early Help have identified Young People's Workers as a group that would benefit from greater mental health training investment. Young People's Workers form part of district teams and provide 1-to-1 support to young people, supporting them to overcome barriers.

A more flexible and cost effective mechanism for delivery of training is through a greater use of e-learning. A variety of providers offer e-learning packages locally, including the current Provider CPFT who is trialling a new mental health (risk and resilience) e-learning package as part of this year's investment. E-learning wouldn't be appropriate for all training requirements, therefore a mixed approach which includes face to face training is proposed.

It is proposed that Public Health work together with the Heads of Early Help to establish a clear specification of the training requirements and success criteria. Following appropriate procurement procedures a Provider would be identified that could deliver the training package in 2019/20.

Current work with Early Help Teams identifies training requirements in the following areas as part of this work:

- Suicide and self-harm training
- Pre-bereavement training
- Developing further skills, this would depend on course availability within funding constraints but could include CBT or basic counselling skills.

**Current training cost = £46k**

**Proposed savings = £36k**

**What assumptions have you made?**

**What constraints does the project face?**

It is believed that a suitable training package could be procured within the reduced budget of £10,000 for 2019/20.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

**Scope**

**What is within scope?**

Mental Health Training investment (£46k) – provides mental health training to the children and young people's workforce.

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

A more flexible training offer for Early Help Teams, hopefully enabling greater access to mental health training.

**Title**

## Risks

**Title**

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

The current training provider – CPFT. This would have implications in terms of their workforce. Constant communications are being held to identify how to best manage this impact.

Other groups that would be affected are the broader children and young people's workforce who currently have access to training, including the social care workforce, the health sector and school and college staff. Indirectly there could be an impact upon the young people this workforce works with, although there is a range of other training available to schools locally (some for a cost) which schools are accessing. The proposal impacts upon training that covers the whole of Cambridgeshire.

**What positive impacts are anticipated from this proposal?**

More flexible and tailored training for the Early Help Teams (especially Young People's Workers). It is anticipated the take up of training would be considerable because of the greater flexibility of the training package. In turn the training of this workforce would be expected to benefit children and young people that Early Help Teams work with.

**What negative impacts are anticipated from this proposal?**

Some staffing groups would not be able to attend the training, in particular the Foundation course is well received by those that attend, but places are limited and the cost per individual is quite high. Currently a wide spectrum of the workforce attend including teachers and school nurses and they would not have access to this training under the proposal.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities as a result of this proposal

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

With reduced funding for training inevitably there is likely to be fewer people within the workforce receiving training to ensure quality of training is maintained. The use of a variety of delivery methods, including e-learning will hope to reduce this impact but there will be fewer people trained. This could in turn have an impact on the identification of vulnerable young people with mental health problems. However, there is a range of training available to the schools workforce in particular, that has not previously been on offer, that would hope to counter this impact. A variety of local work has shown that schools are already accessing training from a range of local providers.

In terms of specific groups with protected characteristics, the following impact would be expected from the changes:

| Impact | Positive | Neutral | Negative |
|---|---|---|---|
| Age | | X | |
| Disability | | X | |
| Gender reassignment | | X | |
| Marriage and civil partnership | | X | |
| Pregnancy and maternity | | X | |
| Race | | X | |
| Religion or belief | | X | |
| Sex | | X | |
| Sexual orientation | | X | |
| The following additional characteristics can be significant in areas of Cambridgeshire: | | | |
| Rural isolation | | X | |
| Deprivation | | X | |

Age – Inevitably with reduced funding and more targeted training there may potentially be fewer young people indirectly benefiting from the training. However, Young People's Workers work on a one-to-one basis with some of the most vulnerable young people and the training is being tailored to the needs they have identified in working with these young people. Therefore it is anticipated this training would be used in practice regularly. In addition it is difficult to quantify the number of people that indirectly benefit from training, particularly when it is a wide workforce that is being trained. Furthermore, there is now a range of training that is available, particularly for schools, that was not available when the current training was set up. Work has shown a number of schools are accessing this training, some of which is free and some of which incurs a cost.

Disability - Use of the skills developed through the training with young people will benefit young people who are experiencing difficulties in life and struggling with their mental health, in a similar way to the current training offer.

Gender Reassignment – This training is available to anyone in the relevant Early Help Teams. Use of the skills developed through the training with young people would potentially benefit some of the most vulnerable to poor mental health, such as those struggling with gender identity. This outcome would be similar to that of the current training.

Marriage and civil partnership – There would be no difference with this proposal; training will be available to a different and more defined workforce group within Early Help rather than the broader children and young people's workforce.

Pregnancy and Maternity – Training will remain flexible and accommodating to different needs and open to all within the relevant teams.

Race – Training will be open to all within the relevant teams, there are no anticipated challenges in terms of language for attending the training.

Religion or Belief – The training being delivered will be sensitive to different religions and beliefs as the current training is. This will be particularly relevant with pre-bereavement training for example and specialist training providers will be sought as necessary.

Sex – Training will be flexible to accommodate needs and be available to all in the relevant Early Help Teams. E-learning opportunities and training focused on specific teams will enable greater flexibility to needs e.g. fitting around child care arrangements.

Sexual Orientation - This training is available to anyone in the relevant Early Help Teams. Use of the skills developed through the training with young people would potentially benefit some of the most vulnerable to poor mental health, such as those who are LGBT+. This outcome would be similar to that of the current training.

Rural Isolation – Early Help Teams are spread across the county and consistent training across the teams will ensure that there is good access to trained Young People's Workers across the county.  The current training does have a wide reach across the county and into rural areas, but the proposal will allow for a more systematic approach.

Deprivation - Early Help Teams are spread across the county and consistent training across the teams will ensure that there is good access to trained Young People's Workers for those from more or less deprived communities.

# Business Case

## E/R.6.036 Integrating Healthy Child Programme across Cambridgeshire and Peterborough

| Project Overview | | | |
|---|---|---|---|
| **Project Title** | E/R.6.036 Integrating Healthy Child Programme across Cambridgeshire and Peterborough | | |
| **Project Code** | TR001398 | **Business Planning Reference** | E/R.6.036 E/R.6.037 |
| **Business Planning Brief Description** | Integrating the Healthy Child Programme (Health Visiting, Family Nurse Partnership, School Nursing) across Cambridgeshire and Peterborough. | | |
| **Senior Responsible Officer** | Dr Liz Robin, Dr Raj Lakshman | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

- The public health grant which is used to commission the Healthy Child Programme has been reduced, and this programme will redesign services to accommodate the reduced budget. This is aligned to the national integration agenda and will see provision streamlined from two separate providers, systems and processes to one integrated provision.

- It will reduce system complexities and duplication of services for children, young people and families in accessing the Healthy Child Programme (HCP 0-19).

- A saving proposal of £238k was agreed in the previous business planning round, but deferred until April 2019 in order for further work on the integration model to take place, with the gap being funded by PH reserve (proposal E/R.6.036). An additional proposal for £160k saving is being included in this year's business planning (proposal E/R.6.037). The total saving from the two proposals is £398k.

**What would happen if we did not complete this project?**

With the public health grant being reduced, we would overspend in this area if we are unable to make these savings.

### Approach

**Aims / Objectives**

- To improve delivery of the current outcomes framework for children and young people.
- To improve performance where applicable to the Healthy Child Programme (HCP)
- To ensure the statutory responsibilities of the Director of Public Health for delivery of the Healthy Child Programme (HCP) are met
- To ensure provision is in line with the nationally reduced public health grant

**Project Overview - What are we doing**

Integrating the Healthy Child Programme (Health Visiting, Family Nurse Partnership, School Nursing) across Cambridgeshire and Peterborough. The Benson modelling tool has been used to model the workforce requirements and various options possible by changing the skill-mix and activities delivered. Combined with management cost savings, savings of £398k for Cambridgeshire and £200k for Peterborough have now been identified. The Benson modelling tool is a workforce modelling tool that has been used by Cambridgeshire Community Services for some time, and is nationally used by some 40 NHS Trusts. It has been populated with information about the tasks that Health Visitors, School Nurses and allied staff do to deliver the service offer. Across Cambridgeshire and Peterborough a model has been produced which has been used to develop a service offer for the HCP. In summary this has included:

- Reviewing the workforce aligned to the Healthy Child Programme and teenage pregnancy pathway across Cambridgeshire Community Services (CCS) and Cambridgeshire and Peterborough Foundation Trust (CPFT) to determine the activities that are currently undertaken, the skill mix involved to create a baseline. This baseline was then used to model different scenarios in order to achieve Public Health Grant savings of £398k in Cambridgeshire and £200k in Peterborough .
- Reviewing the current separate section 75 agreements (in readiness for start at 1 April 2019) in conjunction with the above and wider service delivery to determine service provision, updating in line with outcomes for the above activity, and determining other activity within the current specification which requires amendment.

**Current budget: £12.6 million (combined); £8,926,739 (Cambridgeshire)**
**Target savings: £598k (combined); £398 (Cambridgeshire)**

**What assumptions have you made?**

That the costs of workforce change will be borne by the provider

That recruitment to nursery nurse grades will be achievable

That there will be no delay to the project implementation required by wider public consultation

**What constraints does the project face?**

The need for stakeholder consultation if there are significant changes to the service model would result in delays in implementing the section 75 agreement.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

The Healthy Child programme across Cambridgeshire and Peterborough delivered by CCS and CPFT

The 0-19 Healthy Child Programme (HCP) consists of Health Visiting (0-5yrs), Family Nurse Partnership (for vulnerable teenage parents), and School Nursing (5-19yrs).

**What is outside of scope?**

The wider children and young people’s services commissioned by the CCG (community paediatrics, community nursing, specialist therapies) and Local Authorities (Child and Family Centres, Early Help).

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

To be confirmed as project is developed but based on streamlined service experience, reduction of duplication, use of appropriate skill-mix, use of technology

**Title**

## Risks

**Title**

## Project Impact

**Community Impact Assessment**

**Who will be affected by this proposal?**

The scope of this project includes all children in Cambridgeshire and Peterborough between the ages of 0-19. It considers Universal, Universal Plus and Universal Partnership Plus services within the Healthy Child Programme (HCP) including Health Visiting, FNP and School Nursing. The Healthy Child Programme starts before birth so also includes pregnant women.

**What positive impacts are anticipated from this proposal?**

The new proposed offer provides a comprehensive integrated and targeted service across Cambridgeshire and Peterborough within the reduced cost envelope. This has been achieved through redesign and reallocation. A significant proportion of the service model will continue and the key changes which include enhancements to the service model are set out below:

- **Streamlining the Management Structure**
- By working effectively together across the Cambridgeshire and Peterborough geography the two Trusts have been able to integrate and rationalise the management structure as there are posts that span across the whole geography giving flexibility in supporting the identified health needs of our population, alongside a focussed locality delivery team with unique local knowledge, giving the service a robust management and leadership model moving forward.
- **Support for teenage parents - FNP (Family Nurse Partnership) and enhanced teenage parent pathway**
- Whilst a very important resource, with a sound evidence base and outcomes focussed approach, the Family Nurse Partnership only delivers to a small proportion of our teenage parent population. The Trusts are proposing a revised service offer for teenage parents.

   i. Continue to deliver FNP to 100 of our most at risk teenage parents (reduced from the current 200 which are often not taken up) and,

   ii. Utilise some of the savings from this to create and deliver an enhanced pathway of care for all teenage parents who require additional support, which would be in addition to the universal mandated offer

   iii. CCS is looking at collaborating with the national Family Nurse Partnership Unit to evaluate a similar model that is being delivered in Norfolk, so that an assessment of impact on outcomes for this cohort of young people can be made. A summary of the options considered is at 3.5

- **Change in workforce skill mix to deliver the service model**
- The mandated reviews in the Healthy Child Programme offer a unique insight into the developmental needs of all children and their families living in Cambridgeshire and Peterborough. An analysis of the skills required to carry out these reviews using nationally benchmarked data, has been undertaken. This has enabled the Trusts to propose the introduction of a skill mixed team that includes:

    i. Additional nursery nurse capacity – an under-utilised resource who have the skills to support the 1-8 year old age group. The skill mix team will ensure that there is always support from a Health Visitor available for Nursery Nurses within the Single Point of Access (SPA), to have case discussions and to escalate any immediate concerns or challenges.

    ii. Health Visitors will carry out the antenatal, new birth and 6-8 week checks and support nursery nurses to carry out the 1 and 2-2.5 year checks for children on the universal pathway.

    iii. Different roles within the 0-19 teams to support school aged children.

    iv. The skill mixed workforce will be supported by robust delegation and supervision processes which will include case management discussions which will enable safe, facilitated discussions on those cases that need a wider consideration from the 0-19years team expertise.

- **Redesigning access to advice**

  The service model has streamlined the provision of healthy child clinics by increasing access to immediate advice and support through an improved digital/intranet offer, Parentline, Chathealth and support from clinicians in the Single Point of Access – a resource for all families and in particular for those families who are not digitally literate or who do not have access to these platforms.

  As the digital platform goes live and is publicised, the Trusts will assess the impact that this has on clinics and therefore, those less well attended would be closed. The Trusts intend to work in partnership with Children Centre's/Child and Family Centres and potential Libraries to support access to a "self-weigh" model. This will rely on wider redesign of the services being undertaken as part of the Best Start in Life/Early Years strategy.

- **Saturday development review clinics**

  To improve access for families, the service model includes delivering development review clinics on a Saturday. This builds on the experience from piloting this in Cambridgeshire, where the feedback has been very positive with families and staff. It is envisaged that there will be one a month in each of the three localities. The service will look at extending this model based on uptake and feedback from service users.

**What negative impacts are anticipated from this proposal?**

Majority of the savings will be made by reduced management costs (£330k for Cambridgeshire and £100k for Peterborough). The remainder will be achieved by changing the skill mix within the workforce model and greater use of technology. The Transformation Board will review all proposed changes and consult with staff and service users to ensure negative impacts are mitigated.

**Are there other impacts which are more neutral?**

The majority of the service model remains the same. Details of changes are in the accompanying paper to health committee.

## Disproportionate impacts on specific groups with protected characteristics

### Details of Disproportionate Impacts on protected characteristics and how these will be addressed

With reduced funding the service will be targeted to areas of highest need.

In terms of specific groups with protected characteristics, the following impact would be expected from the changes:

| Impact | Positive | Neutral | Negative |
|---|---|---|---|
| Age | | X | |
| Disability | | X | |
| Gender reassignment | | X | |
| Marriage and civil partnership | | X | |
| Pregnancy and maternity | | X | |
| Race | | X | |
| Religion or belief | | X | |
| Sex | | X | |
| Sexual orientation | | X | |
| Rural isolation | | X | |
| Deprivation | | X | |

# Business Case

# E/R.6.038 Public Health Directorate staffing rationalisation

## Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | E/R.6.038 Public Health Directorate staffing rationalisation | | |
| **Project Code** | TR001394 | **Business Planning Reference** | E/R.6.038 |
| **Business Planning Brief Description** | Deletion of vacant posts within structure and removal of one PHJCU team leader post. | | |
| **Senior Responsible Officer** | Liz Robin | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

There is a need to reduce the overall public health budget in line with reductions in the national public health grant (approximately £700,000 for 2019/20). There are some staff posts which became vacant in 2017/18 and 2018/19 and for which the vacancies have been held. This has been associated with some decreases in service provision, but it is feasible to delete the vacancies and maintain current levels of delivery. There is also a restructure within the Public Health Joint Commissioning Unit with Peterborough City Council. The proposed merger of two team leader posts will also lead to a saving. Reduction of the staff budget will enable the organisation to meet its 2019-20 business planning savings.

**What would happen if we did not complete this project?**

The budget amount for these posts would remain unused and the organisation would miss out on the opportunity to make savings towards the budget.

### Approach

**Aims / Objectives**

- Creating savings
- Removing vacant posts

**Project Overview - What are we doing**

This project involves removing vacant posts from the Public Health Budget.

**What assumptions have you made?**

Assumptions made are that:
- The posts are no longer required
- The staff within the service will continue to have sufficient capacity to cover the workload that these posts previously shared

**What constraints does the project face?**

N/A

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

1. Deletion of three vacant posts within the structure:

- Mental Health Promotion Officer
- Drug and Alcohol Health Improvement Specialist
- Senior Public Health Analyst

2. Restructure within the Public Health Joint Commissioning Unit to remove one team leader post (already in progress)

3. Partly offset by increase in Peterborough City Council recharge

**What is outside of scope?**

Deletion of any additional posts

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

N/A

**Title**

## Risks

**Title**

Overstretching staff within the service

Increase in sickness absence

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Staff within the Public Health Directorate.

All posts involved cover the whole of Cambridgeshire.

Due to the nature of two of the deleted posts, there is potential impact on people at risk of mental health issues and/or their relatives, and on people at risk of drug and alcohol misuse or currently misusing these substances.

**What positive impacts are anticipated from this proposal?**

Savings of £80k to contribute to meeting the 2018-19 budget pressure, which would mean these savings do not need to be found from other public health services.

**What negative impacts are anticipated from this proposal?**

- Staff workload will continue to be shared between lower numbers of staff, which leads to potential for overload of remaining staff.
Mitigation: Review and prioritisation of workload previously delivered by these roles and their co-workers, to ensure total workload is manageable with reduced staff resource.

- Some reduction in public health analytical capacity, including ability to deliver JSNA and other products.
Mitigation: Production of one 'Core JSNA dataset' annually, rather than several 'themed' JSNAs.

- Reduced capacity for in-house mental health first aid training.
Mitigation: this training can be brought in when required.

- Reduced capacity for mental health promotion initiatives.
Mitigation: initiatives developed through the mental health promotion post are now embedded e.g. 'Keep your Head' child and adult websites content is now being maintained through voluntary sector organisations; MIND have a contract to run 'Stop Suicide' and other mental health anti-stigma campaigns.

- Reduced capacity for prevention and partnership work on drug and alcohol misuse issues:
Mitigation: The post which is being deleted was created in the restructure which formed the Public Health Joint Commissioning Unit, but it was not possible to recruit despite several attempts. Prevention and partnership work on drug and alcohol misuse issues is being prioritised according to capacity through the PHJCU drug and alcohol commissioning team. There is some input from agency staff to support peaks of work during significant procurements, and increased input from the wider public health team.

- Removal of one team leader post in the PHJCU through the merger of the healthy lifestyles and primary care team leader posts leads to increased workload for the new post holder.
Mitigation: A proposal has been approved by Health Committee to simplify contracting arrangements with primary care which will reduce workload in the longer term and maximise joint working across the PHJCU team.

**Are there other impacts which are more neutral?**

Removal of one team leader post in the PHJCU through a merger of the healthy lifestyles and primary care team leader posts: There are some benefits through only one Team Leader having oversight of both areas, as some primary care contracts deliver integrated lifestyles work (e.g. smoking cessation, health checks).

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

There is a potential impact from deletion of the mental health promotion post for people who have a disability as a result of mental health problems.
Mitigation: initiatives developed through the mental health promotion post are now embedded e.g. 'Keep your Head' child and adult websites content is now being maintained through voluntary sector organisations; MIND have a contract to run 'Stop Suicide' and other mental health anti-stigma campaigns.

# Business Case

## E/R.6.039 Long Acting Reversible Contraception (LARC)

## Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | E/R.6.039 Long Acting Reversible Contraception (LARC) | | |
| **Project Code** | TR001439 | **Business Planning Reference** | E/R6.039 |
| **Business Planning Brief Description** | Long Acting Reversible Contraception (LARCs) are commissioned from GP practices. The Clinical Commissioning Group (CCG) recharges the cost of the contraception devices. Audits revealed that the recharges included the cost of items for which the LA is not liable i.e. injectable contraception and the use of devices for gynaecological purposes. In addition the training programme for clinicians to ensure that there is capacity in the system is now completed. | | |
| **Senior Responsible Officer** | Liz Robin | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

Nationally cash reductions have been applied to the Public Health Grant. Consequently savings are having to be made through efficiencies and transformational changes in the services that are commissioned.

**What would happen if we did not complete this project?**

There would be an underspend on the budget

### Approach

**Aims / Objectives**

The aim is to ensure that the local authority Public Health Grant funds services that are included in its remit.

**Project Overview - What are we doing**

Ensuring that Public Health only funds what it is required to do within the terms of the Grant.

**What assumptions have you made?**

N/A

**What constraints does the project face?**

N/A

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

The funding allocated to commission Long Acting Reversible Contraception from GP practices

**What is outside of scope?**

This does not include funding allocated to other public health services commissioned from GP practices. It will also not affect the cost of the services. GP practices are paid for each unit provided not as part of a block contract. No provision threshold will be applied.

## Project Dependencies

**Title**

Increase in demand for LARCs

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

Not applicable

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Women seeking LARCs is the population group affected by this proposal. Current demand levels for LARCs are being met within proposed new budget. This proposal covers all of Cambridgeshire.

**What positive impacts are anticipated from this proposal?**

There are no positive impacts anticipated for communities as the proposal does not include changes to the current provided service.

**What negative impacts are anticipated from this proposal?**

There are no negative impacts anticipated for communities as the proposal does not include changes to the current provided service.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities as the proposal does not include changes to the current provided service.

| Disproportionate impacts on specific groups with protected characteristics |
| --- |
| **Details of Disproportionate Impacts on protected characteristics and how these will be addressed** |
| This proposal reflects a service only accessed by women, however, it does not include any change to provided service levels |

# Business Case

## E/R.6.040 Immunisation Promotion – Mainstreaming Budget

| Project Overview | | | |
|---|---|---|---|
| **Project Title** | E/R.6.040 Immunisation Promotion – Mainstreaming Budget | | |
| **Project Code** | TR001460 | **Business Planning Reference** | E/R.6.040 |
| **Business Planning Brief Description** | Mainstreaming the separate immunisation promotion budget into the generic health protection and public health communications work and funding streams. | | |
| **Senior Responsible Officer** | Katie Johnson | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

There is a need to reduce the overall public health budget in line with reductions in the national public health grant (approximately £700,000 for 2019/20). This project will contribute £13K towards this savings target.

**What would happen if we did not complete this project?**

These savings will not be made.

Mainstream work to promote immunisations –Childhood immunisation rates have improved since this budget was created, and Council staff work closely with NHS England and Public Health England to support continued improvement.

### Approach

**Aims / Objectives**

This savings proposal is to mainstream work to promote immunisations, which currently has a separate budget of £20K, into generic health protection and public health communications work and funding streams.

NHS England are responsible for commissioning vaccination programmes in Cambridgeshire; these include infant vaccinations, school-based vaccination programmes and vaccinations for adults, including the flu and shingles vaccinations. The public health directorate work closely with NHS England and other partners to increase vaccination uptake rates. It is important to maintain high vaccination rates in order to protect individuals and the community from a number of infectious diseases which can cause serious harm.

**Project Overview - What are we doing**

The £20K immunisation budget will be reduced to £7K which will be incorporated into the generic health protection budget, resulting in a saving of £13K. This value has been calculated based on current levels of spend and should enable effective promotion of immunisations. The public health directorate continue to work closely with NHS England, Public Health England and other partners to promote immunisations, often using cost-free mechanisms such as direct communication from trusted professionals, printed resources from the NHS, radio interviews and social media. In addition, immunisation promotion will continue to be incorporated into mainstream public health communications work, such as through the Stay Well workstream and pharmacy public health campaigns. The Director of Public Health carries out an assurance role for health protection across Cambridgeshire and receives regular reports from NHS England on immunisations rates via the Health Protection Steering Group. These reports show that childhood immunisations rates have generally increased since the creation of the immunisations budget, although there is still further room for improvement.

**What assumptions have you made?**

It is assumed that the public health directorate will continue to be able to work in partnership with key stakeholders from across the system to share expertise, networks and promotion mechanisms to increase uptake of immunisation.

**What constraints does the project face?**

None identified

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

Reduction of the immunisation budget by £13K.

**What is outside of scope?**

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Not applicable. It is anticipated that the current level of immunisation promotional work will continue but that the funding will be from the wider health protection budget.

**What positive impacts are anticipated from this proposal?**

No significant impacts/changes to current service delivery are anticipated. Immunisations will continue to be promoted by the public health department in partnership with key stakeholders including the commissioners in NHS England and Public Health England.

**What negative impacts are anticipated from this proposal?**

There are no negative impacts anticipated for communities as no significant impacts/changes to current service delivery are anticipated.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities as no significant impacts/changes to current service delivery are anticipated.

**Disproportionate impacts on specific groups with protected characteristics**

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

There are no disproportionate impacts on specific groups with protected characteristics as we do not anticipate any significant changes to current service delivery. Immunisations will continue to be promoted by the public health department in partnership with key stakeholders including the commissioners in NHS E and PHE.

## Commercial & Investment Committee Business Cases

# Business Case

# F/R.6.001 Contract Efficiency

| Project Overview | | | |
|---|---|---|---|
| **Project Title** | F/R.6.001 Contract Efficiency | | |
| **Project Code** | TR001378 | **Business Planning Reference** | F/R.6.001 |
| **Business Planning Brief Description** | To review contracts across a number of themes (size, age, type) to identify areas for better contract management, re-design, tighter specification, renegotiation or other routes of provision outside of traditional contract approaches to deliver longer term savings. | | |
| **Senior Responsible Officer** | Amanda Askham | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

LGSS Procurement have already begun to look at contracts below £100k to identify areas for potential efficiency through bulk purchasing and renegotiation based on similar activity supporting other Councils. This has started to yield some savings, and shown the potential for further savings, albeit at a lower level.

Applying a blanket saving percentage to the contract register in its entirety does suggest that much more significant savings could be made through a review of contracts at all levels of contract type and price. LGSS Procurement have been able to review a number of areas of contracts (in terms of size, type and age) where there is potential to explore different approaches, and yield savings in the future as well as learning from partner organisations that LGSS Procurement support.

With this intelligence, and the potential for savings available, it is important that these efficiencies should be pursued.

**What would happen if we did not complete this project?**

We would fail to capitalise on the potential savings within the large number of contracts we have, resulting in avoidable spend and duplication of effort continuing.

### Approach

**Aims / Objectives**

To undertake a high level review of the contract register to identify areas that may yield savings in the future either through reviews of specifications or more commercially focused renegotiation.

Complete a detailed review of Contracts with services to identify those contracts that have the best potential for savings, and return on investment.

Where re-specification and renegotiation is considered to be financially worthwhile this work will be taken forward. Where we need specialist resource to support this we will use Transformation Fund funding to meet this cost.

Our primary objective will be aiming to secure the best value for money contracts, when and where they are needed.

**Project Overview - What are we doing**

**Stage 1: High Level Analysis of Contract Register.**

Initial High Level Analysis of the Contract Register (as at the end of August 2018) identified a number of contracts in the medium term which are potentially viable for review and renegotiation.

This analysis identified contracts worth over £10 Million in total annual values that expire at the end of 2018/19 (and total annual values in excess of £200 Million expiring in both 2019/20 and 2020/21). We have used these figures to give an indicative amount of savings within the Business Plan for 2019/20 and beyond.

Further analysis (as set out in Stage 2) with services on each of the contracts identified will be necessary to better understand the potential for savings, and to account for those contracts which may be linked to other savings within the business plan already. This should provide a more definitive savings target we can monitor progress against.

**Stage 2: Initial Assessment of Contracts with Services**

This stage will involve working with the services to better understand the contracts identified at Stage 1, and to ensure that we are focusing on the right areas for more detailed review, and know where we can add the most value in terms of providing commercial expertise.

If, after this initial analysis, we believe that there is real potential for further savings we will push the contract through to the next stage.

**Stage 3: Detailed Assessment of Contracts**

Officers from Transformation, Finance, Audit and Procurement will assess the opportunity for savings from each contract. This will be done through assessing the individual extent of the opportunity (i.e. contract failure, inflated costs), with the levers (re-procurement, deductions, service changes) against the overall contract value.

We will agree the next steps after this stage, be that improved contract management; early review of contracts; reconsideration of extension clauses; re-design of services; re-specification of contracts; commercial renegotiation or use of Alternate Delivery Models.

**Stage 4: Review of Individual Contracts**

The timing of this will be dependent on the outcomes of stage 3. We hope that this work could begin before the start of the Financial Year to begin to realise savings as early as possible. The length of involvement will be dependent upon the timing of the contracts, and the resource chosen to undertake the work. We will need to draw on both internal and potentially external specialist support (legal, procurement, commercial expertise), and a related bid to the Transformation Fund has been made to fund this, where needed.

**What assumptions have you made?**

We have assumed that the contract register which has been used for the initial analysis is materially complete and correct. In addition we have assumed that there will be resource available to support this work and that there will be some flexibility in terms of changing the requirements and or procurement process for selecting suppliers.

**What constraints does the project face?**

Procurement regulations, time, cost and quality

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

**Scope**

**What is within scope?**

All contracts within the contract register.

**What is outside of scope?**

Recently negotiated contracts.

Spend below £100k (covered in separate work).

## Project Dependencies

**Title**

Commercial Acumen Training

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

Better specifications for contracts.

Genuine consideration of best methods of provision of service (if needed).

Commercial awareness spread more widely across the organisation.

**Title**

## Risks

| Title |
|---|
| Volume of data may cause timescales to slip |
| Unable to make savings due to lack of engagement from service areas |
| Unable to provide commercial negotiation expertise for services |
| Contract Register is incomplete/incorrect |

## Project Impact

## Community Impact Assessment

**Who will be affected by this proposal?**

Communities will not be affected as this proposal relates to contract procurement and management which will result in more cost effective contracts.

**What positive impacts are anticipated from this proposal?**

There are no direct positive impacts on communities from this proposal as levels of service for the contracts will remain unchanged.

**What negative impacts are anticipated from this proposal?**

There are no negative impacts anticipated for communities as levels of service for the contracts will remain unchanged.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities as levels of service for the contracts will remain unchanged.

## Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being negatively impacted by implications of this proposal have been identified

# Business Case

## F/R.6.101 Commercial Investments

| Project Overview | | | |
|---|---|---|---|
| **Project Title** | F/R.6.101 Commercial Investments | | |
| **Project Code** | TR001411 | **Business Planning Reference** | F/R.6.101 |
| **Business Planning Brief Description** | To create a commercial investment portfolio to maximise the available return to support the delivery of a balanced budget. This will require external support to advise on the investment options available, how to create a balanced portfolio and the best vehicle to use to undertake the investments. | | |
| **Senior Responsible Officer** | Amanda Askham | | |

### Project Approach

**Background**

**Why do we need to undertake this project?**

Developing strength and depth in our commercial activity is a key enabler in supporting our ambitious outcomes of;

A good quality of life for everyone
Thriving places for people to live
The best start for Cambridgeshire's children

'Acquisitions and investments' is a critical element of the 2019-22 Commercial Strategy and we need to develop a balanced investment portfolio which aligns our commercial aspirations to the core mission (above) as well as outcome-based performance measures.

Local authorities spent more than £1bn acquiring property in 2016 as a way of generating new revenue.

A survey undertaken by Localis showed that entrepreneurial activities currently make up 6% of council budgets. However respondents indicated that by 2020 this figure will rise to 18% - a sum potentially worth upwards of £27bn. It was estimated that this would generate up to £2bn of additional income each year; a sum equivalent to £100 off each 2019/20 council tax bill.

Cambridge and Peterborough City Councils, and Huntingdonshire District Council, have been undertaking such acquisitions for some time. Examples from other local authorities include:

Spelthorne BC
- £200m+ commercial portfolio developed over nine years
- £360m investment in BP office park (considered high risk)
- Use of interim consultants to develop internal expertise

Sevenoaks DC

- Financially self-sustaining council

- Owns a pub, petrol station, an office block (and building a Premier Inn)

Initial advice has been sought as to the potential level of returns which could be achieved through property investments. This has identified that whilst the returns will be the same regardless of the amount invested, the amount and associated risk, will vary depending on which mechanism to invest is used.

As an example;

- If £100m was invested using a 'Direct Approach' i.e. the organisation would own any property outright, you would (conservatively) expect a return of approx 5.31% (net of costs) with a moderate risk.

- If £100m was invested using a 'Multi-Portfolio Approach' i.e. the organisation invested in multiple properties but would not own any outright, you would expect a return of approx 4.10% (net of costs) with a low risk.

However, national government and CIPFA have raised concerns over the financial risks a number of Councils have taken in order to expand their commercial portfolio and re-iterated that;

"Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed....Where a local authority chooses to disregard the Prudential Code the [Capital] Strategy should explain:
Why the local authority has decided to disregard and the policies in investing the money borrowed including the management of risk"
S15(1)(a) of the Local Government Act 2003 (effective 1st April 2018)

**What would happen if we did not complete this project?**

A balanced investment portfolio will provide both an additional revenue stream to enable the Council to continue to provide services as well as an opportunity to directly add (social) value to our citizens. Without this there is a risk we would need to reduce the delivery of services.

## Approach

**Aims / Objectives**

The key objective of this project is to develop a broad portfolio of acquisitions / investments that maximises social and economic return to support the delivery of frontline services to our communities.

**Project Overview - What are we doing**

Through this work we will:

- Develop and agree a new Commercial Investment Strategy - setting out our approach to investments and governance arrangements
- Commission external support to advise on appropriate portfolio approach (this will include skilling up of existing staff) - we would expect this support to be for one year
- Agree risk appetite and profile for investments
- Develop an investment portfolio / plans - this could include (but not limited to)
    i. Residential and Commercial properties (within and outside of Cambridgeshire)
    ii. Businesses (going concerns and start-ups)
    iii. Joint investments / sponsorships
- Commission support to provide advice and / or manage an agreed fund(s) on a short to medium term basis until our existing teams would be able to take it over. We would expect to be in a position to do this over the next five years.
- Create the infrastructure to identify and pursue ad-hoc investment opportunities

**What assumptions have you made?**

The following assumptions have been made;

- We want to develop a wide and mixed portfolio to mitigate the investment risk
- Have an average yield of 6% across the portfolio

- The local authority will be the preferred investment vehicle

**What constraints does the project face?**

The main limitation to the project revolves around the ability to borrow money to fund commercial acquisitions with additional guidance expected in Jan 2019.

## Delivery Options

**Has an options and feasibility study been undertaken?**

The options considered were:
In house management
Outsource all investment management processes

## Scope / Interdependencies

**Scope**

**What is within scope?**

The scope of this project is to develop a balanced portfolio of acquisitions and investments; considering all opportunities within the limitations on the borrowing powers of local authorities.

**What is outside of scope?**

Whilst opportunities (including developing a shared strategy) with Peterborough City Council will be considered, the primary focus of the investments will be in relation to Cambridgeshire.

## Project Dependencies

| Title |
|---|
| Generation of capital receipts |
| Power to borrow |

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

The revenue achieved through the investment strategy will support the Local Authority to continue to provide outcome-focused services to the citizens of Cambridgeshire.

| Title |
|---|
| Income generation |
| Social Value |

## Risks

| Title |
|---|
| Market stability |
| Skills of the workforce to manage the portfolio |
| Identification of suitable investments- ability to act quickly |
| Increased financial risk to the Local Authority |

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Communities will not be affected as this proposal relates to income generation through commercial investments.

**What positive impacts are anticipated from this proposal?**

There are no direct positive impacts on communities from this proposal, however, increased income generation will mitigate the need to reduce services to the people of Cambridgeshire.

**What negative impacts are anticipated from this proposal?**

There are no negative impacts anticipated for communities as this proposal relates to income generation through commercial investments.

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities as this proposal relates to income generation through commercial investments.

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being negatively impacted by implications of this proposal have been identified.

Individual CIAs will be completed for specific investments where appropriate to identify any impact to protected characteristics.

## General Purpose Committee Business Cases

# Business Case

# D/R.6.999 LGSS Additional Ask

## Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | D/R.6.999 LGSS Additional Ask | | |
| **Project Code** | TR001410 | **Business Planning Reference** | D/R.6.999 |
| **Business Planning Brief Description** | Additional LGSS saving target of £919k in 2019/20. £96k has been identified as an additional saving from ERP Gold and £823K from a reduction in service which is yet to be decided. | | |
| **Senior Responsible Officer** | Justine Hartley | | |

## Project Approach

### Background

**Why do we need to undertake this project?**

To maximise the savings achievable through the partnership with LGSS.

**What would happen if we did not complete this project?**

There would be an impact on the overall CCC savings target for both financial years: 2019/20 and 2020/21.

### Approach

**Aims / Objectives**

To maximise the full potential savings from the shared service model.

**Project Overview - What are we doing**

Overall review of the service provided by LGSS to see where possible savings can be made, introduce efficiencies, streamline services or change processes in order to make those savings.

**What assumptions have you made?**

The assumption is that there are savings to be made and that the service provided by LGSS has not already provided maximum savings.

**What constraints does the project face?**

There are no identifiable boundaries at this stage.

## Delivery Options

**Has an options and feasibility study been undertaken?**

## Scope / Interdependencies

### Scope

**What is within scope?**

All functions LGSS provide and any external contracts for services held by LGSS on our behalf.

**What is outside of scope?**

Any functions not related to LGSS and the services they provide to CCC.

## Project Dependencies

**Title**

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

**Title**

## Risks

**Title**

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Communities will not be affected as this proposal relates to back office savings i.e. efficiencies created as a result of ERP Gold implementation.

**What positive impacts are anticipated from this proposal?**

There are no positive impacts anticipated for communities as this proposal relates to internal efficiencies

**What negative impacts are anticipated from this proposal?**

There are no negative impacts anticipated for communities as this proposal relates to internal efficiencies

**Are there other impacts which are more neutral?**

There are no neutral impacts anticipated for communities as this proposal relates to internal efficiencies

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being negatively impacted by implications of this proposal have been identified.

# Business Case

## C/R.7.101 - Council Tax: Increasing Contributions

### Project Overview

| | | | |
|---|---|---|---|
| **Project Title** | C/R.7.101 - Council Tax: Increasing Contributions | | |
| **Project Code** | TR001404 | **Business Planning Reference** | C/R.7.101 |
| **Business Planning Brief Description** | A project, working with District Councils, to increase Council Tax contributions and income. | | |
| **Senior Responsible Officer** | Chris Malyon | | |

### Project Approach

#### Background

**Why do we need to undertake this project?**

We believe that this project could generate potential income for a small amount of investment for very little risk.

**What would happen if we did not complete this project?**

Additional funding from this source would be unlikely to come into the Local Authority.

#### Approach

**Aims / Objectives**

Aim: To drive up the Council tax take in Cambridgeshire by our District Councils, which whilst collected by Districts is split approximately 80/20 between County and Districts respectively in its allocation.

Objectives:
- To increase the number of people in Cambridgeshire who pay Council tax.
- To ensure that fewer Cambridgeshire residents are paying less Council tax than they should be.
- To make it easier for people who genuinely cannot pay their Council tax to be able to do so.

**Project Overview - What are we doing**

- Work with Cambridgeshire District Councils to identify the best possible activities to drive up increased payment of Council Tax in Cambridgeshire.

- Based upon these discussions, working with Districts, we will procure support to undertake an improved process of identifying residents who are incorrectly paying less Council Tax than they should be, notify them and bill them appropriately, bringing in additional revenue.

- We may also seek to support arrangements to enable people who are genuinely unable to pay their Council Tax by offering more flexible payment terms.

- We will work with Districts to identify the best way of funding this work and sharing the benefits of money generated.

**What assumptions have you made?**

We assume that there continues to be a significant amount of residents who are not paying the Council Tax contributions that they should.

We assume that there is the potential for further activity to identify, target and seek funding from residents who are not paying the correct amount of Council Tax.

We assume that we will be able to find a delivery mechanism for this work working with District Councils.

**What constraints does the project face?**

Council Tax collection is a District Council function rather than a County Council function and so we would like to conduct this work in partnership with our Districts but this would depend upon their willingness to do this.

## Delivery Options

**Has an options and feasibility study been undertaken?**

We are considering what the best options for taking this forward are and have initiated discussions with the Districts. Districts have indicated that they are willing to discuss potential options.

Based upon a positive meeting with Chief Finance Officers where actions were agreed, we are meeting with County Revenues Teams to discuss:
- the best implementation of Single Person's Discount from a District's perspective
- the best way of measuring performance
- how current local discount schemes work
- Impact of universal credit.
- What share of upfront funding and/or share of any additional income generated should be - it has been suggested by County Revenues that and similar arrangement to that which has been implemented in Essex could be considered.

## Scope / Interdependencies

### Scope

**What is within scope?**

Residents either not paying their Council Tax or not paying the right levels of tax e.g. claiming discounts to which they are not entitled.

**What is outside of scope?**

Residents already paying their Council Tax at the correct rate.

## Project Dependencies

**Title**

Reliance on co-operation of District Councils

## Cost and Savings

**See accompanying financial report**

## Non Financial Benefits

**Non Financial Benefits Summary**

More efficient tax collection system.
Prevention activities.

**Title**

Growth in the Council Tax base going forward

## Risks

| Title |
| --- |
| Not enough non-payers |
| Ineffective measures to bring in income |
| District Councils do not engage |
| Insufficient/unpredictable amount of income generated |

## Project Impact

### Community Impact Assessment

**Who will be affected by this proposal?**

Cambridgeshire residents who do not pay the correct amount of Council Tax.

**What positive impacts are anticipated from this proposal?**

Additional Council Tax contributions will come into Cambridgeshire local government's tax base as residents are paying the correct amount, this funds local services.

There may be residents who are not paying their Council tax contributions due to issues of debt and poverty. At a minimum, the activities proposed will not target these non-payers but we are also considering whether there is scope to offer flexible payment arrangements and additional support to these people to help them to make these payments in a way that does not increase their current levels of debt and poverty.

**What negative impacts are anticipated from this proposal?**

Residents who are either intentionally or unintentionally paying the wrong Council Tax levels will be paying the amounts that they should be based on their circumstances.

**Are there other impacts which are more neutral?**

The impact to residents who are paying the correct amount of Council Tax is neutral

### Disproportionate impacts on specific groups with protected characteristics

**Details of Disproportionate Impacts on protected characteristics and how these will be addressed**

Each protected characteristics / group of people have been considered and no foreseeable risks of them being negatively impacted by implications of this proposal have been identified.

# Business Plan Consultation

# Cambridgeshire County Council

## Headline findings results

## January 2019

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# Project details and acknowledgements

| | |
|---|---|
| **Title** | Business Plan Consultation headline results |
| **Client** | Cambridgeshire County Council |
| **Project number** | 18114 |
| **Author** | Sophi Ducie |
| **Research Manager** | Sophi Ducie |
| **Reviewed by** | David Chong Ping |

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# Background

## Context

Like all Councils across the country Cambridgeshire County Council are facing a major financial challenge. Their budget is reducing at a time when costs are rising sharply. A large increase in the demand for services, coupled with the pressures of inflation, means that they have to do a lot more with less money.

As part of the Business Planning process they consult with the public to gain insight into residents' views on priorities, what the levels of council tax should be and their views on future budget proposals. To better understand residents' views on services and to inform the Council's plans, Cambridgeshire County Council commissioned M·E·L Research to undertake a public survey on their behalf. The main aim of this research was to:

- Explore the quality of life in the county and what the county should focus on to help residents to support their local community and the services the county delivers.
- Seek residents' views and the extent of support on savings and income generation approaches the county can take.
- Establish the level of support for increasing council tax.
- Understand how well-informed residents feel the county keeps them.

## Methodology

A 10-minute, face-to-face (doorstep) survey was carried out by trained interviewers using a Computer Aided Personal Interview (CAPI) approach with a broad cross-section of residents during December 2018.

A sample of starting addresses was drawn randomly from Royal Mail's Postcode Address File, which was stratified by the four Districts and Cambridge City. From each starting address, interviewers aimed to achieve a cluster of approximately 6 interviews from adjacent and nearby properties. In addition to achieving a required number of interviews by District/City, quotas were set for age groups and gender. Interviewers were sent to urban and rural areas to reflect the same split across the county. In total, 1,106 residents participated in the survey.

## Response rates and statistical significance

The achieved confidence interval gives an indication of the precision of results. With 1,106 residents having completed the survey, this returns a confidence interval of ±2.94 % for a 50% statistic at the 95% confidence level. This simply means that if 50% of residents indicated they agreed with a certain aspect, the true figure could in reality lie within the range of 47.1% to 52.9% and that these results would be achieved 95 times out of 100.

The table below shows the confidence intervals for differing response results (sample tolerance).

| Size of sample | Approximate sampling tolerances* | | |
|---|---|---|---|
| | 50% | 30% or 70% | 10% or 90% |
| | ± | ± | ± |
| 1,106 surveys | 2.95 | 2.70 | 1.77 |

** Based on a 95% confidence level*

## Analysis and reporting

This report presents the headline results of the 2018 Business Plan consultation.

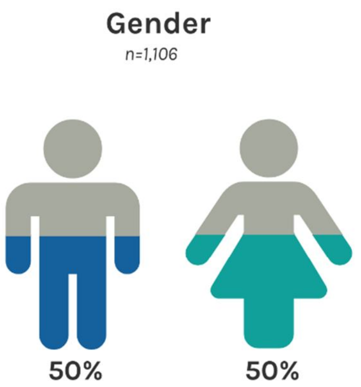
For some questions, residents were asked to rate the importance of various aspects on a scale of 0 to 10, with 0 being 'not important' and 10 being 'very important'. Mean scores have been computed for these questions to allow comparability/ranking across the various aspects.

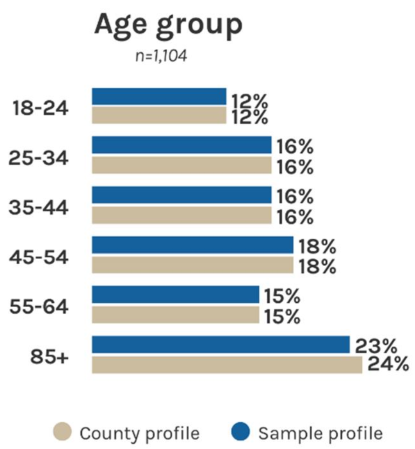
In addition, analysis for agreement/level of support questions are reported for valid responses only, excluding residents who were unable to rate their level of agreement – 'don't know' was therefore classified as non-valid response.

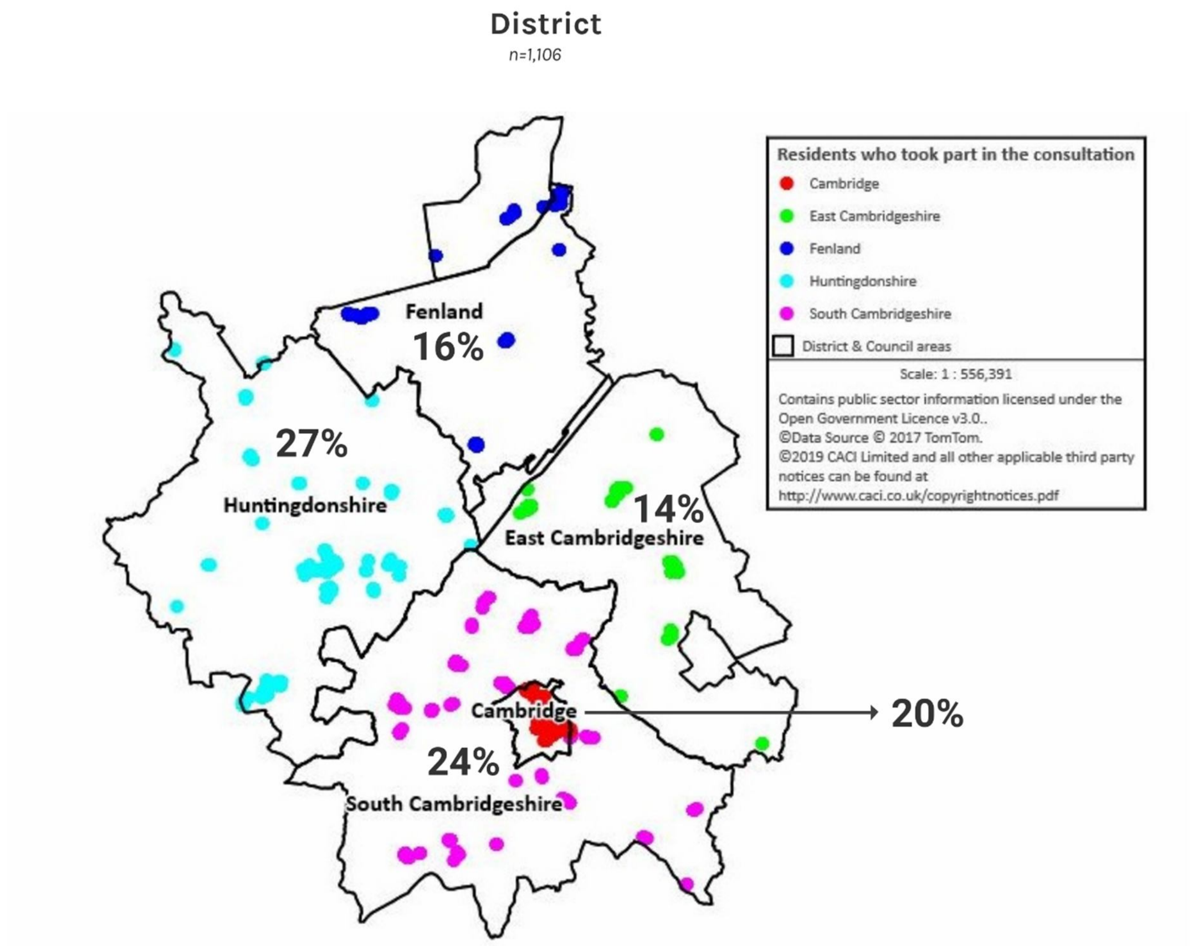
# Headline findings

**Who we spoke to:**

- The sample was broadly representative by gender, age group and District/City when compared to Cambridgeshire as a whole.



# Section 1: The local area

To better understand what is important to residents and their families, residents were asked to rate the importance of various aspects on a scale of 0 to 10. With 0 being ‘not important’ and 10 being ‘very important’. Mean scores were calculated for each statement, with a score closest to 10 being of greatest importance:

- Feeling safe in the local area, having access to health services and the quality of the local environment scored the highest, with all achieving a mean score over 9.0.
- By comparison, getting further training or adult education, opportunities to get involved in local decision making and opportunities to get to know people in the local community scored the lowest, with all achieving mean scores under 7.5.

Residents were then asked what the County Council should focus on to help support communities in improving their local area. Residents felt that the County Council should focus on the following:

- **58%** of residents felt the council should focus on **supporting volunteers by offering grants to increase opportunities for local activities** e.g. befriending services for older people or exercise clubs to improve health.
- **51%** of residents felt the council should focus on **supporting communities to take actions that help the Council to save money and / or improve lives.**
- **41%** of residents felt the council should focus on **encouraging communities to get involved in designing and delivering Council services together with us**.
- **41%** of residents felt the council should focus on **encouraging individuals to increase their involvement supporting the local community**.

Residents were then asked the likelihood of them taking on actional actions to support their local community and local services:

- **71%** were either ‘very’ (27%) or ‘somewhat’ (44%) likely to take actions that **help themselves to be healthier and more active**. 17% said they already do this and 12% said it was not at all likely they would do this.
- **68%** were either ‘very’ (15%) or ‘somewhat’ (54%) likely to take actions to **support others to be healthier and more active**. 6% said they already do this and 26% said it was not at all likely they would do this.
- **63%** were either ‘very’ (14%) or ‘somewhat’ (49%) likely to **support local groups working on environmentally friendly schemes**. 3% said they already do this and 35% said it was not at all likely they would do this.

- **57%** were either 'very' (22%) or 'somewhat' (35%) likely to **interact with local services online rather than face-to-face**. 15% said they already do this and 28% said it was not at all likely they would do this.
- **51%** were either 'very' (35%) or 'somewhat' (16%) likely to **recycle as much household waste as they can**. 47% felt they already to this and 2% said it was not at all likely they would do this.
- **49%** were either 'very' (11%) or 'somewhat' (38%) likely to **volunteer to support vulnerable or isolated people in their local area**. 7% said they already do this and 44% said it was not at all likely they would do this.
- **41%** were either 'very' (8%) or 'somewhat' (33%) likely to **volunteer at a local community centre, library or other local facility**. 5% said they already do this and 54% said it was not at all likely they would do this.

## Section 2: Budget planning

The County Council are considering several approaches to either same money or increase income. Residents were asked to rate their level of support for each approach.

- **98%** of residents supported the following approaches the County Council could take to either save money or increase income:
  - Increasing the number of Cambridgeshire foster carers to improve the lives of children in care.
  - Focus on stable placements for children in care, so that they can build longer term relationships and the cost of care is reduced.
  - Supporting people with learning disabilities to move from fully residential care to independent supported living.
  - Moving people with learning disabilities closer to home, which is usually better for the person and provides opportunities for savings.
- **96%** of residents supported the County Council in investing to generate income which would support the delivery of public services e.g. renewable energy schemes, commercial properties which could return an income stream.
- **92%** of residents supported the County Council in being more commercial in areas where the they can generate income (e.g. trading advertising, sponsorship) which could be used to reinvest in supporting public service delivery.
- **83%** of residents supported the County Council in exploring ways in which they could merge and share services with partners. Particularly Peterborough City Council, to improve services and deliver efficiencies.

## Section 3: Council Tax

The County Council's business plan includes a proposal that will increase general council tax by 2% and increase Adult Social Care precept by 2%. Residents were provided with five options and were asked to select the one they most support.

- **34%** of residents did not support any increase in council tax

  When asked why residents chose this option, around two thirds said they already pay too much and one fifth said they couldn't afford it.

- **25%** supported only raising the Adult Social Care precept of 2%

  When asked why residents chose this option, around two fifths said that it was because the Adult Social Care needs it or that it is important. A further fifth said that it the most reasonable or fair option.

- **25%** supported raising both the Adult Social Care precept and having a general increase in council tax – a total increase of 4%.

  When asked why residents chose this option, just under half said that it was because the council needs it, that they didn't want to see services cut or that they understood that they had to pay to maintain services.

- **12%** supported only having an increase in council tax of 2% and not raising the Adult Social Care precept.

  When asked why residents chose this option, around a third said that it the most reasonable or fair option.

- **4%** supported an increase in council tax by more than 4%.

  When asked why residents chose this option, the majority said it was because the council needs it, that they didn't want to see services cut or that they understood that they had to pay to maintain services.

## Section 4: Keeping residents informed

Resident were asked how well informed they think the County Council keeps them about the services and benefits it provides.

- **51%** said they were 'fairly well informed', only 8% felt that were 'very well informed'.
- **33%** said they were 'not very well informed' and 9% said 'not well informed at all'.

m·e·l
research

**2018 Business Plan Survey – Public Version**

**9 January 2018**

## Short Headline findings

A short survey, asking the same questions as the representative survey, was open to the general public to respond to during December 2018. The link was advertised via, the County Council's website, facebook page and twitter account. As this survey was open to anyone to complete no sampling stratification took place so the results will not be representative of the population of the county.

A parallel survey was released for parish councils / parish councillors to complete. This is still open for responses (as a 9/01/11) at the request of some parishes, to coincide with parish council meetings that may be taking place in January. At present this survey has over 80 responses. The results of this survey will follow at the end of the month.

## Demographics

- There were 113 respondents. The precise demographics are as follows:

**8. Which district area do you live in?**

| | | | Response Percent | Response Total |
|---|---|---|---|---|
| 1 | Cambridge City | | 24.32% | 27 |
| 2 | East Cambridgeshire | | 11.71% | 13 |
| 3 | Fenland | | 9.91% | 11 |
| 4 | Huntingdonshire | | 35.14% | 39 |
| 5 | South Cambridgeshire | | 18.02% | 20 |
| 6 | Outside Cambridgeshire | | 0.90% | 1 |
| | | | answered | 111 |
| | | | skipped | 4 |

| 9. How would you describe your gender? | | | | |
|---|---|---|---|---|
| | | | **Response Percent** | **Response Total** |
| 1 | Male | | 27.93% | 31 |
| 2 | Female | | 64.86% | 72 |
| 3 | Transgender | | 0.00% | 0 |
| 4 | Prefer not to say | | 7.21% | 8 |
| | | | answered | 111 |
| | | | skipped | 4 |

| 10. What age band do you fall in? | | | | |
|---|---|---|---|---|
| | | | **Response Percent** | **Response Total** |
| 1 | 18-24 | | 3.60% | 4 |
| 2 | 25-34 | | 17.12% | 19 |
| 3 | 35-44 | | 22.52% | 25 |
| 4 | 45-54 | | 24.32% | 27 |
| 5 | 55-64 | | 20.72% | 23 |
| 6 | 65-84 | | 3.60% | 4 |
| 7 | 85+ | | 0.00% | 0 |
| 8 | Prefer not to say | | 8.11% | 9 |
| | | | answered | 111 |
| | | | skipped | 4 |

**Section 1: The local area**

Residents were asked to rate the importance of various aspects of quality of life on a scale of 0 to 10. Mean scores are presented below:

| Answer Choice Rank | On a scale of 0 to 10, where 0 is ‘not important’ and 10 is ‘very important’, how important are the following to the quality of life for you and your family? | Mean Score |
|---|---|---|
| 1 | Having stable employment | 9.4 |
| 2 | Having access to health services | 9.4 |
| 3 | Feeling safe in your local area | 9.1 |
| 4 | The quality of the local environment | 8.7 |
| 5 | Help to maintain a healthy lifestyle | 7.5 |
| 6 | Access to good quality education for children and young people | 7.4 |
| 7 | Opportunities to get involved in local decision making | 6.4 |
| 8 | Getting further training or adult education | 6.1 |
| 9 | Opportunities to get to know people within the local community | 5.3 |

- ‘Having stable employment’, ‘having access to health services’ and ‘feeling safe in your local area’ all achieved a mean score over 9.0.

- ‘Access to good quality education for children and young people’, ‘getting further training or education’, ‘opportunities to get to know people within the local community’ and ‘opportunities to get involved in local decision making’ all achieved means scores of under 7.5.

Residents were then asked what the County Council should focus on to help support communities in improving their local area.

- 50% or more respondents said that the Council should focus on ‘Supporting communities to take actions that help the council to save money and / or improve lives’ and ‘Supporting volunteers by offering grants to increase opportunities for local activities e.g. befriending services for older people or exercise clubs to improve health’.

**2. The County Council want to support local communities to improve their local area. Please select the top three things that the council should focus on. Please tick only three.**

| | | Response Percent | Response Total |
|---|---|---|---|
| 1 | Encouraging communities to get involved in designing and delivering council services together with us | 46.43% | 52 |
| 2 | Supporting communities to take actions that help the council to save money and / or improve lives | 51.79% | 58 |
| 3 | Seeking greater involvement in our services by established voluntary groups | 25.00% | 28 |
| 4 | Supporting greater involvement in our services by town and parish councils | 37.50% | 42 |
| 5 | Seeking greater involvement in our services by local businesses | 25.89% | 29 |
| 6 | Supporting volunteers by offering grants to increase opportunities for local activities e.g. befriending services for older people or exercise clubs to improve health | 50.00% | 56 |
| 7 | Encouraging individuals to increase their involvement supporting the local community | 30.36% | 34 |
| 8 | Other (please specify): | 10.71% | 12 |
| | | answered | 112 |
| | | skipped | 3 |

Residents were then asked the likelihood of them taking on additional actions to support their local community and local services.

- Approximately a third of respondents said they were very likely to ‘recycle as much household waste as you can’.
- Approximately a fifth of respondents said they were very likely to ‘interact with local services online rather than face to face’ or ‘take actions that help you to be healthier or more active’.
- Nearly half of respondents said they were not at all likely to ‘support others to be healthier and more active’ or ‘volunteer to support vulnerable or isolated people in your area’.
- More than half of respondents said they were not at all likely to ‘volunteer at a local community centre, library or other local facility’.

**3. The County Council is aware that many people already volunteer to support their communities. How likely would you be to take any of these additional actions in order to support your local community and local services? Starting with**

| | Very likely | Somewhat likely | Not at all likely | I already do this | Don't know | Response Total |
|---|---|---|---|---|---|---|
| Recycle as much household waste as you can | 34.50% | 5.50% | 0.90% | 58.20% | 0.90% | 110 |
| Interact with local services online rather than face-to-face | 22.30% | 30.40% | 12.50% | 31.30% | 3.60% | 112 |
| Take actions that help you to be healthier and more active | 20.50% | 26.80% | 8.90% | 42.90% | 0.90% | 112 |
| Support others to be healthier and more active | 9.10% | 29.10% | 46.40% | 12.70% | 2.70% | 110 |
| Volunteer to support vulnerable or isolated people in your local area | 6.30% | 33.00% | 42.90% | 8.90% | 8.90% | 112 |
| Volunteer at a local community centre, library or other local facility | 4.50% | 21.80% | 56.40% | 10.90% | 6.40% | 110 |
| Support local groups working on environmentally friendly schemes | 11.60% | 41.10% | 34.80% | 7.10% | 5.40% | 112 |
| | | | | | answered | 112 |
| | | | | | skipped | 3 |

## Section 2: Budget Planning

Residents were asked to rate their levels of support for each approach to save money or increase income. Generally there was a high level of support for the specific approaches mentioned.

- Approximately 90% of respondents supported or fully supported increasing the number of foster carers, focusing on stable placements for children in care, supporting people with learning disabilities to live independently, or moving people with learning disabilities closer to home.

**4. How strongly do you support the following approaches to either save money or increase income? So on a scale of 1 to 4, where 1 is 'fully support' and 4 is 'strongly object' how strongly do you support...?**

| | 1 - Fully support | 2 - Support | 3 - Object | 4- Strongly object | Don't know | Response Total |
|---|---|---|---|---|---|---|
| 1 - Increasing the number of Cambridgeshire foster carers to improve the lives of children in care | 55.80% | 31.90% | 2.70% | 0.90% | 8.80% | 113 |
| 2 - Focus on stable placements for children in care, so that they can build longer term relationships and the cost of change is reduced | 62.50% | 33.00% | 0.00% | 0.00% | 4.50% | 112 |
| 3 - Supporting people with learning disabilities to move from fully residential care to independent supported living | 46.90% | 41.60% | 1.80% | 0.00% | 9.70% | 113 |
| 4 - Moving people with learning disabilities closer to home, which is usually better for the person and provides opportunities for savings | 51.80% | 40.20% | 1.80% | 0.00% | 6.30% | 112 |
| 5 - Continue to explore ways of merging and sharing services with partners, particularly Peterborough City Council, to improve services and deliver efficiencies | 21.60% | 37.80% | 12.60% | 14.40% | 13.50% | 111 |
| 6 - Be more commercial in areas where the Council can generate income (e.g. trading, advertising, sponsorship) which can then be used to reinvest into supporting our public services | 41.60% | 36.30% | 4.40% | 8.80% | 8.80% | 113 |
| 7 - Continue to invest to generate income which will support the delivery of public services (e.g. renewable energy schemes and commercial properties which return an income stream) | 49.60% | 34.50% | 1.80% | 8.00% | 6.20% | 113 |
| | | | | | answered | 113 |
| | | | | | skipped | 2 |

## Section 3: Council Tax

Residents were provided with five Council Tax options and asked which one they would support.

**5. Cambridgeshire County Council's business plan currently includes a proposal that will increase general council tax by 2% in 2019/20 and increase the Adult Social Care Precept by 2% (The Adult Social Care Precept (ASCP) is an amount the Council is allowed to increase council tax by specifically to pay for care for adults, particularly the elderly) Which of the following five options for the County Council's part of council tax do you support? (Other parts of your council tax also go to pay for police, fire, parish and district council services)**

| | | | Response Percent | Response Total |
|---|---|---|---|---|
| 1 | Not increasing council tax. This would include not raising the Adult Social Care Precept by 2%. Council tax would remain the same and the County Council would have to find an additional £11 million of savings, which could lead to reductions in services. | | 22.02% | 24 |
| 2 | Only raising the Adult Social Care Precept of 2%. An average band D property would pay a 48p per week increase (£24.93 a year) and the County Council would have to find an additional £5.5 million of savings, which could lead to reductions in services. | | 10.09% | 11 |
| 3 | Only having a general increase in council tax of 2% and not raising the Adult Social Care Precept. An average band D property would pay a 48p per week increase (£24.93 a year) and the County Council would have to find an additional £5.5 million of savings, which could lead to reductions in services, mainly from adult social care. | | 7.34% | 8 |
| 4 | Raising both the Adult Social Care Precept and having a general increase council tax. A total increase of 4% An average band D property would pay the 96p per week increase (£49.86 a year) and the County Council would not have to make any additional savings to those already planned. | | 39.45% | 43 |
| 5 | Increasing Council tax by more than 4%. As a guide Council Tax would need to increase by 17% in order to avoid making any changes to services next year. An increase of over 4% would also trigger a referendum of Council Tax payers at an approximate cost of £750k. Every 1% increase in council tax would add an additional 24p per week, £12.47 a year to Council Tax bills. | | 21.10% | 23 |
| | | | answered | 109 |
| | | | skipped | 6 |

## Section 4: Keeping residents informed

**6. How well informed do you think Cambridgeshire County Council keeps residents about the services and benefits it provides?**

| | | Response Percent | Response Total |
|---|---|---|---|
| 1 | Very well informed | 2.68% | 3 |
| 2 | Fairly well informed | 37.50% | 42 |
| 3 | Not very well informed | 36.61% | 41 |
| 4 | Not well informed at all | 17.86% | 20 |
| 5 | Don't know | 5.36% | 6 |
| | | answered | 112 |
| | | skipped | 3 |

# Section 6 – Capital Strategy

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2: Vision and priorities

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Appendix 1: Allowable capital expenditure

Appendix 2: Sources of capital funding

Appendix 3: Governance Arrangements for Non-financial Investments

Appendix 4: Governance of the Capital Programme

**1: Introduction**

This Capital Strategy describes how the Council's investment of capital resources in the medium term will optimise the ability of the authority to achieve its overriding vision and priority outcomes. It represents an essential element of the Council's overall Business Plan and is reviewed and updated each year as part of the Business Planning Process.

The Strategy sets out the approach of the Council towards capital investment over the next ten years and provides a structure through which the resources of the Council, and those matched by key partners, are allocated to help meet the priority outcomes outlined within the Council's Corporate Strategy. It is also closely aligned with the remit of the Commercial & Investment (C&I) Committee, and is informed by the Council's Asset Management Strategy and Commercial Strategy. It is concerned with all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding.

**2: Vision and outcomes**

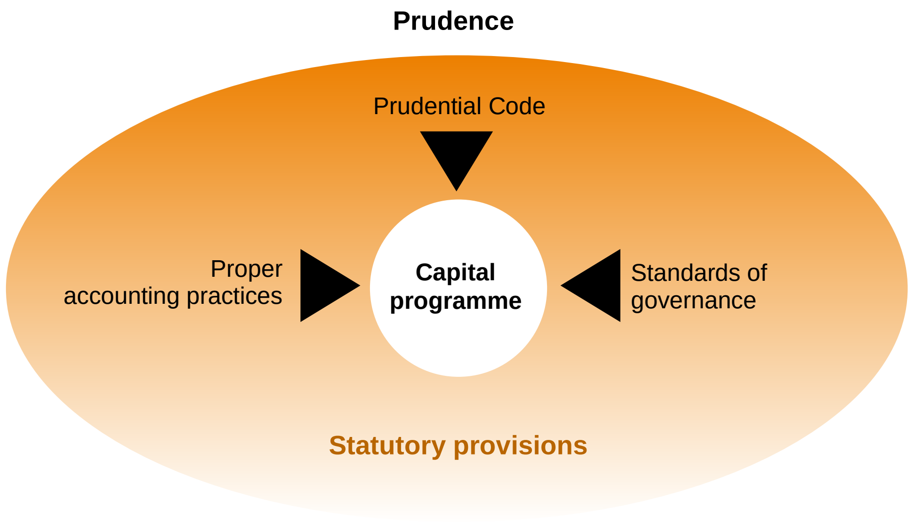
The Council achieves its vision of *"Making Cambridgeshire a great place to call home"* through delivery of its Business Plan which targets key priority outcomes. To assist in delivering the Plan the Council needs to provide, maintain and update long term assets (often referred to as 'fixed assets'), 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. Fixed assets are shaped by the way the Council wants to deliver its services in the long term and they create future financial revenue commitments, through capital financing and ongoing revenue costs.

**3: Operating framework**

Local Government capital finance is governed and operates under the Prudential Framework in England, Wales and Scotland. The Prudential Framework is an umbrella term for a number of statutory provisions and professional requirements that allow authorities largely to determine their own plans for capital investment, subject to an authority following due process in agreeing these plans and being able to provide assurance that they are prudent and affordable.

The framework is based on the following foundations:



## 4: Capital Expenditure

Capital expenditure, in accordance with proper practice (as defined by CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2018-19) results in the acquisition, creation or enhancement of fixed assets with a long term value to the Council. If expenditure falls outside of this scope[1], it will instead be charged to revenue during the year that the expenditure is incurred. It is therefore crucial that expenditure is analysed against this definition before being included within the Capital Programme to avoid unexpected revenue charges within the year. A guide to what can and cannot be included within the definition of capital expenditure is provided in Appendix 1.

The Council applies a self-determined de minimis limit of £10,000 for capital expenditure. Expenditure below this limit should be charged to revenue in the year that it is incurred. However, as the de minimis is self-imposed, the Code does allow for it to be overridden if the Authority wishes to do so.

All capital expenditure should be undertaken in accordance with the financial regulations; the Scheme of Financial Management, the Scheme of Delegation included within the Council's Constitution and the Contract Procedure Rules. Further, detailed guidance can also be found in the Council's Capital Guidance Notes (currently in draft format).

## 5: Capital funding

Capital expenditure is financed using a combination of the following funding sources:

| | |
|---|---|
| **Earmarked Funding** | Central Government and external grants |
| | Section 106 (S106), Community Infrastructure Levy (CIL) and external contributions |
| | Private Finance Initiative (PFI) / Public Private Partnerships (PPP)[2] |
| **Discretionary Funding** | Central Government and external grants |
| | Prudential borrowing |
| | Capital receipts |
| | Revenue funding |

Explanation of, and further detail on these funding sources is provided in Appendix 2.

The Council will only look to borrow money to fund a scheme either to allow for cashflow issues for schemes that will generate payback (via either savings or income generation), or if all other sources of funding have been exhausted but a scheme is required. Therefore

[1] In addition, expenditure can be classified as capital in the unlikely scenario that:
- It meets one of the definitions specified in regulations made under the 2003 Local Government Act;
- The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

[2] This source of funding is no longer available for new schemes

in order to facilitate this, the Council will re-invest 100% of all capital receipts received (after funding costs of disposal up to the allowable limit of 4% of receipt) back into the Capital Programme.

**6: External environment**

The Council uses a mixture of funding sources to finance its Capital Programme.

Developer Contributions

The downturn in the housing and property market after the credit crunch initially caused development to slow and land values have subsequently been struggling to recover. In previous years this has negatively affected the ability of the Council to fund capital investment through the sale of surplus land and buildings, or from contributions by developers. Although this situation still exists in the north of the County, recent indications continue to suggest that in south Cambridgeshire the market has recovered to pre-2008 levels. This is particularly true for the city of Cambridge, where values have risen over and above pre-credit crunch levels. This has led to increased viability of development once again and therefore greater developer contributions in these areas.

Developer contributions have also been affected by the introduction of Community Infrastructure Levies (CIL). CIL works by levying a charge per net additional floorspace created on all small-scale developments, instead of requiring developers to pay specific contributions towards individual projects as per the current developer contribution process (Section 106, which is still in place for large developments). Although this is designed to create a more consistent charging mechanism, it also complicates the ability of the Council to fund the necessary infrastructure requirements created by new development due to the changes in process and the involvement of the city and district councils who have exclusive legal responsibility for determining expenditure. The Council also expects that a much lower proportion of the cost of infrastructure requirements will be met by CIL contributions.

Huntingdonshire and East Cambridgeshire District Councils are currently the only districts within Cambridgeshire to have adopted CIL – Cambridge City Council and South Cambridgeshire were originally due to implement in April 2014, but their draft schedules are currently being revised, with no new timescales announced as yet, and Fenland District Council has decided not to implement at present. In addition, since April 2015 it has no longer been possible to pool more than five developer contributions together on any one scheme, further reducing funding flexibility.

Government Grants

Central Government and external capital grants have also been heavily impacted during the last few years, as the Government has strived to deliver its programme of austerity. However, as part of the Autumn Statement 2014 the Government reconfirmed its commitment to prioritise capital investment over day-to-day spending over the next few years, in line with the policy of capital investment to aid the economic recovery. The Budget 2015 confirmed public sector gross investment would be held constant in real terms in 2016-17 and 2017-18, and would increase in line with GDP from 2018-19. The Spending Review 2015 provided more detail to this, with plans to increase Central Government capital spending by £12 billion over the following 5 years. The Government has set out how it intends to do this in the National Infrastructure Delivery Plan 2016-2021, published in March 2016. This brought together for the first time the Government's plans for economic infrastructure with those to support delivery of housing and social infrastructure. It included the Pothole Action Fund (new from 2016-17), for which the Council was allocated an additional £1.0m in 2016-17 and £1.2m in 2017-18, specific large-scale schemes such as up to £1.5bn to upgrade the A14 between Cambridge and Huntingdon, as well as potential development of both the A1 East of England and the Oxford to Cambridge Expressway. It also acknowledged the development of Northstowe as a major housing site.

In addition to this, the Autumn Statement 2016 announced a National Productivity Investment Fund (NPIF), which will provide an additional £1.1 billion of funding by 2020-21 to relieve congestion and deliver upgrades on local roads and public transport networks, as well as announcing the intention to consult on lending authorities up to £1 billion at a new local infrastructure rate. In January 2017, the DfT announced individual allocations for 2017-18 from the National Productivity Investment Fund, which allocated to the Council £2.9m for improving the road network and £1.2m for a specific safety scheme on the A1303 (£128k in 18-19).

The Autumn Budget 2017 announced that a £1.7bn Transforming Cities Fund would be created out of the NPIF in 2018-19 to target projects that drive productivity by improving connectivity, reducing congestion and utilising mobility services and technology. The Cambridgeshire and Peterborough Combined Authority was allocated £74m from this fund. The Pothole Action Fund was also allocated a further £46m for 2017-18, from which the Council was allocated an additional £0.8m. In March 2018 the Government announced a further £100m increase, from which the Council received £1.6m in 2018-19.

The Autumn Budget 2017 also announced some key measures in relation to the Cambridge-Milton Keynes-Oxford corridor, including; a commitment to build up to 1m new homes in the area by 2050, £5m to develop the proposals for Cambridge South Station, and construction on key elements of the Expressway between Cambridge and Oxford, ready to be open by 2030. Finally, the Budget confirmed the previous intention to introduce a new discounted interest rate that will be accessible to authorities for 3 years to support up to £1bn of infrastructure projects that are 'high value for money'.

The Autumn Budget 2018 announced a further £420m of funding in 2018-19 for local authorities to tackle potholes, repair damaged roads, and invest in keeping bridges open and safe; the Council's share of this funding is £6.7m.

Alongside the Local Government Finance Settlement for 2014-15, the then-Minister of State for Schools announced capital funding to provide for the increasing numbers of school-aged children to enable authorities to make sure that there are enough school places for every child who needs one. He also announced that longer-term capital allocations would be made in order to aid planning for school places. Unfortunately, the new methodology used to distribute funding for additional school places did not initially reflect this commitment as although Cambridgeshire's provisional allocation for 2014-15 was as anticipated, the initial allocation of £4.4m across the period 2015-16 to 2016-17 was £32m less than the Council had estimated to receive for those years according to our need. Almost all of this loss related to funding for demographic pressures and new communities, i.e., infrastructure that we have a statutory responsibility to provide, and therefore we had limited flexibility in reducing costs for these schemes.

Given the growth the County is facing, it was difficult to understand these allocations and as such, the Council has continued to lobby the Department for Education (DfE) for a fairer funding settlement that is more closely in line with the DfE's commitment to enable the Council to provide all of the new places required in the County.

In addition to lobbying the DfE, the Council has also sought in the meantime to maximise its Basic Need funding going forward by establishing how the new funding allocation model works and providing data to the DfE in such a way as to maximise our allocation. The allocations were £25.0m for 2018-19 and going forward are £6.9m for 2019-20, and £20.6m for 2020-21. This goes some way to reduce the Council's shortfall, but still does not come close to covering the costs of all of the Council's Basic Need schemes.

The DfE also revised the methodology used to distribute condition allocations in 2015-16, in order to target areas of highest condition need. A floor protection was put in place to ensure no authority received more than a 20% cut in the level of funding until 2018.

The £1.2m reduction in allocation for Cambridgeshire for 2015-16 hit this floor; therefore it was anticipated that the Council's funding from this area would be reduced further – the Council's 2018-19 funding allocation was only actually £166k lower than the previous year, however it is anticipated that funding will still reduce further in 2019-20.

The National Infrastructure Delivery Plan commits to investment of £23bn over the period 2016 to 2021 to deliver 500 new free schools, over 600,000 additional school places, rebuild and refurbish over 500 schools and address essential maintenance needs. To date, the Government has given approval to 8 new free schools in Cambridgeshire to pre-implementation stage. Not all of these, however, are in areas where the Council has an identified basic need requirement. The application process for the new Wave 13 closed in November 2018; there were a further 12 bids for Cambridgeshire, however there is much stricter criteria in place around this wave. Successful bids will be announced in spring 2019.

The DfE also announced in October 2017 an additional £100m funding stream called the Healthy Pupil Capital Fund which was available for schools to provide physical education and after-school activities, as well as to support healthy eating, mental health and well-being and medical conditions. The Council's allocation for 2018-19 was only £0.4m.

The mechanism of providing capital funding has also changed significantly in some areas. In order to drive forward economic growth, Central Government announced in 2013 that it would top-slice numerous existing grants, including funding for transport, education and revenue, such as the New Homes Bonus, in order to create a £2 billion Local Growth Fund (LGF) which Local Enterprise Partnerships (LEPs) can bid for. In line with this announcement, the Council's Integrated Transport allocation was reduced from £5.7m in 2014-15 to £3.2m in 2015-16. However, the Government has confirmed its commitment to the LGF fund until 2020-21, and the National Infrastructure Delivery Plan commits £12bn between 2015-16 and 2020-21.

Although the reduction in the Integrated Transport allocation was disappointing, as part of the Autumn Statement 2014 the Department for Transport (DfT) announced indicative Highways Maintenance funding for the next six years which included an increase of £5m for the Council for 2015-16, and an additional £2m - £3m for each of the following five years (over the original base). This is not, however, all additional funding, as the Highways Maintenance increase in part replaced one-off, in-year allocations of additional funding that the Council has received in recent years for aspects such as severe weather funding. However, having up-front allocations provides significant benefit to the Council in terms of being able to properly plan and programme in the required work.

In addition to the Highways Maintenance formula allocation, the DfT have created a Challenge Fund and an Incentive Fund. The Challenge Fund is to enable local authorities to bid for major maintenance projects that are otherwise difficult to fund through the normal maintenance funding. The Council entered a joint bid with Peterborough City Council for a share of this funding; it was awarded £3.5m in April 2017. The Incentive Fund is to help reward local highway authorities who can demonstrate they are delivering value for money in carrying out asset management to deliver cost effective improvements. Each authority has to score themselves against criteria that determines which of three bands they are allocated to (Band 3 being the highest performing). The Council successfully achieved Band 3 for 2017-18 and 2018-19 which provided the maximum available funding (£13.3m and £14.5m respectively).

Moving forward, the Cambridgeshire and Peterborough Combined Authority (CPCA) has taken on the responsibilities of the local highway authority and therefore the CPCA now receives DfT funding designated to the local highway authority, instead of the Council. The CPCA is continuing to commission the Council to carry out the required works on the highway network.

<u>External Pressures</u>

Irrespective of the external funding position, the County's population continues to grow. This places additional strain on our infrastructure through higher levels of road maintenance, increased pressure on the transport network, a rise in the demand for school places, a shortage of homes and additional need for libraries, children's centres and community hubs.

As part of the Budget 2014, Central Government announced their agreement for a Greater Cambridge City Deal in order to deliver a step change in investment capability; an increase in jobs and homes with benefits for the whole County and the wider area. The agreement provides a grant of up to £500 million for new transport schemes. However, only £100 million of funding has initially been guaranteed with the remaining funding dependent on the achievement of certain triggers.

Despite this deal, as with the revenue position, the external operating environment poses a significant challenge to the Council as it determines how to invest in order to meet its priority outcomes, whilst facing increasing demands on its infrastructure that are not necessarily matched by increases in external funding.

**7: Working in partnership**

The Council is committed to working with partners in the development of the County and the services within it. There are various mechanisms in place that provide opportunities to enhance the investment potential of the Council with support and contributions from other third parties and local strategic partners. One of the most significant partnerships is between the Council, Cambridgeshire's city and district councils, Peterborough City Council and the Greater Cambridge / Greater Peterborough Local Enterprise Partnership (LEP) to set up a Combined Authority for Cambridgeshire and Peterborough in order to deliver the region's devolution deal; this was agreed by all member authorities in November 2016. The proposal included;

- A new £20m annual fund for the next 30 years to support economic growth, development of local infrastructure and jobs,
- A £100m housing fund, and
- A new £70m fund to be used to build more council-rented homes in Cambridge.

The Mayoral Combined Authority is now in place, following Mayoral elections in May 2017.

The Council has also worked closely with Cambridge City Council, South Cambridgeshire District Council, Cambridge University and the LEP to negotiate the City Deal with Central Government. This has resulted in a changed set of governance arrangements for Greater Cambridge, allowing the County, Cambridge City Council and South Cambridgeshire District Council to pool a limited amount of funding and powers through a Joint Committee called the Greater Cambridge Partnership. This is helping to deliver a more joined-up and efficient approach to the key economic issues facing this rapidly-growing city region.

The Council continues to work with partners and stakeholders to secure commitment to delivery, as well as funding contributions for infrastructure improvements, in order to support continued economic prosperity. For example, the Council worked with the Greater Cambridge / Greater Peterborough LEP plus the New Anglia LEP and the South East Midlands LEP, as well as neighbouring local authorities, the city and district councils and the DfT to agree a funding package for improvements to the A14 between Cambridge and Huntingdon, which was secured with work having started in Autumn 2016. The Council will continue with this approach where infrastructure improvements are shown to have widespread benefits to our partners.

The Greater Cambridge / Greater Peterborough LEP, became a key mechanism for distributing Central Government and European funding in order to drive forward and deliver sustainable economic growth, through infrastructure, skills development, enterprise and housing. The LEP strived to do this in partnership with local businesses, education providers and the third sector, as well as the public sector including the Council. The LEP developed a Strategic Economic Plan in order to bid on an annual basis for a share of the Local Growth Fund (LGF). The LEP submitted a bid to the 2015-16 process, the results of which were announced in July 2014. A number of proposals put forward by the LEP were approved, including £5m for the Council's King's Dyke Crossing scheme. The LEP subsequently submitted a successful bid to the 2016-17 SLGF, which the Government announced in January 2015, from which the LEP received an additional £38m. The LEP agreed to allocate £16m of this funding to the Council's Ely Crossing Scheme, in addition to a further £1m for work on the Wisbech Access Strategy. The Autumn Statement 2016 announced a third round of growth deals; the individual allocation for the Greater Cambridge / Greater Peterborough LEP was announced in January 2017 as an additional £37m.

Following the establishment of the CPCA, from April 2018 the Greater Cambridge / Greater Peterborough LEP ceased to exist and was relaunched as a new LEP, The Business Board, supported by the CPCA.

The One Public Estate (OPE) group has replaced the Making Assets Count (MAC) programme as one of the key partnerships in relation to the overarching Capital Strategy. Like MAC, OPE allows partners, including the district councils, health partners and the emergency services, to effectively collaborate on strategic asset management and rationalise the combined operational property estate within the County. Before it ceased, MAC successfully led bids to Wave 3 of DCLG's One Public Estate programme, securing up to £0.5m in funding to bring forward major projects for joint asset rationalisation and land release.

The Local Transport Plan is a key document and is produced in partnership with the city and district councils. There has been a strong working relationship for many years in this area, which has succeeded in bringing together the planning and transport responsibilities of these authorities to ensure an integrated approach to the challenges facing the County.

Due to the introduction of the Community Infrastructure Levy (CIL) on all but large scale developments, the Council also works more closely with the city and district councils on the creation of new infrastructure needed as a result of development. CIL is at the discretion of the Local Planning Authority i.e. the city and district councils, who are responsible for setting the levy and have the final decision on how the funds are spent. However as the County Council has responsibility for the provision of much of the infrastructure resulting from development, it is imperative that it is involved in the CIL governance arrangements of the city and district councils, and that it works closely with these authorities to ensure that it is able to influence investment decisions that affect the Council's services.

Examples of specific capital schemes currently or recently being delivered in partnership include;

- Rolling out and exploiting better broadband infrastructure across the County; with Peterborough City Council, the district councils, the Business Board, local businesses and the universities; and

- OPE projects, being delivered in conjunction with OPE partners, including;
  - Care provision at Ida Darwin Hospital site in Fulbourn, Cambridge
  - Huntingdon Jobcentre / Huntingdonshire District Council Pathfinder House co-location in Huntingdon
  - Creation of a shared Highways Depot at Swavesey
  - Ely and Wisbech Hospitals redevelopment project
  - Various Community Hubs projects across the County
  - Oak Tree housing redevelopment in Huntingdon.

**8: Non-financial Investment Strategy**

Part of the Council's approach of dealing with the twinned pressures of reduced central government funding and growing demand for services has been to drive a more commercial approach within the organisation and to deliver better financial returns from property and asset holdings. In July 2015, the Commercial and Investments (C&I) Committee approved a Commercial Acquisitions Strategy to help develop a strategic approach to commercial acquisitions. This has subsequently been replaced by this Investment Strategy in order to reflect updated statutory guidance.

CIPFA's revised Prudential and Treasury Management Codes 2017 requires for 2019-20 that all local authorities prepare an investment strategy, covering both financial and non-financial assets. The Investment Strategy for financial assets is included within the Treasury Management Strategy; for non-financial assets, it is included here and should provide (in addition to a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services):

- An overview of how the associated risk of non-financial investments is managed;
- The implications for future financial sustainability.

Any commercial acquisition carries with it a degree of risk and as this involves the investment of public funds, the rationale for engaging in such activity should be clear. The Council does not intend to invest in commercial activity for the sake of it but to mitigate against the implications of increasing budgetary pressures. The Council will not meet the financial challenges it faces through transforming services alone. The approach will require a mix of transformation, additional revenue sources, and a reduction in service levels. By focussing resources on the first two, the need to utilise the latter option will be minimised.

As with the rest of the Capital Strategy, all commercial activity will be undertaken in line with the Council's vision of 'making Cambridgeshire a great place to call home'. All commercial activity will therefore be undertaken in order to contribute to the following Priority Outcomes:

- Using our public assets wisely and raising money in a fair and business-like way to generate social return for all citizens of Cambridgeshire.

- Growing financial and social capital place-by-place by stewarding local resources including public, private and voluntary contribution.

This will be achieved through contribution to the following Corporate Strategy theme:

- Developing strength and depth in our commercial activity

Appendix 3 sets out the details of the Council's non-financial Investment Strategy.

**9: Asset management**

The Council's Capital Strategy inevitably has strong links to the Council's Asset Management Strategy, which provides detail on the framework for operational asset management; this includes defining the principles which guide asset management, its role in supporting service delivery, why property is retained, together with the policies, procedures and working arrangements relating to property assets.

The Council's Asset Management Strategy is currently under review and will be developed under the guidance of C&I Committee. The Strategy will continue to focus on the key objectives of:

- Reducing costs
- Co-locating front and/or back-office services
- Reducing carbon emissions
- Increasing returns on capital
- Opening up investment opportunities
- Improving service delivery to communities
- Taking advantage of lease breaks

This will be developed in line with the Cambs 2020 vision, which will see the Council move out of its current main base in Cambridge and adopt a Hub and Spokes model of office accommodation. There will also be a comprehensive review of existing policy and strategy, and in particular a strengthening of the Corporate Landlord model and its links into corporate strategies such as Community Hubs, Older Persons' Accommodation, and the Smarter Business Programme.

Specific property initiatives include:

- The Property Portfolio Development Programme, which has seen the establishment of a wholly-owned housing company in order to allow the Council to become a developer of its own land, principally for housing. This requires significant capital investment through loans to the company for development purposes, but will generate ongoing revenue streams for the Council, as well as significant amounts of capital receipts that will be re-invested;

- The Programme also has a commercial investment strand, where the Council is developing a portfolio of strategic investments which will provide ongoing revenue streams. These investments will be completed using the Council's Acquisitions Strategy; this was initially adopted by Commercial & Investment Committee in 2017, however it is undergoing further review as the Council increases activity in this area, and in response to revised Central Government guidance on financing such schemes;

- The County Farms Estate Strategy is currently subject to an Outcome Focused Review which will feed into both the Asset Management Strategy and the Development Programme;

- A review of the provision of back office accommodation as part of the Cambs 2020 scheme.

The Capital Strategy also has strong links with the Council's Local Transport Plan (LTP), adopted in March 2011 and refreshed in 2014, covering the period 2011-2031. The Plan sets out the existing and future transport issues for the County, and how the Council will seek to address them.

The LTP demonstrates how the Council's policies and plans for transport contribute towards the vision of the Council, whilst setting a policy framework to ensure that planned, large-scale development can take place in the County in a sustainable way, as well as enabling the Council to take advantage of opportunities that may occur to bring in additional or alternative funding and resources.

The Plan highlights the following eight challenges for transport, as well as the strategy for addressing them:

- Improving the reliability of journey times by managing demand for road space, where appropriate and maximising the capacity and efficiency of the existing network
- Reducing the length of the commute and the need to travel by private car
- Making sustainable modes of transport a viable and attractive alternative to the private car
- Future-proofing the Council's maintenance strategy and new transport infrastructure to cope with the effects of climate change
- Ensuring people – especially those at risk of social exclusion – can access the services they need within reasonable time, cost and effort wherever they live in the County
- Addressing the main causes of road accidents in Cambridgeshire
- Protecting and enhancing the natural environment by minimising the environmental impact of transport
- Influencing national and local decisions on land-use and transport planning that impact on routes through Cambridgeshire

**10: Delivering statutory obligations**

The majority of the Education Capital Programme, which makes up a significant proportion of the Council's total Capital Programme, is generated in direct response to the statutory requirement to provide sufficient school and early years and childcare places to meet demand. There is, therefore, a limit to the amount of flexibility that can be used to curtail, or reduce the costs for these schemes.

The Education Organisation Plan is refreshed every year and sets out the What, How and Why in relation to planning and delivering the additional school capacity required to meet current and forecast need, including information on how the Education Programme is prioritised.

Although the Programme is largely driven by demographic changes, the Council still has an element of choice or influence over how it develops its Programme to meet those needs as follows:

- **General costs of construction**

The Council seeks to minimise construction costs on all projects and builds to the latest Government area guidelines that set out accommodation schedules. These detail the specification and size of building required for a given number of pupils. The Council’s Design and Build Contractor Framework seeks best value for money and mini competition between framework partners helps to ensure this.

- **Quality of build**

In general, the Council aims to build at mid-point in terms of quality. This balances the need to ensure that the materials the Council uses are robust and fit for purpose in respect of both an adequate life cycle for the asset and also maintenance requirements that are not overly burdensome to the end user or operator, whilst at the same time providing Value for Money in terms of initial capital investment.

- **Future proofing**

The Council aims to build in the most efficient manner possible in order to minimise financial risk and also to avoid future disruption to schools. In some cases building a school or extension in phases may be the best option; in other situations where it is possible that the need for additional places will come forward in the foreseeable future, it can prove more cost effective overall to build in one phase (even if this costs more in the short term). Early during the review process for each scheme, a recommendation is made as to the most suitable solution; however the Council also tries to be flexible if circumstances change.

**Temporary accommodation**

The Council uses temporary classroom accommodation when it is felt that this provides a suitable short-term solution in addressing a need. Such cases include meeting a temporary bulge in population, filling a gap prior to completion of a permanent solution or in an emergency.

- **Home to School Transport**

If the Council has some places available within the County overall, then it has the option of using Home to School Transport (funded by revenue) to transport children from oversubscribed areas to locations where schools do have capacity. The Council tries to minimise the use of this, as it is often an expensive solution. It is also not ideal to require children to travel longer distances to school, some distance from their local communities, and is not a sustainable option in the longer-term.

- **Location (within the geographical area of need)**

In many cases there may be a choice available between two or more schools in order to deliver the additional places for a certain geographical area of need. In these circumstances, a full appraisal is carried out, taking into consideration costs, the opinion and endorsement of the schools, pupil forecasts, and the premise and site constraints.

- **Type – extension or new build**

The type will be dependent on a full appraisal of the situation.

- **Planning stipulations**

National and local planning policies and high aspirations of local members, planners and schools – especially Academy Trusts – to provide a higher specification than is statutorily required can cause costs to increase. Cambridge City Council and South Cambridgeshire District Council also require public art which can add an additional cost of up to 1% of the construction budget. All new schools also have to go through the Design Quality Panel, which adds an additional step into the planning process and extends the design phase and is funded by the project. Finally, some of the requirements of a S106 can have an impact on the levels of external funding available – for example, an increased requirement for affordable housing will reduce the amount available to fund education schemes for a development.

**11: Development of the Capital Programme**

The Council operates a five year rolling revenue budget, and a ten year rolling capital programme. 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.

As part of the 2014-15 planning process, the Council implemented a structured framework within which to develop the Capital Programme, which allows for factors such as the external environment and the Corporate Strategy priority outcomes to be taken into account (see Appendix 4).

New schemes for inclusion in the Programme are developed by Services (in conjunction with Finance) in line with the priority outcomes outlined in the Corporate Strategy. As stated in the financial regulations, any new capital scheme costing more than £160,000 is appraised as to its financial, human resources, property and economic consequences. The justification and impacts, as well as the expenditure and funding details of these schemes are initially specified in an outline Capital Business Case, which becomes more detailed as the proposal develops. At the same time, all schemes from previous planning periods are reviewed and updated as required.

All schemes, whether existing or new, are scrutinised and challenged where appropriate by officers to verify the underlying costs and/or establish whether alternatives methods of delivery have been investigated in order to meet the relevant needs and outcomes of the Council.

An Investment Appraisal of each capital scheme (excluding schemes with 100% ring-fenced funding) is undertaken / revised as part of the Business Case, which allows the scheme to be scored against a weighted set of criteria such as strategic fit, business continuity, joint working, investment payback and resource use. This process 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 targeted priority outcomes.

In light of significant slippage experienced in recent years due to deliverability issues with the in-year Capital programme, a Capital Programme Board (CPB) was established in the latter part of 2015 in order to provide support and challenge with respect to both the creation of an initial budget for a capital scheme and also the deliverability and ongoing monitoring. The Terms of Reference require the CPB to ensure that the following outcomes are delivered:

- Improved estimates for cost and time of capital projects;
- Improved project and programme management and governance;
- Improved post project evaluation; and
- Improved prioritisation process across the programme as a whole.

The CPB scrutinises the programme before it is sent to Committees, and officers undertake any reworking and/or rephasing of schemes as required to ensure the most efficient and effective use of resources deployed. The Board also ensures that all schemes included within the Business Plan under an initial outline business case are further developed and reviewed before final recommendation is given to start the scheme.

Service Committees review the prioritisation analysis and the Capital Programme is subsequently agreed by General Purposes Committee (GPC), who recommends it to Full Council as part of the overarching Business Plan.

A summary of the Capital Programme can be found in the Medium Term Financial Strategy section of the Business Plan (Section 2), with further detail provided by each Service within their individual finance tables (Section 3).

**12: Revenue implications**

All capital schemes have a potential two-fold impact on the revenue position, due to:

- the cost of borrowing through interest payments and repayment of principal (called Minimum Revenue Provision), or through the loss of investment income; and
- the ongoing revenue impact of the scheme (such as staff salaries, utility bills, maintenance, administrative costs etc.), or revenue benefits (such as savings or additional income).

To ensure that available resources are allocated optimally, capital programme planning is determined in parallel with the revenue budget planning process. Both the borrowing costs and ongoing revenue costs/savings of a scheme are taken into account as part of a scheme's Investment Appraisal, and therefore, the process for prioritising schemes against their ability to deliver outcomes.

In addition, the Council is required by CIPFA's Prudential Code for Capital Finance in Local Authorities 2017 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to guarantee that it achieves this, towards the start of each Business Planning Process, Council determines what proportion of revenue budget is spent on services and the corresponding maximum amount to be spent on financing borrowing. This is achieved by setting an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan. This in turn can be translated into a limit on the level of borrowing included within the Capital Programme (this limit excludes ultimately self-funded schemes).

In order to afford a degree of flexibility from year to year, changes to the phasing of the borrowing limits is allowed within any three-year block, so long as the advisory aggregate limit remains unchanged. Blocks refer to specific three-year periods, starting from 2015-16, rather than rolling three-year periods. The advisory limit on debt charges is reviewed each year by GPC to ensure that changing factors such as the level of interest rates, or the external funding environment are taken into account when setting both.

During the 2015-16 Business Planning process, the following debt charges limits and borrowing limits for three-year blocks were set:

| | 2015-16 (£m) | 2016-17 (£m) | 2017-18 (£m) | 2018-19 (£m) | 2019-20 (£m) | 2020-21 (£m) | 2021-22 (£m) | 2022-23 (£m) | 2023-24 (£m) |
|---|---|---|---|---|---|---|---|---|---|
| **Debt Charges Limits** | 40.2 | 44.6 | 45.4 | 45.9 | 46.0 | 46.0 | 46.0 | 46.0 | 46.0 |
| **Three-Year Borrowing Limits** | 176.7 | | | 60.0 | | | 60.0 | | |

However, due to the change in the Minimum Revenue Provision policy, agreed by Full Council in February 2016, these debt charge limits have been restated as follows:

| | 2015-16 (£m) | 2016-17 (£m) | 2017-18 (£m) | 2018-19 (£m) | 2019-20 (£m) | 2020-21 (£m) | 2021-22 (£m) | 2022-23 (£m) | 2023-24 (£m) |
|---|---|---|---|---|---|---|---|---|---|
| **Restated Debt Charges Limits** | - | 35.3 | 36.8 | 37.9 | 38.6 | 39.2 | 39.7 | 40.3 | 40.8 |
| **Three-Year Borrowing Limits** | 176.7 | | | 60.0 | | | 60.0 | | |

Once the service programmes have been refined, if the amalgamated level of borrowing and thus debt charges breaches the advisory limit, schemes will either be re-worked in order to reduce borrowing levels, or the number of schemes included will be limited according to the ranking of schemes within the prioritisation analysis.

As part of the 2019-20 business planning process, the Council has undertaken a more focused review of the Capital Programme in order to minimise the cost to the taxpayer of financing debt charges for capital schemes. The review focused on re-prioritising and re-programming capital schemes according to need to ensure that the Council makes the best use of the capital funding available and minimises the revenue impact of capital projects.

Due to the Council's strategic role in stimulating economic growth across the County through infrastructure investment, any capital proposals that are able to reliably demonstrate revenue income / savings at least equal to the debt charges generated by the scheme's borrowing requirement are excluded from contributing towards the advisory borrowing limit. These schemes are called Invest to Save or Invest to Earn schemes and will be self-funded in the medium term.

However, there will still be a short-term revenue cost to these schemes, as with all other schemes funded by borrowing. Therefore, GPC will still need to review the timing of the repayments, in conjunction with the overall total level of debt charges to determine affordability of the Capital Programme, before recommending the Business Plan to Full Council.

Invest to Save and Invest to Earn schemes for all Services are expected to fund any revenue pressures, including borrowing costs, over the life of the asset. However, any additional savings or income generated in addition to this repayment will be retained by the respective Service and will contribute towards their revenue savings targets.

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government would allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects between 2016-17 and 2018-19. The Government then further extended this flexibility to cover a further 3 years until 2021-22. As part of the 2017-18 Business Plan, the Council decided to use this flexibility to fund transformational activity, and as a result, prudential borrowing undertaken by the Council for the years 2017-18 to 2021-22 will be between £2.3m and £3.3m higher in each respective year. This is expected to create additional Financing costs in the revenue budget of £150k to £200k each year. For further information, please see the Flexible Use of Capital Receipts Strategy contained within section 3 of the MTFS (Section 2).

In addition, the Council also amended its accounting policy for 2017-18 to include the capitalisation of the cost of borrowing within all schemes; this has helped the Council to better reflect the cost of assets when they actually become operational. Although the capitalised interest will initially be held on a Service basis within the Capital Programme, the funding will ultimately be moved to the appropriate schemes each year once exact figures have been calculated.

**13: Managing the Capital Programme**

The Capital Programme is monitored in year through monthly reporting, incorporated into the Integrated Resources and

Performance Report. Services monitor their programmes using their monthly Finance and Performance reports, which are reviewed by the Service Committees. These feed into the Integrated Report which is scrutinised by CPB, submitted to Strategic Management Team, then is subsequently reviewed by GPC. The report identifies changes to the Capital Programme to reflect and seek approval for;

- new / updated resource allocations;
- slippage or brought forward programme delivery;
- increase / reduction in overall scheme costs; and
- virements between schemes to maximise delivery against the priorities of the Council.

It is inevitable that new demands and pressures will be identified by the Council on an ongoing basis, however as far as is possible addressing these requirements is undertaken as part of the next Business Planning Process, in line with Regulation 6.4 of the Scheme of Financial Management.

Therefore, all new capital schemes should be approved via the Business Plan unless there is an urgent need to seek approval that cannot wait until the next planning process (i.e. because the scheme is required to start within the current financial year, or the following financial year if it is too late to be included within the current Business Plan).

In these situations, any supplementary capital request will be prepared in consultation with, and with the agreement of, the Chief Finance Officer. The report will, where possible, be reviewed by the CPB before being taken to the Strategic Management Team by the relevant Director and the Chief Finance Officer, before any request for a supplementary estimate is put to GPC. As part of this report, in line with the Business Planning process, any new schemes costing more than £160,000 will be appraised as to the financial, human resources, property and economic consequences before detailed estimate provision is made.

New demands and pressures and changes to estimated costs and funding for ongoing schemes will also potentially result in the need for virements between schemes. All virements should be carried out in line with the limits set out in Appendix I of the Scheme of Financial Management, up to the upper limit of £250,000 by the Chief Finance Officer. Anything above this limit will be dealt with in line with the process for new schemes, and will be taken to GPC for approval as part of the monthly Integrated Resources and Performance Report. Any over spends, whether in year or in relation to the whole scheme, once approved will be funded using applicable external sources and internal, non-borrowing sources first, before using borrowing as a last resort.

Once a project is complete, the CPB follows a post-implementation review process for any significant schemes (schemes over £1m, or for schemes between £0.5m and £1m where the variance is more than 20%) in order to ensure that the Council learns from any issues encountered, and highlights and follows best practice where possible. In addition, the Board can request for a review to be completed on any scheme where it is thought helpful to have one.

**14: Summary of the 2019-20 Capital Programme**

Total expenditure on major new investments underway or planned includes:

- Providing for demographic pressures regarding new and improved schools and children's centres (£693m)
- Housing Provision (£153m)
- Commercial Investment Portfolio (£92m)
- Major road maintenance (£79m)
- Rolling out superfast broadband (£36m)
- King's Dyke Crossing (£30m)
- A14 Upgrade (£25m)
- Renewable Energy – North Angle Solar Farm (£23m)
- Shire Hall Relocation (£18m)
- Transformation Activity (£16m)
- Integrated Community Equipment Service (£13m)
- Babraham Smart Energy Grid (£1m)
- Stanground Closed Landfill Energy Project (£10m)
- Waste Facilities – Cambridge Area (£8m)
- Trumpington Smart Energy Grid (£7m)
- Cambridgeshire Public Services Network Replacement (£6m)
- MAC Joint Highways Depot (£5m)
- Development of Archive Centre premises (£5m)

The 2019-20 ten-year Programme, worth £758.2 million, is budgeted to be funded through £572.4 million of external grants and contributions, £61.6 million of capital receipts and £124.2 million of borrowing. This is in addition to an estimated previous spend of £691.5 million on some of these schemes, creating a total Capital Programme value of £1.4 billion. The related revenue budget to fund capital borrowing is forecast to spend £28.2 million in 2019-20, increasing to £43.4 million by 2023-24.

The 2019-20 Capital Programme includes the following Invest to Save / Invest to Earn schemes:

| Scheme | Total Investment (£m) | Total Net Return (£m) |
|---|---|---|
| Energy Efficiency Fund | 1.0 | 0.6 |
| Commercial Investments | 96.7 | 159.0 |
| Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride | 3.6 | 1.6 |
| Babraham Smart Energy Grid | 11.4 | 24.3 |
| Trumpington Smart Energy Grid | 7.0 | 7.0 |
| Stanground Closed Landfill Energy Project | 9.7 | 36.9 |
| Woodston Closed Landfill Energy Project | 2.5 | 9.0 |
| Renewable Energy – North Angle Solar Farm | 23.2 | 43.5 |
| Housing schemes | 148.2 | 65.9 |
| County Farms investment (Viability) | 3.0 | 4.2 |
| MAC Joint Highways Depot | 5.2 | 0.2 |
| Shire Hall Relocation | 18.3 | - |
| **TOTAL** | **329.9** | **352.2** |

## Appendix 1: Allowable capital expenditure

Financial regulations proscribe certain costs from being capitalised, in particular administrative and other general overheads, together with employee costs not related to the specific asset (such as configuration and selection activities). Authorities are also required to write off any abnormal costs
that arose from inefficiencies (such as design faults, theft of materials etc.).

The following table provides some examples of what can and cannot be capitalised. The examples should be regarded as illustrative rather than definitive – interpretation of accounting rules requires some subjective judgement that will be affected by the specific circumstances of each project.

| Item of expenditure | Capital or Revenue? | |
|---|---|---|
| Feasibility studies | **Revenue** | Until a specific solution has been decided upon, costs cannot be directly attributable to bringing an asset into working condition. This includes all costs incurred whilst deliberating on any issues, scoping potential solutions, choosing between solutions and assessing whether resources will be available to finance a project. However, feasibility studies can be capitalised if they occur after a decision has been made to go ahead with a particular option i.e. if they are directly attributable in bringing an asset closer to a working (or enhanced) condition. |
| Demolition of an existing building | **Capital** | Demolition would usually be an act of destruction that would be charged to revenue; however if the costs incurred are necessary in preparing a site for a new scheme, it can be argued that they are an integral part of the new works. |
| Costs of buying out sitting tenants of existing building | **Capital** | Similar to demolition costs, this would help prepare a site in its existing condition for the new works. |
| Initial delivery and handling costs | **Capital** | Required to bring the asset closer into working condition. |
| Costs of renting alternative accommodation for staff during building works | **Revenue** | All costs incurred in carrying out the regular business of the authority whilst construction is underway make no direct contribution to the value of the asset. |
| Site security during construction | **Revenue** | Although this activity protects the investment during construction, it does not enhance it. |
| Installation and assembly costs | **Capital** | Required to bring the asset closer into working condition. |
| Testing whether the asset is functioning properly | **Capital** | Required to bring the asset closer into working condition. |

| | | |
|---|---|---|
| Rectification of design faults | **Capital** | Required to bring the asset closer into working condition. However, the previous expenditure incurred on the defective work would need to be written off to revenue. |
| Liquidated Damages | **Revenue** | Paying out damages as compensation for breaching a contract does not enhance the value of the asset. |
| Furniture and fittings | **Capital – but often revenue for CCC** | Items required to bring an asset into working condition are often capitalised as part of the overall cost of the scheme, even if such items fall below the de minimis limit of the authority. However, the Council's policy is to not capitalise equipment, therefore if the purchase is outside of an overarching property scheme, then the costs will be revenue. The downside of capitalisation is that it will not be possible to justify future replacement of furniture and fittings as being capital. |
| Training and familiarisation of staff | **Revenue** | The asset will be regarded as being in working condition, irrespective of whether anyone in the authority can use it. |
| Professional fees | **Capital** | But only to the extent that the service provided makes a contribution to the physical fabric of the new construction (e.g. architecture design) or the work required to bring the property into working condition for its intended use (e.g. legal advice in preparation of building contracts). |
| Borrowing costs | **Capital** | Any interest payable on expenditure incurred before the asset is in working condition can be added to the cost of the fixed asset. Any financing costs incurred after that date will be a charge to revenue. CCC is looking to amend its accounting policies in 2017-18 in order to be able to apply this. |
| Finance and Internal Audit staff costs | **Revenue** | These costs are generally incurred for governance reasons, rather than enhancing the value of the asset. |

## Appendix 2: Sources of capital funding

### Central Government and external grants

Grant funding is one of the largest sources of financing for the capital programme. The majority of grants are awarded by Central Government departments including the Department for Education (DfE) and the Department for Transport (DfT). In addition, the Council receives grants from various external bodies, including lottery funded organisations. Grants can be specific to a scheme or have conditions attached, including time and criteria restrictions.

### Capital receipts

The sale of surplus or poor quality capital assets as determined by the Asset Management Strategy generates capital receipts, which are reinvested in full in order to assist with financing the capital programme.

### Section 106 (S106), Community Infrastructure Levy (CIL) and external contributions

S106 contributions are provided by developers towards the provision of public infrastructure (normally highways and education) required as a result of development. Capital schemes undertaken in new development areas are currently either completely or mostly funded by the S106 agreement negotiated with developers. The Community Infrastructure Levy (CIL) is a new levy that local authorities can choose to charge on new developments in their area that will replace a large proportion of S106 agreements once it comes into force. Other external contributions are made by a variety of organisations such as district councils, often contributing towards jointly funded schemes.

### Private Finance Initiative (PFI) / Public Private Partnerships (PPP)

The Council has previously made use of additional government support through PFI and PPP and has dedicated resource to manage schemes that are funded via this source. Previous schemes that have been funded this way include Waste, Street Lighting and Schools. However, due to increasing criticism around some high-profile, large-scale PFI projects failing to deliver Value for Money, the Government announced in October 2018 that this form of capital finance will be abolished. It is believed another model will be created to continue allowing the private sector to fund public infrastructure, but it is not yet clear what from this will take.

### Borrowing (known as prudential borrowing)

The Council can determine the level of its borrowing for capital financing purposes, based upon its own views regarding the affordability, prudence and sustainability of that borrowing, in line with the CIPFA Prudential Code for Capital Finance in Local Authorities 2017. Borrowing levels for the capital programme are therefore constrained by this assessment and by the availability of the revenue budget to meet the cost of this borrowing, considered in the context of the overall revenue budget deliberations. Further information is contained within the Treasury Management Strategy Statement (Section 7 of the Business Plan).

**Revenue Funding**

The Council can use revenue resources to fund capital projects on a direct basis. However, given the general pressures on the revenue budget of the Council, it is unlikely that the Council will often choose to undertake this method of funding.

**Appendix 3: Investment Strategy for Non-financial Investments**

**Objectives**

- Acquire properties that provide long term investment to support the delivery of the Council's corporate objectives
- Deliver a portfolio which balances risk and rewards aligned to the Council's risk appetite
- Prioritise properties that yield optimal rental growth and stable income
- Protect capital invested in acquired properties

**Legal Powers**

<u>Power to invest</u>
Pursuant to the powers set out in s.12 Local Government Act 2003, the Council may invest either for either *"any purpose relevant to the Council's functions under any enactment", (s. 12(a))* or *"the purposes of the prudent management of its financial affairs" (s. 12(b))*.

The power to invest given in s.12 should in principle include the power to invest in commercial property. However, the power to invest in commercial property must be used either for a purpose relevant to a function of the Council, for example the regeneration of an area, for economic development outcomes, or for the prudent management of the authority's financial affairs. Investing purely to create a return is not viewed as a function of an authority. It is therefore important that the primary objective of the strategy is to support the strategic objectives of the Council. It is also important to ensure that public funds are not exposed to unnecessary or unquantified risk.

In exercising the power to invest under s.12(b) the Council also has regard to the MHCLG Statutory Guidance on Local Government Investments. The Guidance advocates the preparation of an investment strategy which the Council will be expected to follow in its decision making process unless a sensible and cogent reason is articulated for departing from it.

<u>Power to borrow</u>
Section 1 of the Local Government Act 2003 gives each local authority a power to borrow money for:
(a) any purpose relevant to its functions under any enactment
(b) the purposes of prudent management of its financial affairs provided it does not exceed its affordable borrowing limit under s.3 Local Government Act 2003 (s.2(1) and 2(4))

These powers mirror those in s.12 Local Government Act 2003 referenced above. The powers within the LGA 2003 are not considered wide enough to permit local authorities to borrow to invest purely in order to benefit from a financial return, particularly in light of the revised guidance on Local Government Investments which clearly states that authorities 'must not borrow more than or in advance their needs purely in order to profit from the investment of the extra sums borrowed'. However, the Localism Act 2011 was drafted to encourage councils to develop new and innovative business models. This legislation gives councils the General Power of Competence, which means a local authority has powers to do anything that is "for the benefit of the authority, its area or persons resident or present in its area". The power does not enable an authority to carry out activities that were not permitted by legislation in force before the Localism Act 2011.

<u>The power to undertake an activity for a commercial purpose</u>
The General Power of Competence may allow the Council to invest in property for a return but this activity is likely to be characterised as an activity for a commercial purpose and cannot therefore be undertaken directly by the authority (s.4 Localism Act 2011). It may be pursued through a company formed for that purpose and being within the meaning of S.1(1) Companies Act 2006. There will be attendant corporation and income tax liabilities which will need to be addressed in a business case. The formation of a company requires the preparation of a thorough and detailed business case and these and other considerations such as the financing of the company and any state aid issues would need to be addressed in that document.

**Governance Processes**

The decision to invest public funds in commercial property is one that should not be taken lightly. Any investment carries with it a degree of risk and the level of returns are directly proportionate to the risk of the investment made. Whilst it is important to ensure that due and proportionate governance is followed, the market for commercial acquisitions is such that agile decision making is also important. This is particularly the case where the Council wishes to acquire commercial opportunities before they hit the market and thereby avoid bidder competition which tends to escalate the sales price.

There is a fine balance in ensuring appropriate due process has been undertaken whilst not restricting opportunities through overly burdensome governance requirements. As a consequence it will not always be possible for all acquisition proposals to be considered within the democratic cycle of meetings. The C&I Committee has agreed that in order for such proposals to be considered, evaluated and pursued within an agile, yet transparent and accountable, framework, it needs to delegate responsibility via a tiered decision-making process as follows:

| Investment/Loan Value | Decision Making Arrangements |
|---|---|
| £10m or less | Deputy Chief Executive/Chief Finance Officer (CFO) in consultation with Chairman of C&I Committee |
| Greater than £10m but no more than £25m | C&I Committee Investment Working Group |
| Greater than £25m but no more than £50m | C&I Committee |
| Greater than £50m | GPC |

The C&I Investment Working Group has been created to reflect the proportional representation of the Committee; there are 3 Conservatives Members, 1 Liberal Democrat Member, and 1 Labour Member. The meetings of this Group can also be undertaken virtually if necessary. At times, it may even be too difficult to convene this Group before an initial expression of interest needs to be placed; therefore in this scenario, the Deputy Chief Executive/CFO in consultation with the Chairman and Deputy Chairwoman of C&I Committee is delegated the responsibility to place an initial bid (with the information also circulated to other members of the Group). Any final bid, however, has to follow the delegation as set out above.

Where appropriate, the Council will work with a partner organisation to develop the portfolio in order to ensure the right skills are used and the necessary capacity is generated in order to access market opportunities. The Council has used one professional advisor to date, however there are many such advisors in the market and therefore if the Group feels it is appropriate, other advisors may also be engaged.

**Managing Risk**

The structure of the property portfolio has a significant bearing on the portfolios inherent risk and return profile. Therefore a key objective of the strategy is to create diversification within the portfolio in order to manage exposure to the risks of concentrating too much activity in any particular sector. Key risks in the portfolio can be categorised in a number of ways, as follows.

Income Risk

The main risk in a commercial portfolio is tenant vacancies and the resultant loss of income. The costs of holding a vacant property include non-domestic rates, insurance, utilities, security, inspections and management. In addition, there would be the cost of marketing the property, the agent's disposal fees and legal fees for completing the lease documentation for re-letting the premises.

Yield Risk

The aim of the majority of investments is to provide a secure return on income. The Council will manage its commercial property as a single portfolio, ensuring that the collective returns achieved on the investments meet the overall financial target that is set. It is therefore important that any purchasing decisions also contribute positively to the performance of the portfolio, both financially and in minimising the overall risks.

Concentration Risk

Concentration risk can be categorised into a number of constituent risks:

**Sector Concentration:** The main property sectors are retail, office, industrial and leisure/healthcare. The portfolio will aim to spread its investment across the sectors to limit exposure to any volatility in a particular area. Like geographic diversification, industry diversification must be sensitive to the diversification requirements of the overall portfolio. The value of industrial real estate holdings is sometimes adversely affected by changes in environmental legislation, and such holdings should probably be limited in overall investment portfolios.

**Geographical Concentration:** The strength of the investment opportunity will dictate the wider locations which may be considered outside of Cambridgeshire, as opposed to location being the driving force. It is important for the Council to understand the future economic viability of localities which will be influenced by a number of local and national economic factors. For example future major transport infrastructure investment could significantly influence the economic viability of an area and therefore the future value of investments in that locality. Engaging the services of an expert will therefore be an essential prerequisite of the strategy.

**Property Concentration:** Diversifying a real estate portfolio by property type is similar to diversifying a securities portfolio by industry. Different property types cater to different sectors of the economy. For example, office property generally responds to the needs of the financial and services-producing sectors; industrial property to the goods-producing sectors; retail property to the retail sector; and hotels to the travel and tourism sectors, employment growth, and the business cycle. Understanding the return and risk factors attendant to different property types requires understanding the factors affecting each property type’s user groups.

**Tenure Concentration:** The portfolio will be managed to ensure that it contains a broad spread of tenants. This analysis can be driven by credit ratings, nature of business, lease length, and the value of the leaseholds. It is important to evaluate tenant credit ratings according to the senior corporate debt of the lessees. Leases can be compared with regard to their length (including renewal options), which may vary considerably, typically from ten to twenty years.

<u>Due Diligence</u>

The risks associated with a specific investment are mitigated by carrying out robust due diligence of the individual acquisition. This process includes the following activities:

- Valuation
- Market conditions
- Covenant strength
- Terms of leases
- Structural surveys
- Future costs
- Other issues

The Investment Strategy will provide continual evaluation of the investment portfolio to meet the Council's priority to ensure that the investment portfolio is fit for purpose. A larger and more balanced portfolio will help achieve the Council's aim of increasing income to support the delivery of services throughout the County, however a core portfolio of property assets will be sought with a view to diversification on individual assets by sector (industrial, offices and retail), location and risk.

**Proportionality**

The Council needs to consider the long-term sustainability risk implicit in becoming too dependent on commercial income or in taking out too much debt relative to net service expenditure.

<u>Dependency on Commercial Income</u>

As noted earlier in the strategy, the Council cannot meet the financial challenges it faces through transformation alone and therefore part of the strategy has to be to generate additional revenue resources. However, as noted above, there are inherent risks associated with commercial activity and as such the Council will be taking a measured risk approach towards supporting a proportion of its core activity with commercial income. The tables below shows the forecast levels of commercial income as a percentage of net and gross service expenditure:

| | 2019-20 Estimate % | 2020-21 Estimate % | 2021-22 Estimate % | 2022-23 Estimate % | 2023-24 Estimate % |
|---|---|---|---|---|---|
| Commercial income to net service expenditure | 1.2 | 0.9 | 1.2 | 1.1 | 1.0 |
| Commercial income to gross service expenditure | 0.8 | 0.7 | 0.9 | 0.9 | 0.8 |

Debt relative to Service Expenditure

As part of the process for agreeing the Capital Strategy, GPC currently agrees a debt charges limit at the beginning of the business planning process as a mechanism to ensure that the Council does not overcommit its revenue resources to servicing debt (see Section 12). This could also be reviewed in terms of debt as a proportion of net service expenditure, which is forecast as follows:

| | 2019-20 Estimate % | 2020-21 Estimate % | 2021-22 Estimate % | 2022-23 Estimate % | 2023-24 Estimate % |
|---|---|---|---|---|---|
| Financing costs to net service expenditure | 9.2 | 9.7 | 9.7 | 9.9 | 10.3 |

However, the majority of these costs do not relate to borrowing incurred (or anticipated) for commercial investment, but rather to supporting the Council's existing Capital Programme.

**Developing the Portfolio**

Financial investment options, such as investment in property funds and issuing commercial loans to other organisations are covered by the Treasury Management Strategy. There are two main methods by which the Council can deliver is non-financial investment – through acquisition of property, or through development of its own assets.

Acquisition

The Council is looking to acquire both freehold and long-term leasehold properties, engaging the services of commercial property experts in order to identify appropriate market opportunities. Where appropriate, the Council will also make use of advisors to undertake robust due diligence and complete sale documentation. On-going management arrangements for the Council's first acquisition have been outsourced, however this could also be covered by internal arrangements if felt appropriate.

The benefits of this approach are:

- revenue is generated from the point of acquisition
- risks are mitigated with proper due diligence
- reasonable levels of liquidity
- management costs are relatively low.

However, the Cambridgeshire market generates relatively low returns due to competition and security of tenure which may mean looking further afield to generate higher returns. At least initially, there will be a concentration risk until a diverse portfolio is developed.

As a new investor in this area of activity, the Council is initially taking a relatively low risk approach to acquisitions in order to develop a sound real estate investment portfolio. This will reduce the level of return that can be generated; it is proposed to target investments with yields of 6% or greater. Where an opportunity does not quite meet the 6% threshold but it is felt to still have potential, the investment will be taken to C&I Committee to review. The types of investment in this area include:

- Best property for the sector in an ideal location, with long-term income from high quality tenants where yields are equal to or slightly above prime for the sector. Rental yield (financial return on the capital investment as a percentage) will be lower than the general market, but capital and rental growth should be steady and medium/long-term risk of void periods and tenant default is reduced.

- Properties similar to those above, but in slightly less favourable locations, with shorter leases and lesser tenant covenant strength, where returns will be appropriate for the sector and risk. Rental yields in this area will be slightly higher, reflecting the increase in risk.

The Committee's long-term aim is for around 75% of the overall acquisitions portfolio to be comprised of these lower-risk properties. The remaining 25% will be comprised of specialist sector investments such as hotels, public houses, student accommodation, and health care facilities; these will be considered on merit, but do not form part of the core search criteria. Given the depreciating specialist infrastructure and changes in trends, such assets may require substantial future capital expenditure in order to maintain the value of the interest; the risk from this will be fully explored and understood before purchase. Residential property provides a good income diversifier given its limited correlation to commercial property and returns have been stable over the long term, although the level of tenant and property management will be carefully considered and allowed for in all appraisals. The returns on this element of the portfolio will be varied, but should in principle be at the upper level or above the returns of the low risk acquisitions.

Development

The Council can either carry out development itself, such as with the Council's Commercial Energy Investments, or enter into an agreement with a developer to fund all or part of a development. This could be enacted as a direct commercial arrangement with a developer or could be delivered via a joint venture (JV) arrangement. This would require risk and reward arrangements to be established. In a JV scenario the level of risk would mirror the level of reward that each partner would derive; this would normally be 50:50, however other scenarios could also be developed. If the Council develops the investment itself and simply seeks a provider to construct to a defined specification, it does not of course share any of the benefits – but neither does it share any of the risks.

The benefits of this type of commercial arrangement are that the developer could bring skills to that the Council does not hold internally. The investment should deliver a premium over and above straight investment, however it therefore carries with it proportionately greater risk. Selecting the right development partner is essential for success.

Self-development would bring greater financial rewards and would ensure that the Council remains in control of the development. However the Council may need to invest to ensure that it has the right skills and capacity to manage such an investment programme, as these do not necessarily currently exist extensively within the Council.

The disadvantages are that revenues are only accrued once the development has been completed. Land acquisition and other costs will be incurred long before any revenue stream commences. There is very low liquidity during construction and diversification of portfolio would be low. The self-development route would expose the Council to procurement and construction risks which would need to be mitigated by the 'buying in' of the appropriate and necessary skills.

Delivery

The commercial investment portfolio will need to be developed over time to avoid the concentration risks set out earlier in this report. This will ultimately result in a balanced portfolio of investments across sectors and geographical locations. A core portfolio of property assets will be sought with a view to diversification on individual assets by sector (industrial, offices and retail), location and risk. However, in the first instance it is of course inevitable that the first acquisition will result in 100% concentration in all risks. However, the Council already has several energy schemes under development, therefore is already broadening its concentration.

**Funding**

Section 5 and Appendix 2 of the main Capital Strategy detail how capital expenditure can generally be funded. Not all types of funding, however, can be used to fund non-financial investment; the main sources are revenue/reserves, capital receipts, borrowing, and occasionally, Government grants.

Revenue/Reserves

Given the Council's overall financial position, this would require further savings to be identified within the revenue budget to the same value as the charge; therefore this funding route is not a realistic option for the Council

Capital Receipts

The Council's current surplus asset policy is to repurpose non-operational property to generate a revenue return where possible, rather than dispose of the asset to generate a receipt. However, in the last 18 months the Council has set up its own housing company, This Land, to develop some of the Council's surplus estate, which in turn also generates capital receipts for the Council at the point where assets are sold to the company. The Council has therefore decided to use these specific receipts, currently forecast to generate around £90m, to fund the Council's commercial investment programme. These receipts could instead be used to fund the non-commercial investment aspects of the Council's Capital Programme; therefore there is an opportunity cost of using the receipts to fund commercial investment (which is equivalent to the revenue cost that would have been incurred should the commercial investment have been funded by borrowing).

Borrowing
As with borrowing for any capital project, both the interest cost and an MRP charge would need to be covered by revenue payments (see Section 12). However, there are additional restrictions in place with respect to borrowing to fund both financial and non-financial investment – MHCLGs Statutory Guidance on Local Government Investments states that authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums bowed. If an authority exceptionally choose to do so, then it needs to clearly explain why it has disregarded the guidance.

The Council anticipates that the core element of its commercial investment will be funded by capital receipts. However, it is likely that this will not be sufficient to support the Council's plans regarding expectation of the level commercial income that will be used to support the Council's revenue budget over the medium term. Therefore, it may be necessary for the Council to take a measured risk towards using borrowing to fund some element of the Council's commercial investment.

**Property Management**

Management of Property
Properties with fully repairing and insuring leases shall be sought as a preference for investment, in order to minimise the cost of management and maintenance. Exceptions could be made for properties that are purchased for specific development or planning reasons. In order to minimise management overheads, use of an external property management firm would be considered to handle the day to day operational issues with the portfolio, particularly for properties which are outside the county.

Tenure
Assets acquired with tenants in place may be subject to sub-leases granted within the security of tenure provisions of the Landlord and Tenant Act 1954. This may be less attractive if assets are purchased for future development possibilities as ending the tenancies will require the Council to satisfy one of the grounds under the Act to take back possession. Conditions of tenure will therefore be a further important consideration in any investment decision.

Realising the Investment
There may be a need in the future to dispose of property investments. This may happen because of the need to return the investment to cash for other purposes, or it could be due to poor financial performance of a particular property, etc. So, while it is likely that the majority of investments will be held for a medium to long term in order to achieve the required return and to justify the cost of the acquisition, it is

important to understand the opportunities to dispose of any investment at the outset. Therefore, as part of the investment decision, consideration must be given to the potential ways in which the Council could "exit" from the investment, such as sale to another investor, sale for redevelopment, etc. An investment would only proceed where there is a clear exit strategy, should it be required.

**Current Portfolio**

| | | | |
|---|---|---|---|
| **Acquisition:** | Brunswick House | **Date of Acquisition:** | 26/07/18 |
| **Service Objectives** | Diversify and increase income streams to the county council, protecting frontline services notwithstanding reducing government grant and rising demand.<br><br>Supporting sustainable and well managed student accommodation, held in local ownership in Cambridge, one of the world's leading student cities. There is significant undersupply of purpose built student accommodation in the city with 44% of students unable to access purpose built accommodation.<br><br>Inward economic investment: directly and indirectly supportive to jobs in the education sector, a key industry in the County's economy. | **Assessment of Risks** | Constructed in 2012, the property was acquired in good condition, marketed to students under a higher/premium end.<br><br>The principal financial risk relates to occupancy levels (demand for student housing). Demand for student accommodation in Cambridge is expected to remain strong. The nature of the student property market in Cambridge is that quality of student experience is a key aspect of the offer alongside, and indeed in many cases ahead of, pricing.<br><br>At the point of acquisition there were additional risks arising from tenancy terms and correction of a construction deficiency at the property under warranty; these were outlined in Committee reports and have subsequently been mitigated or resolved through remedial works and novation arrangements. |

| | | | |
|---|---|---|---|
| **Advisors / Market Research** | Property Consultants, Carter Jonas, were engaged to appraise the investment opportunity – conducting market research and valuing the property in view of demand, planning conditions, future prospects and condition.<br><br>Legal advisors, Birketts LLP, dealt with the conveyancing and transaction, providing advice on legal issues arising from Property, Construction, Tax, Commercial, Planning and Employment.<br><br>Brunswick House is staffed on a day-to-day basis and marketed by HomesforStudents, who operate 15,000 student rooms across the country with a strong reputation for student experience, welfare and security. | **Liquidity** | There are no plans to sell currently.<br><br>The acquisition was not funded by borrowing; however, if required, the property could be sold. There was an active market for the property when it was acquired, and the property market in Cambridgeshire has strong foundations and resilience. |
| **If funded by borrowing, why was this required?** | N/A | **Explanation of why the Statutory Guidance on local Authority Investments and the Prudential Code have not been adhered to** | N/A |

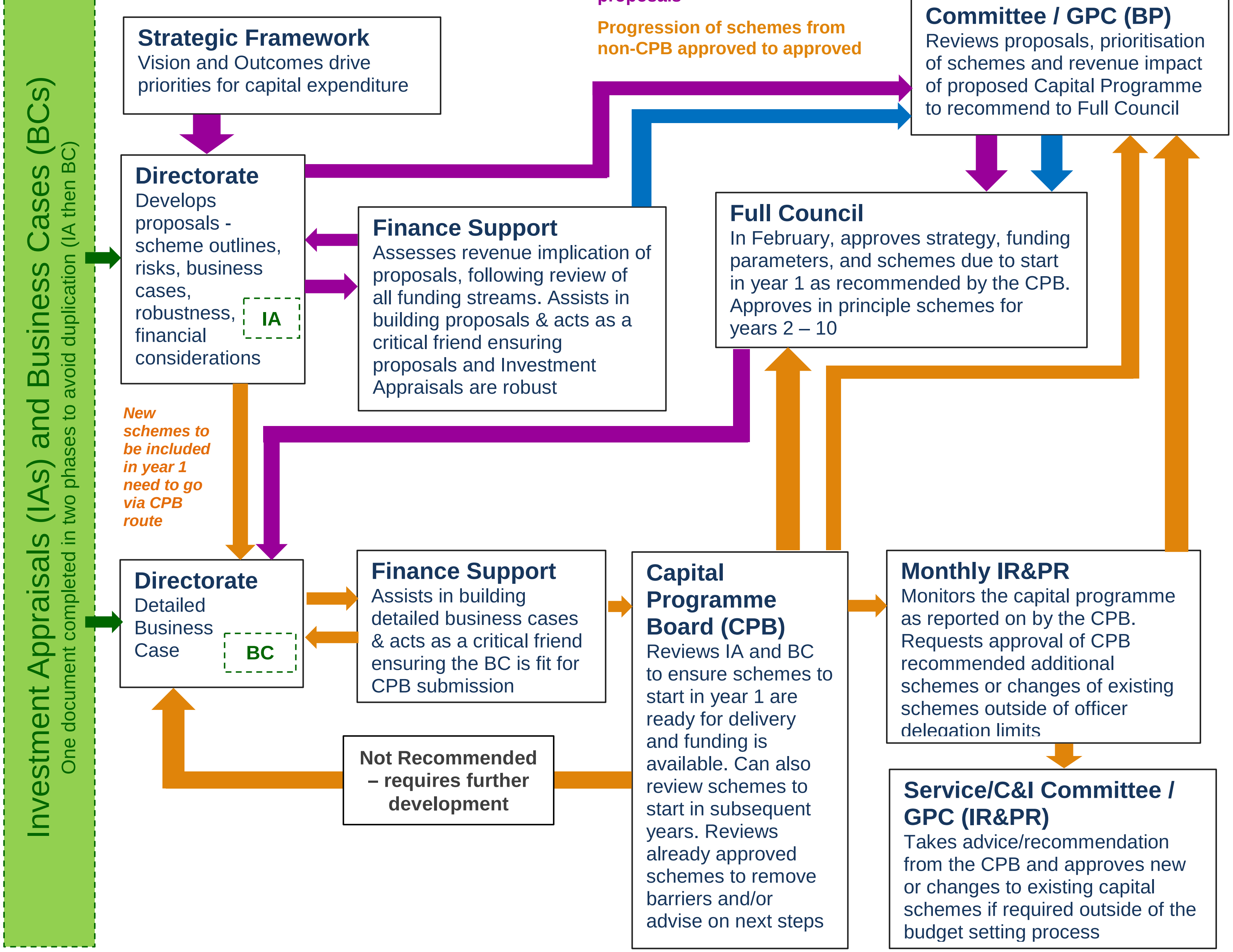
| Cost (£m) | Funded by Borrowing (£m) | Total Interest Costs (£m) | Annual Income (£m) | Annual Costs (£m) | Annual Net Return (£m) |
|---|---|---|---|---|---|
| 39.5 | - | - | 2.4 initially | 0.5 initially | 1.9 initially |
| **Payback Period (Yrs)** | **Net Income Yield (%)** | **Return on Investment (%)** | **Total Return over 25 Years (£m)** | **Internal Rate of Return (%)** | **Net Present Value (£m)** |
| 16.4 | 4.8 increasing to 6.1 | 69.6 | 66.9 | 4.4 | 8.3 |
| **Additional Investment (£m)** | **Current Value (£m)** | **Gain (+) / Loss (-) (£m)** | **Revenue implications of reported loss / Mitigating action** | | |
| The Council is looking to establish a sinking fund with at least 1% of net income in order to maintain and improve the property. | 39.5 | N/A | Asset has not yet been valued at market value as the 2018-19 accounts process has not yet completed. | | |

# Appendix 4: Capital Programme governance

Development of revenue implications

Development of initial proposals

Progression of schemes from non-CPB approved to approved




**May - February**

**Mid May**
CPB reviews roll forwards and rephasing (for current year schemes)

**May to Mid-August**
Services review all existing schemes in programme and develop new bids, inc. IAs

**Mid-August**
CPB reviews capital IAs and BCs (Yr 1 schemes)

**End August**
SMT reviews whole programme

**September**
Service committees review programme
CPB reviews prioritisation of whole programme

**October**
GPC reviews prioritisation

**November & December**
Service committees review relevant parts of the revised programme

**January**
GPC reviews whole BP and recommends to Full Council

**February**
Full Council agrees BP

**ONGOING**

Year 1 schemes not yet approved via CPB – see above timescales

Year 2+ schemes reviewed by CPB as and when developed as part of monthly meetings

CPB monitors capital programme monthly

BCs for new / changed schemes sent to CPB before approval is requested by service committee / in monthly IR&PR

## Treasury Management Strategy

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## 1: Introduction

### CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes

CIPFA has defined treasury management as “the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The Council has adopted CIPFA’s Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (the Treasury Code). The adoption is included in the Council’s Constitution.

### CIPFA Prudential Code for Capital Finance in Local Authorities

The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) is a professional code of practice. Local authorities have a statutory requirement to comply with the Prudential Code when making capital investment decisions and carrying out their duties under Part 1 of the Local Government Act 2003 (Capital Finance etc and Accounts).

The CIPFA Prudential Code sets out the manner in which capital spending plans should be considered and approved, and in conjunction with this, the requirement for an integrated treasury management strategy.

Councils are required to set and monitor a range of prudential indicators for capital finance, covering affordability, prudence, and a range of treasury indicators..

### Treasury Management Policy Statement

The Council’s Treasury Management Policy Statement is included in Appendix 2. The policy statement follows the wording recommended by the latest edition of the CIPFA Treasury Code.

### Treasury Management Practices

The Council’s Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management policies and objectives, and how it will manage and control those activities.

The Council's TMPs Schedules cover the detail of how the Council will apply the TMP Main Principles in carrying out its operational treasury activities. They are reviewed annually and approved by the Council's Chief Finance Officer.

**The Treasury Management Strategy**

It is a requirement under the Treasury Code to produce an annual strategy report on proposed treasury management activities for the year.

The Council's Treasury Management Strategy is drafted in the context of the key principles of the Treasury Code, as follows:

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds.
- They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

The purpose of the Treasury Management Strategy is to establish the framework for the effective and efficient management of the Council's treasury management activity, including the Council's investment portfolio, within legislative, regulatory, and best practice regimes, and balancing risk against reward in the best interests of stewardship of the public purse.

The Treasury Management Strategy incorporates:

- The Council's capital financing and borrowing strategy for the coming year

- The Council's policy on the making of Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008.
- The Affordable Borrowing Limit as required by the Local Government Act 2003.
- The Annual Investment Strategy for the coming year as required by the Ministry of Housing, Communities and Local Government (MHCLG) revised Guidance on Local Government Investments updated in 2018.

The Strategy takes into account the impact of the Council's Medium Term Financial Plan (MTFP), its revenue budget and capital programme, the balance sheet position and the outlook for interest rates.

The Treasury Management Strategy also includes the Council's:

- Policy on borrowing in advance of need
- Counterparty creditworthiness policies

The main changes from the Treasury Management Strategy adopted in 2018-19 are:

- Updates to interest rate forecasts
- Updates to debt financing budget forecasts
- Updates and changes to required Prudential and Treasury Indicators
- Inclusion of an Investment Strategy

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. The Treasury Management Scheme of Delegation is shown in Appendix 1.

## 2: Current Treasury Management position

The Council's projected treasury portfolio position at 31 March 2019, with forward estimates is summarised below. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing. The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.

Any capital expenditure which has not immediately been paid for, will increase the CFR. The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life. This is shown in graphical form in Appendix 1. The CFR and borrowing figures include borrowing undertaken or planned for third party loans, as well as PFI and Finance Lease liabilities.

The Council's projected borrowing need, alongside forecast external borrowing and investment balances, is shown in the Tables 1 and 2 below:

**Table 1: Forecast Borrowing and Investment Balances**

| | 2018-19 Projected £m | 2019-20 Estimate £m | 2020-21 Estimate £m | 2021-22 Estimate £m | 2022-23 Estimate £m | 2023-24 Estimate £m |
|---|---|---|---|---|---|---|
| **External borrowing** | | | | | | |
| Borrowing at 1 April b/f | 497.9 | 620.0 | 750.0 | 830.0 | 830.0 | 830.0 |
| Net Borrowing Requirement to fund capital programme (see Table 2 below) | 137.1 | 118.3 | 70.9 | -11.1 | -4.8 | 1.4 |
| Internal borrowing (increase)/reduction* | -25.0 | 11.7 | 9.1 | 11.1 | 4.8 | 8.6 |
| **(1) Actual borrowing at 31 March c/f** | **620.0** | **750.0** | **830.0** | **830.0** | **830.0** | **840.0** |
| **(2) CFR – the borrowing need** | **888.9** | **1,007.2** | **1,078.1** | **1,067.0** | **1,062.2** | **1,063.6** |
| **(3) *[2 – 1]* Internal borrowing*** | **268.9** | **257.2** | **248.1** | **237.0** | **232.2** | **223.6** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Investments** | | | | | | |
| Investments at 1 April | 39.7 | 18.1 | 18.8 | 17.9 | 20.2 | 17.0 |
| In Year Movements | -21.6 | 0.7 | -0.9 | 2.3 | -3.2 | 1.4 |
| **(4) Investments at 31 March** | **18.1** | **18.8** | **17.9** | **20.2** | **17.0** | **18.4** |
| **(5) *[1 – 4]* Net borrowing** | **601.9** | **731.2** | **812.1** | **809.8** | **813.0** | **821.6** |

**'*Internal Borrowing, also refered to as Under/Over Borrowing, is temporarily funding capital spending from cash-backed resources (reserves and cashflow timing surpluses) to hand. This avoids interest payments by deferring the need to borrow externally, reduces investment balances that would otherwise earn a rate of return lower than the cost of additional borrowing therefore minimising net interest expenses, and consequently less investments reduces the Councils exposure to credit risk. Internal Borrowing is discussed furtheri n Section 4 Borrowing Strategy.**

**Table 2: Capital Borrowing Requirement**

| | 2018-19 £m | 2019-20 £m | 2020-21 £m | 2021-22 £m | 2022-23 £m | 2023-24 £m |
|---|---|---|---|---|---|---|
| Unsupported Borrowing – General Fund | 62.9 | 97.8 | 88.5 | 8.8 | 15.5 | 22.2 |
| Unsupported Borrowing – Housing* | 85.3 | 34.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Less: MRP and other financing movements | -11.1 | -14.3 | -17.6 | -19.9 | -20.3 | -20.8 |
| **Net Borrowing Requirement to fund Capital Programme** | **137.1** | **118.3** | **70.9** | **-11.1** | **-4.8** | **1.4** |

* Loans raised by the Council for the purposes of on-lending to its wholly owned housing development company, This Land, will be classified as capital expenditure and therefore increase the Capital Financing Requirement. However, as these loans will be repaid in full in later years, no MRP will be charged on this borrowing.

Within the set of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross borrowing does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for current and next two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes except to cover short term cash flows.

The Chief Finance Officer (Section 151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

### 3: Prospects for interest rates

The Council has appointed Link Asset Services (LAS) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following graph gives the LAS central view for short term (Bank Rate) and longer fixed interest rates.

| Link Asset Services Interest Rate View | Dec-18 | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bank Rate View | 0.75% | 0.75% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% | 1.50% | 1.50% | 1.75% | 1.75% | 1.75% | 2.00% |
| 3 Month LIBID | 0.80% | 0.90% | 1.00% | 1.10% | 1.20% | 1.30% | 1.40% | 1.50% | 1.50% | 1.60% | 1.70% | 1.80% | 1.90% | 2.00% |
| 6 Month LIBID | 0.90% | 1.00% | 1.20% | 1.30% | 1.40% | 1.50% | 1.60% | 1.70% | 1.70% | 1.80% | 1.90% | 2.00% | 2.10% | 2.20% |
| 12 Month LIBID | 1.10% | 1.20% | 1.30% | 1.40% | 1.50% | 1.60% | 1.70% | 1.80% | 1.90% | 2.00% | 2.10% | 2.20% | 2.30% | 2.40% |
| 5yr PWLB Rate | 2.00% | 2.10% | 2.20% | 2.20% | 2.30% | 2.30% | 2.40% | 2.50% | 2.50% | 2.60% | 2.60% | 2.70% | 2.80% | 2.80% |
| 10yr PWLB Rate | 2.50% | 2.50% | 2.60% | 2.60% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% | 3.20% |
| 25yr PWLB Rate | 2.90% | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.30% | 3.30% | 3.40% | 3.40% | 3.50% | 3.50% | 3.60% | 3.60% |
| 50yr PWLB Rate | 2.70% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.20% | 3.30% | 3.30% | 3.40% | 3.40% |

The flow of generally positive economic statistics after the quarter ended 30th June meant that it came as no surprise that the Bank of England's Monetary Policy Committee (MPC) came to a decision on 2nd August to raise the Bank Rate from 0.5% to 0.75%. Growth has been healthy since that meeting, but is expected to weaken somewhat during the last quarter of 2018. At their November meeting, the MPC left Bank Rate unchanged, but expressed some concern at the Chancellor's fiscal stimulus in his Budget, which could increase inflationary pressures. However, it is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. The next increase in Bank Rate is therefore forecast to be in May 2019, followed by further increases in 2020, before settling at 2.0% in early in2022.

The overall future trend is for gilt yields, and consequently PWLB rates, to rise albeit gently. Over the last 25 years, we have been through a period of falling bond yields as inflation subsided to, then stabilised at, much lower levels than before. After the financial crash of 2008, central banks implemented substantial programmes of quantitative easing - the purchases of government and other debt. Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns. In 2016, we saw the start of a reversal of this trend with a sharp rise in bond yields after the US Presidential election in November 2016, with yields then rising further as a result of the big increase in the US government deficit aimed at stimulating even stronger economic growth. That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. Unsurprisingly, the Fed has continued on its series of robust responses to combat its perception of rising inflationary pressures by repeatedly increasing the US interest rate (the Fed rate) to a rate of 2.00 – 2.25% in September 2018. It has also continued its policy of not fully reinvesting proceeds from bonds that it holds as a result of quantitative easing when they mature. As a consequence US 10 year bond Treasury yields rose above 3.2% during October 2018 and there has also been a sharp fall in equity prices.

Rising bond yields in the US have also caused some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure has been dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

**Investment and borrowing rates**

Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.

Borrowing interest rates have been volatile so far in 2018-19 and have increased modestly since the summer. The policy of internal borrowing by avoiding new external debt and running down cash balances as a temporary measure has served the Council well over the last few years. However, this position will be carefully monitored during 2019-20 to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure or the refinancing of maturing debt.

Cost of carry (the net difference between borrowing costs outweighing investment returns) remains a key factor in assessing any new long-term borrowing decisions.

## 4: Borrowing strategy

The overarching objectives for the borrowing strategy are as follows:

- To manage the Council's debt maturity profile.
- To maintain a view on current and possible future interest rate movements, and to plan borrowing accordingly.
- To monitor and review the balance between fixed and variable rate loans against the background of interest rates and the Prudential Indicators.
- Reduce reliance on the PWLB as a source of funding and review all alterative options available, including forward loan agreements.
- Continue to support UK Municipal Bonds Agency (MBA)bond issuance programme.

- Provide value for money and savings where possible to meet budgetary pressures.

The Council is currently maintaining an internally borrowed cash position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt. Instead cash in hand supporting the Council's reserves, balances, and positive cash flows has been used as an alternative temporary measure. This strategy is prudent in the current economic climate - as returns achievable from the investment of cash are lower than the cost of raising additional loan debt, and counterparty risk remains elevated – but this will need to be reversed over time when the original requirement for that cash arrives.

Given that projections over the next three years show an increasing CFR and Bank Rate is forecast to remain low, the Council plans to predominately use a mix of its own cash balances and short/medium term borrowing to finance further capital expenditure before long term borrowing is considered. This strategy maximises short term net interest savings.

However, the decision to maintain internal borrowing will be evaluated against the potential for incurring additional long term borrowing costs in later years, when long term interest rates are forecast to be significantly higher.

Against this background and the risks within the economic forecast, caution will be adopted with the 2019-20 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

**Prudential & Treasury Indicators**

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their prudential indicators.

A full set of prudential indicators and borrowing limits are shown in Appendix 3.

**Policy on borrowing in advance of need**

The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance of need will be within the forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance will be considered within the following constraints:

| Year | Max. Borrowing in advance | Notes |
|---|---|---|
| 2019-20 | 100% | Borrowing in advance will be limited to no more than the expected increase in borrowing need (CFR) over the period of the approved Medium Term Capital Programme, a maximum of 3 years in advance. |
| 2020-21 | 50% | |
| 2021-22 | 25% | |

The risks associated with any borrowing in advance activity will be subject to prior appraisal. Any advance borrowing undertaken will be reported in Treasury Management update reports.

**Debt rescheduling**

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term borrowing to short term borrowing. However, these savings will need to be considered in the light of the current treasury position and in the current economic climate the substantial exit costs of any debt repayment.

The reasons for any rescheduling to take place will include:

- The generation of cash savings and/or discounted cash flow savings.

- Helping to fulfil the treasury strategy.
- Enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Any rescheduling activity undertaken will be reported to the General Purposes Committee (GPC), at the next quarterly report following its action.

**5: Minimum Revenue Provision**

The Council is required to repay an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if required (Voluntary Revenue Provision - VRP).

CLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the MRP Policy in Appendix 4.

The Council, in conjunction with its Treasury Management advisors, considers the MRP policy to be prudent.

**6: Investment strategy**

Government Guidance on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set. The Guidance permits the Treasury Management Strategy Statement (TMSS) and the AIS to be combined into one document.

The Council’s general policy objective is to invest its surplus funds prudently. As such the Council’s investment priorities in priority order are:

- the security of the invested capital
- the liquidity of the invested capital
- the yield received from the investment

The Council's Annual Investment Strategy (AIS) is shown in Appendix 5.

## 7: Risk Analysis and Forecast Sensitivity

### Risk Management

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Treasury management risks are identified in the Council's approved Treasury Management Practices. The main risks to the treasury activities are:

- Credit and counterparty risk (security of investments)
- Liquidity risk (adequacy of cash resources)
- Interest rate risk (fluctuations in interest rate levels)
- Exchange rate risk (fluctuations in exchange rates)
- Refinancing risks (impact of debt maturing in future years)
- Legal and regulatory risk (non-compliance with statutory and regulatory requirements)
- Fraud, error and corruption, and contingency management (in normal and business continuity situations)
- Market risk (fluctuations in the value of principal sums)

The TMP Schedules set out the ways in which the Council seeks to mitigate these risks. Examples are the segregation of duties (to counter fraud, error and corruption), and the use of creditworthiness criteria and counterparty limits (to minimise credit and counterparty risk).Council officers, in conjunction with the treasury advisers, will monitor these risks closely.

### Sensitivity of the Forecast

The sensitivity of the forecast is linked primarily to movements in interest rates and in cash balances, both of which can be volatile. Interest rates in particular are subject to global external influences over which the Council has no control.

Both interest rates and cash balances will be monitored closely throughout the year and potential impacts on the Council's debt financing budget will be assessed. Action will be taken as appropriate, within the limits of the TMP Schedules and the treasury strategy, and in line with the Council's risk appetite, to keep negative variations to a minimum. Any significant variations will be reported to GPC as part of the Council's regular budget monitoring arrangements.

## 8: Reporting arrangements

### *Capital Strategy*

The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability;

The aim of the capital strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

The capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;

- The risks associated with each activity.

Where a physical asset is being bought, details of market research, advisors used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.

If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

The Capital Strategy will also consider the proportionality between the treasury investments shown throughout this report and non-treasury investments.

***Treasury Management Reporting***

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:

a) **Prudential and treasury indicators and treasury strategy (this report)** - The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b) **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this GPC will receive quarterly update reports.

c) **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

## 9: Treasury Management Budget

The table below provides a breakdown of the treasury management budget at November 2018. Key assumptions behind the 2019-20 budget estimates are:

- Average rates achievable on short term investments will be 1%, the average return on property fund investments will be 4.5%.
- New and replacement borrowing to fund the capital programme will be financed predominately by short term borrowing at rates equating to approximately 1.8%.
- The MRP charge is in line with the Council's MRP policy.

| | 2019-20 £m | 2020-21 £m | 2021-22 £m | 2022-23 £m | 2023-24 £m |
|---|---|---|---|---|---|
| Interest payable | 19.2 | 22.2 | 24.0 | 25.0 | 26.5 |
| MRP | 14.3 | 17.5 | 20.0 | 20.3 | 20.8 |
| Interest receivable | -1.1 | -1.3 | -1.4 | -1.4 | -1.4 |
| Debt Management Expenses | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 |
| Net Interest expenses recharged to Service | -2.6 | -2.7 | -2.7 | -2.6 | -2.5 |
| Technical adjustments | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| **Sub Total** | **30.4** | **36.4** | **40.6** | **42.0** | **44.1** |
| Capitalised Interest | -2.4 | -3.9 | -1.9 | -0.9 | -0.6 |
| Accountable Body Saving | 0.2 | 0.9 | 0.9 | 0.9 | 0.9 |
| **Grand Total** | **28.2** | **33.4** | **39.6** | **42.0** | **44.4** |

**10: Policy on the use of external service providers**

The Council's treasury management advisor is Link Asset Services (LAS). LAS was awarded a 2 year contract following a formal joint procurement exercise with other LGSS authorities during 2016-17. The Council has entered into a 6 month extention with LAS until April 2019 and will carry out its own market procurement exercise ahead of this.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The scope of investments within the Council's operations now includes both conventional treasury investments (the placing of residual cash from the Council's functions) and more commercial type investments, such as investment properties. Commercial type investments may require specialist advise, and therefore the Council will undertake appropriate due-dilgence on a case-by-case basis.

**11: Future developments**

Local Authorities are having to consider innovative strategies towards improving service provision to their communities.  This approach to innovation also applies to councils' treasury management activities. The Government is introducing new statutory powers and policy change which will have an impact on treasury management approaches in the future. Examples of such changes are:

**a) Localism Act**

A key element of the Act is the "General Power of Competence": "A local authority has power to do anything that individuals generally may do."  The Act opens up the possibility that a local authority can use derivatives as part of their treasury management operations. However the legality of this has not yet been tested in the courts even though CIPFA have set out a framework of principles for the use of derivatives in the Treasury Management Code and guidance notes. The Council has no plans at this point to use financial derivatives under the powers contained within this Act.

**b) Loans to Third Parties**

The Council may borrow to make grants or loans to third parties for the purpose of capital expenditure, as allowable under paragraph 25 (1) (b) of the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 (Statutory Instrument No. 3146). This will usually be to support local economic development, and may be funded by external borrowing.

A framework within which the Council may consider advancing loans to third party, not for profit, organisations is shown in Appendix 6.

In addition, the following key projects in this respect are under way:

- This Land – loans issued at commercial rates, to facilitate the construction of residential housing in Cambridgeshire.

**c) UK Municipal Bonds Agency (MBA)**

The MBA raised £6m share capital from 56 local authorities, including Cambridgeshire County Council, plus the Local Government Association to launch an agency to issue bonds in the capital markets on behalf of local authorities across the country and at lower rates than available from the PWLB.

The Council approved entry into the Framework Agreement, which allows the Council to borrow through the MBA at lower rates than from the Public Works Loan Board. To date the MBA has not issued any bonds. The Council may make use of this new source of borrowing as and when appropriate.

**d) Proposals to amend the CIPFA Treasury Management and Prudential Codes**

CIPFA conducted a review of the Treasury Management Code of Practice and the Prudential Code. This review particularly focused on non-treasury investments and especially on the purchase of property with a view to generating income. Such purchases could involve undertaking external borrowing to raise the cash to finance these purchases, or the use of existing cash balances. Both actions would affect treasury management. A separate report is required on non-treasury investments to deal with such purchases, their objectives, how they have been appraised, how they have been financed, and what powers were used to undertake these purchases.

CIPFA has withdrawn the following prudential indicator which has caused confusion and added little value to interpretation of capital information:

- Incremental impact of capital investment decisions on council tax.

CIPFA have also made a minor change the requirement to report on investments for longer than 364 days to longer than 365 days.

**f) Impact of IFRS 9**

An important consideration when assessing current and future investment policy is the implementation of accounting standard IFRS 9 in the Local Authority Code of Practice.

A key element of the new standard is the move from incurred losses on financial assets (i.e. an event that has happened) to expected loss (i.e. the likelihood of loss across the asset lifetime). Whilst this will not materially impact upon traditional treasury investments, the standard also encompasses other investment areas including: loans to third parties, subsidiaries, or longer dated service investments. The expected credit loss model requires local authorities to make provision for these potential losses having assessed the asset with regard to the due diligence undertaken prior to investment, the nature of any guarantees, and subsequent regular updates.

The Council has made the following material loan agreement with third parties:

- This Land – loans at commercial rates to facilitate the construction of residential housing in Cambridgeshire.

A revenue provision may be required to be set aside in future depending on the risk assessment of the investment.

In addition to the above, the new standard requires changes to the recognition and subsequent valuation treatment of certain investment products. These instruments include property and equity, but also service investments that give rise to cashflows that are not solely payments of principal and interest (SPPI) on the principal outstanding. MHCLG has now introduced a five year statutory override allowing Councils to reverse any revenue impact of pooled fund valuation gains and losses. MHCLG were not minded to make this statutory override permenant, and will keep it under review.

## 12: Training

A key outcome of investigations into local authority investments following the credit crisis has been an emphasis on the need to ensure appropriate training and knowledge in relation to treasury management activities, for officers employed by the Council, in particular treasury management staff, and for members charged with governance of the treasury management function.

LAS run training events regularly which are attended by the Treasury Team. In addition members of the team attend national forums and practitioner user groups.

Treasury Management training for committee members will be delivered as required to facilitate informed decision making and challenge processes.

## 13: List of appendices

Appendix 1: Treasury Management Scheme of Delegation and Role of Section 151 Officer
Appendix 2: Treasury Management Policy Statement
Appendix 3: Prudential and Treasury Indicators
Appendix 4: Minimum Revenue Provision (MRP) Policy Statement
Appendix 5: Annual Investment Strategy
Appendix 6: Third Party Loans Policy

## Appendix 1: Treasury Management Scheme of Delegation and role of the Section 151 Officer

### The Scheme of Delegation

**Full Council**

- Approval of annual strategy and mid-year update to the strategy.
- Approval of the annual Treasury Management report.
- Approval of the Treasury Management budget.

**General Purposes Committee**

- Approval of the Treasury Management quarterly update reports.
- Approval of the Treasury Management outturn report.

**Scrutiny Committee**

- Scrutiny of performance against the Strategy.

**Commercial and Investments Committee**

- Management of the Council's Investment Strategy

### The Treasury Management role of the Section 151 Officer

The Council's Deputy Chief Executive & Chief Finance Officer (CFO) is the officer designated for the purposes of Section 151 of the Local Government Act 1972 as the Responsible Officer for treasury management at the Council.

The Council's Financial Regulations delegates responsibility for the execution and administration of treasury management decisions to the CFO, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The CFO has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.

The CFO may delegate his power to borrow and invest to members of his staff.

The CFO is responsible for:

- Ensuring that the schedules to the Treasury Management Practices (TMPs) are fully reviewed and updated annually and monitoring compliance to the Treasury Management in the Public Services: Code of Practice and Guidance Notes;
- Submitting regular treasury management reports to Cabinet and Council;
- Submitting debt financing revenue budgets and budget variations in line with the Council's budgetary policies;
- Receiving and reviewing treasury management information reports;
- Reviewing the performance of the treasury management function and promoting value for money;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Recommending the appointment of external service providers (e.g. treasury management advisors) in line with the approval limits set out in the Council's procurement rules;
- Ensuring that the Council's Treasury Management Policy is adhered to, and if not, bringing the matter to the attention of elected members as soon as possible.
- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe.
- Ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money.
- Ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority.
- Ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing.
- Ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources.

- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities.
- Provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees.
- Ensuring that members are adequately informed and understand the risk exposures taken on by an authority.
- Ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.
  creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed.

**Appendix 2: Treasury Management Policy Statement**

This organisation defines its treasury management activities as:

“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management

## Appendix 3: Prudential and Treasury Indicators

### 1: The Capital Prudential Indicators

The Council's capital expenditure plans are the key driver of Treasury Management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

**Capital expenditure**. This prudential indicator shows the Council's capital expenditure plans; both those agreed previously, and those forming part of this budget cycle. Capital expenditure excludes spend on Private Finance Initiatives (PFI) and leasing arrangements, which are shown on the balance sheet.

The table below summarises the capital expenditure plans which give rise to a net financing need (borrowing). Detailed capital expenditure plans are set out in the Capital Strategy.

| | 2018-19<br>£m | 2019-20<br>£m | 2020-21<br>£m | 2021-22<br>£m | 2022-23<br>£m | 2023-24<br>£m |
|---|---|---|---|---|---|---|
| **Net Borrowing Requirement to fund Capital Programme** | **137.1** | **118.3** | **70.9** | **-11.1** | **-4.8** | **1.4** |

**The Council's borrowing need (the Capital Financing Requirement).** The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

Following accounting changes, the CFR includes any other long term liabilities (e.g. PFI schemes, finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

| | 2018-19 Projected £m | 2019-20 Estimate £m | 2020-21 Estimate £m | 2021-22 Estimate £m | 2022-23 Estimate £m | 2023-24 Estimate £m |
|---|---|---|---|---|---|---|
| **Capital Financing Requirement (CFR)** | | | | | | |
| **Total CFR** | **888.9** | **1,007.2** | **1,078.1** | **1,067.0** | **1,062.2** | **1,063.6** |
| **Movement in CFR** | **137.1** | **118.3** | **70.9** | **-11.1** | **-4.8** | **1.4** |
| **Movement in CFR represented by:** | | | | | | |
| Unsupported Capital Expenditure (Prudential Borrowing) in capital programme | 148.2 | 132.6 | 88.4 | 8.9 | 15.5 | 22.2 |
| Less: MRP and other financing movements | -11.1 | -14.3 | -17.5 | -20.0 | -20.3 | -20.8 |
| **Movement in CFR** | **137.1** | **118.3** | **70.9** | **-11.1** | **-4.8** | **1.4** |

**The authorised limit for external borrowing.** A key prudential indicator, this represents a control on the maximum level of borrowing and the legal limit beyond which external borrowing is prohibited. This limit is set by and can only be amended by full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The limit represents the CFR (assumed fully funded by borrowing) plus a margin to accommodate any unplanned adverse cashflow movements.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
The Council is asked to approve the following Authorised Limit:

| Authorised Limit | 2019-20 £m | 2020-21 £m | 2021-22 £m | 2022-23 £m | 2023-24 £m |
|---|---|---|---|---|---|
| Total Borrowing | 1,087.2 | 1,158.2 | 1,147.0 | 1,142.2 | 1,143.6 |

**The operational boundary.** This is the operational limit, set deliberaly lower than the authorised limit, beyond which external debt is not normally expected to exceed. This represents the CFR (assumed fully funded by borrowing) plus a margin to accommodate any unplanned adverse cashflow movements. This limit acts as an early warning indicator should borrowing be approaching the Authorised Limit. This limit may be breached on occasion under normal circumstances, but sustained or regular breaches should trigger a review of borrowing levels.

| Operational Boundary | 2019-20 £m | 2020-21 £m | 2021-22 £m | 2022-23 £m | 2023-24 £m |
|---|---|---|---|---|---|
| Total Borrowing | 1,057.2 | 1,128.2 | 1,117.0 | 1,112.2 | 1,113.6 |

## 2: Treasury Management limits on activity

There are four debt and investment related treasury activity limits. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates.
- Maturity structure of borrowing. These gross limits are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The interest rate exposure is calculated a percentage of net debt. Due to the mathematical calculation exposures could be greater than 100% of below zero (i.e. negative) depending on the component parts of the formula. The formulas are shown below:

**Fixed rate calculation:**

<u>Fixed rate borrowing – fixed rate investments</u>
Total borrowing – total investments

**Variable rate calculation:**

<u>Variable rate borrowing** – fixed rate investments</u>
Total borrowing – total investments

**defined as less than 1 year to remaining to maturity, or in the case of LOBO borrowing, the next call date falling within 12 months.

| Limits on Interest Rate Exposure | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| | | | | | |
| | Upper | Upper | Upper | Upper | Upper |
| Limits on fixed interest rates based on net debt | 150% | 150% | 150% | 150% | 150% |
| Limits on variable interest rates based on net debt | 65% | 65% | 65% | 65% | 65% |

The maturity structure of borrowing indicator represents the borrowing falling due in each period expressed as a percentage of total borrowing. These gross limits are set to manage the Council's exposure to sums falling due for refinancing or repayment.

| Maturity Structure of Borrowing | | | |
|---|---|---|---|
| | Lower | Upper | 30/09/2018 Comparator |
| Under 12 months | 0% | 80% | 27.2% |
| 12 months to 2 years | 0% | 50% | 6.2% |
| 2 years to 5 years | 0% | 50% | 18.9% |
| 5 years to 10 years | 0% | 50% | 11.1% |
| 10 years and above | 0% | 100% | 36.6% |

The Treasury Management Code of Practice Guidance notes require that maturity is determined by the earliest date on which the lender can require repayment, which in the case of LOBO loans, is the next break point.

**Total principal funds invested for periods longer than 365 days.** The Council is asked to approve the following treasury indicator limits for total principal funds that may be invested for periods greater than 365 days. The limits are set with regard to the Council's liquidity requirements to reduce the risk of need for early liquidation of investment, and are based on the medium/long term availability of resources after each year end.

| Maximum principal sums invested for periods longer than 365 days | | | | | |
|---|---|---|---|---|---|
| **£m** | **2018-19** | **2019-20** | **2020-21** | **2021-22** | **2022-23** |
| Limit | 50 | 50 | 50 | 50 | 50 |

## 3: Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework is an indicator required to assess the affordability of the capital investment plans. This provides an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicator:

**Actual and estimates of financing costs to net revenue stream.** This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in this budget report.

This is calculated as the estimated net financing costs for the year divided by the amounts to be met from government grants and local tax payers.

| Actual and estimates of financing costs to net revenue stream | | | | | | |
|---|---|---|---|---|---|---|
| | **2018-19 Projected %** | **2019-20 Estimate %** | **2020-21 Estimate %** | **2021-22 Estimate %** | **2022-23 Estimate %** | **2023-24 Estimate %** |
| Financing costs to net revenue stream | 8.3 | 9.2 | 9.7 | 9.7 | 9.9 | 10.3 |

## Appendix 4: Minimum Revenue Provision Policy Statement

### Policy statement

The Council is required to repay an element of the accumulated General Fund capital spend each year (Capital Financing Requirement - CFR) through a revenue charge (Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if required.

The Ministry for Housing, Communities and Local Government (MHCLG) have issued regulations that require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to Councils in the guidance with the underlying principle that a prudent provision is made. A formal review of this Policy is to be undertaken every five years with the next review due in January 2021.

### Historic debt liability accumulated up to 31st March 2010

Up until 2014-15, the proportion of provision that related to historic debt liability accumulated up to 31st March 2010 was calculated using Option 1 of MHCLG Guidance (the ‘Regulatory Method’). This method is based upon 4% of the CFR adjusted for ‘Adjustment A’ (the difference between the old credit ceiling system and the introduction of the Capital Financing Requirement). A reducing balance calculation means that debt liability is never entirely repaid, and the amount of debt equal to ‘Adjustment A’ (for this Council £2.133m) is not provided for at all. In January and February 2016, General Purposes Committee (GPC) considered a number of potential alternative methodologies. These covered both annuity and straight-line options, calculated over an average life of up to 50 years.

After considering the range of options available, a change in policy was introduced from 2015-16. The method chosen to replace the “Regulatory Method” for historic debt liability accumulated up to 31st March 2010 and that remained outstanding at 31st March 2015 was an annuity calculation, but one directly linked to the remaining life of the assets the debt liability had funded (held on the Council's balance sheet). This directly relates the cost of financing those assets with their expected useful life, thereby aligning costs with benefits and is allowable under the MHCLG Guidance. This approach will continue to be applied in 2019-20.

**Debt liability accumulated from 1st April 2010**

Prudent provision for any subsequent borrowing from 1st April 2010 onwards will be calculated using Option 3 of MHCLG Guidance (the ‘Asset Life Method’) on a straight line basis, in line with estimates for the expected useful life of the asset financed by debt. Estimated life periods will be determined under delegated powers. In view of the variety of types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. MRP will be charged from the financial year after the asset becomes operational.

The determination as to which schemes shall be deemed to be financed from available capital resources and those which will remain as an outstanding debt liability to be financed by borrowing or other means will be assessed under delegated powers.

**Third Party Loans**

The only exception to these rules are loans classified as capital expenditure and raised by the Council for the purposes of funding third party loans. No MRP will be charged on this debt liability as the loans will be repaid in full in later years. This approach will be reviewed on an loan by loan basis annually to ensure this remains a prudent approach, otherwise MRP charge may be introduced.

## Appendix 5: Annual Investment Strategy

### 1: Investment policy

MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments managed by the treasury management team. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

The Council's appetite for risk must be clearly identified in its strategy report. The Council affirms that its investment policies are underpinned by a strategy of prudent investment of funds held on behalf of the local community. The objectives of the investment policy are firstly the security of funds (protecting the capital sum from loss) and then liquidity (keeping money readily available for expenditure when needed). Once approved levels of security and liquidity are met, the Council will seek to maximise yield from its investments, consistent with the applying of the agreed parameters. These principles are carried out by strict adherence to the risk management and control strategies set out in the TMP Schedules and the Treasury Management Strategy.

Responsibility for risk management and control lies within the Council and cannot be delegated to an outside organisation. Investment instruments identified for use in the financial year are listed in section 7 under the 'Specified' and 'Non-Specified' Investments categories.

### 2: Creditworthiness policy

The Council's counterparty and credit risk management policies and its approved instruments for investments are set out below. These, taken together, form the fundamental parameters of the Council's Investment Strategy.

The Council defines high credit quality in terms of investment counterparties as those organisations that:

- Meet the requirements of the creditworthiness service provided by the Council's external treasury advisors and;
- UK banking or other financial institutions, or are;
- UK national or local government bodies, or are;
- Countries with a sovereign ratings of -AA or above, or are;
- Triple-A rated Money Market funds.

The creditworthiness service provided by the Council's external treasury advisors applies a modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS – a traded insurance policy market against default risk) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted calculation with an overlay of CDS spreads, to determine suggested duration for investment. The Council will apply these suggested duration limits to it investments at all times, unless otherwise approved by the Chief Finance Officer.

All credit ratings are monitored daily. The Council is alerted to changes to ratings of all three agencies through its external treasury advisors. If a rating downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately. In addition to the use of credit ratings the Council is advised of information in movements in CDS spreads against benchmark data and other market information on a daily basis and extreme market movements (which may be an early indicator of financial distress) may result in downgrade of an institution or removal from recommended investment.

Sole reliance will not be placed on the use of the Council's external treasury advisors creditworthiness service. In addition the Council will also use market data, financial press and information on any external support for banks to help support its decision making process.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times, and as such the Chief Finance Officer shall have the discretion during the year to lift or increase the restrictions on the counterparty list and or to adjust the associated lending limits on values and durations should it become necessary, to enable the effective management of risk in relation to its investments.

**3: Sovereign Limits**

Expectation of implicit sovereign support for banks and financial institutions in extraordinary situations has lessened considerably in the last couple of years, and alongside that, changes to banking regulations have focussed on improving the banking sectors resilience to financial and economic stress.

The Council has determined that for 2019-20 it will only use approved counterparties from overseas countries with a sovereign credit rating from the three main ratings agencies that is equal to or above AA-. Banks domiciled in the UK are exempt from this minimum sovereign credit rating, so may be used if the sovereign rating of the UK fall below AA-.

The list of countries that qualify using these credit criteria as at November 2018 are shown below. This list will be amended by officers should ratings change in accordance with this policy.

| **AAA** | **AA+** | **AA** |
|---|---|---|
| Australia | Finland | Abu Dhabi (UAE) |
| Canada | USA | France |
| Denmark | | Hong Kong |
| Germany | | UK |
| Luxembourg | | |
| Netherlands | | |
| Norway | | |
| Singapore | | **AA-** |
| Sweden | | Belgium |
| Switzerland | | Qatar |

**4: Banking services**

Barclays currently provide banking services for the Council. The Council may continue to use its own bankers for short term liquidity requirements if the credit rating of the institution falls below the minimum credit criteria set out in this report, monitored daily. A pragmatic approach will be adopted and rating changes monitored closely.

### 5: Investment position and use of Council's resources

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

Investments will be made with reference to core balances, cash flow requirements and the outlook for interest rates.

For its cash flow generated balances, the Council will seek to utilise its business banking reserve account and notice accounts, money market funds (CNAV and LVNAV) and short-dated term deposits in order to benefit from the compounding of interest.

### 6: Specified investments

The Council assesses that an investment is a specified investment if all of the following criteria apply:

- The investment is **denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling**.
- The investment is **not a long term investment (i.e. up to 1 year)**.
- The making of the investment is **not defined as capital expenditure** by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended].
- The investment is **made with a body or in an investment scheme of high credit quality** (see below) or with one of the following public-sector bodies:
    - The United Kingdom Government.
    - A local authority in England or Wales (as defined under section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland.
    - High credit quality is defined as a minimum credit rating as outlined in this strategy.

Specified investment instruments approved for use are:

| Instrument | Minimum 'High' Credit Criteria | Maximum Amount |
|---|---|---|
| Debt Management Agency Deposit Facility (DMADF) | N/a | No maximum |
| UK Government Gilts / Treasury Bills | UK sovereign rating | |
| Certificate of Deposits | Per Treasury Advisors creditworthiness service | £10m per individual/group in total |
| Term Deposits - Banks and Building Societies | Per Treasury Advisors creditworthiness service | |
| Term Deposits - Local Authorities and Housing Associations | Considered on an individual basis | |
| Collateralised Deposit / Covered Bonds | AAA | £20m per individual/group in total |
| Bonds issued by multilateral development banks | AAA / UK sovereign rating | |
| Bond issuance issued by a financial institution which is explicitly guaranteed by UK Government (e.g. National Rail) | UK sovereign rating | |
| Sovereign bond issues (other than the UK govt) | AAA / UK sovereign rating | |
| **Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -** | | |
| 1. Money Market Funds (CNAV, LVNAV or VNAV) | AAA MMF rating | £20m per individual/group in total |
| 2. Bond Funds | Considered on an individual basis | |
| 3. Gilt Funds | Considered on an individual basis | |

The Council may enter into forward agreements up to 3 months in advance of the investment commencing. If forward agreements are made, the forward period plus the deal period should not exceed the 1 year to be classified as a specified investment.

Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is compounded by the counterparty to the principal investment amount. In such instances the interest amounts will be withdrawn as soon as reasonably practicable.

The counterparty limit with the Council's corporate bank (Barclays) may be utilised over and above the set counterparty limit on an overnight basis if cash surpluses are identified as a result of unexpected receipts of income after the day's dealing position is closed. This occurs when the timing for receipt of funds is uncertain, for example the sale of a property. In such instances, funds will be withdrawn to bring the Councils exposure back in line with the approved counterparty limit as soon as reasonably practicable and invested elsewhere in line with this strategy.

**7: Non-specified investments**

Non-specified investments are defined as those not meeting the specified investment criteria above, which includes investments for over 1 year.

Given the additional risk profile associated with non-specified investment, the Council may consult with its external treasury advisors before undertaking such investments where appropriate.

Non-specified investment instruments approved for use are:

| Instrument | Minimum 'High' Credit Criteria | Maximum Amount |
|---|---|---|
| UK Government | Government backed | No maximum |
| Certificate of Deposits | Per Treasury Advisors creditworthiness service | £10m per individual/group in total |
| Term Deposits - Banks and Building Societies | Per Treasury Advisors creditworthiness service | |
| Term Deposits - Local Authorities and Housing Associations | Considered on an individual basis | |
| Collateralised Deposit / Covered Bonds | AAA | £20m per individual/group in total |
| Bonds issued by multilateral development banks | AAA / UK sovereign rating | |
| Bond issuance issued by a financial institution which is explicitly guaranteed by UK Government (e.g. National Rail) | UK sovereign rating | |
| Sovereign bond issues (other than the UK govt) | AAA / UK sovereign rating | |
| Corporate Bond / Equity Holdings | Considered on an individual basis | £10m per individual/group in total |
| **Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -** | | |
| Property Funds | Considered on an individual basis | £20m per individual/group in total |
| Enhanced Money Market Funds | AAA VNAV mmf rating | |
| Corporate Bond / Equity Funds / Share Capital | Considered on an individual basis | |

Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is compounded by the counterparty to the principal investment amount. In such instances the interest amounts will be withdrawn as soon as reasonably practicable.

**8: Third Party Loans**

The Council has the power to lend monies to third parties subject to a number of criteria:

- Any loans to or investments in third parties will be made under the Well Being powers of the Council conferred by section 2 of the Local Government Act 2000 or permitted under any other act.
- The Well Being power can be exercised for the benefit of some or all of the residents or visitors to a local authority's area. The power may also be used to benefit organisations and even an individual.

The primary aims of any investment - in order of priority - are the security of its capital, liquidity of its capital and to obtain a return on its capital commensurate with levels of security and liquidity. These aims are crucial in determining whether to proceed with a potential loan.

Appendix 6 sets out the Council's  framework within which it may consider advancing loans to third party, not for profit, organisations.

**9: Investments defined as capital expenditure**

The acquisition of share capital or loan capital in any corporate body is defined as capital expenditure under Regulation 25(1) (d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. Such investments will have to be funded from capital or revenue resources and will be classified as 'non-specified investments'.

Investments in "money market funds" which are collective investment schemes and bonds issued by "multilateral development banks" – both defined in SI 2004 No 534 – will not be treated as capital expenditure.

A loan, grant or financial assistance provided by this Council to another body will be treated as capital expenditure if the Council would define the other bodies use of those funds as capital had it undertaken the expenditure itself.

## 10: Provisions for credit related losses

If any of the Council's investments appear at risk of loss due to default (i.e. this is a credit related loss and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount.

## 11: End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

## 12: Pension fund cash

The Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, which were implemented on 1 January 2010. The Council will not pool pension fund cash with its own cash balances for investment purposes. Any investments made by the pension fund directly with the Council will comply with the requirements of SI 2009 No 393.

**Appendix 6: Third Party Loans Policy**

**Introduction**

Government changes in the way councils are funded has prompted local authorities to look at more commercial and innovative ways of growing income streams from sources other than Government grants and council tax in order to support the delivery of front-line services.

Whilst the Council should not wish to become a commercial lender in the market place it can use its ability to borrow, at relatively economic rates, to support the delivery of improved outcomes for the residents of Cambridgeshire. At the same time this will facilitate the creation of a relatively modest income stream to support the Council's overall financial resilience. All applications must demonstrate alignment to the Council's core objectives and priorities and should support those outcomes.

The intention of this policy is therefore to establish a framework within which the Council may consider advancing loans to third party, not for profit, organisations.

**Nature of Organisations Considered**

The Council will consider the provision of a loan facility to organisations that fulfil the following criteria:

- Not For Profit Organisations where the loan required will be used to fund infrastructure to support the delivery of services to the residents of Cambridgeshire and;
- Organisations that provide services that align to the Council's core objectives and priorities (including subsidiary companies and joint ventures)

Both of the above criteria are required to be fulfilled in order for the Council to consider advancing public funds.

**Governance Arrangements**

All proposals will be considered by the Commercial Board (a Board of Officers from across the Council considered to provide an overview and challenge on all of the Council's commercial activity).

Loans of less than £250,000 that fulfil the policy framework are delegated to the Council's Chief Finance Officer in consultation with the Chair of General Purposes Committee (GPC). Should the Committee Chair declare a conflict of interest, consultation will take place with the Committee Vice-Chair.

Loans in excess of £250,000 or loans that are outside of the framework parameters require GPC approval. The exception to this are loans associated with County Council owned assets which remain within the remit of the Commerical and Investment Committee.

## Limits

No specific limits are proposed but all loans in excess of £250,000 will require GPC approval.
Given the level of administration that will be required to manage the loan agreement over the life of the loan, no requests for loans of less than £10,000 will be considered.

## Business Case Review

Any application for loan finance must be accompanied by a robust business case. Due-diligence checks will be undertaken to test the underlying assumptions applied. Specialist support may be required to carry out these assessments.

## State Aid and Interest Rates

Under EU law, State Aid rules must be taken into account whenever public money is given to an organisation that undertakes any commercial operation. State Aid is defined as an advantage in any form whatsoever conferred on a selective basis to undertakings by public authorities. Subsidies granted to individuals or general measures open to all enterprises are not covered by the State Aid prohibition.

The general parameters of the scheme will not permit loans to be made where the funding could be used in the delivery of commercial activities. However, not for profit organisations often undertake commercial activities in order to support the delivery of non-commercial activities. State aid can be avoided by using the Market Economy Operator (MEO) principles. If the state is acting in a way that a rational private investor would, for example in providing loans or capital on terms that would be acceptable to a genuine private investor who is motivated by return and not policy objectives, then it is not providing State Aid. This is because the beneficiary is not considered to be obtaining an advantage from the State but on the same terms that it could have obtained on the open market.

The actual interest rate charged on loans of this nature will be set with reference to the minimum permitted within State Aid rules at the time of fund advance and the Council's cost of borrowing plus an appropriate credit risk margin, whichever is higher.
If there is any doubt as to whether State Aid may be an issue, Legal advice must be sought.

**Loan Framework**

- All loans must be secured against an asset or guaranteed by a public sector organisation with tax raising powers.
- The maximum loan to value will not exceed 80% unless fully guaranteed by a public sector body
- The maximum duration of the loan will be 30 years but the loan period must not exceed the useful life of the asset.
- An independent valuation of the asset upon which the loan is secured will be undertaken by the Council.
- A robust business case must be developed that demonstrates that the loan repayments are affordable.
- The on-going value of the asset(s) that the loan has been secured against will be valued on a 5 year basis. A charge to revenue may be required if the equity value falls below the debt outstanding or if it becomes clear that the borrowing organisation is unable to service the debt.
- Guarantees will be called upon if the lending organisation falls into arrears of more than 12 months.

Given the administrative costs incurred in both establishing and managing loans of this nature an administration/arrangement fee will be applied to each loan made. The following arrangement fees will be applied:

| Minimum Loan Value | Maximum Loan Value | Arrangement Fee |
|---|---|---|
| £10,000 | £99,000 | £1,000 |
| £100,000 | £249,999 | 1% of loan |
| £250,000 | - | £2,500 |

**Exemptions**

Exemptions to this policy may be considered but any exemption will need to be approved by GPC.