

# GENERAL PURPOSES COMMITTEE



**Date: Thursday, 14 January 2016**

**Democratic and Members' Services**

Quentin Baker

LGSS Director: Law, Property and Governance

**14:00hr**

Shire Hall  
Castle Hill  
Cambridge  
CB3 0AP

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

## **AGENDA**

**Open to Public and Press**

### **CONSTITUTIONAL MATTERS**

**1 Apologies and Declarations of Interest**

*Guidance for Councillors on declaring interests is available at*

<http://tinyurl.com/cccd-dec-of-interests>

**2 Minutes - 22nd December 2015 and Action Log**

**5 - 20**

**3 Petitions**

### **KEY DECISIONS**

**4 Outline Business Case for Milton Keynes Council to join LGSS  
Shared Services Partnership**

**21 - 198**

**Appendix 1 and Appendix B of Appendix 2 of this report are confidential. If Members wish to discuss these appendices, it will be necessary to exclude the press and public as detailed in item 10 below.**

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| <b>5</b> | <b>Cottenham, Development of Land in Rampton Road</b> | <b>199 - 204</b> |
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## **OTHER DECISIONS**

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| <b>6</b> | <b>Provisional Local Government Finance Settlement - Update</b> | <b>205 - 210</b> |
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| <b>7</b> | <b>Service Committee Review of Draft Business Planning Proposals for 2016/17 to 2020/21</b> | <b>211 - 316</b> |
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| <b>8</b> | <b>Treasury Management Strategy 2016-17</b> | <b>317 - 350</b> |
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| <b>9</b> | <b>General Purposes Committee Agenda Plan, Training Plan and Appointments to Outside Bodies, Partnership Liaison and Advisory Groups, and Internal Advisory Groups and Panels</b> | <b>351 - 360</b> |
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| <b>10</b> | <b>Exclusion of Press and Public</b> |
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That the press and public be excluded from the meeting during the consideration of the following report on the grounds that it is likely to involve the disclosure of exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it refers to information relating to the financial or business affairs of any particular person (including the authority holding that information). *This item refers to agenda item 4 if Members wish to discuss the contents of the confidential appendices.*

The General Purposes Committee comprises the following members:

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

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

Clerk Name: Michelle Rowe

Clerk Telephone: 01223 699180

Clerk Email: [michelle.rowe@cambridgeshire.gov.uk](mailto:michelle.rowe@cambridgeshire.gov.uk)

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

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

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## **GENERAL PURPOSES COMMITTEE: MINUTES**

**Date:** Tuesday, 22nd December 2015

**Time:** 10.00a.m. – 12.20p.m.

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

### **179. DECLARATIONS OF INTEREST**

No declarations of interest were received.

### **180. MINUTES – 24TH NOVEMBER 2015 AND ACTION LOG**

The Chairman informed the Committee that there had been one change to the draft minutes as follows:

Minute 170, Soham Solar Park. Third bullet in the responses to questions should read “...However, the Committee was reminded that the Service Provider had given the Council a performance guarantee of significantly over 90% so it was in their interest to perform above this threshold”.

The minutes of the meeting held on 24th November 2015 were then agreed as a correct record and signed by the Chairman. The Action Log and following updates were noted:

- Item 167: the associated costs of implementing the new Operating Model for Business Planning still needed to be presented to the Committee. **Action Required.**
- Item 167: the Chairman of Highways and Community Infrastructure Policy and Service Committee (H&CI) reported that H&CI Spokes had considered the Council's document storage policy and had no concerns.
- Item 171: the Director of Customer Service and Transformation explained that the Committee would be asked to consider, at its meeting on 15 March 2016, the IT options for Members.
- Item 175: the Committee was informed that an average of 10,500 blue badges were issued every year and in 2015 157 applications had been refused.
- Carry over from meeting of 28 July 2015: the Chief Finance Officer reported that the final draft of the Accountable Body Agreement was still awaiting sign-off by the Local Enterprise Partnership's (LEP) Legal Team. He informed the Committee that he had recently met with the LEP regarding this issue, which reflected a new arrangement between the County Council, as the accountable body, and the LEP. The Chairman offered to assist if necessary. **Action Required.**

## **181. PETITIONS**

One petition was presented at Minute 183.

## **182. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST OCTOBER 2015**

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. It was noted that the overall revenue budget position had improved since the last meeting and was now showing a forecast year end underspend of £1.719m.

The Chief Finance Officer reported that the November figures were showing a marginal overspend of £9,000 for Children, Families and Adults (CFA) and a minor overspend for LGSS Managed, which reflected the difficulties around getting planning permission for Castle Court. The Committee was informed that the opportunity to deliver an underspend in 2015/16 was good news for 2016/17. However, the flexibility around the Care Act funding would not be available in the following financial year.

Attention was drawn to the Capital Programme which continued to slip, although only marginally, resulting in a favourable variance in capital financing. Members were reminded that officers were looking to re-profile the programme and bring it back to Committee in due course. Finally he drew attention to key performance indicators and explained that generally the Council had no control over the ones which were failing to meet the target.

The Chairman informed the Committee that it was important to note that the CFA position had improved as a result of the Better Care Fund and the transfer of funding from CFA reserves. In response to a query about the financial implications for the Council of delayed S106 developer contributions, the Committee was informed that it was a cash flow issue which should not have any overall impact on the Council's capital resources. The Chairman of the Health Policy and Service Committee reported that it was now clear that the reduction to the Public Health Grant would be built into the baseline for future years.

It was resolved unanimously to:

- a) Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action is required.
- b) Approve the increase of £10.4m to the Prudential Borrowing requirement in 2015/16 to bridge the funding gap caused by the expected delay in Section 106 developer contributions (section 6.5).

## **183. OVERVIEW OF BUSINESS PLANNING PROPOSALS**

The Chairman invited Ms Nicky Shepard to present a 1,443 signature petition requesting the General Purposes Committee Chairman reject the proposal from the Highways and Community Infrastructure Committee for cutting crossing patrols on two of the city's busiest roads, Newmarket Road and Ditton Lane.

Ms Shepard explained that she was representing Abbey People - an independent and non-political organisation representing local residents which aimed to bring together all community groups and agencies operating in the Abbey Ward area of Cambridge. Abbey People was opposed to the cutting of crossing patrols on two of the city's busiest roads, Newmarket Road and Ditton Lane. She explained that the parents and residents of Abbey Ward understood the unprecedented financial cuts being faced by the County Council. However, the Council was exposing the youngest of residents to possible risk of injury or worse by removing crossing patrol guards. She urged the Council to allow Abbey People time to explore the possibility of running a community service before it made the budget cut. In particular, she asked the Committee to request that an officer contact Abbey People to explore the options before making the budget cut. In conclusion, she reiterated the importance of keeping children safe and hoped that Abbey People could work with the Council to do that.

Members asked Ms Shepard the following questions:

- queried whether Abbey People had received any communication from Council officers. Ms Shepard confirmed that they had received no communication.
- queried how much time Abbey People would need to develop a solution. Ms Shepard reported that she was confident a solution could be found particularly given the support from local schools but it was important to resolve any legal implications first.

The Chairman thanked Ms Shepard for her presentation.

The Chief Finance Officer reminded the Committee that the Council had to consider unpalatable decisions which were not put forward lightly because it was facing unprecedented financial challenges. The Committee received a report providing an update on the Business Planning Process. The Chief Finance Officer provided an update on the recent Local Government Finance Settlement, as follows:

- the Council had initially experienced a 24.5% reduction in Revenue Support Grant (RSG). However, all local authorities had then been informed 24 hours in advance of the announcement of the impact of the redistribution grant mechanism. The Council had actually experienced a 38% reduction in RSG, which equated to £20m less grant and was £5m more than the figure assumed in the Business Plan.
- the Public Health grant would remain ring-fenced for the next two years. There would be pressures on the Public Health budget as a result of a reduction in grant.
- any decision to increase Council Tax by more than 2% would still require a referendum.
- no funding had been identified to fund the National Living Wage resulting in an additional new pressure of £6m for the Council.
- a 2% Social Care precept was available for authorities with care responsibilities, who needed to let Government know whether they were minded to set this precept by 15 January 2016. It was noted that the Committee would receive a detailed

report at its 14 January meeting. It was important to note that this was not a commitment and the decision could be rescinded.

- the New Homes Bonus had remained unchanged for 2016/17 with District Councils still receiving 80% and County Councils 20%. It was proposed to transfer some of the fund in 2017/18 to the Better Care Fund but it was also proposed to reduce the period authorities received the Bonus.

In conclusion, the Chief Finance Officer reported that this disappointing provisional settlement was currently out for consultation. However, it was important to bear in mind that settlements rarely changed materially. He informed the Committee that it would receive a detailed analysis in January. The Chairman reminded the Committee that the Council needed to make savings of £41m. It had received a £5m reduction in direct funding and an additional new pressure of £6m to funding the National Living Wage. A 4% increase in Council Tax equated to £4.8m so the best possible outcome the Council could achieve was the need to find an additional £5.2m in savings.

The Liberal Democrat Group Leader reported that before the settlement announcement her group had identified how it could retain more services. However, the settlement had increased the funding gap and her group would now need to review its figures. She was of the view that the constant pressure on the Council meant that it now had to take the 4% increase in Council Tax which the majority of the public were willing to fund in order to deliver better services. She acknowledged that there needed to be a discussion regarding how the Council managed its debt. She was of the view that it should not be used to fund revenue services which would result in children paying off the debt in the future.

The Chairman proposed, with the unanimous agreement of the Committee, to delete "note and" in recommendation c) as it related to an area within the Committee's remit.

During discussion of the report, Members made the following comments:

- reported that there had been considerable debate at H&CIC regarding school crossing patrols. The Chairman of the H&CIC reported that he would give instructions for officers to work with communities, schools and parish councils to develop other options. **Action Required.** The Chairman added that there was some funding available to retain an officer to examine how school crossing patrols could continue in a different format. One Member raised the need for a meeting to take place with Abbey People before Christmas. Another Member highlighted the importance of conducting a risk assessment first. She was also not clear how the officer would be used or how long they would be needed. Speaking as the Local Member, Councillor Whitehead expressed her support for the petition and welcomed efforts to help local residents create their own service.
- highlighted the need to bear in mind that Cambridge did not have parishes and therefore no recourse to a precept. It was suggested that there needed to be more work to identify what City and District Councils, Area Committees and Parish Councils were prepared to do. One Member queried what was being done to provide Cambridge City with the same resources as Parish Councils and suggested that it was within the gift of the City Council to parish the City.



- queried whether Directors would be asked to put forward further budget reduction proposals to meet the £5.2m shortfall if the Council decided to take the 2% precept or if the debt would be restructured. The Chief Finance Officer reported that the proposals did not include the management of debt. The Chairman added that Strategic Management Team would need to examine all the options and report back to Committee.
- welcomed the budget proposals and supporting material for discussion at such an early stage. One Member drew attention to the Business Planning Consultation at Appendix C and thanked the Research Manager and his Team and the Member group reviewing the consultation process for presenting the information in a different format. She highlighted the fact that 79% of respondents did not think that encouraging communities to get involved in delivering Council services was realistic. She stressed that whilst it was important not to give up on this proposal, it did demonstrate the need to support communities. It was also important to target those services where respondents had expressed an interest in getting involved such as libraries and supporting older people. The Chairwoman of Children and Young People Policy and Service Committee acknowledged that whilst this figure was disappointing, it was important to note that 22 people had expressed an interest in fostering which would make a significant difference to the budget.
- highlighted the fact that 81% of respondents were willing to accept some sort of increase in council tax. One Member commented that only 0.1% of the population of Cambridgeshire had responded. Another Member drew attention to the consultation which had taken place in Ely Market Place where only 16% had given an equivocal yes to increasing Council Tax and 24% had said no. 59% had given an answer that amounted to a conditional yes. There was a view that Council Tax could be raised as long as the Council did not waste money and took the opportunity to deliver services differently. It was noted that the consultation in Wisbech had identified that any council tax increase should be targeted and justified. The Vice-Chairwoman of Adults Policy and Service Committee reminded Members that Adult Social Care was the vast majority of the Council's spend. However, raising council tax was not necessarily the answer as it would not reverse cuts to social care packages. Another Member commented that the Council would need to take the 2% Social Care precept in order to fund the cost of the National Living Wage.
- questioned the level of understanding of the public as to how local government worked. One Member felt that there had been a change in public comprehension with the majority of the public feeling that the Council was being unfairly treated. He highlighted the fact that Government austerity had put pressure on Councils to find new ways of working and they had been some happy consequences as a result such as Community Library Hubs. He therefore welcomed the constructive approach being taken by communities as demonstrated by the petitioner.
- queried the policy for reserves. The Chief Finance Officer reported that the Council had agreed a policy to include 3% of its operating expenditure in reserves which equated to £16.2m. He added that the underspend in 2015/16 could be used to support transformation or other projects. The Chairman queried the possibility of using capital sales for transformation. Members were informed that this would require a change in regulation. One Member commented that a 4% increase in

council tax was less than two thirds of current reserves. Instead of increasing council tax, he suggested using reserves to help people on low incomes. The Chief Finance Officer reported that the General Fund balance was calculated on the basis of a risk assessment. The Council use to have a general reserve of only £5m which was a high risk strategy particularly given more challenging budget targets. He also explained that it was not legally possible to use reserves to target council tax support. The Chairman reminded the Committee that there use to be Service Reserves, which had been amalgamated into one general reserve. He asked the Chief Finance Officer to circulate a couple of examples where authorities had needed to rely on their reserves to address something which had gone wrong.

**Action Required.**

- questioned whether Housing Invest to Save Schemes were technically Invest to Save Schemes. One Member was concerned that the Cottenham scheme had been made public before the concerns of the Parish Council had been addressed. The Chairman reported that “Invest to Save” comprised a basket of projects relating to solar and housing. The terminology was used in relation to capital funding which was not part of the borrowing requirement where there was a limit.
- highlighted the need to develop community delegation. The provision of crossing patrols was a classic community activity and it was important that the Council worked with the community to help it organise its own activity. It was also important to talk to the community first before going ahead and removing a service. One Member commented that the Council used to set its budget two years ahead but it was now working on its budget for 2016/17 which would not be set until February. There was therefore not much time to involve the local community before cuts were made. The Chairman acknowledged that community delegation was a great way of getting the community involved in projects that they cared about and in some instances delivered better services than by a paid member of staff.
- highlighted the need to review wording in 1.3. The Council may have adopted an outcome-led approach to business planning but the 2016/17 budget was not predicated on this approach. There was concern that the Council was not making sufficient progress in this area. The Chief Finance Officer reported that he had amended the wording for the January report.
- requested information on the disposal/relocation of Huntingdon Highways Depot.  
**Action Required.**
- requested comparator information with other authorities to identify how efficient and effective the Council was. The Chief Finance Officer reported that there was a Local Authority family of comparator authorities which showed that Cambridgeshire performed well per head of population in most areas and that its costs were in the lower quartile. The Chairman requested that a report be included in the Business Plan report for the next Committee meeting in January. **Action Required.**
- highlighted the proposed saving to be made in Cambridge by substituting cameras for bollards. One Member commented that many of the bollards were not operating at the moment, which was encouraging cars to enter the city. The Chairman of Economy and Environment Policy and Service Committee asked the Member to

provide him with a list. The Chairman reported that cameras were cheaper to maintain than bollards and would stop people entering certain areas of the city.

- requested action to enable District Councils moving from fixed CCTV provision to wireless to use the Council's Connecting Cambridgeshire wireless network. **Action Required.**

It was resolved unanimously to:

- a) comment on the Business Planning proposals that have been considered by Service Committees;
- b) note the remaining milestones in the Business Planning Process;
- c) endorse the updates provided around capital funding for Customer Service & Transformation, and LGSS Managed services; and
- d) note the stakeholder consultation and discussions with partners and service users regarding business planning proposals.

#### **184. RECRUITMENT AND RETENTION STRATEGY: SOCIAL CARE SERVICES**

The Committee was asked to review and agree the proposed strategy to improve the recruitment and retention of social care staff. Attention was drawn to the background to the preparation of the strategy, which included the early draft shared with the Committee in July. It was noted that the strategy had been presented and endorsed by Adults and Children's Committees. Adults Committee had included a request for the addition of the monitoring and reporting of turnover rates of staff and to incorporate reference to seven day working where appropriate such as hospital discharge teams. There had also been a proposal for the Council to create its own agency for staff. Strategic Management Team had requested a more detailed review on this issue be undertaken by LGSS.

During discussion of the report, Members made the following comments:

- noted that the comments made by Adults Committee had been supported by Children and Young People Committee. It was noted that Children and Young People Committee had also raised the need to consider the impact of expensive housing on recruitment. One Member commented that the University of Cambridge had operated a scheme to help its staff buy houses in Cambridge. It was noted that the Executive Director: Children, Families and Adults was currently looking at this issue. Another Member expressed his support and commented that the University had identified 40% of its housing provision on the new development on Huntingdon Road to be built for key workers. The Chief Finance Officer acknowledged the need to build this in to the action plan going forward. It was noted that the Council was building properties which might give it some leverage and enable it to satisfy District Council planning policies.
- highlighted the need to make reference in the strategy to the opportunity for innovation. The Service Director: Older People's Services reported that work was

taking place on how to market Cambridgeshire as a place to work which could also reflect the innovative nature of Cambridgeshire.

- welcomed the employee recognition scheme. It was noted that the scheme would commence in January. There would be no set figure instead staff would be recognised as and when rather than a set number per quarter. At the end of the year, there would be an employee and team of the year award. It was noted that teams were keen for Councillors to understand the level of their performance. One Member commented on the possibility of full Council doing more in relation to presenting awards.
- highlighted the possibility of having a bank of staff for all specialist areas including planning who might not be able to work fulltime but could cover during holiday periods. Members were informed that the Council operated relief contracts across the organisation for front line services. They could be more cost effective and provided better continuity of care than agency staff. It was acknowledged that these contracts could be promoted more widely.
- queried how the Council compared with other authorities in relation to the number of staff it employed. The Service Director reported that some reports were available about the number of care staff in different Local Authorities and these would be shared with members, although more work might be needed to make accurate comparisons. **Action Required.** The Chairman highlighted the need for any benchmarking to be based on the same authorities throughout.
- highlighted the need to include some data in the strategy detailing how long staff stayed and who was leaving. The Service Director reported that as turnover rates were monitored the Council would have a more detailed breakdown of individual client groups. One of the main problem areas was within Adult Mental Health and it would be useful to identify the reasons for this. One Member commented that turnover rates were actually low in Cambridgeshire. It was acknowledged that the Council had done well to retain staff and there was not much movement between client groups.
- suggested that the issue of remuneration was not addressed sufficiently enough in the report in particular the ability of agency staff to pick or choose councils. There was also some concern about the criminalisation of some roles, and the ethical considerations for staff as to how the job operated.
- suggested that the reasons given in exit interviews should be reported to the Staffing and Appeals Committee. The Chairman suggested that this be undertaken on a trial basis to identify the workload level required. **Action Required.**

The Chairman proposed, with the unanimous agreement of the Committee, to include a delegation to the Chief Executive to manage the variations to the Strategy proposed at the meeting in consultation with the Chairman. He agreed to circulate any changes to the Committee first for information.

It was resolved unanimously to:

endorse the Children, Families and Adults (CFA) Social Care Recruitment and Retention Strategy and to delegate responsibility to the Chief Executive to manage the variations to the Strategy proposed at the meeting in consultation with the Chairman of General Purposes Committee.

#### **185. FINANCE AND PERFORMANCE REPORT – OCTOBER 2015**

The Committee was presented with the October 2015 Finance and Performance report for Corporate Services and LGSS Cambridge Office. The Chief Finance Officer reported that the City Council Planning Committee had not considered the application for Castle Court as the planners still had some issues. He had, under delegated powers and in consultation with the Chairman, agreed a four week extension with Study Inn in order to provide some flexibility. As it was unlikely the application would be considered within this time, it was proposed to seek a commitment from Study Inn to take the risk. As consequence the Council was not collecting rent for this property.

One Member commented on the recent resilience of the IT system over a three week period and queried the work being undertaken to address this issue. The Director Customer Service and Transformation reported that there was an improvement plan being monitored on a weekly basis by the Chief Executive. It was noted that the most critical issue had been resolved and a meeting was scheduled with LGSS to discuss the medium and longer term issues. The Chairman reminded the Committee that IT was a key enabler of the outcome strategy.

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

#### **186. MINIMUM REVENUE PROVISION POLICY**

The Committee considered a report detailing a proposal to amend the Minimum Revenue Provision (MRP) Policy included in the Treasury Management Strategy Statement 2015-16, approved by Council in February 2015. The Chief Finance Officer reported that there had been varying views expressed at the last GPC/SMT workshop regarding how to manage debt. Attention was drawn to the alternative options which included a straight line basis over 50 years or an annuity method over 50 years. He informed the Committee that had he redrafted the recommendations which included the need to do more work to analyse the useful life of assets and to construct groupings of different assets if the adoption of an annuity approach was agreed in principle.

The Chairman reminded the Committee of the financial position of the Council over the next five years. The adoption of the annuity approach to MRP would enable the Council to put together a fund to support invest to save schemes in order to achieve a rate of return. He acknowledged the need to do more work to identify what should be included and a basket rate, and the need for the Committee to receive a more detailed report at its next meeting. Although, the policy once adopted would be considered as part of the Treasury Management Strategy annually, there was also a need to conduct a formal review every five years.

Some Members expressed concern that the Council was effectively mortgaging the crown jewels to deal with today's problem. Members highlighted the need for accuracy in relation to the lifespan figure when linking debt to repayments. Other Members commented that the Council was effectively borrowing against the future. One Member reminded the Committee that the Council was in a terrible position. Adopting an annuity approach would effectively give the Council a budget saving of £56m compared to £32m for a straight line approach over six years. Some Members were content for further work to be undertaken, it was suggested that the funding could be used to produce revenue streams to generate sufficient income to pay off any surplus. The Chairman reminded the Committee that invest to save schemes did not always produce revenue. Attention was drawn to 3.9 and the need to review the wording to improve accuracy.

The Chairman proposed an amendment, seconded by Councillor McGuire, to agree in principle the adoption of the annuity approach to MRP. On being put to the vote the amendment was carried. The Chairman proposed, with the unanimous agreement of the Committee, to adopt recommendations c) and d) below:

It was resolved:

- a) to consider the alternative options for the MRP Policy for 2015-16.
- b) to agree in principle the adoption of the annuity approach to MRP.
- c) that a further report setting out the financial implications of this approach be considered at the February meeting of this Committee.
- d) That the recommendation to Council is subject to the inclusion of a formal review of the Policy every five years.

**187. GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENTS TO OUTSIDE BODIES, PARTNERSHIP LIAISON AND ADVISORY GROUPS, AND INTERNAL ADVISORY GROUPS AND PANELS**

The Committee considered its agenda plan, training plan and appointments to outside bodies, partnership liaison and advisory groups, and internal advisory groups and panels. In relation to its meeting on 14th January, item 4 had been moved to March and item 5 to February. A new item on local plan revisions relating to Cottenham had been added to January. Members were also asked to appoint a representative to the Needham's Foundation and to reconfigure the Cambridgeshire Transport Member Steering Group to the Total Transport Member Steering Group.

It was resolved to:

- a) review its Agenda Plan attached at Appendix 1;
- b) review and agree its Training Plan attached at Appendix 2;
- c) agree the appointment of Councillor Anna Bailey as a representative to the Needham's Foundation, Ely; and

- d) agree that the current Cambridgeshire Future Transport Member Steering Group be reconfigured as the Total Transport Member Steering Group from 1 January 2016 (retaining the existing membership) and reporting to General Purposes Committee.

Chairman





**GENERAL PURPOSES  
COMMITTEE****Minutes-Action Log****Introduction:**

This log captures the actions arising from the General Purposes Committee on 22nd December 2015 and updates members on the progress on compliance in delivering the necessary actions.

This is the updated action log as at Monday, 4th January 2016.

**Minutes of 22nd December 2015**

<b>Item No.</b>	<b>Item</b>	<b>Action to be taken by</b>	<b>Action</b>	<b>Comments</b>	<b>Completed</b>
<b>180.</b>	<b>167 - Minutes – 20th October 2015 and Action Log</b>	C Malyon	Detailed proposals to be presented to the Committee regarding the associated costs of implementing the new Operating Model for Business Planning.	To be presented following the General Purposes Committee/Strategic Management Team workshop on 24 November 2015.	Ongoing
<b>183.</b>	<b>Overview of Business Planning</b>	C Malyon	Requested information on the disposal/relocation of Huntingdon Highways Depot.		

Item No.	Item	Action to be taken by	Action	Comments	Completed
“	As above	C Malyon	Prepare a report detailing comparator information with other authorities to identify how efficient and effective the Council was.		
“	As above	N Godfrey	Requested action to enable District Councils moving from fixed CCTV provision to wireless to use the Council's Connecting Cambridgeshire wireless network.	Huntingdonshire District Council confirmed that it did not envisage this being a problem as the Huntingdon proposed switch to Wi-Fi will not come through the Cambridgeshire Public Services Network.	Yes
“	As above	C Malyon	To identify a couple of examples where authorities had needed to rely on their reserves to address something which had gone wrong.		

Item No.	Item	Action to be taken by	Action	Comments	Completed
“	As above	C May	The Chairman of the H&CIC to give instructions for officers to work with communities, schools and parish councils to develop other options in relation to school crossing patrols.		
184.	<b>Recruitment and Retention Strategy: Social Care Services</b>	C Black/ C Malyon	To include work which had been carried out on the number of staff per population which could be included in the Chief Finance Officer's report.	Adult Social Care Final Report circulated to the Committee on 24 December 2015.	Ongoing
“	As above	J Maulder	The reasons given in exit interviews should be reported to the Staffing and Appeals Committee. The Chairman suggested that this be undertaken on a trial basis to identify the workload level required.		Ongoing

Item No.	Item	Action to be taken by	Action	Comments	Completed
	<b>Carry over from meeting of 28 July 2015</b>	C Malyon	Delegate responsibility to the S151 Officer in consultation with the Chairman and Vice Chairman for GPC to develop and finalise an Accountable Body Agreement between Greater Cambridge Greater Peterborough Local Enterprise Partnership and Cambridgeshire County Council.	Final draft of the Accountable Body Agreement is still awaiting sign-off by the LEP's legal team.  <i>(no change from last time)</i>	Ongoing

**OUTLINE BUSINESS CASE FOR MILTON KEYNES COUNCIL TO JOIN LGSS  
SHARED SERVICES PARTNERSHIP**

**To:** General Purposes Committee

**Meeting Date:** 14 January 2016

**From:** John Kane, LGSS Managing Director

**Electoral division(s):** All

**Forward Plan ref:** 2016/016      **Key decision:** Yes

**Purpose:** To consider and endorse the proposal for Milton Keynes Council to become a full partner of LGSS in line with the Outline Business Case developed and discussed in this report.

**Recommendation:** It is recommended that the General Purposes Committee:

- i) Based on the attached Outline Business Case, approve the proposal for Milton Keynes Council (MKC) to join LGSS shared services.
- ii) Subject to approval from Northamptonshire County Council's (NCC) Cabinet and MKC's Cabinet (which is being sought in parallel with approval from the General Purposes Committee), delegate to the LGSS Managing Director in consultation with the Chairman, Vice Chairman and Members of the LGSS Joint Committee, authorisation to negotiate and agree, subject to appropriate terms:
  - a. the provision of services to MKC, under the auspices of the LGSS Joint Committee and the terms and conditions under which the Partnering and Delegation Agreement (PDA) will operate;
  - b. any changes to the staffing structures necessary or incidental to the implementation of the service delivery; and
  - c. to prepare, approve and complete any necessary legal documentation, including a proposal for amendments to the current PDA between Cambridgeshire County Council (CCC) and Northamptonshire County Council (NCC) relating to the setup of LGSS (and any resulting changes to the constitutions of CCC and NCC). This proposal will be brought to CCC and NCC Full Council for approval.

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## 1. BACKGROUND

- 1.1 LGSS and Milton Keynes Council (MKC) have been working together to develop an Outline Business Case (OBC) for MKC to join the LGSS shared services partnership.
- 1.2 This followed a decision by MKC cabinet in October 2015 to give approval for the completion of an OBC for MKC to join LGSS as a full Joint Committee partner, which has been followed by a period of detailed discussions, including workshops between Heads of Service and Directors from both organisations, to inform the contents of the OBC.
- 1.3 The medium-term financial plans of LGSS (and therefore both CCC and NCC) include assumptions regarding income targets from 'trading' or new shared services arrangements with other authorities.
- 1.4 If approved, final arrangements for MKC to join the LGSS Joint Committee would require the approval of full council from CCC, NCC and MKC, as this would include the amendment of the existing Partnering and Delegation Agreement between CCC and NCC which set up the LGSS Joint Committee.
- 1.5 MKC Cabinet will be considering the proposal for MKC to join LGSS on the 11th January 2016.
- 1.6 This Joint Committee report results from the decision by LGSS and MKC to create an OBC exploring whether MKC should join the LGSS as a partner. This report sets out the main points from the OBC; the proposed governance and operational arrangements and the decisions required.

## 2. OBC DEVELOPMENT

- 2.1 Individual service proposals have been developed by the relevant service leads for LGSS and MKC, and these are set out in the OBC (attached at **Appendix 2**). A number of meetings have been held and data shared to consider the operating model and performance of both services at present, and the opportunities, risks and benefits as a result of MKC partnering with LGSS.
- 2.2 The design work by individual services has also included the identification of potential benefits, both financial and non-financial.

## 3. SCOPE

- 3.1 The scope of services included by MKC in this OBC includes c.420 posts across the following services:
  - Finance
  - ERP
  - ICT
  - Human Resources and Learning Services
  - Transaction Services (Finance, HR and Payroll)
  - Revenues and Benefits
  - Debt Recovery
  - Procurement
  - Internal Audit and Risk Management

- Insurance
- Democratic Services
- Business Support Services to Schools

3.2 MKC would join as a full partner on the LGSS Joint Committee, with three MKC Councillors joining the existing three each from CCC and NCC, bringing the new total membership of the committee to nine. Full voting rights would apply equally to all committee members i.e. one member, one vote (with the Chair having a casting vote if/as required).

3.3 Employees within the scope of the shared service from MKC will continue to be employed by the Council, but as part of LGSS with the delegation of employer rights and responsibilities to the LGSS Joint Committee and LGSS Managing Director (i.e. no TUPE transfer will apply, similar to CCC and NCC).

3.4 The OBC does not include any savings at Director level in either of the current LGSS or MKC structures, reflecting the fact that as a significantly expanded shared service the capacity will need to be retained at the LGSS Management Board level. The inclusion of MKC services as part of LGSS will require a review to be undertaken of functional responsibilities at Director level, which will be carried out with appropriate consultation with the individuals concerned. A proposed 'Day 1' functional model of LGSS is included in Appendix A of the attached OBC.

#### **4. FINANCIAL BENEFITS**

4.1 The OBC being finalised significantly underpins the delivery of the LGSS Medium Term Financial Plan (MTFP) in terms of its future LGSS net budget commitments to CCC and NCC (i.e. planned to be generated from new partnerships like MKC). This OBC also delivers the MKC MTFP requirements in relation to their LGSS in-scope services.

4.2 The financial benefits are discussed in more detail in the confidential **Appendix 1** to this report.

#### **5. NON-FINANCIAL BENEFITS**

5.1 Milton Keynes Council joining LGSS would take the number employees in LGSS to c1,800 and the total employees of the partners being supported to more than 25,000. This increase in scale and geography will enhance the reputation of LGSS as a leading public sector shared service and provide critical mass in regional scale and presence. The addition of a unitary council as a Joint Committee partner provides greater assurance to potential customers for some services not delivered by county councils and the ability to create synergies across a two tier relationship. It is anticipated that MKC joining LGSS will further enhance its strong commercial trading basis for sharing services in the future. The ambition is both to increase small scale trading (for example individual schools) but also to encourage other councils and public sector organisations to join the shared service. In addition, LGSS will be enhanced as an employer of choice, with employees and prospective employees able to access a broader range of career opportunities.



## 6. PROPOSED TIMELINE – KEY DATES

December	<ul style="list-style-type: none"><li>• Outline Business Case completed</li><li>• Proposal considered by LGSS Joint Committee</li></ul>
January	<ul style="list-style-type: none"><li>• Proposal considered by MKC Cabinet</li><li>• PDA discussions</li></ul>
February	<ul style="list-style-type: none"><li>• Legal review of PDA</li><li>• CCC/NCC approval processes relating to PDA (and corresponding MKC processes)</li></ul>
March	<ul style="list-style-type: none"><li>• CCC/NCC Full Council approval of proposed changes to PDA (and corresponding approval by MKC)</li><li>• Staff engagement</li><li>• PDA sign-off</li></ul>
April	<ul style="list-style-type: none"><li>• 'Go live' – partnership arrangements in place from 1<sup>st</sup> April onwards (including governance arrangements, and day 1 Functional model as described in this report)</li></ul>

## **7. ALIGNMENT WITH CORPORATE PRIORITIES**

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

By contributing to the LGSS Strategic Plan, this proposal contributes to future LGSS net budget reduction commitments to CCC. CCC will therefore have control over these funds and the ability to use them as appropriate, with potential indirect benefits to the local economy.

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

By contributing to the LGSS Strategic Plan, this proposal contributes to future LGSS net budget reduction commitments to CCC. CCC will therefore have control over these funds and the ability to use them as appropriate, including potentially investing them in this area.

### **7.3 Supporting and protecting vulnerable people**

By contributing to the LGSS Strategic Plan, this proposal contributes to future LGSS net budget reduction commitments to CCC. CCC will therefore have control over these funds and the ability to use them as appropriate, including potentially investing them in this area.

## **8. SIGNIFICANT IMPLICATIONS**

### **8.1 Resource implications**

The resource implications are discussed in more detail in section 4 and in confidential appendix 1 to this report.

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

#### **a) Risk(s) associated with the proposal**

<b>Risk</b>	<b>Mitigation</b>	<b>Residual Risk</b>
Loss of direct management, means services do not reflect Council needs	CCC, MKC and NCC as partners will influence the planning and operation of the shared service through their role on the Joint Committee. This will include agreeing Service Plans and reviewing performance. The additional director role on the operational board will also enable priorities for and feedback from MKC to be incorporated.	Green

Financial savings are not delivered	LGSS has delivered all financial savings requirements in previous years for existing partner authorities. Monitoring of savings plans and income will provide assurance on delivery, along with a project management approach where individual proposals require significant change.	Green
Service quality does not meet Council requirements	CCC, MKC and NCC will monitor and manage service quality through both the operational board and the Joint Committee.	Green
Non-financial benefits are not delivered	An integration plan for MKC will be developed once the Cabinet and Council decisions have been taken, which will focus on delivering both the practical changes and culture change necessary to maximise the benefits of a shared service arrangement.	Green
Loss of key staff	As part of the transition staff will be engaged in the plans for the shared service and will understand the shape and opportunities a shared service could bring. There are some key areas of risk, this will need to be monitored and managed appropriately.	Green

## **b) Risk(s) associated with not undertaking the proposal**

Risk	Risk Rating
Not achieving the 'trading targets' set for LGSS	Red

### **8.3 Equality and Diversity Implications**

No Equality Impact Assessment is required for this paper as there are no direct implications for external customers.

### **8.4 Engagement and Consultation Implications**

No public consultation is required as there are no direct implications for external customers. Relevant members have been consulted, for example this proposal has been presented to the LGSS Joint Committee and CCC Group Leaders.

### **8.5 Localism and Local Member Involvement**

See 8.4 above

### **8.6 Public Health Implications**

There are no direct implications for external customers and therefore no direct impact on the health of Cambridgeshire residents.

## **Appendix 1**

Confidential Appendix to General Purposes Committee Report – Financial Benefits

## **Appendix 2**

Outline Business Case for Milton Keynes Council membership of LGSS Joint Committee (plus appendices)

- Appendix A – Organisational Model
- Appendix B – Partnership Financial Arrangements (confidential)

Source Documents	Location
Joint Committee on Local Government Shared Services – 17 December 2015 (Agenda and Minutes)	<a href="http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=1091">http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=1091</a>



**Appendix 2**

# Outline Business Case for Milton Keynes Council Membership of LGSS Joint Committee

**Date:**14 December 2015

**Version:**Final

**Key document information**

Owner's name	Milton Keynes Council – Tim Hannam, Corporate Director, Resources LGSS –John Kane, Managing Director
Version No	Summary of Changes
Final	Final Outline Business Case for Approval

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## **1 Executive Summary**

LGSS and Milton Keynes Council (MKC) have been working together to develop an Outline Business Case (OBC) for MKC to join the LGSS shared services partnership.

In October 2015, MKC Cabinet gave approval to create an outline business case based on the proposal that Milton Keynes Council would join LGSS as a full Joint Committee partner. This proposal addresses the principles of the MKC financial strategy, but is primarily a proposal to deliver services differently, while contributing to the financial savings required for the medium term.

The medium-term financial plans of LGSS (and therefore both CCC and NCC) include assumptions regarding income targets from 'trading' or new shared services arrangements with other authorities.

The outline business case will deliver a total of £4.47m of financial savings over the period 2016 to 2021. In addition, any benefits beyond the medium term financial plan requirements will be shared between the full partners of LGSS. As well as a clear financial benefit, the OBC sets out a number of non-financial benefits, such as resilience and flexibility, specialist roles, shared systems and support and sharing best practice, which strengthens the rationale for proceeding with this shared service.

## **2 Introduction to LGSS**

LGSS is a well-established, stable and growing shared services organisation which offers very cost effective, shared managed services to the UK public sector.

LGSS was established in October 2010 and is co-owned by Cambridgeshire and Northamptonshire County Council as a 'public to public' Shared Services operation, and it has expanded significantly in recent years with several other Local Authorities and other public bodies (including Norwich City Council and Northampton Borough Council) choosing to transfer their business support services to LGSS. LGSS now has more than 1350 employed across all LGSS shared services operations.



LGSS' business ethos is based on "By the public sector, for the public sector" and LGSS business cases are based on economies of scale, rationalising suppliers, standardisation where possible, and flexing and sharing resource much more cost effectively and for the shared benefit of all LGSS partners and customers.

LGSS is committed to keeping LGSS jobs in the UK and as local to their partners and customers as possible. LGSS makes savings and delivers customer benefits through a focus on smarter working, leveraging joint customer investments, greater re-use of assets, shared knowledge and adoption of good practice across all partners and customers.

### **3 Scope**

The services covered in the outline business case are:

- Finance
- ERP
- ICT
- Human Resources and Learning Services
- Transaction Services (Finance, HR and Payroll)
- Revenues and Benefits
- Debt Recovery
- Procurement
- Internal Audit, Fraud and Risk Management
- Insurance
- Democratic Services (excluding elections)
- Service Delivery to Schools

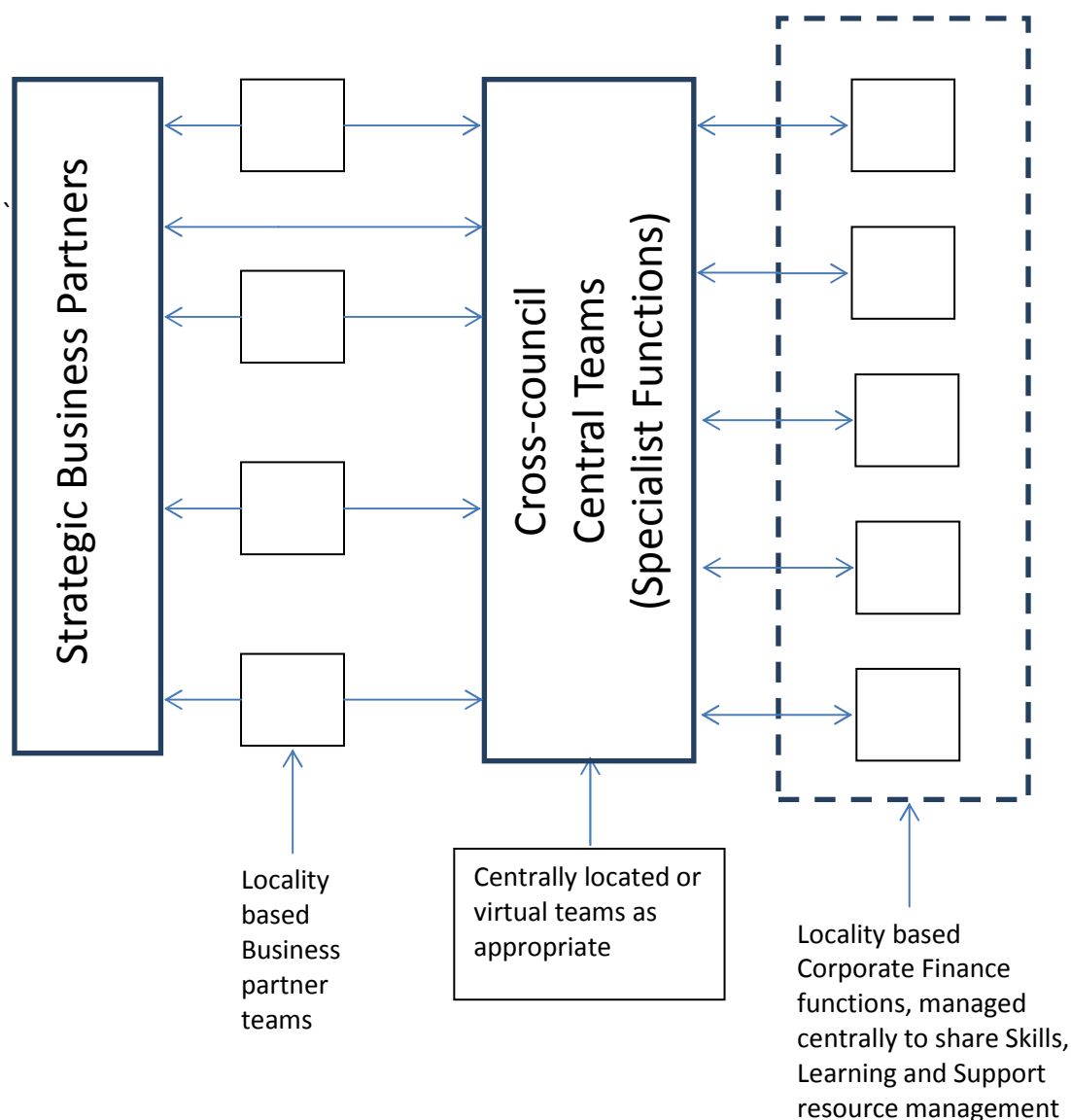
## 4 Finance Professional

### 4.1 Executive Summary

The Outline Business Case for Finance reflects the opportunities from greater economies of scale to redesign financial services based on a number of key principles:

- **Business Partnering Services** - All councils will require a strategic customer focussed but challenging business partner approach, to support managers and leaders throughout their organisations. These roles will need a strong awareness of local issues and will be critical to effective financial management for all organisations going forward.
- **Cross Council Functions** - There will be a number of functions which will be delivered centrally, supporting all councils within LGSS. These are functions where specialist skills and knowledge are required and can be better sustained by sharing these roles also creating added resilience for all councils.
- Financial management support will be provided on a risk-based approach, with good budget management tools to support manager self service.
- The implementation of a shared Agresso ERP platform will be essential to the delivery of further cost reductions and service improvements in Finance. As this will reduce system and support costs; create improved self-service tools and process and enable ongoing development of cross council solutions.
- The finance service will increase its expertise and add increased value to the councils by sharing information, ideas and best practice.
- The councils in this new arrangement are all undergoing major change; there are a number of major projects which will need to be delivered over the medium term. The revised finance team will look to develop specific skills and capacity to support individual organisations with these major projects.
- All councils will have a named S151 officer (as required by legislation). These officers may support more than one organisation, providing they are adequately supported.

As a result of these principles the future finance service will be delivered as follows;



This Outline Business case indicates £0.7m of savings from a combined net budget of £5.8m over the next four years. These savings will be achieved from a combination of cost reduction and increased income. In addition there are the following non-financial benefits:

- Increased resilience by greater volume of people, this means small specialist functions can be delivered in a more secure manner, including greater ability to retain and attract specialist skills.

- Increased size provides the ability for the service to provide career progression and development. All councils are committed to training and growing future finance professionals who will be managers and specialists of the future.
- Bringing spending capacity together will also provide significant benefits in terms of single systems implementation; support and process improvement.
- Sharing best practice and ideas for financial savings across councils, adding greater benefits to these organisations.
- Bringing together traded services will give a stronger market share, across a wider area as a good base for increasing income for the benefit of the partner authorities.

## **4.2 Service Delivery Model**

### **4.2.1 The Current Model**

#### **Milton Keynes Model**

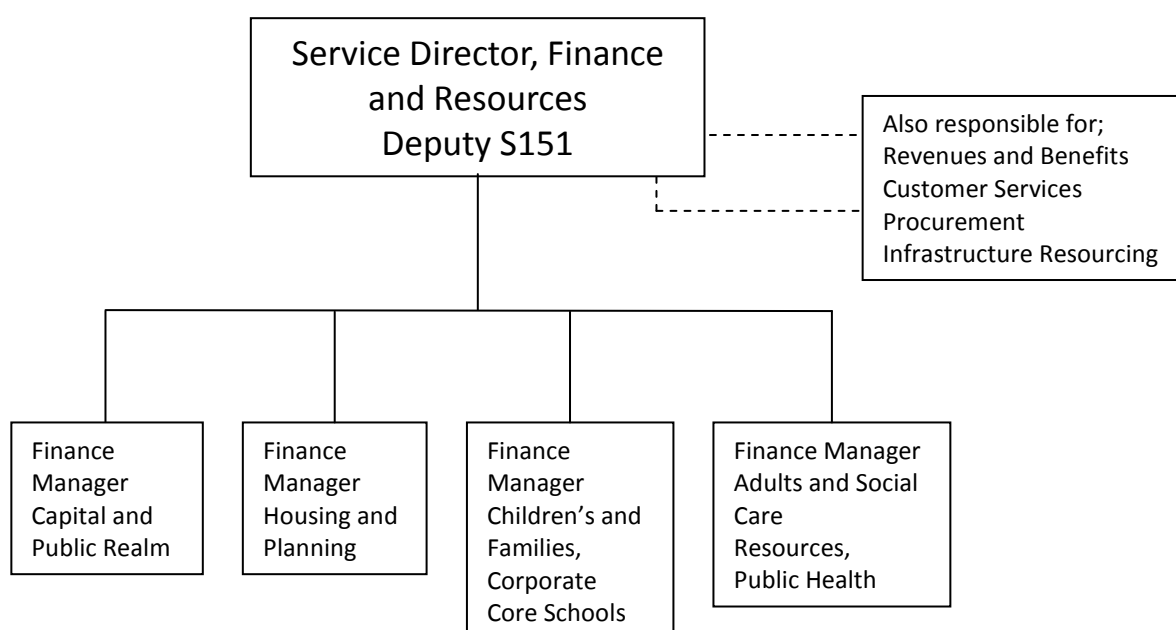
The Milton Keynes Council model for finance currently includes transactional services (accounts payable, payments and purchasing hub, systems finance, which includes income allocation and finance and financial assessments). These more transactional services are included in a separate proposal for integration. Therefore this business case focuses on the non transactional finance services and does not incorporate the transactional functions.

Milton Keynes currently operates 4 business partner teams, supporting 3 corporate directors and the management of the capital programme. These roles currently offer business partner services including financial advice and support, projects to implement change and delivery of key financial processes such as budget setting and budget forecasting and management.

MKC has a two stage capital approval process which is integrated with project management and assurance. A particular focus is ensuring that the considerable resources from developers (including our unique tariff funding solution) are committed and utilised to deliver essential infrastructure for communities.

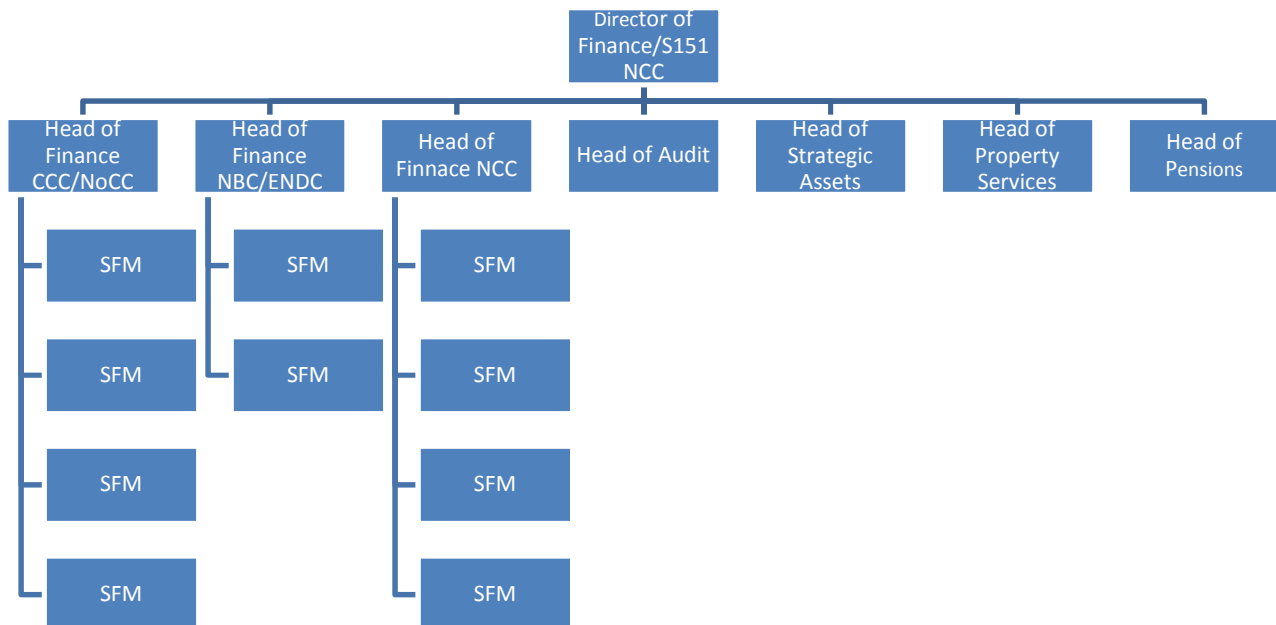
MKC has a corporate finance team which manages the medium term financial planning process; council tax and business rates forecasts and treasury management functions. Final accounts and the co-ordination of budget monitoring are currently overseen by a co-ordination team, due to historic client/contractor models. These functions were planned to be brought together under a single team, however this was delayed due to recruitment issues.

The service currently operates under the following model;



## LGSS Model

Finance is currently one of four services led by the Director of Finance LGSS, the others being Audit, Strategic Assets, Property Services and Pensions as set out in the structure below.



The Finance model is predominantly based on a Business Partnering approach with the Strategic Finance Managers (SFM) leading support to service directors as well as holding corporate responsibilities along some established centres of excellence.

The centres of excellence currently operate across the full geography of LGSS' current operations. There is a Strategic Finance Team operating out of the Northamptonshire office which provides Treasury and VAT/Tax functions, high level Local Government Finance support and the systems 'client' role for the Directorate. There are less well established centres of excellence on school services and closure of accounts, these arrangements being put in place in the current year. The Schools work is led from the Cambridge office and includes statutory work on the formula as well as a single traded option. The close down team is led at a Group Account level in the Northampton office and currently just covers the two county councils.

There is a mixed economy on the Business Finance Partnering model operated by the three Heads of Finance. From the left of the structure chart the Cambridgeshire team is split across:

- Children's Social Care plus the schools centre of excellence,
- Adult Social Care and Public Health,
- Corporate and Environment Transport and Economy, and
- The Norwich Team.

The Northampton team is split across:

- Housing and Customers and Communities with the lead for HRA, Budget Monitoring and
- Planning and Regeneration, Enterprise and Planning and Corporate with the lead for Closedown and Technical.

Finally, the Northamptonshire team is split across:

- Children's Families and Education,
- Adult Social Care and Public Health with the lead for monitoring and budget planning,
- LGSS, Environment Development and Transport, Corporate Services, with the lead for Capital and the Centre of Excellence for the Closure of Accounts, and
- Strategic Finance

Discussions between MKC and LGSS have highlighted that the key functions of the finance service are the same across both organisations, even though the structure of delivery is different. As a result there are some natural synergies that can be exploited through a partnership between MKC and LGSS. For instance the joining of resources, knowledge and expertise in specific areas can build further on the cross- council delivery model already in place within LGSS covering areas such as VAT, treasury management, strategic funding and

projects. The principles underpinning the MKC / LGSS proposal are provided in the following section.

#### **4.2.2 Proposal for Day 1 of Transition**

The aim will be to balance a seamless transition against the need to move towards the target operating model. The planned approach is as follows:

Day One:

- Merge the MKC Finance Team into the revised LGSS Directorate structure
- This will involve splitting the existing MKC Finance Team into Finance and Finance Transactions
- Staff in the Finance Service will be moved into existing cross functional teams (currently Treasury Management and VAT)
- It should not be underestimated the impact of this change on staff and it will take time for this structure, new management reporting lines and service provision to “bed in”
- It should also be noted customer engagement in this transition will be critical as they will continue to see the “Finance Team” as one team from their perspective
- Determine if a cross council functional team can be created to deliver the closedown of the 2015/16 Accounts

Year One:

- Fully integrate MKC finance staff into the cross council “Closedown Team”
- Create a cross council “Capital Team”
- Create new integrated teams in Finance for Housing and Schools

Year Two:

- Create Business Partner teams which have a greater focus on cross council integration. This will include joint management, locally based support and cross functional teams.



- Creation of further integrated cross council teams.

#### 4.2.3 Ambition for 3 years time

There are a number of principles which supports the design and ambition for an integrated finance model:

- **Business Partnering Services**

All councils will require a strategic customer focussed but challenging business partner approach, to support managers and leaders throughout their organisations. These roles will need a strong awareness of local issues and will be critical to effective financial management for all organisations going forward.

The Business partners will be underpinned by a combination of local and central resources to enable sharing and maintenance of specialist skills. Business partners will be the key link at a strategic level, and must be able to advise on a broad range of issues including; budget management, budget setting, governance and risk management; projects and major changes and all on a revenue and capital basis. In order to sustain the necessary skills for these roles within the financial envelope available, it is possible that some of these roles will be cross council, but well supported by local teams. All Corporate Directors will have a single named finance lead to provide strategic level advice and support.

- **Cross Council Functions**

There will be a number of functions which will be delivered centrally, supporting all councils within LGSS. These are functions where specialist skills and knowledge are required and can be better sustained by sharing these roles also creating added resilience for all councils. It will however be essential to ensure these teams are well linked to business partners and other staff with corporate or local functions. The communication and responsiveness of these central teams will be vital to the success of future service delivery. The functions which could be delivered centrally across a

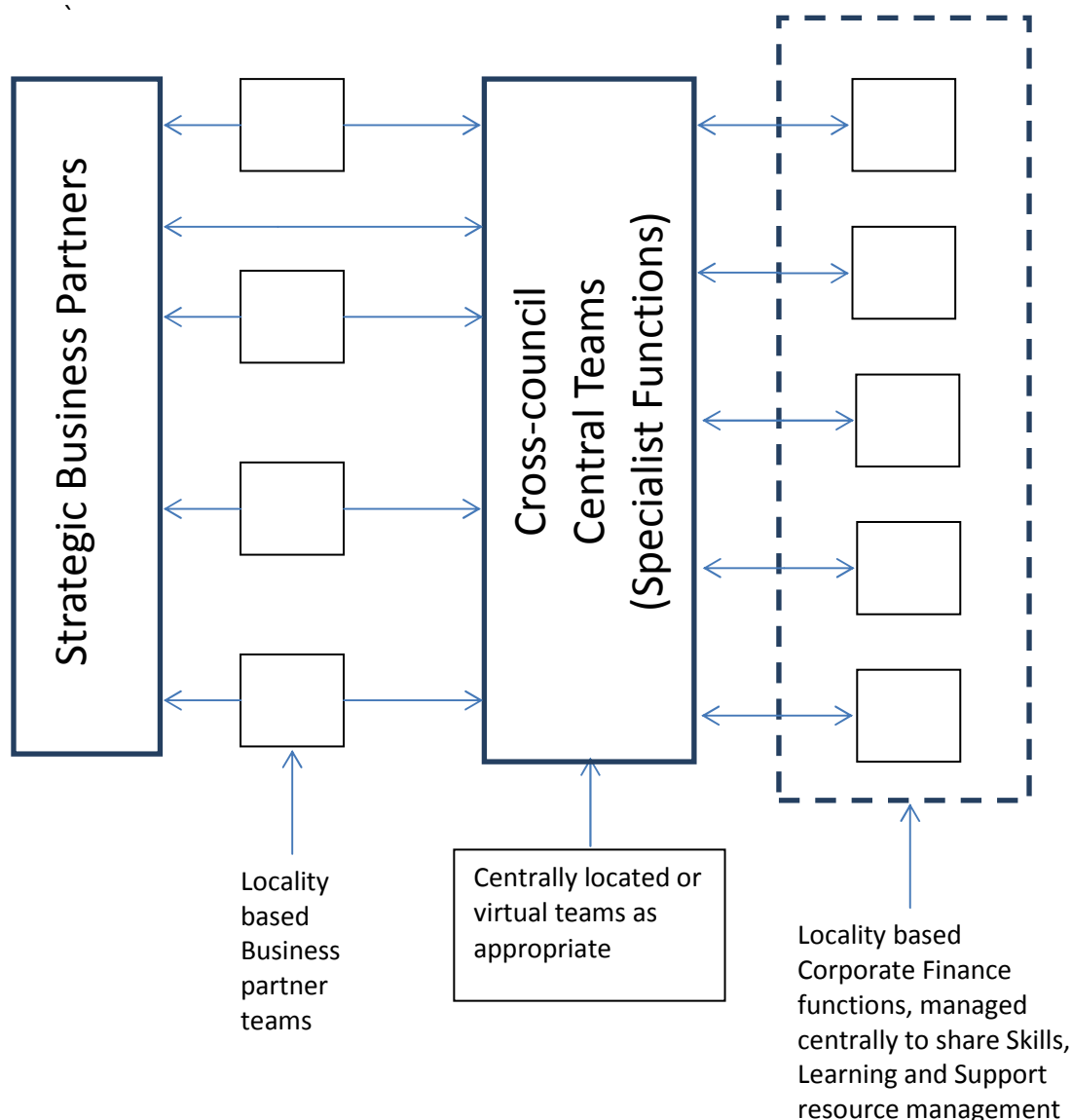
number of councils are as follows;

- Schools (funding including support for Schools Forums and Commercial trading activity)
  - VAT
  - Treasury management (both providing strategic advice and transactional processes)
  - Final accounts
  - External funding
  - Capital (including financing and accounting)
  - Technical corporate functions
- Financial management support will be provided on a risk-based approach, with good budget management tools to support manager self service. The budget monitoring process will be based on the same core processes across all organisations, with the resulting information presented and used in a manner which is most appropriate for individual councils. Self-service tools for managers will be based on a shared Agresso ERP platform, but with additional functionality to ensure tools are easy to understand and use. This is essential to moving the Finance contribution to more value added support. Budget manager tools will provide access to timely and accurate reporting and forecasting will be common across all councils, but with appropriate local reporting to meet the needs of the individual councils.
- The implementation of a shared Agresso ERP platform will be essential to the delivery of further cost reductions and service improvements in Finance. As this will reduce system and support costs; create improved self-service tools and process and enable ongoing development of cross council solutions.
- There is a major change agenda for Finance as part of this proposal so there will need to be some project change capacity within the service, to ensure improved processes,

service quality and reduced costs continue to be delivered. The resource to ensure that LGSS has the capacity to support new business development, both within Finance and financially across the whole of LGSS, will be critical to the ongoing success of the partnership.

- The model of delivery for the finance service will need to be flexible in order to expand with further contracts for LGSS and as the requirements of individual local authorities change.
- The finance service will increase its expertise and add increased value to the councils by sharing information, ideas and best practice.
- The councils in this new arrangement are all undergoing major change; there are a number of major projects which will need to be delivered over the medium term. The finance team will look to develop specific skills and capacity to support individual organisations with these major projects. However, it is recognised that councils will still need an element of specialist external advice. But it is intended that by sharing skills, knowledge and retaining some capacity, costs for individual organisations could be reduced.
- All councils will have a named S151 officer (as required by legislation). These officers may support more than one organisation, providing they are adequately supported. These officers will have very strong links to the councils where they are statutory officers and will have an influence on the development and service provided by finance, in order to discharge statutory duties, but more importantly to provide an effective, efficient and robust service to each council.

As a result of these principles the future finance service will be delivered as follows;



### 4.3 Performance Targets compared to current delivery

The Finance Service in MKC is generally well regarded, although our most recent Customer survey did reflect the need to further develop the more complex areas of support, for example supporting managers to be more commercial and the implementation of complex change. The Finance Service has and will continue to play a key role in supporting the Council to maintain a secure financial position, despite the last five years of additional demand pressures and funding reductions.

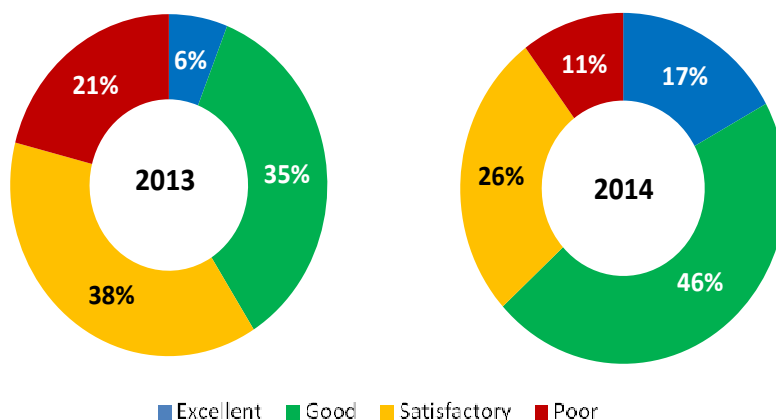
MKC has a number of detailed managerial performance indicators and four overarching key performance indicators as follows:

<b>Description</b>	<b>Reporting Frequency</b>	<b>Agreed Measure</b>
<i>Unqualified MKC Statement of Accounts approved by statutory deadline (currently 30<sup>th</sup> Sept) and MKDP Statement of Accounts approved by statutory deadline.</i>	Annual	Y/N
<i>Provision of advice on all council financial matters according to demand. Support for major projects provided through attendance at Board meetings, provision of financial data and strategic advice. This will be measured by S151 and customer feedback</i>	Annual	RAG
<i>Annual budget agreed by Cabinet/Council in February each year. Medium Term Financial Plan agreed by Cabinet/Council In February each year.</i>	Annual	Y/N
<i>The provision of good quality revenue, Dedicated Schools Grant, and capital monitoring reports in line with the Council's reporting timetable, including the identification of pressures and risks and the delivery of savings, together with mitigating actions</i>	Monthly	RAG

These are consistent with the current LGSS performance measures for finance, with the exception that LGSS Finance does not include a performance measure on the delivery of the Budget. However, all four key performance indicators will remain to report on the performance of the integrated Finance Service for MKC.

The LGSS Finance Directorate has consistently received positive feedback for the service it provides for its customers. This is demonstrated below in the latest customer satisfaction survey across all its clients where the service significantly increased its ratings for Excellent, Good and Satisfied from a total of 79% in 2013 to 89% in 2014.

## All User Survey - Finance Overall Ratings 2013 Vs 2014



### Key Headlines:

- The number of people rating Finance as 'excellent' has increased by 11% from the 2013 survey, whilst 'poor' decreased by 10% in the same period.
- Overall, the volume of people rating Finance as 'good' or 'excellent' is 63%, an increase from the 41% combined rating in 2013.

The success of the LGSS Finance Directorate's customer satisfaction is due to its focus on client needs and the provision of advice which assist each council in achieving their business needs. The Finance Directorate has a range of performance indicators which are tailored to its clients and backed up by a strong performance management culture.

## 4.4 Financial Benefits and Investment Needs

### 4.4.1 Financial summary

The financial table gives a net budget position for the service after existing Medium Term Plan commitments for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.

Partnership (LGSS/ MKC) Recurrent	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	
<b>Net Budget</b>						
MKC - net budget	2,222	2,222	2,222	2,222	2,222	
LGSS - net budget	3,652	3,442	3,442	3,442	3,442	
<b>Total Budget</b>	<b>5,874</b>	<b>5,664</b>	<b>5,664</b>	<b>5,664</b>	<b>5,664</b>	
<b>Total Budget</b>	<b>5,874</b>	<b>5,614</b>	<b>5,319</b>	<b>5,044</b>	<b>4,994</b>	
<b>New Recurrent Costs/Benefits</b>						
Creation of cross-functional teams	-40	-123				
Remodelling service support teams (either cost reduction or additional trading)	-10	-172	-275			
Additional trading	0	0	0	-50	-50	
<b>Net benefits</b>	<b>-50</b>	<b>-295</b>	<b>-275</b>	<b>-50</b>	<b>-50</b>	<b>-720</b>
<i>% net benefits</i>	-0.9%	-5.0%	-4.6%	-0.8%	-0.8%	-12.1%
<b>Revised Budget</b>	<b>5,824</b>	<b>5,319</b>	<b>5,044</b>	<b>4,994</b>	<b>4,944</b>	

#### 4.4.2 One-off investment / funding requirements

The investment in the Agresso ERP platform and good quality budget manager tools, to make the Agresso solution more accessible, is essential to the effective delivery of a shared finance service which supports the challenges of the current financial environment and pace of change, whilst still reducing its costs. The costs of these solutions are incorporated in the ERP Outline Business Case.

It is likely that additional development and support will be required for Finance Team in order to create a shared culture; ability to potentially support more than one organisation and to develop the more strategic elements of the service, underpinned by transformational change in processes and systems.

#### 4.4.3 Ongoing service costs and financial savings

Financial savings are based on the following principles:

1) Integration of financial teams to create cross council functions, enabling a more specialist focus, which then better supports local delivery. This builds on some initial areas of integration within LGSS. The phasing of these benefits allows time for the redesign of structures and processes, including designing appropriate integration and support to individual councils.

2) There are expected to be some benefits from creating crossservice teams and as a result of improved systems and processes to create additional efficiencies. The focus of these redesigns will be using the improved systems to enable a self-service approach, allowing for a greater focus on the essential and value added work of finance. These savings allow for an additional post to support this essential process redesign work.

3) Bringing together a wider schools trading function will create a greater market share, ability to share best practice and to develop and focus on attracting additional business. It is expected that some of the benefits from cross-service teams will be through additional income generation, rather than cost reduction.

4) The ambition of expanding LGSS is reflected elsewhere in this business case, it is recognised that the capacity to support the commercial development of LGSS is currently under-resourced, so this proposal will add additional capacity in this area to support further expansion.

## **4.5 Non-Financial Benefits**

There are a number of non-financial benefits arising from a changed model for the delivery of the finance service these include:

- Increased resilience by greater volume of people, this means small specialist functions can be delivered in a more secure manner
- Increased size and capacity means there is greater ability to retain and attract specialist skills, and they can provide these specialist roles across more than one council.
- Increased size provides the ability for the service to provide career progression and development. All councils are committed to training and growing future finance



professionals who will be managers and specialists of the future. Bringing together these services into a new model, means greater opportunities for learning and development for all staff which will help with retention of staff and recruitment.

- Bringing spending capacity together will also provide significant benefits in terms of single systems implementation; support and process improvement. This means specialist staff can be focused on making changes where as an individual authority none of the councils could deliver the level of return that this combined offer will bring. The most significant example is the ERP solution and associated budget management tools.
- Supporting more than one authority will enable business partners, S151 officers and other finance staff to share best practice and ideas for financial savings across councils, adding greater benefits to these organisations.
- Bringing together traded services will give a stronger market share, across a wider area. Rather than competing for business we can build a stronger offer, learning from best practice and reducing costs of delivery. This will give a good base for increasing income for the benefit of the partner authorities.

## 4.6 Risks and Issues

Risk	Likelihood L/M/H	Impact L/M/H	Mitigation
Impact on strong relationships with customers	L	H	Initial stages will maintain current links with budget managers, allowing models to be redesigned in consultation with customers. Self-service approaches will need to be appropriately supported by training and change management programmes.  All S151 officers will maintain current roles throughout the transition.
Impact on efficiency and effectiveness of lengthy period of uncertainty	M	M	Cross council functions will be designed and discussed with staff as part of a managed transition process. Transition will be managed, including taking opportunities arising from staff change.
Some integrated teams and functions will be dependent	M	H	ERP changes will be detailed elsewhere in this business case. There are additional council systems

on systems implementation			which will need to be considered in the future design of cross council services.
Loss of control and oversight for council finances	L	H	Changes will be carefully planned and staff engaged in the process to ensure clarity of roles and direction. Councils will need to buy into the overall approach and support the self-service approach for more routine work.

## **5 ERP**

### **5.1 Executive Summary**

Under a shared service arrangement, MKC would buy into a shared ERP solution with LGSS. This solution would be delivered through the LGSS Agresso 'Gold Client'. This would be a fully hosted and supported system. The 'Gold Client', with a single design shared by all partners, will be based on best practice processes and functionality allowing for automation and self-service to managers and staff across HR, payroll and finance modules.

The proposal outlines the programme of work that LGSS is currently undertaking to develop and implement the 'Gold Client' and how LGSS would work together with MKC to jointly implement it. MKC would be able to take advantage of the significant licence discount that LGSS has negotiated with UNIT4 and the experienced in-house Agresso Business Systems Team.

LGSS and MKC would form part of a shared governance, design, testing and implementation programme, described in more detail in a separate proposal document.

Having undergone a desktop review, the majority of MKC's specification can be met by the current LGSS 'Gold Client' design, although there are some relatively small areas identified which will require further discussion to fully understand MKC's requirements and this will be a key part of the next steps.

The proposal is based on the assumption that the MKC implementation will be on 1<sup>st</sup> April 2017, to ensure a new solution is in place before SAP licences expire. Meeting this timescale is important to the delivery of a number of financial savings within other workstreams. It is recognised that this is a challenging implementation timescale with Northamptonshire and Cambridgeshire only proposing to go live in December 2016 / January 2017.

For this reason, MKC's original implementation project cost estimate of £1.3m has been increased by a risk factor to £1.6m. This reflects the fact that there is likely to be more reliance on external resources across the project in order to implement for the three authorities in the same timescale. Internal resources will still be used wherever possible and only actual costs incurred will be charged to MKC.

The total costs of implementation and ongoing support are as follows:

Implementation Costs	£
<b>Total cost of implementation</b>  <i>Which includes: licences, collaborative planning, build requirements, training and contribution to joint design costs.</i>	<b>£1,586,331</b>
Ongoing annual costs	£ per annum
Business Systems support, development and maintenance including ongoing licence costs	£271,640
<b>Total – per annum</b>	<b>£271,640</b>

## 6 ICT

### 6.1 Executive Summary

The vision is to deliver ICT services which support front line services to deliver their services in new ways and enables genuine transformation, whilst ensuring the “Business as Usual” is reliable and resilient. In short, improving services that deliver better value for money; true “more for less”.

These services would be delivered through a shared infrastructure which will reduce costs through an increase in efficient deployment of technology and finance.

The service would be scalable according to the changing needs of the business and, from the business users’ perspective, not constrained by the infrastructure.

Resilience would be built into the proposal. For technology this is through dual data centres based in Northampton and Cambridge. Sharing resources also potentially provides resilience for the staff knowledge base and access to specialised service skills. For example, rationalising the service desks across LGSS will increase efficiency while providing access to a wider spectrum of skill sets across the organisation.

Currently MKC IT have 50 FTE and 12 temporary staff (total 62) delivering support services and projects whereas combining this with LGSS would make this more than 380 FTE, a significant increase in potential capacity and resource. This means projects can be delivered faster and more specialist resource retained internally, meaning less external spend and more importantly the chance to “Do it Once, Do it Well” combining IT projects across LGSS to spread the cost of these amongst multiple partners, reducing the cost to all.

The establishment of a Centre of Excellence for application support could act as a catalyst for further saving by rationalising the systems in use across the partnership and improve services by replacing end of life or inefficient applications. The Centre of Excellence could be physically co-located or operated as a virtual team, allowing skillsets to be placed closest to the LGSS business teams delivering the service.

The LGSS Partnership offers opportunities for expanding traded services. Joint working delivering services to schools and small businesses would give a greater sales surface to work over a greater geographic area.

## **6.2 Service Delivery Model**

### **6.2.1 The Current Model**

The following section provides an overview of the 'as-is' model for IT delivery within Milton Keynes and LGSS.

#### **Functions**

Milton Keynes IT Service and LGSS IT Service both deliver the traditional range of end to end solutions and support functions:

- Data hosting, via on site data centres
- Server support
- Desktop support and management
- Application Implementation and support
- Application and Web development services
- E-mail and diary management
- Voice and data network support
- User support services
- Contract management and licence control
- Hardware maintenance and inventory
- Service management
- IT strategy and architecture

- IT project management and business analysis

The key differences between the IT services are:

- MKC have a Print Service function, whilst LGSS outsource this function
- LGSS IT have a Geographical Information System (GIS) function, whilst MKC retain this function outside of IT
- MKC have developed commercial applications i.e. Registrars Online Certification (ROC)
- LGSS have a dedicated Security Manager with oversight of IT Security issues, policies and procedures but MKC do not have an equivalent dedicated function.

Services to schools:

- MK IT have a traded service function to schools which delivers:
  - Support to Capita's Schools Management Information System (SIMS) in 55 schools with additional support for MKC authority wide issues (e.g. HR and Safeguarding)
  - ICT technical support for administration and curriculum systems
  - In-house technician service
  - Provision of software and hardware
  - Remote backup to 42 schools (in partnership with Redstor)
  - Broadband to 15 schools (in partnership with Udata)
- LGSS IT also provide services to schools:
  - Provision of network links through the CPSN network to 224 schools

- Management and monitoring of the CPSN network (with Virgin Media)
- CCC Education IT Service also provide a variety of IT Services to Cambridgeshire schools including central hosting of systems and SIMS support

## **People**

MK IT Service employs 50 permanent IT staff and 12 fixed term IT staff who support 2,700 MKC users (this excludes users supported through traded services). There are an additional 7 permanent staff within the MK Print Service (these are represented as a separate cost centre within the overall IT service budget).

There are 320 IT employees within LGSS supporting 18,000 users across a number of customers across local government, schools and NHS.

Both IT services contain a range of specialist skill sets. MKC note a need to develop resilience within their telecoms and networks function whereas LGSS IT have a dedicated network team. MKC have specialist application support skills particularly in packaging software for a virtual management environment

LGSS IT and MKC service are committed to a 'grow your own' approach to developing IT employees and their skills and both recruit apprentices.

## **MKC Budget summary**

From the 1<sup>st</sup> December all IT budgets will be managed by Hazel Lewis, Service Delivery Manager for ICT and Print.

While core infrastructure budgets sit within IT the budgets for Line of Business systems in the main sit in the service areas.

In addition to visible costs, we would also anticipate that MKC as a whole bears some other additional costs in relation to its application estate. For example, the costs of procuring new applications are likely to be incurred elsewhere in the business.



Even without an accurate financial position on the Application Portfolio, it is clear that the cost of maintaining and supporting the applications estate is not insignificant and thus provides opportunities for savings. These opportunities arise from:

- decommissioning under-utilised applications;
- renegotiating costs with incumbent suppliers;
- partnering with other local authorities and public sector organisations to share costs;
- replacing existing software with open source alternatives, and
- moving towards application platform-based approaches.

### **LGSS IT Budget summary**

LGSS IT budgets are comprised of two types:

- Operational budgets which are largely staffing and related costs
- Managed budgets, i.e. contracts and external spend that are delegated from the retained organisation to LGSS to administer on their behalf. Exact arrangements for budget management vary according to each customer with a consequent variation in bottom line budgets. Some customers have heavily centralised budgets and these have largely transferred to IT to manage whilst others have a more devolved structure with budgets for IT remaining in service budgets. In some cases this 'shadow IT' can equal the centralised budget. These differences are reflected in the budgets that LGSS manage.

### **Infrastructure**

MKC's primary data centre is located in Saxon Court. This building must be vacated by December 2016. There is a fail over between the primary data centre and second located at the Civic Centre, which means that if there are significant issues with systems in the primary location (Saxon Court) the users of those systems will be able to continue working from systems located in the secondary location (Civic Centre). Due to data volumes there are

concerns about the level of resilience and the proportion of the service which could remain operational. As part of the MKC Future Working Programme the data cabinet provision at Civic Centre will be refurbished. MK IT Service has project in place to analyse options for data hosting – the preferred option is to procure space in an externally hosted data centre connected via strong links to MKC.

LGSS have a newly refurbished data centre at its Angel Street office, Northampton. A project is underway to refurbish the Cambridge data centre to the same standard. Further detail regarding the data centre is found within the proposal 1 for year 1 (2016-17).

### **Contracts**

MKC and LGSS have shared and analysed contract registers. Opportunities for joint procurement, convergence and flexing of licensing models are presented in the proposal for year 1 (2016-17).

There are opportunities to use capacity and expertise in MKC to review schools provision and SIMS support to bring services in house that are currently delivered by Capita.

### **Business Systems**

Analysis has been undertaken on the business system provision across LGSS and MKC to identify opportunities for collaboration. There are a number of clear similarities across the organisations and economies of scale for specialist application support and Database Administrator resource to support the big line of business systems for our customers, see below:

- Capita One and Capita SIMS for Education (in use within - NCC, CCC and MKC)
- CMIS for Democratic Services (in use within - NCC, CCC, MKC and NorCC)
- Iken
- Civica Icon (in use almost everywhere)
- Northgate Revenues and Benefits (in use within - NBC, NorCC and MKC)

An opportunity to leverage the commercially advantageous LGSS contract for Civica ICON is being explored by LGSS/MKC but is not included in this business case. It is important that the work done on this opportunity is aligned with IT as technical support for the current implementation and the contract management for the LGSS contract with Civica sits within IT.

### **6.2.2 Proposal for Day 1 of Transition**

MKC and LGSS would work together to minimise disruption on transfer, both to ensure service continuity for front-line services and to reassure and support staff and management through the change. This means Day 1 service will be very little different to start with although planning for change and communication with stakeholders will have begun before transition and will continue throughout in order to deliver the improved services and cost and value benefits we need to jointly achieve.

#### **Staff Transition**

As MKC is becoming a full partner member of LGSS then it is understood that TUPE transfer is not involved, so all staff will remain employed either by MKC or their existing employer in LGSS. No changes to staffing levels are envisaged on Day 1 of the service, although LGSS resources will be brought in to work with MKC teams to plan the transfer of the Data Centre if this option is chosen to be the most cost effective and best delivery model

#### **Systems**

From Day 1 all existing systems will be transferred to LGSS and delivered as they are currently including any systems used for internal functions such as payroll, pensions, e-recruitment and e-forms for mileage and expenses claims will remain in use until the functionality is developed for MKC users and these can be implemented in agreement with MKC.

## **Locations**

Day 1 the expectation is that all staff will remain based in their current locations although it should be noted that some travel will be required to work on the new Data Centre project (see below). LGSS could roll out collaboration tools like Microsoft Skype for Business by go-live which can help alleviate the need for unnecessary travel. It is understood MKC wish to vacate the Saxon Court building by December 2016 and would be moving to the new refurbished Civic Office.

### **6.2.3 Proposal for Year 1 2016/17**

#### **Data Centre Hosting and sharing infrastructure**

For two years LGSS have been in the process of creating a Public Sector private cloud running across our PSN accredited network. This started with the refurbishment of the Northampton Data Centre, which has now been completed, the installation of fast, high capacity, low latency network links between Cambridge and Northampton which is almost complete, and the refurbishment of the Cambridge Data Centre which is just beginning. To implement a full private cloud will require further hardware and tools which are being designed currently.

The current MKC Primary Data Centre is based in an office location in Saxon Court which the Council has plans to exit by December 2016. The server estate is highly virtualised but most if not all of the physical hardware is ageing and end of life and a project for the replacement of this was already in progress when the conversation with LGSS was entered into.

It is expected that significant savings can be delivered by taking advantage of this investment and existing procurement by building a new virtual infrastructure for MKC within the existing LGSS virtual solution in Northampton and using Cambridge as a resilient disaster recovery site. It should be significantly cheaper to use part of the existing infrastructure in Northampton and Cambridge, than to source this from a for-profit private sector organisation and it should enable team consolidation in the future when we are managing one estate instead of separate MKC/LGSS ones.

By creating a “tenanted” infrastructure within the LGSS Data Centre for MKC as physically part of the same LGSS virtual server farm it should be possible to deliver MKC a completely new infrastructure at a much lower ongoing revenue cost.

MKC have indicated that as part of their planned infrastructure refresh they are intending to source a new SAN to cope with upcoming end of life for the current solution and the growth in storage expected as MKC adopt new ways of working. So less paper, more collaboration and new business processes should reduce physical space requirements whilst the requirement for electronic storage would grow substantially.

LGSS IT are sourcing a new “virtual” SAN which has just finished procurement and is about to start on the installation project. This has a very significant size and is designed to contain a tenanted solution similar to that described for the server farm in Proposal 1 above, so it should be able to deliver a similar benefit in terms of a reduced capital cost for MKC.

Prior to engagement with LGSS, MKC IT had considered different models for Data Centre hosting including:

A ‘Hybrid’ Cloud option of upgrading the facilities in Civic to make it the primary Data Centre with backup to a third party (Cloud) provider

Use of a single commercial facility (known as Co-Lo) for the primary Data Centre and utilising cloud providers for backup/DR services.

At the time of engagement the latter of these options was preferred however, the extensive analysis undertaken on this business case by LGSS and MKC has made it clear that the revenue costs for both of these options are prohibitively high and they have therefore been excluded from this comparison with the LGSS options in this business case and from any further consideration by MKC.

Further work and analysis has been undertaken on the following options:

- MKC purchasing IT infrastructure systems and locating these in LGSS Data Centres (Northampton and Cambridge), effectively replicating the hosting arrangements offered by a commercial (Co-Lo) facility.

- MKC sharing LGSS infrastructure hosted in LGSS Data Centres (Northampton and Cambridge) as described earlier in this document.
- MKC purchasing IT infrastructure systems and locating these in two commercial (Co-Lo) facilities.

Indicative costs for these options have been produced and these high level capital and revenue costs have been compared for this business case, however it should be noted that as technical designs have not yet been finalised these costs are indicative only.

### Contract renegotiation and sharing

One of the strongest opportunities LGSS is able to deliver is the ability to drive savings through combining contracts, and renegotiating using our scale to deliver great deals from suppliers. We have already identified a number of convergence opportunities where we use the same systems and suppliers now, and we would look to either bring MKC into existing LGSS frameworks, or use our new combined bargaining power to deliver better deals for both.

However it is evident from the information gathered as part of this process that a greater amount of IT contract spend in MKC sits outside the IT Service – so in service budgets. This is illustrated in the table below.

	2015/16	2016/17	2017/18
MKC IT Contracts	£	£	£
Centralised IT Contracts	945,188.93	945,188.93	945,188.93
Departmental IT Contracts	1,626,194.12	1,626,194.12	1,626,194.12
Total	2,571,383.05	2,571,383.05	2,571,383.05

This devolution of IT budgets has also been noted separately by the third party company – Methods who have identified that MKC needs a better understanding of its devolved IT spend in order to understand the total cost of ownership (TCO) of its IT systems. This

arrangement is also in place in other parts of LGSS and duplicates the supply and contract management of external IT spend significantly limits the scope of savings that can be made. LGSS IT will review and look for opportunities to realise savings for the partner organisations from jointly specifying and procuring devolved IT contracts where it makes sense to do so. For example at the point of significant change in those contracts, due to expiry or technical upgrade, develop an agreed business case with a view to sharing of benefits between MKC and LGSS on an equitable basis as the contract is centralised.

Where IT budgets are centralised and managed by the LGSS IT Service and Contract Management function and/or they are given the right to negotiate contracts on behalf of the retained services the savings are significantly increased. However, these savings are mitigated, or limited to a shorter period in some areas (e.g. Revenues & Benefits) where the procurement of a new single line of business system is a main element of the service OBC (detailed in section 8) and is already factored into the R&B budgets.

#### **6.2.4 Ambition for 3 years time**

##### **Shared Service Desk**

LGSS currently operate a virtualised service desk located in two sites but using common software (LANDesk). The MKC Service Desk could be absorbed into this structure increasing the overall capacity to deliver first line support and increasing the resilience of the service.

MKC Currently use a different software solution (SupportWorks) to deliver this service so an opportunity exists for to rationalise this which has been recognised in the contract sharing opportunity. Development of a common Configuration Management Database (CMDB) would make it easier to identify skill sets and provide access to the wider range of knowledge existing across the partnership.

##### **Joint Application Support team**

Across the LGSS partnerships there are a number of applications used by MKC and at least one other authority:

- Capita One – Local Authority children’s information management system

- Capita SIMS – School information management system
- Civica Spydus – Library management system
- Astech Consultants CMIS – Committee and governance system
- Iken Business Iken – Legal case management system
- Northgate Revenues and Benefits management system
- Xmbrace Optitime – housing repair bookings
- Artemis Artifax – appointment/course booking
- Civica ICON – income management
- Xpress Software Solutions – Electoral register system
- InPhase Performance Plus – Performance management

Economies of scale for specialist application support and Database Administration (DBA) resource to support the big line of business systems for our customers, e.g. Capita One, Revenues and Benefits, ICON.

It is difficult to put any detailed efficiency numbers on these opportunities at the moment without further work but indicative savings has been included.

Sharing service teams in the form of virtual units will meet the local business needs either by maintaining current service levels or by encouraging business process improvement in collaboration with local business services.

### **Sharing Management Resource**

There is a potential saving for sharing management responsibilities across the Partnership. If the service desk and applications support teams were to become single virtualised teams there is scope to rationalise the management of the teams. There would also be scope to rationalise strategic and operational management of the overall LGSS ICT service.



### **Staff reduction through attrition and collaboration**

There is an expectation that over time there will be a certain level of staff attrition as well as further opportunities for collaboration which will release savings.

### **Additional future opportunities**

#### **Print services**

As noted previously the models for delivering print/design services differ between MKC and LGSS with the former retaining a full print shop function on site and the latter outsourcing work to CDS. The costs and benefits of each delivery model will be compared to see if future cost savings can be identified.

#### **Traded services to Schools in Northamptonshire**

LGSS do not currently provide any IT services to Northamptonshire schools and there is an opportunity to use capacity and expertise in MK to review schools provision and SIMS support bringing services in house that are currently delivered by 3<sup>rd</sup> parties. This would extend the scope of the MKC schools facing traded service (in particular the Capita accredited SIMS support) into that area as it that is likely to be a more cost effective option. This would provide additional income for the combined IT service.

#### **Mobile phones**

LGSS have realised significant savings for existing customers through convergence of mobile phone contracts, these have not been included in the costed proposals as the expenditure does not sit in the IT Service and there is a resulting lack of information about the current usage/expenditure. However, we will look to assess whether there could be a saving arising from any alignment of future procurement.

## **Information Technology Strategies**

LGSS have an IT Strategy that allows them to deliver customers' strategies whilst embracing their unique IT functions. LGSS apply public sector expertise with a continual service improvement process and a holistic approach to service delivery resulting in their customers having an agile, efficient and trusted IT service delivered back to them.

Where there is commonality between LGSS customers they look to identify best practice, centralise, consolidate and then redeploy across our entire customer base. Centralisation and continual improvement ensures superior service levels can be offered, combined with efficiencies of scale in terms of technology, resources and savings.

Where there is uniqueness in the customer's operations the specialism required is respected whilst still applying continual improvements where they can be found to ensure optimal delivery of service and to showcase those functions to the wider community.

## **6.3 Performance Targets compared to current delivery**

No changes are envisioned to the performance targets of future service delivery compared to the current model in year one. The changes involved in the Data Centre Hosting and sharing infrastructure proposal are significant and therefore performance targets will be reviewed at this point.

## **6.4 Financial Benefits and Investment Needs**

### **6.4.1 Financial summary**

The financial table gives a net budget position for the service after existing Medium Term Plan commitments for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.

	2016/17	2017/18	2018/19	2019/20	2020/21	
Partnership ( LGSS/MKC) Recurrent	£000s	£000s	£000s	£000s	£000s	
<b>Net Budget</b>						
MKC - net budget	2,588	2,436	2,436	2,436	2,436	
LGSS - net budget	4,537	4,357	4,357	4,357	4,357	
<b>Total Budget</b>	<b>7,125</b>	<b>6,793</b>	<b>6,793</b>	<b>6,793</b>	<b>6,793</b>	
<b>Total Budget</b>	<b>7,125</b>	<b>6,695</b>	<b>6,510</b>	<b>6,290</b>	<b>6,240</b>	
<b>New Recurrent Costs/Benefits</b>						
1 - Data Centre	-88	-65	-50	-50	-50	
1a - Agresso ERP	10	10	10	10	10	
2 - Contract negotiation	-20	-20	-10	-10	-10	
3 - Service desks			-60			
4 - App Support		-25	-25			
5 - Shared Management	0	-25	-25	0	0	
6 - Staff Attrition		-60	-60			
<b>Net benefits</b>	<b>-98</b>	<b>-185</b>	<b>-220</b>	<b>-50</b>	<b>-50</b>	<b>-603</b>
<b>% net benefits</b>	<b>-1.38%</b>	<b>-2.76%</b>	<b>-3.38%</b>	<b>-0.79%</b>	<b>-0.80%</b>	<b>-9.11%</b>
<b>Revised Budget</b>	<b>7,027</b>	<b>6,510</b>	<b>6,290</b>	<b>6,240</b>	<b>6,190</b>	

## 6.4.2 One-off investment / funding requirements

### Data Centre Hosting and sharing infrastructure

This proposal relates to the relocation of existing MKC Data Centre facilities and refresh of ageing infrastructure. The proposal identifies significant savings in using LGSS facilities and sharing infrastructure but the overall costs – both capital and revenue – are significant. As this planning had commenced prior to LGSS / MKC engagement it has been confirmed that there is a capital allocation of £3,600,000 for this work commencing in 2015-16 and ending in 2017-18.

Capital costs associated with proposal to use LGSS Data Centres have been estimated as £961,375 for new IT equipment (Infrastructure) plus the staffing estimate from the existing MKC capital bid with 20% contingency. This compares to a capital programme allocation of £1.1m (as part of the wider Data Hosting programme). This reduction in cost will be used to fund the increased initial investment cost of the ERP solution.

No other proposals have any investment or funding requirements.

### **6.4.3 Ongoing service costs and financial savings**

#### **Data Centre Hosting and sharing infrastructure**

There is no specific revenue budget allocated to this work and any revenue costs associated with externally hosting the MKC Data Centre(s) will need to be found from existing within the IT baseline budget of £2,918k. The options compared for this proposal have identified that the LGSS opportunity results in a cost avoidance saving for MKC of £289 over 5 years, profile shown below.

### **6.5 Non-Financial Benefits**

For both LGSS and MKC IT Services a key advantage of joining together is access to skills and capacity not currently available within either service. This will provide resilience and expand the available knowledge base, reducing the need for external consultancy.

LGSS focuses on developing best practice in professional and transactional business services – with the aim to be the best provider in the local region across the public sector. To achieve this LGSS invest in their workforce as success lies in how they deliver services to our customers. LGSS continues to benefit from developing a diverse and multi skilled workforce and we welcome new employees joining us to further enhance the services we provide.

#### **The benefits for employees**

- **Expansion of skills, knowledge and experiences**

The LGSS MKC partnership will look to expand knowledge and experience, and therefore welcome colleagues from varied career backgrounds. As a partnership LGSS and MKC will be able to deliver a flexible and improved range of support services because of the greater scale of resources available and the sharing of good practice and expertise. This can be summarised by the philosophy that the whole is greater than the sum of all the parts.

- **Talent management and staff development**

The partnership will offer greater capabilities than an individual organisation but we will also be able to offer wider opportunities for staff development and career progression as our focus is on business services alone. Both LGSS and MKC will benefit from an increasing joint pool of skills and knowledge surrounding the latest IT best practises and knowledge of the latest technologies available to support our services and communities. This translates into a robust forward thinking organisation that supports innovation and integrity.

- **By the Public Sector, for the Public Sector**

The partnership offers a solution for services to be delivered in a joined up and innovative way, still with the benefit of enabling employees to continue to work in a public sector environment. LGSS takes pride in the fact that it was formed by the public sector and continues to strive to deliver robust solutions and services to the public sector which has been proven through our successful track record.

For the staff joining LGSS there will be opportunities for career development that may not be available in smaller organisation. Both MKC and LGSS IT actively encourage the development of staff within their service and both have a number of examples where people have secured promotion, new skills or have applied the skills to new applications, technology and customers.

In the IT sector many projects are the same in multiple organisations because they are driven by technology changes which affect the whole industry. So for instance the widespread adoption of tablet and other mobile technologies, or the move from Windows XP to more recent versions of Windows, are things affecting all of LGSS partners as well as MKC.

One of the key benefits of collaborative working from an IT perspective is that projects, upgrades and procurement exercises can be done across the partnership allowing costs and resources to be shared. This means things can be done better and faster, with more resource available than that to a single organisation, but the costs can be shared. Procurement could

benefit from the bigger organisation to give economies of scale which means potentially lower costs.

## 6.6 Risks and Issues

Risk	Likelihood L/M/H	Impact L/M/H	Mitigation
Consumers of the IT service continue to operate with devolved IT budgets that IT strategy and savings realised effectively.	H	H	<p>LGSS/MKC can work together to build individual business cases which has worked well in other places, but it takes time and reduces savings. The clearly best solution for the organisations is through directive management enforcing move of budgets.</p> <p>MKC to invest time in getting to a more accurate understanding of the total cost of ownership of IT.</p> <p>MKC IT service to continue to collect data about the application estate, with a particular emphasis on understanding business ownership, business use and total cost of ownership.</p>
If MKC choose a different data hosting partner savings will not be delivered for LGSS	L	M	This is unlikely, there is a “win-win” in sharing existing assets and investments. Decision should be made as part of this proposal.
Costs are based on outline estimates derived from the data available at the time of writing however detailed technical design work is required and there is a risk that this will reveal additional costs not apparent at this time. Further due diligence is required	M	L	<p>This will require due diligence as the technical design work progresses, but LGSS have good experience of working together with organisations in a true partnership to deliver joint benefits which can be brought to bear here.</p> <p>Continue with data gathering exercise, technical design and validation of costs</p>
Costs for replacement of SAP equipment required to take SAP to end of life need to be picked up elsewhere	H	H	<p>Unable to quantify risk until replacement options have been completed and option fully identified</p> <p>This risk needs to be picked up by the ERP project</p>
Cost and volumes have been provided by MKC to LGSS and saving estimates then provided by LGSS. Proposed changes and associated efficiencies or savings would be actioned across LGSS to the benefit of the partnership as a whole	L	L	<p>Due to the nature of our business, the demands, costs and resources will vary as part of business as usual (BAU), so this is a common reality. Things will change and we will need to change to reflect this.</p> <p>Communication and transparency of costs, proposals and plans</p>

## **7 Human Resources and, Learning Services**

### **7.1 Executive Summary**

This joint proposal identifies the benefits of MKC and LGSS of integrating their HR and Learning services.

We believe there are significant benefits in MKC joining LGSS and expanding into a third geographical area, bringing together through their support services three major Councils and sharing of best practice and specialist capacity.

MKC's future agenda requires a capacity and capability in their strategic and advisory HR function to enable and support the workforce implications arising from MKCs transformation requirements. There are also opportunities to build a wider customer base across schools in the region as well as exploring the further integration of Adults and Children's workforce development.

The alignment of traditional transactional services such as Management Information, Payroll and HR Transactions services where savings are linked to system improvement and automation will bring is addressed in the Transactions and ERP business cases. The focus of this Business Case is on HR Strategic and Advisory services.

As well as enabling the resilience and economies of scale through integration of the HR and learning services there are wider opportunities in releasing our joined up purchasing power to drive down HR commissioned contracts and costs such as in Occupational Health and the Agency Worker contracts.

### **7.2 Service Delivery Model**

#### **7.2.1 The Current Model**

The LGSS People Services model covers Workforce Planning and Strategy, HR Advisory, HR Policy and Projects, Learning and Development and Health and Safety/Wellbeing.

The operating model is based on having a senior Head of HR managing a locally based HR Advisory service in each shareholders authority (HR Business Partners) working closely with

the authority's senior management team but reporting into a Head of People Services. The senior HR role works with the wider People Services Management Team where a Head of HR Policy and Projects, a Head of Workforce Planning and Strategy and a Head of Learning and Development manage services that are cross cutting across each shareholder and partner authorities. This Business Partner model is also in practice in Health, Safety and Wellbeing.

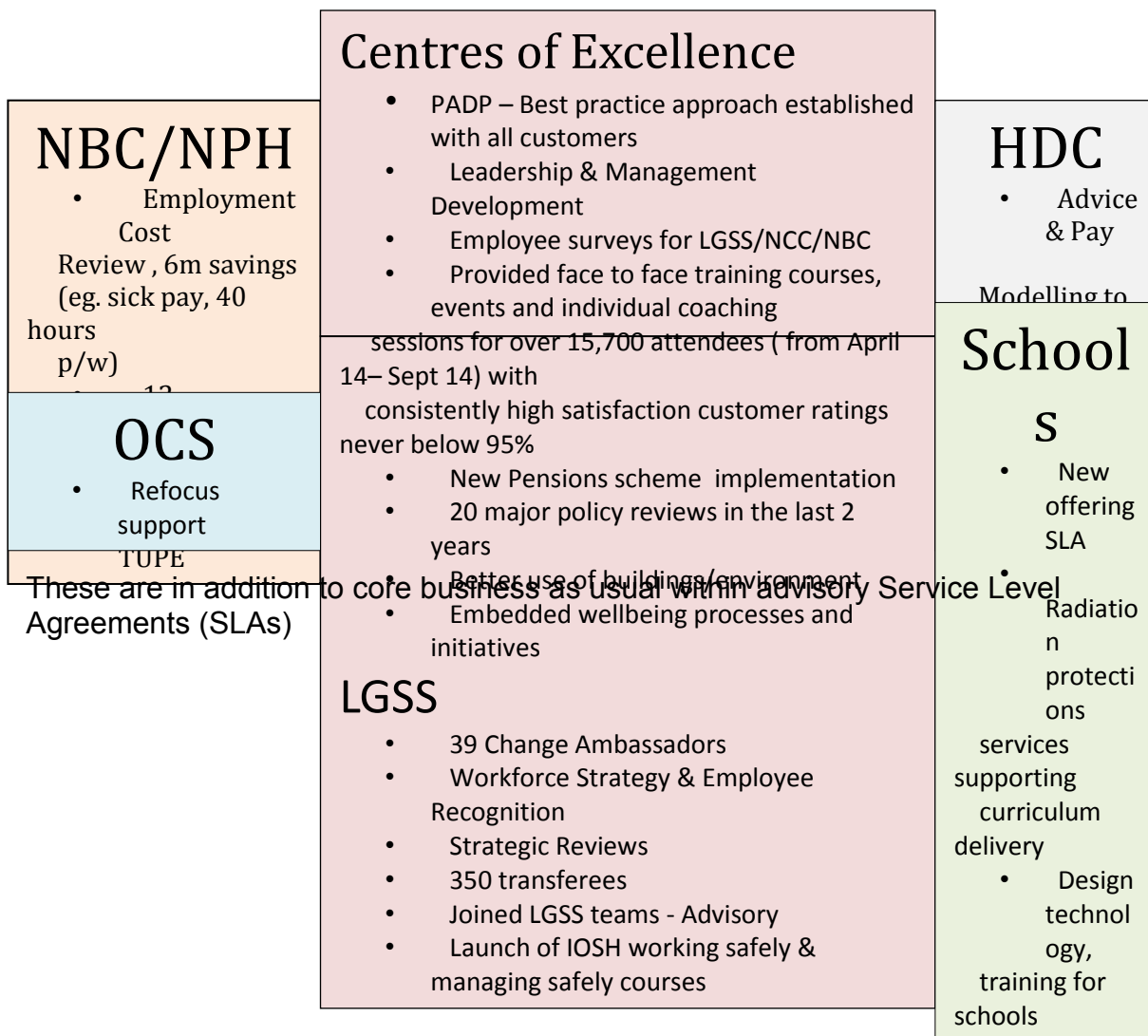
The cross cutting centres of excellence – building professional expertise and transformational/change support - in HR policy, workforce and learning are currently predominantly based in Northampton but work across each geographical area and are visible to and work with key customers. The business model is to develop transformation/pay review approaches, policies and best practice once for all customers that are shaped for individual need, develop programmes that meet common core needs and brings together expertise that individual stakeholder and customers cannot afford themselves.

Advisory East/CCC Fte 30.34	Advisory West/NCC Fte 27.27	Health, Safety and Wellbeing Fte 16.04	HR Policy and Projects Fte 12.13	Workforce Planning and Strategy Fte 7.00	Learning and Development Fte 66.34
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The service provides professional support to Northamptonshire and Cambridgeshire County Councils, Northampton Borough, Huntingdonshire District, public owned companies in older people's care (Olympus Care Services (OCS)), housing (Northampton Partnership Homes (NPH)) and the majority of schools in Northamptonshire and policy in Cambridge schools.



# Stakeholder & Customer Achievements 14-15



The service is currently restructuring the Learning and Development team to meet planned savings and future customer investment, and the creation of a dedicated Workforce Planning and Strategy Team is in response to a growing need from our shareholders and customers to have better intelligence on their current and future workforce profile requirements. This team will analyse workforce trends and challenges and develop innovative workforce interventions to ensure that our shareholders are seen as an employer

of choice in a highly competitive market. This team will build on the success of the ‘grow your own’ Social Work Academy in Northampton and will identify hard to recruit to/single points of failure risks within our shareholders organisations in order to plan and address these gaps. The new team will be in place by 1<sup>st</sup> April 2016.

The MKC HR Service is largely focussed on operational support to the Council and a number of schools and lacks strategic capacity. It also includes payroll and service desk teams which will be considered within the Transactional Services case.

The service was restructured in August 2015 and at that point consisted of circa 49 FTE and 58 people. The service is subject to budget reductions which will total approximately £351k by 31 March 2016.

The service will operate from 1 April 2016 in three main groupings: -



The service is led by a Service Delivery Manager (currently vacant).

The Operations Team consists of business partners, project and management development consultants and, currently, the Management Information Team. The Employee Relations, Pay etc team consists of 2 managers (1.15 FTE) and a temporary ‘Resourcing Specialist’. Administrative support to HR totals 5.05 FTE.

This approach to the savings in 16/17 avoids the need for formal restructuring whilst delivering the savings required.

However, the service needs to support major change programmes within the Council over the next 3 years. In doing so it must have the capacity to support (and where appropriate lead) strategic direction for people management in the council, including creation of a comprehensive resourcing strategy and employee development framework, a review of

reward to align more closely with business needs and further enhancement of performance management.

The Council is looking to further develop manager self-service (MSS) and employee self-service (ESS) and web based guidance and support to enable the focus of HR resources on added value support. The role of the service desk will be enhanced to increase its capacity to offer 'low level' advice and reduce the need for business partner involvement.

The differences between the two models are:-

- MKC has a Management Information Team, Payroll and Service Desk embedded whereas this is undertaken in other areas of LGSS
- There is a formal administrative support team in MKC
- MKC has no formal strategic transformational capacity and no capacity to support creation of a comprehensive employee development framework
- Ratio of HR policy/advisers to headcount is 1:115 for MKC, 1:181 LGSS.
- LGSS is structured in advisory and by centre of excellence/expertise, MKC have a more historical structure built around previously existing roles. Policy is developed within operational teams.

## **7.2.2 Proposal for Day 1 of Transition**

The MKC and LGSS models have many similarities and could readily be developed and integrated. In order to ensure that a partnership model can work for both MKC and LGSS, and deliver the savings already identified by MKC, there would be a need to refine the application of budgets for certain 'business as usual' roles within the current MKC structure.

The partnership structure to support MKC will be led by a new 'Head of HR' who will manage the business partner team located in, and visible to, MKC stakeholders; the current Service Delivery Manager (SDM) role will not exist. This mirrors the support offered to other

partners. The Head of HR will be accountable to the LGSS Head of People Services who will also form an integral part of the support available to the MKC top team.

The immediate agenda for Head of People and the Head of HR will be to ensure that stakeholders across MKC understand the changed approach and are comfortable with their access to services. This opportunity will also allow the re-launch of the service and its customer offer, with clarity about performance standards and responsibilities. It will provide the opportunity to enhance risk based management of issues and using local knowledge develop more proactive support.

The provision of 'business as usual' support to MKC, within current LGSS cross cutting teams undertaking workforce planning, pay and policy work, together with any supplementary resourcing required, will be funded through the deletion of a number of current roles (3) within the proposed MKC 1 April 16 HR structure and the integration of current MKC 'consultant' roles in the relevant LGSS team.

This will provide continuity to MKC on current work in these areas but will also crucially provide immediate access to LGSS 'centres of excellence' offering wider expertise and capacity across the full spectrum of people management issues. This will include the best practice policies and frameworks which have already been developed within LGSS.

For example, the integration of current Management Development roles in the LGSS Learning and Development centre of excellence will immediately bring much needed resilience as well as additional capacity which could not be achieved in MKC in this timeframe.

The integration of MKC into the partnership will enhance peer support to the current HR team but will also offer access to new career development opportunities. This will also have the potential to counter a growing retention challenge in MKC.

From the outset strategic leaders in LGSS and the MKC business partner team will work with the Chief Executive and senior managers and Councillors in MKC to develop its People Strategy and identify key strategic priorities. It is clear that MKC's programme of work goes well beyond business as usual but LGSS is uniquely equipped and experienced to offer

support in these matters – support which MKC would struggle to provide from current resource and to necessary timescales.

For example, MKC has committed to review its terms and conditions of service to ensure they are well targeted to meet its changing priorities and support retention of good staff. This would be a major project and would require dedicated project resource which is likely to need to be funded on an invest to save basis by MKC.

LGSS has a strong track record on such matters and can access to the necessary expertise from across its Pay and Reward and HR Policy and Projects teams and has developed and operated the necessary frameworks to complete such work. It would support the creation of a business case for the work and manage the project to achieve agreed outcomes and timescales.

Finally, there will be an immediate change to reporting lines and a move of budgets for management information, HR transactions and payroll to the Head of Transactions.

### **7.2.3 Ambition for 3 years time**

#### **Background**

The local government environment and its 'operating model' are experiencing unprecedented change in response to reductions in government funding and growing demand and expectations. There is a real danger that the effort to achieve new service models and tailor the workforce to the new cost base will not be accompanied by a parallel rethink on the workforce.

Individual councils are struggling to manage in this environment; dealing with current workforce issues takes all the resource they can spare. The LGSS offers a unique opportunity to ensure that there is capacity not only to do this but also to plan and put in place the necessary measures to secure the workforce of the future.

From 2016/17, LGSS will have in place the necessary suite of systems which will underpin modern people management, offering real time support to managers and employees through enhanced and targeted self service and reporting. It will be in a position to further

enhance its offer of best practice, 'off the shelf' policies and frameworks and will be structured to resource both business as usual and more strategic projects.

### **MKC as an LGSS HR Partner**

In the next 3 years an LGSS, which included MKC as a partner, can build on the achievements to date and set an ambitious target to meet stakeholder needs for support to people management in the Council and across its target region. The enhanced LGSS will develop a comprehensive, focussed best practice offer whilst continuing to reduce unit costs.

In the period to 2020, the size of the MKC workforce will continue to reduce. Already planned to be below 2000 people, it may well become significantly smaller as new initiatives take hold, for example, the integration of services into LGSS itself, changes the scale and nature of the operation.

The effective development of a customer focussed, more strategic offer on HR, through LGSS, in the next 2 years will support changes not only in the size but also in the make up and culture of the MKC workforce – driving home the benefits of the Agile Workforce programme. As this, the enhanced system based support to managers and employees and changes to governance have effect, so HR support will evolve and can be even more effectively targeted.

At the same time the LGSS as a partnership will continue to develop its HR (and other) customer base, which will bring not only benefits of scale but also the opportunity to be a 'force for good' in support of issues which challenge the public sector across the target region. As a full partner this will further benefit MKC.

Key areas to focus these benefits may be: -

- Traded services to schools. MKC has a discreet school service; LGSS has a similarly large share of the Northamptonshire Schools market and is exploring extending into Cambridgeshire Schools. Together we can respond to the twin challenges of profit making private competitors and trust formations by developing a wider schools service, creating an "invest to save" model which offers a real alternative to the competitive

challenge. For example we would together be ideally placed to lead on joint policy, trade union relations and deliver good professional advice. In relation to the current MKC offer, we would be offering better more accessible systems – which is a key issue for many schools in making their business decisions – as well as much greater resilience.

- Learning and Development specialists in LGSS could create joint programmes and regional “grow your own” academies for hard to recruit roles, such as social workers could run programmes for interns and apprenticeships, or the National Graduate Scheme which would offer wider choice to candidates, in effect leveraging a regional approach which would be more attractive to the employment market and cheaper to do together.
- LGSS can work flexibly with stakeholders to jointly develop a regional expertise in Children’s and Adult’s staff development offering significant saving by procuring and delivering what will be similar development plans jointly. The development of joint working on this basis will then allow consideration of further developments which could benefit all parties, such as the creation of a single LGSS provision with the potential not only to enhance quality but also to reduce the cost base.
- IT training in MKC has recently been devolved into services. LGSS has and is consolidating all IT training and could together with MKC build a centre of excellence.
- The scale of development provision that LGSS can sustain means there will be opportunities to review how development and training budgets are spent and has the potential to make significant savings.

The development of the wider LGSS offer and the consolidation of the benefits of LGSS partnership to MKC should enable further cost reduction within the HR service. Subject to the changes to scale, culture, governance and systems outlined above, we would plan to make further direct saving accruable to MKC of between circa £150k and £200k – or approximately a further 17% on current budget provision. (Note: this is addition to any cost reductions accruing in services transferred to Transactional Service)

This could be achieved through:

- Consolidation in LGSS teams supporting learning and development, policy and projects with the aim of producing efficiencies, by 2019 and up to a 50% joint saving of circa 85k.
- The further consolidation of business partner (advisory) capacity in line with organisational developments in the period should see 'organic' reductions which could produce up to £105k in cost reduction

### **Further opportunities**

#### **Health and Safety**

Currently within MKC's Environmental team, there are 3 roles nominated as Health and Safety (H&S). A positive initial discussion has taken place and there is clearly scope for a further discussion and a potential proposal. (Note – H&S does not currently form part of MKSP).

#### **Contracts**

There are a number of contractual arrangements operating in MKC which offer potential for future saving. This could come either from the use by MKC of existing LGSS contract arrangements at marginal cost or by joint procurement opportunities for partners and customers. Examples are: -

- Hays contract (for agency workers) managed by HR, will run until August 2017, could be an option for Procurement colleagues to consider against other existing managing agent models depending on precise contract terms but certainly following end of the current contract
- Consolidation of the Occupational Health contract within LGSS wider procurement – the existing MKC contract is due to end 3<sup>rd</sup> October 2016, the value of this is estimated to be £60k and £13k counselling. LGSS is in procurement in early 2016 on a new risk based and lower cost approach



- Develop an option to provide a combined and best practice senior recruitment and resourcing LGSS offer to bring together the capacity to establish a best practice offer for recruiting all senior (Director and above) roles for stakeholder and customers.
- Develop total reward solutions across the sector, saleable products, common policies

### 7.3 Performance Targets compared to current delivery

LGSS People services is a professional service which identifies customer feedback as its key way of measuring achievement and performance at two levels. Firstly at a strategic stakeholder level for strategy, policy and major projects, and secondly at a all customer level for HR advisory and learning products. LGSS measures its advisory teams on volumetrics to demonstrate size of delivery and are using a HR case feedback, together with annual HR Business Partner interviews for senior customers.

Existing MKC HR and OD measures are operationally focussed around delivery standards, timeframes etc with specific targets for recruitment.

### 7.4 Financial Benefits and Investment Needs

#### 7.4.1 Financial summary

The financial table gives a net budget position for the service after existing Medium Term Plan commitments for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.

	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
Partnership ( LGSS/MKC) Recurrent					
<b>Net Budget</b>					
MKC - net budget	767	767	767	767	767
LGSS - net budget	3,804	3,804	3,804	3,804	3,804
<b>Total Budget</b>	<b>4,571</b>	<b>4,571</b>	<b>4,571</b>	<b>4,571</b>	<b>4,571</b>
<b>Total Budget</b>	<b>4,571</b>	<b>4,541</b>	<b>4,446</b>	<b>4,351</b>	<b>4,351</b>
<b>New Recurrent Costs/Benefits</b>					

Benefits (new)	-30	-95	-95	0	0	
<b>Net benefits</b>	<b>-30</b>	<b>-95</b>	<b>-95</b>	<b>0</b>	<b>0</b>	<b>-220</b>
% net benefits	-0.66%	-2.09%	-2.14%	0.00%	0.00%	-4.89%
<b>Revised Budget</b>	<b>4,541</b>	<b>4,446</b>	<b>4,351</b>	<b>4,351</b>	<b>4,351</b>	

## 7.4.2 One-off investment / funding requirements

There will be direct and indirect costs around induction and partnership set-up.

Potential travel costs will be shared but cannot currently be quantified, although they are unlikely on the basis of the forgoing to be significant.

LGSS maintains its own support services in HR and Finance separately so this element of any MKC stakeholder would need to be identified.

MKC's outline programme for strategic change is likely to require investment on an 'invest to save' basis to deliver the major projects identified or likely to be needed. These projects are currently not provided for in MKC HR budgets but actual costs would be assessed in the relevant business case. However, the costs of these should be lower within LGSS than those applying on a stand alone basis and on the basis of the existing LGSS framework for managing such projects.

## 7.4.3 Ongoing service costs and financial savings

This proposal is based initially on using existing investment (and budgets) to provide MKC with the professional services it needs to maintain its 'business as usual' position and address some of the current shortcomings in strategic capacity. This takes full account of saving already identified by MKC to have effect from 1 Apr 2016.

Thereafter, further savings (£150 - £200k) should accrue as a result of the development of business, the customer offer and further consolidation of provision.

The predicted trading position (schools and related – payroll and HR advisory services) for 15/16 is not yet clear for MKC. There is a requirement for a trading ‘margin’ of £200k+ but there is no breakdown of the split between payroll and advisory and related areas. There is a presumption of income from training of £16k and Job Evaluation of £20k.

There is an additional target of 88k in 16/17 and a proposed future one for 17/18. This has not been clarified in sufficient detail so this area is identified as a risk while mitigating actions are being understood.

There will be as yet un-costed potential reductions set out above in relation to contracts/procurement of services and further consolidation of particularly development/training costs.

## 7.5 Non-Financial Benefits

Some of the benefits are apparent in the Day 1 and 18/19 opportunities sections, but in summary:-

- Resilience and flexibility in professional support as demand varies
- Best practice and the sharing of new ideas and innovations
- Improved strategic transformational capacity/ access to specialism not existing and would have to be purchased or developed
- Better training opportunities
- Internal career development for colleagues to increase motivation and retention/recruitment.

## 7.6 Risks and Issues

Risk	Likelihood L/M/H	Impact L/M/H	Mitigation

The trading position in MKC is not sufficiently clear to be able to understand current deliver and surplus, plus how effective plans may be to achieve the increase of £88K in 2016/17 (this inc payroll)	H	M	MKC is exploring the current position for 15/16 to confirm income.  Identify the size of market and the potential to increase trading in schools.
Strategic transformation capacity unable to be expanded in time for MKC needs, or cost too high.	M	H	Early indication of progress to enable development to start. Clear understanding of the direction and definition of outcomes expected by MKC.
The size and current demand, with significant reductions planned limits the direct amount of HR savings.	H	L	The proposed use of existing funding could provide MKC with the skills and capacity to enable its own savings targets. Which arguably it would have to invest more to achieve in the coming 2/3 years.
MKC users feedback and reputation of the current HR services is below expectations. Will users be ok with a step change in how they are support, along the lines already planned at MKC.	M	M	Relaunch of services with LGSS allows for a reposition of the role of support and the role of managers. Additional resilience and flexibility helps with demand. Clear understanding of what HR and Learning Services provides. And wider access to skills and knowledge form an integrated service will help build and improved reputation.
Transition to partnership sees people leaving with key local knowledge, for example the new MKC Job evaluation. Good employees leaving.	L	H	If partnership is agreed a communication plan with employees impacted would be required, and knowledge transfer if appropriate for Business Case.  Early engagement with employees and LGSS, and early joint working to sell the partnership.
Challenge on internal LGSS pay levels.	M	L	Transparent policy and protocol on how LGSS manages between 3 sets of terms and conditions, and tri-partite consultation frameworks with trade unions.
Co-locate disrupts delivery. Access to support not effective.	M	H	Partnership launch. Good understanding of services provided, and how, access and flexibility.

## **8 Transactions**

### **8.1 Executive Summary**

This proposal is based on Milton Keynes Council (MKC) becoming a shareholder in LGSS with the following operational services ultimately being delivered through single, integrated teams:

- Payroll and control
- HR Transactions
- Accounts payable
- Accounts receivable
- Financial assessment (with the possibility to widen scope to include monitoring and payments)
- Appointee and deputyships
- Finance and HR and Payroll Helpdesk

There would be agreed service standards, service levels and key performance indicators for all services so that performance can be monitored and continuous improvement activity undertaken.

There are clear benefits to be realised from sharing transactional services if MKC becomes a partner in LGSS both in terms of shared and converged systems, technology and process improvements as well as efficiencies through the integration of transactional teams into single centres of excellence increasing resilience and achieving economies of scale.

## 8.2 Service Delivery Model

### 8.2.1 The Current Model

LGSS has an experienced Transactions Service delivering high volume quality processing to a wide range of LGSS customers in the following areas:

- Payroll and HR Transactions
- Account Payable
- Accounts Receivable
- Financial Assessments
- Client Funds (Appointee and Deputy services)
- Finance and HR and Payroll Helpdesk services

The LGSS Transactions Service currently operates with integrated teams delivering services from centres of excellence through either a single location or where services determine a local presence, e.g. financial assessments, from multiple locations but under a single management structure.

Where technology and systems allow we provide converged standardised transactional processes in a shared service operational model exploiting the use of technology to re-engineer processes and automate manager and employee self-service.

All LGSS Transactions teams (except appointee and deputy's) are supported by the LGSS Helpdesk that acts as the single point of contact for all enquiries and service requests. The strategic direction for this service is to enable first time resolution through the automation of processes and encourage channel shift away from telephone contact onto the Lets Go Direct website enabling the end user to self serve wherever possible in order to release efficiencies in Transactional services. Staff can also use the web portal to track progress and resolutions to their request or enquiry.

MKC operates a slightly different model whereby whilst most services reside with their overarching professional service line so, for example, Payroll and HR Admin is part of the wider HR service.

Some services operate standardised transactional processes with some elements of self-service especially in the HR and Payroll area.

### **Payroll and HR Transactions**

LGSS services are provided from a fully integrated single Payroll and HR Transactions team currently located in Northampton providing services across Cambridgeshire, Northamptonshire, Huntingdonshire District and Northampton Borough Councils.

Existing service improvements through the exploitation of technology include;

- E-recruitment which automates the end to end recruitment and appointment process removing all paper based application forms and processes whilst providing real time information on speed of recruitment and appointment processes
- DBS E-bulk provides an electronic end to end DBS pre-employment checking process which has increased the average speed of receiving DBS clearance from 5 weeks to 48 hours.
- E-forms for travel and subsistence and absence. Removing all paper processes and providing managers with automated absence trigger point alerts.
- LANdesk help desk technology and Lets Go Direct web portal which enables single point of contact for all Payroll and HR Transactions with a customer tracking functionality from point of request to resolution
- EDRMs SharePoint solution for Personnel files releasing asset space at Cambridgeshire Shire Hall site and Northamptonshire's John Dryden House site.

Further automation of processes, such as on-line payslips, are being developed through the implementation of Agresso functionality and the expansion of e-form capability through the Let's Go Direct Web Portal.

The MKC HR Transactions and Payroll service is centralised delivering services from a single location to Milton Keynes Council. It is made up of Payroll, HR Admin and HR Management Information teams. Employee and Manager Self Service functionality using SAP is deployed for expenses claims, absence management recording and online payslips. All other processes are performed using manual forms and there is currently no automated recruitment, medical or DBS systems deployed.

The teams are supported by a HR Service Desk that is the single entry point for all calls and forms for the teams but does not appear to be supported by a fully developed CRM system.

### **Accounts Payable**

The LGSS services are provided from a fully integrated single team providing services to Cambridgeshire, Northamptonshire, Norwich City and Northampton Borough supported by the Finance Transactions Helpdesk acting as the single point of contact for all calls and forms (except invoices) for the team.

All supplier requests and changes are managed using online forms. Requisitions are raised directly in ERP by users and converted to purchase orders (PO) automatically as part of the approval process, which is fully automated within the ERP.

Kofax OCR invoice scanning technology is utilised, which creates the invoice record in Oracle and automatically attaches the scanned invoice image to it. Standard Oracle workflow is used to manage invoices that cannot be paid immediately, e.g. no goods receipt. All payment runs (BACS and cheques) are performed by the Payables team together with multiple interface loads from line of business systems and management of the Construction Industry Scheme with suppliers / HMRC.

MKC accounts payable service is centralised providing services to Milton Keynes Council. All supplier requests and changes are managed using Excel MDEFS forms.

Requisitions are managed as a separate process with users not accessing SAP ERP directly to raise orders. A user completes an Excel MDEFS request and submits this to a central team (the 'Hub') to validate and create a Purchase Order, which is then issued to the supplier. The



Hub team also manages all PO queries, non-compliance with the process and interfaces with the supplier / user on any issues.

There is no invoice software deployed. An invoice image is created and stored in Info@Work (not linked to SAP) by transactions number with SAP ERP workflow used to manage invoices that cannot be paid once received for payment, e.g. no goods receipt.

All payments runs (BACS and cheques) are performed by the Exchequer Services team but interface loads from line of business systems are carried out by the Financial Systems team. Construction Industry Scheme management is split between Exchequer Services who manage the processing of invoices and the Finance Control Team who manage the CIS returns and provide any advice required.

### **Accounts Receivable**

LGSS services are delivered from a single combined service based in Cambridge and supported by the Finance Transactions Helpdesk, the benefits of which have already been explained. All customer requests and changes are managed using online forms. Customer (sales) invoices are raised directly in ERP by users and posted out centrally. Income management is undertaken using Oracle and Agresso ERP together with Civica ICON.

Debt recovery is part of this team and utilises standard processes that include the use of external agents and enforcement activities where required. The LGSS MKC case for sharing debt recovery is covered in a separate section of this business case.

MKC services are delivered from multiple teams in different services all based in Milton Keynes. All customer (sales) invoices are requested through the use of Excel MDEFS forms and raised by the Exchequer Team. All customer requests and changes are managed using the same forms. Customer invoices are posted out centrally. Income management is undertaken using SAP ERP together with Civica ICON.

Debt recovery is part of the MKC Revenue and Benefits Service and includes the use of external agents and enforcement activities where required.

### **Financial Assessments (inc. Monitoring and Payments)**

LGSS services are delivered through teams located in Cambridgeshire and Northamptonshire with a single management structure and supported by the Finance Transactions Helpdesk. A single system (Abacus) is used to record, calculate and manage the financial assessment process with links into the shareholder and customer organisation's care systems for additional information required.

MKC services are managed through a single team utilising standardised processes located in Milton Keynes. A single system (Controcc) is used to record, calculate and manage the financial assessment process with links into MKC's care systems for additional information required.

The monitoring element of the Adult Social Care monitoring and payments process is currently undertaken by the centralised Financial Assessments team in MKC. The payments element is currently based within the Adult Social Care Directorate of MKC.

### **Client Funds (Appointee and Deputy Services)**

LGSS services are delivered from a single combined service based in Northampton utilising single standardised processes. Currently deputy services for Cambridgeshire County Council are retained within the CFA Directorate.

A new system called CASPAR has recently been deployed to manage service user accounts and automate many of the manual processes that were previously deployed.

MKC services are managed through a single team utilising standardised processes located in Milton Keynes. There are currently no systems deployed to manage the workload with spreadsheets being used to manage service user accounts.

### **8.2.2 Proposal for Day 1 of Transition**

There is limited scope to make significant efficiency savings other than moving the services under a single LGSS Director and Head of Service and management team on day one. This is

due to the differing operating platforms (notably ERP systems) and associated processes that will take time to harmonise and converge.

Consideration has been given to whether services could integrate pre-MKC moving onto the Agresso platform however, the risks in terms of losing local knowledge and skills together with the costs of training new staff for a relatively short space of time are considered too great.

In addition, LGSS Transactions currently has staff deployed onto the Agresso Programme (see ERP section) and this number will increase in the summer of 2016 as we enter the User Acceptance Testing (UAT) and training phases. Overlaying training of the remaining staff on SAP would further increase the risks of potential service failures, e.g. increased payroll errors, supplier invoices paid late.

For these reasons, it is proposed that services continue to be delivered from their current locations (so Northampton, Cambridge or Milton Keynes) using their current service processes but that the reporting lines for MKC operational services be transferred to the LGSS Transactions Service.

There will be some pre-transfer moves necessary to achieve this as the current MKC structural configurations mean some staff will need to move teams within MKC to enable a seamless transfer to occur.

Consideration of the opportunity to move all debt recovery processes across LGSS and MKC to a single team under one LGSS Director and Head of Service will be dealt with as part of a separate business case.

The main areas for potential early process improvements, cost avoidance for MKC and potential efficiency savings are:

- eRecruitment – investigate implementing the standard LGSS eRecruitment configuration into MKC at the earliest opportunity to enable manager self-service of the recruitment process and automated document production of the letters / emails required throughout the recruitment process.

- DBS eBulk – switch MKC to using the LGSS DBS solution that is a fully automated online system that returns a DBS decision within a matter of days for nominal cost saving weeks off the recruitment process and enabling new starters to commence their roles and contribute to MKC faster. This is dependant on the current MKC contract with Atlantic Data Services either ending or MKC being able to exit early without (or with no significant) financial penalties.
- EDRMs SharePoint solution for the electronic storage and access by managers supporting MKC asset utilisation strategy
- Supplier Invoice Portal – investigate whether it would be feasible to deploy the LGSS supplier portal (once procured) into MKC ahead of the delivery of the new ERP platform. Initial indications are that this could be cost prohibitive but a further review will be undertaken once the portal choice has been made.
- CASPAR – deploy the CASPAR system into MKC at the point of transfer to manage the appointee and deputy cases and realise efficiencies / redeploy resources elsewhere

Each proposal would need to be developed as individual invest to save business cases but the LGSS experience has shown that the following benefits can be realised;

- Significant reduction in development, build and implementation costs for MKC
- Reductions in licensing, hosting and support costs
- Significant reductions in the cost of advertising spend for MKC
- Release of asset space and resultant assets savings
- Improved management information and reporting
- Remote access for managers to their employees personnel files
- Improved processing times
- Improved KPI and volumetric information

- Increased efficiencies in Transactions releasing FTE savings.

### **8.2.3 Ambition for 3 years time**

Assuming MKC agree to implement the LGSS gold client design and build HR and Finance Agresso solution with a parallel implementation by April 2017 we could integrate all transactional services into single LGSS centres of excellence during 2017-18. The ambition is that a fully integrated LGSS Transactions Service based on single integrated teams model is in place by April 2018.

The business case for MKC implementing the LGSS Agresso solution will be dealt with separately but we are confident that if implemented this would lead to major process improvements and financial benefits for MKC by moving to a single, LGSS in-house hosted and supported ERP solution.

Implementing the LGSS Agresso solution will also improve the end-user experience, enhancing employee and manager self-service together with providing a flexible solution more capable of adapting to the changing needs of MKC and wider LGSS partner organisations. Being a replacement ERP system rather than first time implementation will enable the project focus to be on these business improvements.

A single ERP solution with converged business process will enable LGSS to provide the most efficient and effective best in class professional and transactional HR and Finance support services to MKC

- An integrated system across both HR and Finance enabling a 'single source of the truth' with a single organisational view across budgets and people
- The ability to remove historical paper-based processes and forms, replacing with a fully automated people and financial support system
- A flexible, agile and intuitive end user experience, enabling positive employee and manager self-service

- The provision of transactional services through a shared services co-located model using best in class converged and automated processes improving efficiency and reducing cost

It also assumes that strategic third-party systems, e.g. online supplier portals, interfaced links to debt enforcement agencies, document production software, etc are deployed across all partners.

The locations of the teams will be dependant on the skills, knowledge and experience of staff and where the services can be best delivered in terms of efficiency and effectiveness.

This arrangement would enable savings and improvements to be achieved through processing economies of scale, the use of e-technologies and the use of self-service by NCC, CCC and MKC employees, suppliers and customers.

Not only does this achieve tangible cashable efficiencies but provides a high level of service resilience and access to a wide pool of expert skills that is often cost prohibitive for smaller organisations to achieve alone.

The longer-term plan would be to create mixed-skilled teams who could undertake multiple operational processes so enabling greater resource management to handle 'peaks and troughs' together with improved resilience, flexibility and job satisfaction for employees. This would require careful management to ensure sufficient skilled resources in each operational discipline is retained to support the complex, more technical aspects of delivering the services.

We are confident that these technology changes will generate an improved customer experience together with additional savings as a result of the economies of scale that will be achieved as a result of single system processing activity combined with the additional benefits that are provided with the Agresso systems functionality.

The Agresso ERP system will also provide an enhanced customer experience as a result of the self service functionality available through online forms for activities such as expenses,

absence management, performance management, submitting employee changes and leavers.

The planned ERP implementation date is April 2017 so by year 2 significant savings can be realised by all LGSS partners fully utilising standard Agresso ERP functionality for example by enabling the capability to raise requisitions and create purchase orders (PO's) and manage supplier maintenance activities that are not undertaken using a Supplier Portal.

The introduction of the LGSS supplier portal is designed to drive increased electronic invoicing over a 2 year period so that by 2018/19 we no longer process paper invoices thus removing the need to manually re-enter data into Agresso. A key element of this change will be a comprehensive engagement exercise with all suppliers regarding the change and providing the support necessary for a seamless transition particularly for the smaller, local suppliers.

The full capability of the Supplier Portal is not yet known (soft-market testing is underway prior to procurement) but whatever product is chosen a stepped approach will need to be taken with regards to reducing the resources deployed to manage invoices and payments. The reductions are dependant on the strategic decision of the partner organisations to move to electronic invoicing by 2018/19.

The move to a centralised LGSS BACS Bureau from year 2 will streamline the current process and enable efficiencies from economies of scale to be realised. Likewise, the merging of the LGSS and MKC purchasing cards functions during year 1 will derive additional savings in the administration of this. There is also the potential in future to move towards a converged contract across all partners that may realise additional savings.

Once Agresso has been deployed, there will be opportunities to market our services more widely to schools and academies as potential sources of new business. One area that will be explored is whether to create a single schools service team that combines transactional and professional staff to deliver a fully integrated, seamless service.

### **Accounts Receivable**

The proposal for accounts Receivable is based on the transfer of all income processing activity to the LGSS Finance Transactions Service. The proposal for all debt recovery activity is covered in a later section of this business case.

### **Financial Assessments**

The proposal for Financial Assessments is based on the transfer of all processing activity to the LGSS Finance Transactions Service with teams but with local teams to support the service users of the respective partner organisations.

As part of the year 1 activity, MKC would be migrated to the Finance Transactions Helpdesk, the benefits of which have been explained earlier.

The current Financial Assessments team would remain in MKC with the line management being transferred into LGSS Transactions. Year 1 activity would be focussed on process review and standardisation together with working with Adult Social Care colleagues on how the customer journey can be improved / the teams can collaborate better.

There is a strategic partner decision concerning the care systems currently deployed in NCC and MKC and whether these are fit for purpose or need to be replaced. CCC is currently procuring a new system and there will be an opportunity for NCC and MKC to consider whether this meets their needs and could be used.

Until these decisions are made there is limited scope to make significant improvements that would derive financial benefits outside of improving the speed at which assessments are carried out and potentially mandating the use of direct debits to pay care invoices.

### **Client Funds (Appointee and Deputy)**

The proposal for Client Funds is based on the transfer of all processing activity to the LGSS Finance Transactions Service with teams located geographically to support the service users of the respective partner organisations.



The current Appointee and Deputy staff would remain in MKC with the line management being transferred into LGSS Transactions. Year 1 activity would be focussed on deploying the CASPAR system with its associated standardised processes to maximise efficiency and create capacity within the team. It is not proposed to release any savings from this activity.

Concurrently, this service would be prepared for marketing to other local authorities and NHS bodies on a traded basis utilising the CASPAR system and standardised processes. This will generate additional income into LGSS with no additional costs as we will utilise the capacity created by implementing the CASPAR system.

Acquiring, training and retaining the skilled staff required to operate this service effectively, efficiently and to a high standard is costly and so reducing the resources should only be considered as a last resort if the service cannot be sufficiently traded to maximise the capacity created and cover its costs.

### 8.3 Performance Targets compared to current delivery

The current LGSS measures for NCC and CCC, which are reported quarterly, are below.

LGSS Performance Measures - Payroll and HR Transactions				
Description	Purpose	2015/16 Target	Performance	
			Q1	Q2
Overall payroll accuracy for all employees paid monthly based on fully completed and accurate forms being received by the published deadlines	To determine the accuracy of the payroll by calculating the percentage of payment corrections required as a percentage of total pay bill	98%	100%	100%
New Starter requests that are fully complete and received by the published deadline are set up in time for the payroll	Completed New starter information provided by the published deadlines is recorded appropriately	98%	100%	100%
Leaver requests that are fully complete and received by the published deadline are set up in time for the payroll	Completed Leaver information provided by the published deadlines using the agreed form(s) is recorded appropriately	98%	100%	100%
Any changes to staff details that are fully complete and received by the published deadline are set up in time for the payroll	Completed Changes to existing staff details (hours, grade, etc.) provided by the published deadlines are recorded appropriately	98%	100%	100%

<b>LGSS Performance Measures - Finance Transactions</b>				
<b>Description</b>	<b>Purpose</b>	<b>2015/16 Target</b>	<b>Performance</b>	
Undisputed Supplier invoices will be paid within 30 days Note: This will measure the end-to-end process of both LGSS and the customer in this area. (Calculation from Invoice Received date into LGSS)	Receiving and processing supplier invoices and ancillary payments, ensuring that invoices are correctly and promptly paid to supplier	95%	99%	99%
Undisputed and compliant Supplier invoices will be processed ready for payment within 5 working days from receipt into LGSS	Receiving and processing supplier invoices and ancillary payments, ensuring that invoices are correctly and promptly paid to supplier	95%	98%	100%
Process fully completed supplier requests within 3 working days of receipt	To maintain accurate supplier information	95%	100%	100%
BACS payment runs will be completed in line with the published schedules	Receiving and processing supplier invoices and ancillary payments, ensuring that invoices are correctly and promptly paid to supplier	95%	100%	100%
Process fully completed customer requests within 3 working days of receipt	To maintain accurate customer information	95%	100%	100%

The current measures for MKC are as follows:

<b>MKC Performance Measures - Payroll and HR Transactions</b>				
<b>Description</b>	<b>Purpose</b>	<b>2015/16 Target</b>	<b>Performance</b>	
Effective employee relations – case resolution timescales	Target met when no more than 10% of live formal employee relations cases have a case duration over > 200 days	10%	14%	11%
Effective employee relations – case resolution timescales	Target met when no more than 30% of live formal employee relations cases have a case duration over > 120 days	30%	28%	31%
RTI - monthly Final Payment Summary (FPS) filed by payday and monthly Employee Payment. Summary (EPS) filed by 22nd of following month	RTI - monthly Final Payment Summary (FPS) filed by payday and monthly Employee Payment. Summary (EPS) filed by 22nd of following month	100%	100%	100%
Year End - LGPS, Teachers Pensions, P60, P11D		100%	100%	100%

Sickness Absence - Supporting Managers to reduce Sickness Absence	Percentage of workforce whose absence pattern has caused them to "trigger" intervention.	4%	6%	6%
<b>MKC Performance Measures - Finance Transactions</b>				
<b>Description</b>	<b>Purpose</b>	<b>2015/16 Target</b>	<b>Performance</b>	
MDEF Requests processed within 36 hours of receipt	Receiving MDEF requests and processing them efficiently and accurately, minimising any delay for the requisitioning service.	100%	99%	99%
Invoices paid within supplier payment terms (all invoices processed)	Receiving and processing all invoices and ensuring they are posted to the system efficiently and accurately	98%	80%	91%
Invoices available for payment (i.e. not blocked, goods receipted etc) paid within supplier payment terms	Ensuring that all invoices that are able to be paid are processed quickly and accurately	98%	98%	99%
Customer/Vendor/Accounting codes set up within 5 working days of request	Receiving all requests for new vendors/customers/accounting codes efficiently to minimise any impact on the requesting service	100%	98%	100%
Completion of Financial Assessments within 5 working days of receiving all necessary data	Receiving all required information needed to undertake the assessment and carrying out the assessment efficiently	100%	100%	99%

For most services it would be expected that in Year 1 the impacts on performance should be minimal assuming the existing resources deployed remain largely the same. There is a risk to these, however if retaining staff through the transition phases becomes challenging and we lose knowledgeable staff.

At the point the organisations are migrated to Agresso there will be a disruption to services in terms of LGSS Transactions Service staff and wider employees adapting to the changes, however it is not possible at this time to predict the impact of this. A comprehensive training and rollout plan together with employee engagement sessions should help to mitigate any impact.

The future performance targets for all operational services would need to be reviewed in line with the implementation of the Agresso ERP system and associated technologies, e.g. Supplier Portal. It is too early to predict what these may be at this time and they would require input from the partner organisations to agree.

## 8.4 Financial Benefits and Investment Needs

### 8.4.1 Financial summary

The financial table gives a net budget position for the service after existing Medium Term Plan commitments for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.

Partnership ( LGSS/MKC) Recurrent	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
<b>Net Budget</b>					
MKC - HR trans net budget	390	390	390	390	390
MKC - Trans other net budget	898	898	898	898	898
LGSS - HR trans net budget	703	703	703	703	703
LGSS - Trans other net budget	2,461	2,361	2,461	2,461	2,461
<b>Total Budget</b>	<b>4,452</b>	<b>4,328</b>	<b>4,452</b>	<b>4,452</b>	<b>4,452</b>
<b>Total Budget</b>	<b>4,452</b>	<b>4,305</b>	<b>3,835</b>	<b>3,596</b>	<b>3,596</b>
<b>New Recurrent Costs/Benefits</b>					
Benefits (new)	-24	-470	-240	0	0
<b>Net benefits</b>	<b>-24</b>	<b>-470</b>	<b>-240</b>	<b>0</b>	<b>0</b>
<b>% net benefits</b>	<b>-0.53%</b>	<b>-10.91%</b>	<b>-6.25%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Revised Budget</b>	<b>4,428</b>	<b>3,835</b>	<b>3,596</b>	<b>3,596</b>	<b>3,596</b>

### 8.4.2 One-off investment / funding requirements

The key transformational aspects of this business case are linked to the Agresso ERP Gold Client Programme and the investment funding for this programme is covered elsewhere in this business case.

In terms of the other technology improvements that MKC could benefit from in Year 1 if they were to join with LGSS, indicative one-off investment costs to configure and deploy the systems and ongoing funding / charging requirements are as follows:

E-Recruitment into MKC:

- Set-up costs (System supplier and LGSS Business Systems) £5,445
- Annual maintenance costs £1,515
- Per candidate application fee £1.21
- Jobs Go Public Advertising £8,000 (one-off fee for 2016/17 – future years subject to contractual negotiation)
- External Website Adverts (e.g. Total Jobs) £45 per advert

DBS eBulk into MKC:

- Set up costs £1,000
- Per DBS Check Admin Fee £6
- External ID Check £2.50 (in addition to the £6 admin fee)
- Current DBS Fees Standard Check £26; Enhanced Check £44; Volunteer £2.50 (no admin fee applicable)

There would be additional costs if MKC wanted any bespoke development undertaken to the standard E-Recruitment system configuration.

There would be additional costs in terms of training and rolling out the changes to MKC employees, however LGSS has extensive experience of undertaking such activities that MKC would benefit from so easing this transition.

The automated Document Production technology is unlikely to incur significant systems costs but further details are awaited from the supplier to confirm this. There would be some

internal costs associated with deploying the software but this is considered to be relatively small and most likely could be absorbed by the enlarged LGSS Transactions Service.

The migration of MKC appointee and deputy work to the LGSS CASPAR system is unlikely to incur significant systems costs but further details are awaited from the supplier to confirm this. There would be some internal costs associated with deploying the software but this is considered to be relatively small and most likely could be absorbed by the enlarged LGSS Transactions Service.

In year 2 it is proposed to implement an Electronic Document Records Management System for all personal files. The indicative systems costs to set up MKC personnel files within the LGSS system are:

- System Set up costs (including storage) £3,200
- Annual Maintenance £900
- Data Migration\* £10,000

\*This is difficult to predict and an assumption has been made that c.3 months of work will be required

There would be additional costs in terms of training and rolling out the change to MKC employees, however LGSS has extensive experience of undertaking such activities that MKC would benefit from so easing this transition.

### 8.4.3 Ongoing service costs and financial savings

A summary of the financial benefits relating to MKC joining LGSS are as follows:

Payroll and HR Transactions			
	2016/17	2017/18	2018/19
	£	£	£
Opening Budget	652,818	629,258	394,073

<b>Savings</b>	23,560	235,185	94,144
<b>Closing Budget</b>	629,258	394,073	299,929
<b>Finance Transactions</b>			
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Opening Budget</b>	898,324	898,324	663,715
<b>Savings</b>	-	234,609	142,375
<b>Closing Budget</b>	898,324	663,715	521,340
<b>Total Combined Savings 2016-19</b>		729,873	
<b>As a Percentage</b>		47%	

## 8.5 Non-Financial Benefits

Some of the benefits are apparent in the Day 1 and 18/19 opportunities sections, but in summary:

- Increased resilience and flexibility in how operational services are delivered
- Best in class processing utilising Agresso functionality and supporting automation
- Increased self-service usage and channel shift enabling more efficient support service delivery
- Improved demand management with larger pool of resources available
- Improved management information and compliance capabilities through deploying an end-to-end automated E-Recruitment solution
- Single point of access to personnel information via Agresso and the Electronic Document Records Management System (for personnel files)
- Best practice and the sharing of new ideas and innovations
- Improved transformational capacity / access to functional specialists not existing and would have to be purchased (via consultants) or developed

- Wide range of training opportunities
- Internal career development for colleagues to increase motivation and retention / recruitment
- Reduction of paper processes and storage requirements enabling greater asset utilisation and associated savings

## 8.6 Risks and Issues

Risk	Likelihood L/M/H	Impact L/M/H	Mitigation
Employees leave once news of the partnership is confirmed taking local and current systems knowledge with them.  We lose good employees	M	H	On the basis the partnership proceeds, clear, concise communications and engagement plan with all employees would be required.  Some knowledge transfer would have to be undertaken to ensure business continuity, if required.
Capacity to enact change with competing demands of partner organisations and potential loss of skilled resources.	M	H	Clear plan of activities and resources agreed by the partners. Early notice of partnership progress would aid development of plans.
Systems are not delivered on time or do not provide the expected levels of self-service / required functionality	L	H	Operational resources pro-actively involved in the Agresso ERP and associated systems development. Regular employee engagement to incorporate feedback into developments
Co-located teams / matrix management disrupts service delivery	L	M	Clear partnership launch and engagement with staff.
Transition to employee self-service model is slow increasing demand on operational services that have been reduced in size. Impact on service deliver and performance.	H	H	Clear communication plan and engagement with staff on changes. Commitment by all partner organisations to self-service ethos and employee compliance / consequences.



## **9 Revenues and Benefits**

### **9.1 Executive Summary**

The Officers of Milton Keynes Council (MKC) and LGSS recognise that the creation of a Revenue and Benefits Shared Services presents significant quantitative and qualitative benefits for all Joint Committee partners and their citizens.

Both organisations currently provide Revenues and Benefits to a good standard and are committed to continually improving performance. Local government funding is undergoing significant changes as grant based payments reduce; to be mitigated by greater retention of locally collected revenue, this means the need to maximise revenue baselines and collection is key to all councils.

Revenue collection in terms of local taxes and fees and charges will become critical to every authority maximise funding for services. In parallel with this change, the national frameworks of welfare reform will alter the local authority benefits service provision. It is likely that changes will be phased in and it is essential during his period to ensure that service performance to customers is maintained.

It will be crucial to deliver continual improvement in performance across the Revenues and Benefits Service in order to maximise opportunities and mitigate risks to all partner organisations.

This outline business case illustrates the potential benefits of a shared service arrangement for revenues and benefits, both in financial and non-financial terms. The proposal would develop platform for service delivery, which makes the best use of technology to streamline processes and help customers to service themselves; increase efficiency through sharing support functions; share best practice to maximise revenues; increase resilience and stability by creating opportunities for staff and accessing a wider labour market and also provide a strong shared service offer which would be scalable for other authorities.

## **Proposed Operating Model**

The strategic vision for a shared service revenue and benefits operating model covers the following areas which will be described in more detail section by section;

- Shared management teams, efficiencies through economies of scale; increased resilience and structures that support growth
- Transformation of customer access channels. Supporting and enabling channel shift through increased self service and use of customer access channels
- Enablement of a single line of business systems on a converged and shared platform / Business process re-engineering to streamline and automate
- Shared best practice policy alignment where local requirements allow

### **Shared management teams, efficiencies through economies of scale, increased resilience and structures that support growth**

The shared services vision is to align the Revenue and Benefits services across NBC and MKC into a shared service with a single management team led by a single Head of Service but with a local presence, particularly for the delivery of “face to face” customer contact access. There will be clear standards of service and performance outcomes which will enhance the service offering from the partnership.

Wherever possible resources from across multiple operations would be integrated to achieve resilience and increased efficiency/economies of scale. This will support the ability to move work across teams in order to manage peaks and troughs on demand.

Using single systems and infrastructure will enable the movement of work across multiple sites irrespective of location. This flexible approach will allow partners to access a broader workforce market to attract staff and the size and scale of the operation will allow for some additional opportunities for development and progress to enable retention within the service.

This operating model will also put the shared service in a favourable position to attract future customers and/or additional Foundation Partners. This will in turn generate further income opportunities for MKC/LGSS/NBC through trading its collective expertise with other public sector organisations.

**Transformation of customer access channels /Supporting and enabling channel shift through increased self service and use of customer access channels.**

Currently customers can access the revenue and benefits service through a variety of access routes such as; face to face, self service through web access or via self service points through the customer contact centres and over the phone. Through the technology which underpins each point of access customers can interact with the service via multiple locations and multiple service providers for example housing providers and the third sector.

The new shared service would deliver services using the most optimal customer access channels encouraging where appropriate a behavioural shift from an over reliance on face and face and telephone contact to increasing confidence in the use of self service technology. In parallel the service will provide a broad set of customer access channels to support those service users unable to use these online channels. However the use of Customer access portals will still be encouraged with support offered from officers both over the phone and face to face.

The most cost effective and often quickest contact for the customer is via self service through the web, however the aim will always be to utilise channels that achieve resolution of customer requirements at the earliest point possible, reducing multiple transactions for one resolution wherever possible.

**Enablement of a single line of business systems on a converged and shared platform / Business process re-engineering to streamline and automate.**

Currently LGSS and MKC use Northgate for their revenue and benefits processing system. They are on the same version but the systems are differently configured. In addition LGSS use Civica Document Management and workflow, whereas MKC use a document management solution provided by Northgate, but which is not integrated within the core

system. These systems supplemented by a number of smaller systems / modules enable some automation through e-forms to support customer self service and remove paper based processes. We will also look to implement a site to site shared telephony so that first telephone contact can be handled across all locations and the demand can be resolved.

As a shared service this creates a significant opportunity to develop a shared business system on a converged and shared platform which in turn should generate significant licensing, hosting and support savings as well as enable standardised processes across multiple teams and locations.

The intention would be during year 1 to re-procure a single system which will drive the formation of combined processes and procedures to enable a true day to day shared service operation. These combined set of lean processes will support efficiency and performance for the long-term and will also consider how services are configured in readiness for the future, post welfare reform, service delivery model.

#### **Shared best practice policy alignment where local requirements allow.**

Wherever possible the shared service will develop a single approach to revenues and benefits policies adopting best in class model. The shared service will ensure that each Council receives appropriate policy advice and support to maximise collectable income, with any sharing of benefits being agreed as part of individual business cases, agreed by all parties.

The new shared service will remain focused on supporting service users through welfare reform transitions. In addition the shared service will be focused on a growth plan that ensures retention of our staff assets throughout this period of uncertainty. Delivery of first class services to current members and future members via the joint committee, alongside the trading of services will leave it well placed to retain its scale and expertise and continue to be competitive for the long-term. A further aim will be in mitigating possible redundancy liabilities to partners as a consequence of the implementation of universal credit and transfer of Housing Benefit to the DWP.

## Financial estimates of benefits from implementing the operating model

Target Operating Model Theme	Saving Identified
<b>Shared management teams</b>  A single Head of Service will be in place and it is envisaged a further reduction can be achieved in year 2 within the management team structure.	Reduction in Management Team Costs
<b>Efficiencies through economies of scale</b>  A target reduction has been included as a result of reduced duplication of technical / support roles.	Support Services Target Reduction
<b>Structures that support growth</b>  Traded Income targets have been included that represent a conservative estimate of the trading opportunities available to the new shared services. The aim will be to retain service expertise as we achieve savings. By trading capacity in the service we achieve retention of key personnel. These include management consultancy, supporting technical service areas (tax base, collection fund, subsidy, Discounts and Exemption review service, general offsite processing support).  By working with other public sector organisations the new shared service expects to create trust in our services and therefore attract longer-term partnerships via new customer Partnership agreements or new foundation partnership.	Various income targets against service expertise.
<b>Transformation of customer access channels /Supporting and enabling channel shift through increased self service and use of customer access channels.</b>  This savings aims to reduce baseline costs to the shared service through shared projects aimed at channel shift and aligning best practice. Savings likely to be achieved through staff turnover and non replacement of these vacancies.	Staff Savings through non replacement of vacancies (following efficiency projects)
<b>Enablement of a single line of business systems on a converged and shared platform / Business process re-engineering to streamline and automate.</b>	Line of Business systems project saving estimate
<b>Shared best practice policy alignment where local requirements allow</b>	An income estimate has been included.

An estimate of the income benefits to NBC has been included to illustrate the benefits of aligning policies and practices to those in place at MKC	
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## 9.2 Service Delivery Model

### 9.2.1 The Current Model

LGSS currently provides a Revenue and Benefits service to NBC and Norwich City Council (NorCC). This is not delivered as a shared service model due to NorCC wishing to take a “stand alone” support delivery model via a single Revenue and Benefits management team with a local Operations Management presence. So for the purposes of this business case NorCC Revenue and Benefits budgets and FTE are excluded for modelling purposes as they will not form part of the shared service Foundation Partner Joint Committee model. LGSS will however continue to provide the Revenue and Benefits service at NorCC under an existing Partnership and Delegations Agreement.

LGSS NBC Budget Description	£	FTE	Information
Staff	£2,567	92.65	Excludes corporate debt element
Supplies and Services	£305	N/A	Includes Systems Cost and Business Rates (Elements to be transferred to staff budgets from 16 – 17.

LGSS provide its services using a number of well established systems and processes. Key features of the current delivery model include:

- Operated from the Guildhall in Northampton with a mixture of roles supporting the service, however currently in the process of recruiting to generic posts across service roles (with retained specialism where required)
- An Operations Manager in Northampton is supported by 8 Team Leaders,
- Technical areas report into the shared Revenues Manager (Part of shared management team)

- Training, Performance and Quality report into the shared Customer and Support Manager and this post also supports the Head of Service with Partnership management and reporting
- The shared Benefits Manager for the service also leads on the delivery of Welfare Reform Transitions, partnership liaison (DWP, Community Groups etc) and currently ICT project delivery
- Access Channels developed to meet customer preferences on interactions with the Council including face to face, over the telephone, post, email, web and home visits
- A self service system for customers and Landlords to view and submit electronic forms
- Customer Access portal via the web and by telephone available in the Customer Service Centre in Northampton
- Appointment only system for face to face enquiries
- Evidence drop off point for customers to avoid queuing
- Complete removal of paper based Benefit new claim forms – 100% via automated E-forms (with data loaded straight into back office system), completed via the web, in person or over the telephone
- Full suite of Revenues E forms including 3 high volume interactions fully automated with back office system (65 – 70% of these require no further review by officers)
- Well established joint working arrangements in place with housing providers and third sector to support the new claims process for benefits
- Well established partnership with third sector partners supporting those in arrears to the Council – ability for these providers to make arrangements on behalf of the Council
- A cross funded senior management team supporting NBC and Norwich City Council (NorCC) – Expertise across services including Revenues, Benefits, Customers, Training, Performance and Service Development
- 3 Training Officers supporting the Northampton service including customer service team (NBC managed), 3 service officers trained as NVQ assessors / verifiers

- Ongoing projects being delivered for/in 2016-17 to further extend automated e-forms (4 new forms in development)
- Full process review underway to support further process and procedural review – aimed at first point resolution of enquiries and increasing further expertise at first point of contact

MKC provides its services using a number of well established systems and processes. Key features of the proposed restructured delivery model include:

- Operated from the Civic Offices in Milton Keynes which other than a mixture of roles supporting the service, the delivery model ensures that service experts deal with customer demand as part of 'one function', not 'front office / back office' splits.
- The Operating Model is designed around reducing transactions by ensuring resolution of customer need at the earliest possible point of contact, in doing so, reducing cycles to achieve resolution, delivering a combination of efficiencies and high levels of customer service.
- The Operating model is heavily reliant on detailed performance data, understanding customer demand in order that avoidable contact is removed.
- Whilst the Corporate Debt Team manage Enforcement Agents, including issuing instructions, setting recovery timetables etc, the Revenues Advisors deal with customer demand for all demand types, including those relating to recovery action, other than the particularly specialist areas such as insolvency, committal etc.
- The various elements of Benefits delivery (HB, CTRS, LWP, DHP) are generalised to Benefits Officers to ensure that the expert can exploit the 'right tool', based on customer and authority need, however teams are split by core claim type to ensure maximum expertise in core functions
- A Service Delivery Manager is supported by a Revenues Operation Manager, a Benefits Operations Manager, a Welfare Reform Manager, Support and Resource Manager and a Service Development and Controls Manager.



- The current restructure disaggregates Training and Performance and Quality to embed the training functions within the processing teams.
- The Welfare Reform Manager (whilst a permanent role) is only within budget in 2016/17.
- A self-service system Landlord Portal is in operation and a wider corporate solution to customer online access and self-service is in the latter procurement stages. This solution will be predicated on end to end resolution opportunities (Channel Shift) as opposed to partial self service (Channel Duplication).
- Face to face enquiries are operated on both an appointment and drop in basis, appointments being utilised more for benefits enquiries.
- The Service operates a triage system for face to face demand, where an expert will assess whether the work can be completed. If it can't be completed, an appointment is made at a later time or date. If it can be completed within approximately 10 minutes, it is done, but if it is likely to take longer, customers are able to wait to see an expert to complete their work.
- Evidence drop off point for customers to avoid queuing, but preferred model is to complete the assessment there and then wherever possible
- Well established joint working arrangements in place with housing providers and third sector to support the new claims process for benefits
- Demonstrative demand reduction through waste and failure demand removal.
- Significant Central Government influence through various Working Groups
- IRRV QCF Assessment Centre, delivering qualifications to internal and external customers.
- Structure appended. Staffing numbers including Corporate Debt and Blue Badges of 130.45 FTEs

### 9.2.2 Proposal for Day 1 of Transition

Day one would be a pick and drop of as-is arrangements under a single LGSS Director with Revenue and Benefits teams remaining untouched. The LGSS Director will develop a

Revenue and Benefits shared management team proposal for consultation within the year of operations with the intention to move to a single Head of Service and a shared management team in year 2.

Period	Milestone / Activity	Link to Target Operating Model Theme
Quarter 1 2016	<ul style="list-style-type: none"> <li>Re - organisation of technical support teams through economies of scale (Training, Performance, Quality Assurance, Systems)</li> </ul>	Efficiencies through economies of scale
	<ul style="list-style-type: none"> <li>LGSS Trading company options appraisal</li> </ul>	Structures that support growth
	<ul style="list-style-type: none"> <li>Full policy review aligned to debt collection / increasing income</li> </ul>	Shared best practice Policy
	<ul style="list-style-type: none"> <li>Commence process and procedural alignment (Initial Phase commenced alongside line of business review - short term aims) - Channel Shift focus / demand reduction</li> </ul>	Transformation and Alignment
	<ul style="list-style-type: none"> <li>Commence Line of Business Systems Review – Requirements</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>Live Universal Credit Phase 2 MKC and NBC</li> </ul>	Transformation and Alignment
	<ul style="list-style-type: none"> <li>Implement Shared Telephony</li> </ul>	Transformation and Alignment
Quarter 2 2016	<ul style="list-style-type: none"> <li>Policy Review complete and new policy intentions implementation commences</li> </ul>	Shared best practice policy
	<ul style="list-style-type: none"> <li>Finalise Line of Business requirements</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>Commence Procurement of single Line of Business System</li> </ul>	Single Line of Business System
Quarter 3 2016	<ul style="list-style-type: none"> <li>Benefit realisation of Policy review for year one income benefits</li> </ul>	Shared best practice policy
	<ul style="list-style-type: none"> <li>Award Contract Line of Business Systems</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>Commence process and procedural review - driven by LOB system capability and requirements</li> </ul>	Single Line of Business System / Transformation and Alignment
	<ul style="list-style-type: none"> <li>Commence system transition planning and data migration where applicable</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>Review service delivery teams against new capability / requirements of single Line of Business (LOB) system</li> </ul>	Efficiencies through economies of scale
Quarter 4 2016	<ul style="list-style-type: none"> <li>Single Head of Service and shared management team proposal</li> </ul>	Shared Management Team
	<ul style="list-style-type: none"> <li>Further re - organisation of technical support teams to support year 2</li> </ul>	Efficiencies through economies of scale

	efficiencies - linked to Line of Business decision	
	<ul style="list-style-type: none"> <li>Finalise any service re-structuring resulting from systems transition</li> </ul>	Efficiencies through economies of scale
	<ul style="list-style-type: none"> <li>Conduct data mapping across MKC / LGSS Systems</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>Sign off Data Mapping</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>2 test data cuts where required / live testing of single system</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>Integration testing of new single line of business system</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>Test output - bills / notifications etc.</li> </ul>	Single Line of Business System
Quarter 1 2017	<ul style="list-style-type: none"> <li>Further test data cut where required / live testing of single system</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>Further Integration testing of new single line of business system</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>Further Test output - bills / notifications etc.</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>User acceptance Testing and Sign off</li> </ul>	Single Line of Business System
Quarter 2 2017	<ul style="list-style-type: none"> <li>Live with new Single Line of Business Systems</li> </ul>	Single Line of Business System
	<ul style="list-style-type: none"> <li>Implement single Head of Service and shared management team proposal</li> </ul>	
	<ul style="list-style-type: none"> <li>Live with single workflow across operations</li> </ul>	Transformation and Alignment

### 9.2.3 Ambition for 3 years time

Period	Milestone / Activity
Quarter 1 - 2018	<ul style="list-style-type: none"> <li>Fully live with complete Target Operating Model (alongside Line of Business Systems)</li> </ul>
	<ul style="list-style-type: none"> <li>Future Service transition review (Universal Credit Check point review)</li> </ul>
Quarter 2 – 2018	<ul style="list-style-type: none"> <li>Post implementation review LOB</li> </ul>
	<ul style="list-style-type: none"> <li>Post implementation review new Target Operating Model</li> </ul>
Quarter 3 – 2018	<ul style="list-style-type: none"> <li>Further Future Service transition review (Universal Credit Check point review)</li> </ul>

The ambition for Service delivery would be to create a single shared service, operating as one on a single and converged business system and processes, but delivering to three or more sites, alongside the wider trading of services. This could involve the various elements

of the Revenue and Benefits service being centrally managed but delivered either across all sites (customer demand driven processing) or Centres of Excellence, built on the available expertise at one site or the other. For instance (and purely for illustrative purposes), the necessary accuracy checking function is a task that can be entirely delivered remotely. MKC accuracy has struggled in recent years, with difficulty in recruiting trainers and accuracy checkers. Northampton has a more established team, which would be able to undertake this element of the service for all sites.

Similarly, MKC has a very advanced National Non-Domestic Rates (NNDR) team, which focuses on revenue protection and retention in equal measure to recovery action.

Northampton has until April 2016 received an NNDR service delivered by a third party, but has been instructed to bring it into LGSS. This is an ideal opportunity to pool resources to deliver that function for MKC, Northampton and possibly Norwich. There is a clear possibility of delivering increased revenue to the Partners with some form of sharing or risk/reward.

In order for these elements to operate in this way, processes, and wherever possible, policies need standardising, while still allowing councils discretion about issues which are locally significant. These processes can then be operated by shared teams across all sites or by one site for the whole shared service. This would enable resources to be used more flexibly, underpinned by different systems.

By combining channel shift tools (a self-service offer for business and residents to manage their Council Tax and Business Rates accounts on an end to end basis) to reduce demand and harmonising the process design of back office processing, systems administration and customer interactions, it will enable both increased capacity and an opportunity to provide 'best in group' service delivery across all sites. From a customer service point of view, a local presence will be maintained at all sites which will allow some self-assessment / reduce data entry time when face to face, but working within one operating model.

The shared service will be designed to provide a strong regional offer and a scalable model which will provide a clear trading offer and good value for money for any other authority. As local government funding is changing, a truly integrated shared service which is designed

around taking the best performing and highest expertise across all sites and staff will create an extremely strong offer to the market.

The changes in government funding will create an increasing risk to partners as revenue protection, performance improvement and accurate forecasting will become an increasingly significant element of a strategic Revenues and Benefits Service. LGSS has the opportunity through the shared risk / reward model with all Partners to develop an exemplar service in this regard providing enhanced expertise beyond the 'received wisdom' of transactional processing. This will create a unique selling point which does not currently exist in either the Public/Public or Public/Private market.

The longer term governance model for Revenues and Benefits will also be explored to create an attractive platform for a wider shared service model. This will be considered based on feedback from potential customers; effective models for service delivery and the management of risk and reward.

### **9.3 Performance Targets compared to current delivery**

Northampton and MKC 14/15 Outturn key performance indicators (KPIs) and performance are detailed in the following table.

MKC is committed to considering opportunities for delivery cost reduction / revenue increases, but on the basis of continual improvement in current performance. Consolidated / standardised KPIs would provide an opportunity for all partners to benefit from a 'best in class delivery model.

The approach of each organisation has been discussed, with MKC committed to performance improvements through 'invest to save' business cases, but also reducing costs through true efficiency measures. This shared service would allow for a shared risk / reward model to be developed to create a shared incentive for continual performance improvement across all partners.

Key performance indicators will be developed for the new shared service in conjunction with customers and partners (maintaining key PIs for current customers/ partners). In addition

further management performance measures will be collected which will ensure performance issues and risks are identified at an early stage, to allow action to be taken to minimise the potential impact.

Northampton Borough Council				Milton Keynes Council			
	Target	14/15 Outturn			Target	14/15 Outturn	
REV01	11 days	9.1	Speed of Processing New Claims and Changes	KPI908	17 days	15.79	New Claims (days to process)
REV04	0.40%	0.39%	LA error	KPI 909	6 days	4.83	Changes (days to process)
REV06	89.67%	83.2%	Contact Centre % answered	KPI910	9 days	5.60	New and Changes Combined (days to process)
REV08	96.20%	96.2%	Council Tax In Year Collection	KPI911	97.50%	97.80%	Council Tax In Year Collection
REV09	99.50%	99.41%	NNDR In year Collection	KPI912	98.20%	98.60%	NNDR In year Collection
REV10	4.50%	3.42%	Inactive Debt - % of overall debt outside of management	PI	99.50%	99.60%	Former Years arrears collection after 3 years
REV11	90%	97%	DHP Reviewed within 14 days				

## 9.4 Financial Benefits and Investment Needs

### 9.4.1 Financial summary

The financial table gives a net budget position for the service after existing Medium Term Plan commitments for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.

One-off	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	
<b>One-off Costs/Benefits</b>						
One-off Benefits	0	-50	-75	-50	-50	
<b>Net benefits</b>	<b>0</b>	<b>-50</b>	<b>-75</b>	<b>-50</b>	<b>-50</b>	<b>-225</b>

Recurrent	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	
<b>Net Budget</b>						
MKC - net budget	3,755	3,755	3,755	3,755	3,755	
LGSS - net budget	2,745	2,745	2,745	2,745	2,745	
<b>Total Budget</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	
<b>Total Budget</b>	<b>6,500</b>	<b>6,270</b>	<b>5,744</b>	<b>5,414</b>	<b>5,238</b>	
<b>New Recurrent Costs/Benefits</b>						
Benefits (new)	-230	-490	-300	-150	-50	
Benefits (new debt recovery)	0	-36	-30	-26	-15	-107
<b>Net benefits</b>	<b>-230</b>	<b>-526</b>	<b>-330</b>	<b>-176</b>	<b>-65</b>	<b>-1,327</b>
% net benefits	-3.54%	-8.39%	-5.75%	-3.25%	-1.24%	-22.17%
<b>Revised Budget</b>	<b>6,270</b>	<b>5,744</b>	<b>5,414</b>	<b>5,238</b>	<b>5,173</b>	

### 9.4.2 One-off investment / funding requirements

A single line of business system for all partners will require investment, although yet to be quantified, however based on the single site existing Business Case for MKC, a significant return on investment is likely within a 5 year period.

### 9.4.3 Ongoing service costs and financial savings

A single system would enable single Systems Administration, financial reconciliation, Direct Debit processing, recovery runs etc. Restructuring these support / back office elements of the service would provide financial savings (yet to be quantified).

## 9.5 Non-Financial Benefits

As part of the data collection process that has been undertaken across both services, a number of further benefits have been identified and are presented below:

- Increase in the critical mass of resources
- A broader depth of the skill-base
- Improved service resilience
- Increased support for quality assurance
- Best in class staff training and development
- Reference site for shared service formation and development / management
- Reputational benefits of the new shared service / best in class Operating Model and systems underpinning service delivery
- Increased influence both in the public sector and when negotiating with the private sector

## 9.6 Risks and Issues

Risk	Likelihood L/M/H	Impact L/M/H	Mitigation
Savings identified are considered conservative	L	L	Ensure challenge given to leads by the senior responsible officers for inclusion in the detailed business case
The partnership/service does not deliver the	L/M	M	A strong due diligence process on the business case and thereafter will ensure the business case is



identified savings			<p>deliverable.</p> <p>Ensure a robust Revenues and Benefits management structure with strong governance will monitor this.</p>
The partnership/service does not deliver agreed performance levels	L/M	H	Regular monitoring and access to wider resource minimises this risk. The membership of the Partnership Board for MKC and existing arrangements for monitoring KPIs for Norwich and NBC will mitigate the risk.
Implementation is delayed	L	M	<p>Timeframes should be jointly agreed and reported regularly through a robust governance structure.</p> <p>Shared management structure, reporting to an LGSS Board member will ensure delivery remains on track and is prioritised appropriately in LGSS.</p>
Staff resistance to change may erode benefits	M	H	<p>Engage with all in-scope staff; develop and implement an effective staff communications strategy; ensure immediate development and adoption of new work processes</p> <p>Strong and supportive leadership to guide staff through the change.</p>
Due to the sharing of resources, management is stretched too thin	L	M	Ensure the continuous development of the agreed, robust target operating model.
Savings identified are considered conservative	L	L	Ensure challenge given to leads by the SROs for inclusion in the detailed business case

## **10 Debt Recovery**

### **10.1 Executive Summary**

Local government funding changing, reliance on individual debt collection and locally raised income will become increasingly important. This means a better view of overall debts and more efficient and effective management of debt is required.

This business case is predicated not only on cost reductions, but more importantly on improved revenue assurance for partners, through the ambition to create a single view of debt and an integrated debt team. However it is recognised that these changes need to be managed effectively and sensitively to avoid any adverse impact on debt collection.

However there are a number of benefits which can be achieved from this proposal. These include financial savings, the ability to share best practice, increased resilience and flexibility through a larger team

### **10.2 Background and Rationale**

Local Government funding has and will continue to change. Rather than being largely funded from a fixed revenue support grant, funding will now largely be from retained business rates and council tax. In addition, as part of the response to ongoing financial challenges councils are becoming increasingly commercially minded, both in terms of charging for services and looking for ways to increase efficiency and reduce costs.

This increased commercial focus; increase in charges and reliance on business rate income means that it is essential to maximise the cash collection of amounts owed and to improve the service to customers. The intention wherever possible is to reduce the volume and levels of debt, through changes to payments in advance, including online transactions and the use of direct debits and standing orders.

The debt recovery team will therefore need to work closely with the Transactions team to change charging practice in service areas where large (both volumes and value) debts are accruing to reduce the risks and costs for the Council. This relationship needs to support the

most effective delivery of the end to end processes and will need to be underpinned by performance and management information.

However, this change of context also requires a different approach to debt management to ensure the following:

- Better overview of authority debt
- Better view of all individuals debts owed (single view of the debtor)
- Improved collection performance across all debt streams
- Reduced costs of collection
- More accurate Bad Debt Provision
- Closer monitoring of more 'risky' debt
- Efficient recovery, including exploiting specialist knowledge and shared skills.
- Expandable model to enable traded debt collection services

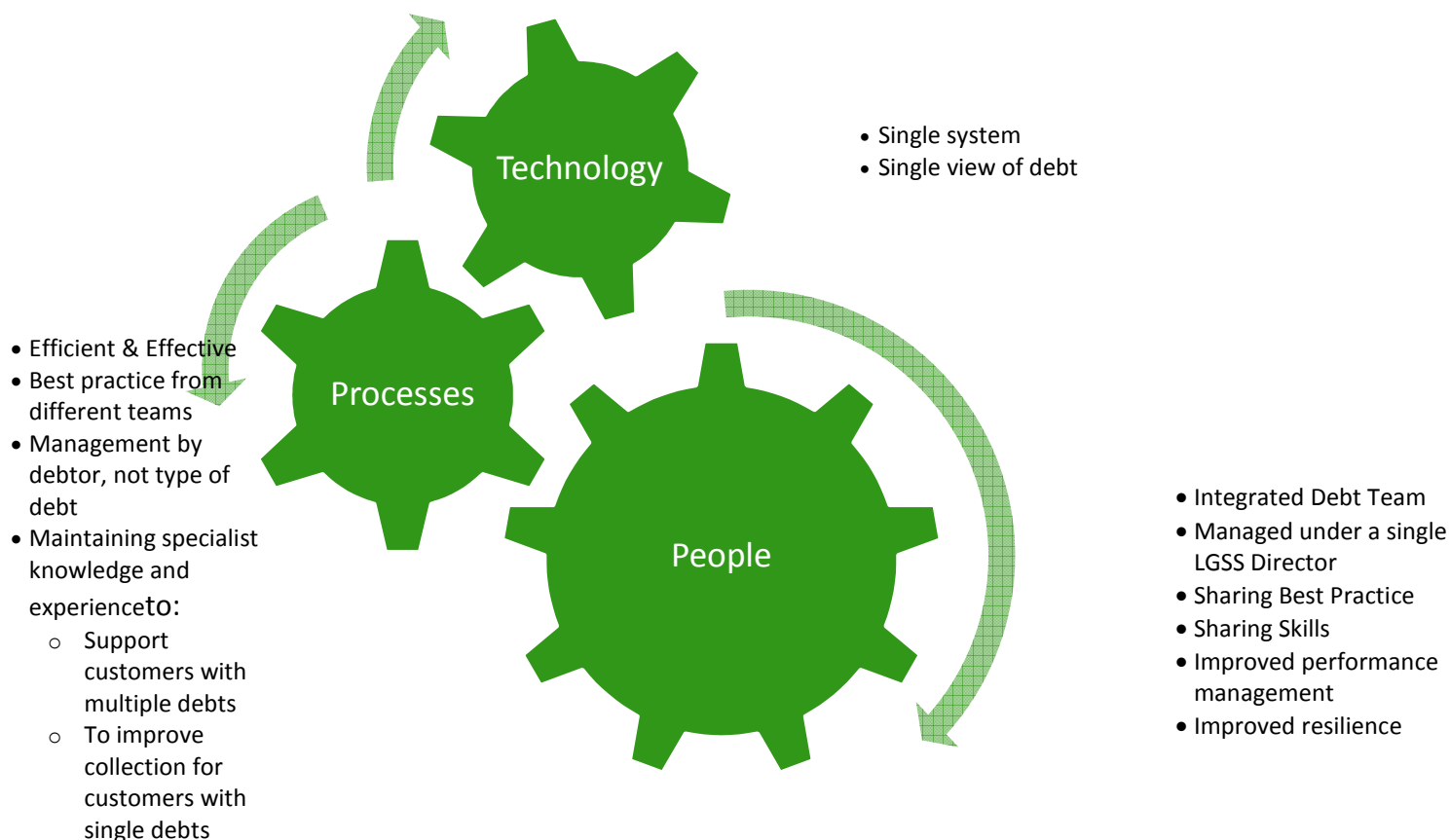
MKC reviewed its approach to debt, which identified a large cross over in debts for individuals, with up to a 40% crossover in Housing Benefit Overpayments and Former Tenancy Arrears and a 30% crossover in Parking and Council Tax. In terms of Council Tax and Sundry/Miscellaneous income, early indications suggest a 20% crossover in debts.

LGSS Northampton conducted a similar exercise in 2009 and identified that 58% of debtors had multiple debts owed to the Council. As a result of this process and the need to bring Council debts back into a managed position, a separate combined Corporate Debt team was formed within Revenues and Benefits.

Recognising the need to avoid duplication and contact with debtors, the team were tasked with ensuring that the Council recognised the single indebtedness of individuals and a Corporate Debt resolution team was formed in order to support better outcomes for both the individual and the Council. A new corporate debt policy underpinned this approach to single indebtedness and fair debt principles were applied to ensure the Council did not inadvertently recover debts at a level that were not affordable.

Service areas from across the Council, particularly the Councils Housing Service were engaged to raise awareness and expertise to improve income collection and therefore avoiding the debt being referred in the first place.

This means that teams operating separately were duplicating contact with debtors, whilst creating resilience issues caused by being such small teams and not providing a corporate approach / priority to debt collection. The vision for the future model is predicated on three areas of development:



The proposal will be to create a integrated debt team, which can handle the range of Council debts (excluding housing rents), supported by a single view of debt system. The new model will balance:

- the need for specialist roles to deal with the complexity of individual debt streams, where no crossover exists or where particular technical requirements or vulnerability issues are prevalent
- the opportunity to address all customer needs in a single contact where multiple debts of a similar type exist
- the ability to share experience, knowledge and enforcement approaches to minimise costs (both to the Council and the customer) and maximise recovery;
- increased resilience and flexibility for staff

The model will need to be designed in detail and be scalable based on the types of debt streams involved and the specialism required.

### **Technology**

While soft market testing has proven that corporate debt systems exist, it does not appear that any supplier currently provides a solution that allows for a single view of debt by debt stream and by debtor; that enables corporate debt recovery to create payment arrangements for one debtor across multiple debt streams and that allows payments to be received and reallocated to core systems. However, soft market testing did demonstrate willingness in the market for suppliers to jointly develop such a product.

Such a product is seen as a key enabler to this project in order that debt streams are more efficiently monitored and efficiencies are extracted through a single debtor approach to recovery action. This technology solution will create benefits for customers and increase the efficiency in the debt collection process.

## 10.3 Service Delivery Model

### 10.3.1 The Current Model

#### Processes

Milton Keynes has brought together (within the remit of the Revenues and Benefits Service Delivery Manager) a number of devolved debt management teams, and is now in the process of restructuring to a revised model. The proposed model incorporates a mix of specialist knowledge and responsibilities, but overseen by a robust management and performance framework. Work is currently ongoing to explore the system solutions to create the single view of debt, which will then provide the platform for increasing efficiency by resolving multiple debts with a single transaction.

The debt team manages all MKC debt, excluding housing rents, this includes:

- Council Tax
- Business Rates
- Housing Benefit Overpayments
- Former Tenancy Arrears
- Sundry Debt / Miscellaneous Income (including Adult Social Care Debt)
- Parking
- Commercial Rent

The LGSS Transactions Service, which incorporates Cambridgeshire and Northamptonshire County Councils Debt teams, currently operates as fully integrated team delivering services from either a single location or where services determine, e.g. financial assessments, from dual locations.

Simplified and standardised operational processes are utilised in a shared service arrangement with increasing business process re-engineering through automation and manager self-service.

The Debt team is based in Cambridge (with the exception of two Adult Social Care roles, which are based in Northampton) and supported by a Finance Transactions Helpdesk that is the single entry point for all calls for the team. They will resolve queries, where possible, and take payments for invoices logging queries that require specialist knowledge on a central system for tracking and resolution.

The Debt team manages all Northamptonshire and Cambridgeshire County Council debts together with those customers to whom we provide finance services except Northampton Borough Council whose debts are managed by the Revenues & Benefits service.

LGSS Northampton Borough's generic Corporate Debt Team, continue to support collection in line with the agreed corporate debt policy under the direction of the LGSS Head of Revenue and Benefits, working closely with housing colleagues to minimise rent arrears and maximise Council Tax Recovery. The service is focused on ensuring debts owed to NBC are fully managed through their respective processes and focuses on both collection and low levels of inactive debt within systems, recognising where debts can or can't pay debt as early as possible. The service is highly performance managed in order to maximise collection of Council debts and reports every six to eight weeks to the Councils Audit Committee. The service has also explored the procurement of a Single View of Debtor system to support its existing approach to single indebtedness and implementing a system forms part of the overall Revenues and Benefits Programme of work.

Northampton Borough Council debt is managed as part of the Revenues and Benefits Service, across the following debt types:

- Council Tax
- Business Rates
- Housing Benefit Overpayments

- Former Tenancy Arrears
- Sundry Debt / Miscellaneous Income
- Leaseholder Rents
- Private Sector Rent Arrears

The relative size of the debt involved for a single debt team is as follows:

	Milton Keynes		LGSS		LGSS NBC or CCC&NCC
	Balance at 31/3/15 (£000)	No. of Accounts / Invoices	Balance at 31/3/15 (£'000)	No. of Accounts / Invoices	
<b>Council Tax</b>	5,324	8,000	9,381	WIP	NBC
<b>Non Domestic Rates</b>	5,347	402	1,442	423	NBC
<b>Former Tenant Arrears</b>	1,101	842	821	1097	NBC
<b>Housing Benefit Overpayments</b>	4,153	2,663	5,244	4,435	NBC
<b>Sundry Debts (Inc ASC) -</b>	5,859	12,237	64,513	38,676	NCC / CCC
<b>Parking (as at 01/09/15)</b>	340	4,900	N/A	N/A	N/A

### 10.3.2 Proposal for Day 1 of Transition

The restructure in MKC is due to continue, which will create the Corporate Debt Team in advance of the possible creation of the MKC/LGSS Shared Service.

The reporting lines for individual teams embedded within the various service areas will be transferred to a single service director, in order to produce a transition plan, which will achieve the integrated and remodelled service in the medium term. Standardised performance management information will be produced to enable comparisons and learning from best practice across the group.

A twofold review would be undertaken to collate and review processes, procedures and policies to enable efficient, fair and high performing debt collection, together with a review



of outstanding debt. This will include not only improved debt collection procedures, but processes that will avoid debt through prepayments, automated pay methods and methods that make it easier for customers to pay generally.

During the first 6 months the shared service will tender for a supplier to develop a single view of debt solution, which will support the future operation of the team.

It is expected that management arrangements will be brought together in year 2, alongside changes to processes and procedures.

### **10.3.3 Ambition for service delivery by 2018/19**

The ambition for service delivery is to improve partners' corporate visibility in relation to debt streams and their recoverability; to improve collection processes to increase revenue to partners, whilst delivering a service which takes account of the specialist nature of some debt streams. The model for future delivery is set out in more detail above.

This model will be scalable, with the intention that once developed fully, it can be traded to both public and private sector organisations.

The overriding ambition would be to attract other local authority partners by developing a cost effective, high performing Corporate Debt Collection Service, which would deliver both revenue and cost benefits to partners.

The Debt collection service will be integrated across all LGSS partners and will be using single systems which will provide effective reporting and debt management. There will remain a need at all sites to retain a front facing resource to deal with customer requirements.

### **10.4 Performance Targets compared to current delivery**

At present the debt recovery teams use different measures for debt. In relation to Sundry Debts, MKC cleared 94.71% of all debts within 90 days. LGSS has cleared 94.70%. The CIPFA Benchmarking average performance is 90%.

Invoices cleared with 90 days	<b>2014/15</b>	<b>2015/16 YTD</b>
<b>MKC</b>	94.71%	95.26%
<b>LGSS R&amp;B</b>	94.70%	96.10%
<b>LGSS Transactions</b>	Not Measured	Not Measured

Invoices raised and cleared in year	<b>Invoices raised in 2014/15</b>	<b>2014/15 Invoices cleared in 2014/15 (£)</b>	<b>2014/15 Invoices cleared in 2014/15 (%)</b>
<b>MKC</b>	£91,269,265	£79,193,054	86.77%
<b>LGSS R &amp; B</b>	£29,533,231	£21,599,764	86.22%
<b>LGSS Transactions</b>	Not Measured	Not Measured	Not Measured

LGSS Revenues and Benefits monitor the effectiveness of its debt management using an inactive debt indicator. The table below provides the current levels against this indicator.

The service has a target of unmanaged debt being kept below 4.5%:

	<b>Mar-15</b>	<b>Jun-15</b>	<b>Sep-15</b>	<b>Nov-15</b>
<b>LGSS Revenues and Benefits % inactive debt [PI]</b>	3.40%	2.51%	2.50%	4.28%
<b>LGSS Transactions</b>	Not Measured	Not Measured	Not Measured	Not Measured
<b>MKC</b>	Not Measured	Not Measured	Not Measured	Not Measured

LGSS Transactions currently report overdue debt as a % of total outstanding invoices, on a rolling 12 month basis. Below provides the position as at April 2015:

## Cambridgeshire County Council

	Apr-15
Debt Outstanding	23,217,483.95
Value of Invoices raised	241,339,644
Debt as a % of current O/S invoices	9.62%

## Northamptonshire County Council

	Apr-15
Debt Outstanding	£41,295,305.00
Value of Invoices Raised	£150,328,584.98
Debt as a % of current O/S invoices	27.47%

## 10.5 Financial Benefits and Investment Needs

### 10.5.1 Financial Summary

The financial table gives a net budget position for the service after existing Medium Term Plan commitments for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.

	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	
Partnership ( LGSS/MKC) Recurrent						
<b>Net Budget</b>						
MKC - net budget	566	566	566	566	566	
LGSS - net budget	584	584	584	584	584	
<b>Total Budget</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	
<b>Total Budget</b>	<b>1,150</b>	<b>1,150</b>	<b>1,062</b>	<b>988</b>	<b>925</b>	
<b>New Recurrent Costs/Benefits</b>						
Benefits (new)		-88	-74	-63	-54	
<b>Net benefits ( Total)</b>	0	-88	-74	-63	-54	-279
% net benefits	0.00%	-7.65%	-6.97%	-6.38%	-5.84%	-26.83%
<b>Net benefits (corporate)</b>	0	-52	-44	-37	-39	-172
% net benefits	0.00%	-4.51%	-4.11%	-3.76%	-4.20%	-16.59%
<b>Revised Budget</b>	<b>1,150</b>	<b>1,062</b>	<b>988</b>	<b>925</b>	<b>886</b>	

### **10.5.2 One-off investment / funding requirements**

A single view of debt system will require some investment, soft market testing has indicated this would be in the order of about £30,000 per year (to include capitalised purchase and set up costs and annual support and maintenance), supplemented by the time of local staff to develop the product in conjunction with a supplier. The tender will determine how future benefits of the solution developed would be shared between partners and the supplier.

### **10.5.3 Ongoing service costs and financial savings**

Longer term financial benefits of a corporate approach to debt collection are:

- Improved performance resulting in increased revenue to partners
- Reduction in delivery costs through reduced handovers and made the processes generic

If overall, a crossover of about 20% of debts per debtor is experienced, this will result in reduced demand. The aggregation of different debt teams in MKC has resulted in proposed staffing savings of about 20%. Whilst the quantum of debt across the partnership will increase, due to the need to deliver face to face services at each site, it is unlikely that this level could be achieved across the partnership, but a conservative estimate would be an overall saving of about 10 to 15% over three years.

LGSS transactions currently uses collection agents on a 'no win – no fee' basis and pay a fee based on the age of the debt recovered. MKC and LGSS Revenues and Benefits leverages its existing Enforcement Agent contract for statutory debts to obtain collection agent services at nil commission. It is anticipated that this would further reduce costs across the partnership.

## **10.6 Non-Financial Benefits**

A number of further benefits have been identified and are presented below:

- Increase in the critical mass of resources, adding the capacity for increased resilience in specialist debt streams and flexibility.
- A broader depth of the skill-base.
- Greater ability for staff development, supporting improved outcomes, recruitment and retention.
- Reference site for shared service formation and development / management.
- Opportunities for sharing end-to-end process improvements to reduce debts and increase income for all partners.

## 10.7 Risks and Issues

Risk	Likelihood L/M/H	Impact L/M/H	Mitigation
Savings identified are considered conservative	L	L	Ensure challenge given to leads by the SROs for inclusion in the detailed business case
Collection performance is not maintained	L	M	Robust performance management frameworks will be implemented to ensure that debt collection performance is maintained and improved.
Delays agreeing process and policy changes with individual partners	M	H	Early engagement with all partners and customer where offering a service
Shared funding arrangements not agreed by all partners	L	M	LGSS / MKC will review the business case for implementation to determine the best approach.
Single generic team focuses on more valuable debts for Unitary and CC partners to the detriment of smaller partners / customers	M	L	Clear service levels in place need to safeguard levels of expectations

Single Location could lead to loss of expertise from MKC, NBC or LGSS	M	L	Plans should include clear transitional arrangements to support business continuity for all partners
Income targets are not met due to worsening financial conditions within partner locations (reducing benefits / increased conditionality penalties)	H	M	Income targets, where agreed, should take account of future factors, where known and where data can support accurate analysis.

## **11 Procurement**

### **11.1 Executive Summary**

The primary role of Procurement is to enable the Council to achieve its strategic objectives through the delivery of goods and services provided externally and to deliver improved value from these goods, works and services. This will be achieved through developing effective working relationships with key individuals within each partner Council both at Councillor and Officer level. Effective procurement is best achieved through early engagement on proposed procurement activity with stakeholders throughout the business and by taking a risk assessed approach, to procurement and contracting activity.

MKC joining LGSS will offer the following key benefits:

- Increased opportunities from both greater economies of scale on areas where we can jointly commit to contracts
- Sharing best practice and experience on procurement activity to streamline processes and reduce risks for single council procurement areas.
- Create opportunities to remove duplication across individual Procurement team resources and activities, including the rationalisation of systems costs
- Support the retention of a category specialist model
- Provide greater resilience and scope for specialist roles such as contract review work.
- Provide a strong regional platform for selling procurement advisory services and developing contracts which can generate income.

### **11.2 Service Delivery Model**

#### **11.2.1 The Current Model**

The table below shows a summary of the current service models in each Council including the key differences

MKC	LGSS
<p><b>Users of Procurement Service</b></p> <p>Services provided to MKC and some schools</p> <p><b>Scope and structure of service</b></p> <p>Team structure based on 3 main areas covering:</p> <ul style="list-style-type: none"> <li>• Strategic projects</li> <li>• Procurement Systems and Process</li> <li>• E-tendering including quotation management &lt;£100k</li> </ul> <p>The central team operate based on Procurement Managers covering a range of areas and are not based on a category approach</p> <p>There is a team within the People Directorate which is responsible for the commissioning, procurement and contract management of individual contracts; however the Corporate Procurement team defines the Council's approach to procurement.</p> <p>Current posts: 11</p>	<p><b>Users of Procurement Service</b></p> <p><b>Partner Councils (CCC and NCC)</b></p> <p>Full procurement service provided</p> <p><b>Customer Councils</b></p> <p>Northampton Borough Council (NBC), Northampton Partnership Homes (NPH) and Olympus Care Services via PDA</p> <p>Procurement services also provided to East Cambridgeshire District Council and some schools via SLA</p> <p><b>Scope and structure of services</b></p> <p>Team structure based on four clusters:</p> <ul style="list-style-type: none"> <li>• Supply chain and contract value reviews, commercial development, policy and performance and lead contact to customers</li> <li>• Procurement cluster for adults, children, health and wellbeing</li> <li>• Procurement cluster Property works including housing for NPH, Estates and Facilities Management</li> <li>• Procurement cluster highways, transport and waste.</li> </ul> <p>The Insurance team also currently report into the Head of Procurement but details are not included in this paper.</p> <p>Current posts excluding insurance and ex NBC Staff: 21.6</p>
<p><b>Budgets</b></p> <p>Net Central Team Budget for 2015/16 = £0.47m</p> <p>Budgeted FTEs – 11 currently 3 vacancies</p> <p>Less committed savings for 2016/17</p> <p>Net Budget 2016/17 = £0.41m</p>	<p><b>Budgets</b></p> <p>Net Team Budget 2015/16 excluding NBC/NPH agreement = £0.913m</p> <p>Budgeted FTE – 21.6 (excluding ex NBC staff)</p> <p>Further committed budget savings for 2016/17 £63k and further £50k for 2017/18.</p>



	<p>Net budget 2016/17 = £0.85m (excludes NBC/NPH)</p> <p>Net budget 2017/18 = £0.8m (excludes NBC/NPH)</p>
<p><b>Scope of Supplier spend</b></p> <p>Overall annual spend over which influence c£230m</p>	<p><b>Scope of supplier spend</b></p> <p>Overall annual spend in scope c£820m including NBC and NPH</p> <p>Annual spend excluding NBC/NPH that we have influence over c£780m</p>
<p>Management of low value quotes £5k to £100k</p> <p>Resource FTE and Budget cost – 3 FTE 80% (£96K) dedicated to quotation work</p> <p>Value of quotation spend c£3.3m (capital and revenue)</p> <p>Anticipated benefit from intervention £650,000</p>	<p>No equivalent provision in LGSS as primary role to manage tenders &gt;£100k in total value</p> <p>LGSS Procurement do provide advice below this level with approach based on setting up contracts for services required on a repeat basis to reduce number of individual low value requisitions and are currently running a pilot for quotes via e-procurement system.</p>
<p><b>e-procurement solutions including Contract Management, market place solution and procurement spend reporting</b></p> <p>In-tend cost £17,000 (included in IT budget); contract due to end in November 2016. Service includes all tendering/quotes above £5K, reporting dashboard, and contract management</p>	<p><b>e-procurement solutions including Contract Management, market place solution and procurement spend reporting</b></p> <p>Due North for e-tendering and contract management contract until March 16 (plan to extend to March 2017) current cost c£10k p.a. that is included in IT Budget</p> <p>LCAT system (hosted by Lincolnshire County Council for spend contract currently committed to 2016 plan to commit to March 2018 cost c£6k per annum for two counties)</p>
<p>Other non payroll costs</p> <p>E-marketplace (Proactis- £15,000 pa.</p> <p>Minimal- relates to training</p>	<p>Other non payroll costs</p> <p>Minimal relates to training</p>

### **11.2.2 Proposal for Day 1 of Transition**

From experience of merging the two individual teams from CCC and NCC one of the most important considerations is ensuring that Councillors and existing customers within the retained Council are fully engaged. This is particularly important for Procurement as the added value from the Procurement team generally comes at the very start of the procurement process.

To ensure we maintain regular early engagement with key clients in MKC we would recommend that the merger of the two teams is best achieved via several overlapping phases summarised below:

The pace of change can be flexed and refined during the preparation of the business case and after go live:-

#### **Phase 1 – Collaborate and deliver quick wins**

This phase will start on day one and focus on identifying a lead Procurement Business partner for MKC from the combined Procurement team (the same arrangements will apply for CCC and NCC). Their role will be to support the Head of Procurement in engaging directly with relevant Councillors, representing Procurement at relevant Committees and engaging with key clients in MKC to provide continuity during the period of change. Their role will be to ensure any potential negative impacts are mitigated during the period of change and to develop a constructive working relationship and understanding of the forward work plans and priorities for MKC.

This phase will also build on the work done as part of the business case in developing a single set of data relating to supplier spend and details of existing contracts.

We will jointly work on areas for immediate collaboration such as on those contracts for services included in the future scope of the expanded LGSS as well as other obvious areas

where economies of scale can be gained from combining our committed procurement spend.

In addition we should commence merging our contract registers and forward procurement plans into single work plans to enable future consolidation where this is applicable. We will also begin work on reviewing all three partner's Contract Regulations to create a best practice approach, whilst allowing some opportunities for local issues. This standardisation will support the potential benefits from joint procurement and a cross Council service. It is recognised Contract Regulations will need to be defined in conjunction with each Council and formal approval may take some months.

We will review the existing organisational structures across MKC Procurement and LGSS Procurement to identify future reporting lines, leadership roles, any areas of obvious overlap or where existing vacancies can be released based on the efficiencies gained by merger.

Whilst any new structure is unlikely to be implemented in full on day 1 one option is to move to a structure based on the current category cluster in LGSS adding in additional responsibilities relating to Procurement Business Partners for each Council as soon as this is practical and the benefits outlined are based on this option.

The key outputs from this phase will include:

- Single leadership structure agreed
- Procurement Business Partner identified and key clients fully engaged
- Consolidated spend information and contract registers
- Review opportunity and viability to extend quotation management service to other public sector clients

Phase 1 is likely to last up to 9 months from go live.

## **Phase 2 – Consolidate Procurement work plans, Contract Procedure Rules and support systems**

The outputs from this phase should include a single forward procurement work plan that categorises contracts and spend areas into:

- a) Where we will be able to consolidate and commit spend in a future single contract in areas where control and budgets are likely to remain part of the retained organisations e.g. agency resource engaged by individual Councils, community care equipment contracts.
- b) Where we are unlikely to be able to commit spend to a single contract for example where local provider markets are best placed but where we can still apply the optimal procurement approach (e.g. selective use of e-auctions where appropriate) and specialist category expertise in each separate contract e.g. local transport contracts or contracts for care services.
- c) For service lines moving into LGSS (e.g. IT) we will help to identify areas where we can consolidate and commit spend in a future single LGSS led contract e.g. software for business support solutions, mobile phones, occupational health. In these cases the saving will be shown in the relevant service area Business case.

The other outputs from this phase would include:

- Consultation with Councillors and other key stakeholders on the development and adoption of a common set of Contract Regulations (Contract Standing Orders) with applicable local variations to reflect any local political priorities such as key decision limits and the importance of local supplier spend. The aim should be to complete in phase 2 depending on the level of change necessary to both sets of Contract Regulations. We should also be working to common procurement policies and processes allowing for local priorities where appropriate.

- Defining common templates for procurement activity and contracts, to simplify processes for procuring officers and to increase efficiency.
- A risk based approach to procurement activity, with use of flexible resource to support category specialist when required.
- Review opportunities to deliver improved value from reviewing and re negotiating existing contracts particularly but not limited to where we are using common suppliers across the partner Councils.
- Development of a single forward work plan and firm plans to move to a single e-tendering solution as well capturing, utilising and reporting supplier spend data via one solution.
- We will develop and expand our commercial offering where appropriate to reduce the net cost of the Procurement team to our owning Councils and this could include extending the quotation management service to other public bodies such as District Councils.
- Increase awareness of benefits from effective procurement across all Council staff providing guidance and training to raise commercial skills.

This phase can be done alongside and build on phase 1 and should be complete within 12 to 15 months of go live.

### **Phase 3 – Converge**

Whilst we would look to merge the teams under a single leadership structure in phase 1 further merger of roles is likely after this initial period to ensure a fully integrated team operating across all 3 partner Councils. We recommend operating specific category teams responsible for spend across all LGSS partners and customers regardless of location. It is recommended that an on-going local presence in each Council location is maintained with our Procurement Business Partners acting as a relationship manager and point of escalation for each partner council. The physical location of members from each category team will be determined based on the needs of our customers as well as the suitability for individual members of staff.

If not achieved within phase 2 by the end of phase 3 we will have adopted a single e-procurement solution.

This phase can happen alongside the other phases but may take a little longer depending on the success of the first two phases and any changes that are required based on feedback from our partner Councils should be completed within c18 months of go live.

### **11.2.3 Ambition for 3 years time**

By 2018/19 we will have a well established single unified team with the majority of staff undertaking work focussed on their areas of expertise for the benefit of all LGSS partners and customers and not just for one Council at a specific location.

We will have established Procurement Business Partners allocated to each Council with that individual normally based in the relevant location. This will not be a full time role but will be added to the role of specific senior individuals within the team.

The team will build on the existing commercial work already being done and increase the traded income received in order to reduce the net cost of the team to CCC, MKC and NCC, they will do this via a mix of:

- Further growth in contingent fee income by opening up LGSS Contracts to other public sector bodies
- Lead on sub regional and regional procurement contracts where CCC, MKC and NCC are an interested party and LGSS can charge other participants
- Use opportunity to drive further economies of scale where a wider committed volume can be secured beyond CCC, MKC and NCC

- Expand the commercial offering of Procurement as a service to other public bodies in the geographical area building on the success so far in the health sector, districts and educational establishments.

### 11.3 Performance Targets compared to current delivery

Procurement delivery targets (14/15) are currently focussed on:

Measure	MKC	LGSS	Future Joint Targets
Revenue based savings achieved	£2.923m	£6.19m	TBC
Ratio of revenue savings to cost of team	6.58 to 1	6.7 to 1	TBC
Customer satisfaction	98%	Average score 3.54 out of 4	TBC
Contract opportunities advertised	All over £5000 (251 in 14/15)	223	TBC
Speed of tender opening (% opened and distributed to clients within 24 Hours	Instantaneous after closing time/date.	100%	Potentially drop indicator now both using e-solutions
Local supplier spend	43.76%	38.9%	TBC

MKC also record one off savings against capital project budgets and in 2014/15 this equated to £3.744m

In the future the majority of these measures are still likely to be relevant with savings still key with other measures such as traded income and the measurement of the impact of social value being added.

## 11.4 Financial Benefits and Investment Needs

### 11.4.1 Financial summary

The financial table gives a net budget position for the service after existing Medium Term Plan commitments for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.

Partnership ( LGSS/MKC) Recurrent	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	
<b>Net Budget</b>						
MKC - net budget	380	380	380	380	380	
LGSS - net budget	850	800	800	800	800	
<b>Total Budget</b>	<b>1,230</b>	<b>1,180</b>	<b>1,180</b>	<b>1,180</b>	<b>1,180</b>	
<b>Total Budget</b>	<b>1,230</b>	<b>1,160</b>	<b>1,120</b>	<b>1,045</b>	<b>985</b>	
<b>New Recurrent Costs/Benefits</b>						
Benefits (new)	-20	-40	-75	-60	-35	
<b>Net benefits</b>	<b>-20</b>	<b>-40</b>	<b>-75</b>	<b>-60</b>	<b>-35</b>	<b>-230</b>
% net benefits	-1.63%	-3.45%	-6.70%	-5.74%	-3.55%	-21.07%
<b>Revised Budget</b>	<b>1,210</b>	<b>1,120</b>	<b>1,045</b>	<b>985</b>	<b>950</b>	

### 11.4.2 One-off investment / funding requirements

There is likely to be the need for a small amount of investment in implementing a single e-procurement solution although this will depend partly on the licence model adopted. There may also be the case for implementing other spend analysis tools across all partner spend where this can be justified. The overall cost is unlikely to exceed £10,000.

### 11.4.3 Ongoing service costs and financial savings

The split of savings between MKC and LGSS will be subject to the wider business case. In addition we do anticipate savings to the retained organisation from a combination of:



- combined procurement commitment on certain commodities or services such as agency resource, care equipment contracts, training provision, property facilities management services
- benefit of implementing new procurement techniques where a joint commitment may is not possible e.g. local transport contracts, home care support
- review and renegotiation of existing contracts particularly in areas where our supply base is common

At this stage it is not possible to quantify these savings but our early view is that these are more likely from year 2 onwards and will need the commitment of service owners in the retained Councils particularly where we are jointly committing volumes.

### **11.5 Non-Financial Benefits**

- Resilience, without merging the teams in this way further cuts in individual procurement staff budgets will seriously impact the teams ability to deliver an effective procurement service, bringing increased financial and reputational risk
- LGSS Procurement has a seat at the table on several bodies that influence Procurement strategy and policy nationally including the LGA National Advisory Group on Procurement. This benefits LGSS in terms of brand and allows our individual owning Councils a voice on the national stage that would not be possible as individual Councils
- Improved ability to recruitment and retain, through our size and national reputation we are able to offer improved career opportunities and that has helped with recruitment and retention in a competitive market for quality procurement resources

## 11.6 Risks and Issues

Risk	Likelihood L/M/H	Impact L/M/H	Mitigation
To drive economies of scale we ideally need to go to market with committed volumes and apart from budgets areas under direct LGSS control this is sometimes difficult to secure	M	H	<p>Early engagement with clients</p> <p>Accurate contract registers</p> <p>Forward work plan</p>
The local political agenda of supporting the use of local suppliers is on occasions in direct conflict with combining spend in single contracts as this can lead to regional or national providers securing business at the expense of local providers			<p>Understanding of local priorities</p> <p>Category strategies to identify areas where combining spend together under a single contract is possible and understand nature of and likely impact on provider market</p>
Pressure on Council budgets will significantly reduce overall Council expenditure that could reduce the attractiveness of individual Councils to the provider market that could increase unit prices	M	H	<p>By combining spend where possible will mitigate this risk</p>

## 12 Internal Audit and Risk Management

### 12.1 Executive Summary

There are clear financial advantages as well as operational synergies to be gained from an Internal Audit service that combines MKC and LGSS. Managerial and structural savings are possible whilst there will be qualitative gains in increased expertise and improved resilience.

Strengths include:

- Financial savings of:
  - £100k in 2016/17
  - £75k in 2017/18
  - £15k increased sales in 2018/19 and a further £15k for the 2 years thereafter (i.e. £30k and £45k gross)
  - This will be equally split between LGSS and MKC. Some current vacancies can be banked as savings
- Shared expertise across the 3 partners improving outcomes for customers
- Increased client base and corresponding critical mass of resource will further enable more specialised expertise
- Increased resilience and better professional development and career opportunities

Weaknesses include:

- Potential tension of service delivery and financial pressures between individual customers and joint committee / partners
- Pace not allowing key stakeholders to feel properly consulted
- Team culture differences to assess and overcome

Opportunities include:

- Development of wider trading opportunities
- Dilution of costs between partners
- Development of more technical expert posts
- Enhanced internal audit and risk management offering to customers
- Potential to grow Risk and Business Continuity services into existing and wider customers.

Threats include:

- Management of key stakeholders, including Audit Committees to obtain support for proposals.

## **12.2 Service Delivery Model**

### **12.2.1 The Current Model**

#### **MKC**

The current service delivers efficiencies through a combined Internal Audit and Counter Fraud service and synergies with Risk Management (including Insurance and Business Continuity).

Staff are CCAB, IIA, PINS and PRINCE qualified. Structure attached currently 15 Posts / 13 FTE and no vacant positions within the structure. Assistant Director role carries the Head of Audit function with a deputy.

Service delivers to Public Sector Internal Audit Standards providing:

- Systems based audits through an Annually approved dynamic / flexible Plan
- Substantive / probative audits where requested

- Investigations as needed plus proactive anti-fraud plans
- Maintains:
  - Audit Charter
  - Audit Strategy
  - Code of Conduct for MKC
  - Whistleblowing policy
  - Anti-Fraud / Corruption policy
  - Money Laundering Policy

Operationally the service reports to the S151 and Chair of Audit Committee. MKC Audit Committee Terms of Reference includes Internal Audit, Risk Management, Anti-Fraud (and Accounts) which deliver synergies risk management service that supports the MK Business Resilience Forum (MKBR) a forum that meets the Civil Contingency Act requirements for local businesses). The risk management service maintains the corporate software and processes for risk management and business continuity (GRACE and Clearview). Insurance service supports MKC and sells insurances as local agent for Academies and other customers, generating net income for MKC annually.

The MKC budget is £1.07m for Internal Audit, Anti-Fraud and Risk for 2015/16, with £227k removed from a restructure of Audit and Fraud giving a 2016/17 budget of £846k.

## **LGSS**

The LGSS Internal Audit Service offers all aspects expected from a modern internal audit team including counter fraud and risk management. Insurance is currently located with LGSS Law and Business Continuity is delivered via Council's Emergency Planning services).

Internal Audit staff have a good mix of qualifications including CCAB, IIA, AAT and specific CF 'accreditations'. The strategy is to invest in CIPFA/other trainees and to expect the team to

embrace continuing professional development. This strategy is essential to the workforce planning imperative and also to ensure the team remains relevant and appropriately skilled.

Currently there are 29 posts with a number of key vacancies that are currently being filled. It is anticipated that the team will be at full structure for day one.

The Head of Audit position (currently delivered by an interim) has 4 direct reports including Deputy, 2 x Audit and Risk Managers and an IT Auditor.

The service is structured (broadly) as:

- West Team (serving Northamptonshire and NPH/NBC)
- Central Team (managing the Welland consortia staff) including Counter Fraud
- East Team (serving Cambridgeshire and Norwich)

The service is flexible and ensures that the right skill sets are deployed across 'customers' to maximise efficiency. The service delivers to Public Sector Internal Audit Standards and provides:

- A range of modern internal audits through an annually approved and routinely updated dynamic / flexible plan
- Proactive and responsive counter fraud work

The team maintains a range of key policy documents for its clients including;

- Audit Charter
- Audit Strategy
- Code of Conducts
- Whistleblowing policy
- Anti-Fraud / Corruption policy
- Money Laundering Policy

- Bribery Policies
- Prosecution Policies

Operationally the service reports to the LGSS S151 Officer. The service supports customers via the Head of Audit supported by the Deputy and Audit Managers as appropriate.

The service also reports directly in to customers Audit Committees, currently Northamptonshire CC, Cambridgeshire CC, Norwich CC, Olympus Care Services and, the Welland Partnership (5 districts).

The Risk Management Service differs between customers but essentially maintains the corporate registers and offers advice and expertise as necessary.

The combined Audit, Fraud Risk budget for LGSS is £848k for 2015/16 and 2016/17.

### **Shared Service**

The shared service budget is therefore £1.694m for 2016/17 with £100k savings produced from the shared service as at day one giving a new 2016/17 net budget of £1.594m. The 2017/18 budget is £1.519m after taking the additional £74k targeted and a further £15k per annum thereafter.

### **12.2.2 Proposal for Day 1 of Transition**

Full merger between LGSS and MKC, led by a single Chief Audit Executive / Director of Audit, supported by three geographically based Deputy Heads of Audit.

A unified Internal Audit and Risk service could benefit from;

- Managerial efficiencies
- Improved resilience
- Greater synergies from shared expertise
- Availability of IT Audit for MKC

- Consolidation of audit software
- Merger of the counter fraud teams

The modest restructure required could be seen as business as usual as by its very nature internal audit is a flexible, agile and responsive service. With three strong Audit and Risk Managers (A&RM) there will be possibility to have core services managed centrally, but based geographically.

There will be an opportunity to;

- Merge the existing Head of Audit Role at MKC with the A&RM role at NCC – creating a wider Audit and Risk manager (West) position.
- Further improve the productivity (chargeable day) percentage across sites by leaner management.
- Invest further in trainees; which improves resilience, maintains modern skills and reduces daily rates.

Key Dependencies / Risks include:

- Maintaining sufficient organisational independence required by relevant Audit Committees / S151 Officers and Public Sector Internal Audit Standards
- The MKC Audit Committee will need reassurance regarding the delivery of independent service to them and that it will not lose control of 'its' internal audit service
- Senior managerial capacity
- Counter Fraud management and potential impact on core plans
- Increased transport costs
- Variable market rates for salaries



The role of Internal Audit to audit LGSS has yet to be determined, on behalf of the Joint Committee and its customers.

### **Year 1 – 2016/17**

A combined Internal Audit service could be restructured quickly to:

- Create a single Director of Audit overseeing both structures (i.e. replacing the current LGSS Head of Internal Audit post): cash saving. An alternative model is to retain the LGSS Head of Audit post that currently oversees all sites and drives operational improvements and maintain the current structure by merging Head of Audit/Audit and RM posts at MKC and NCC into the Audit and RM (West) positions. However capacity could be an issue as could salaries of the East, Central and West A&RM as the partner and customer base expand. This will, of course, be quality and market led – but nothing that LGSS is not used to dealing with. Consequently the line management of the counter fraud element would remain as is, but obviously the addition of a number of experienced MKC colleagues would increase flexibility and resilience and enhance our ‘offer’ to potential new customers. Again, the only real way to improve efficiency in this area is to increase the % productivity – or react to a customer reduction in days required for CF
- A single Audit and Risk Manager for ‘West’ including MKC and Northants current operations (replacing LGSS Northants Audit Manager post).
- Provide resilience of Audit expertise that would be needed below the A&RM roles to provide sufficient expertise at principal levels that can supervise completion of the Plan.
- Review staffing levels, support current LGSS resource shortfalls and build upon the trainee career progression ethos of LGSS to provide longer term resilience
- Develop proposals to the Welland consortia to transfer Audit services into LGSS (as opposed to LGSS providing management of those resources, further savings / efficiencies are considered likely. Note: Welland is likely to extend the current

arrangements for a further period as the tender opportunity for 2016/17 has been timed out. Obviously LGSS would be very keen to secure the full contract as and when this is tendered. The current LGSS Deputy Head of Internal Audit would be in an excellent position to lead on the tender. Welland is currently downsizing and again, obvious savings to that customer would be increased % productivity or reduced days required. The benefit for LGSS is around a reference site and also increased resilience and flexibility.

- Consider the benefits to LGSS customers of transferring Business Continuity and Insurance services into LGSS to be administered through the Director of Audit alongside / complementary to Internal Audit. Currently business continuity does not sit within LGSS. This would allow the new service to offer a 'one stop Audit, Risk and Continuity' service to existing and new customers.
- Provide Risk Management services to LGSS as an organisation in its own right
- Develop a 'Value for Money Audit' product / offer that reviews LGSS and customer costs, income and services to identify service improvement / cost saving opportunities. A 'savings share' model would be developed to provide a further income stream for LGSS linked to the savings delivered within customer costs.

The above would also require focus / care in the first 12 months to:

- Assure all stakeholders, including S151 officers and Audit Committees, that existing service quality is, at minimum, maintained.
- Complete a SWOT analysis / skills audit of audit staff and development a medium term resourcing strategy including market salary differentials, staff flexibility of movement terms etc.
- Complete a market analysis for future opportunities considering regional positioning
- Determine the necessary governance / independence within LGSS to properly serve Audit customers e.g. Committees

Service quality would essentially be unchanged for customers and would:

Benefit from

- Increased technical resilience
- Increased efficiency from technical development and audit expertise from one customer applicable to others
- Increased assurances where governance issues can be better benchmarked

Need to manage

- Short term disruption from assimilating disparate teams and managing across a wide geographical area
- Increased pressure on senior positions e.g. travel
- Perception of independence (i.e. serve LGSS or Audit Committee)
- Compliance with PSIAS e.g. role of Audit Committee in Head of Audit appointment / removal etc.
- Any large / material incident at a single location that deflects resources from other areas

Financial:

Benefits

- Immediate financial savings of Head of Internal Audit and at least 1 Audit Manager (possibly 2)
- Savings possible from increased efficiency through possible commonality of audits
- Efficiency from unified processes to monitor and report internal audit performance (subject to customer differentials)
- Expansion of Insurance sales building on MKC model (targeting Academies etc.)

- Some (but modest) additional revenues from new customers and sales (targeting Housing Associations and third sector)
- Consolidated accommodation opportunities

#### Costs

- Increased travel costs including need to resource middle management resilience
- Support for Agile working (e.g. hardware etc)

Risk management is currently part of both LGSS and MKC so there will certainly be potential synergies there and the LGSS team working on risk management are also able to provide internal audit services. LGSS is reviewing its internal audit coverage including risk management. LGSS do not undertake business continuity for other partners but this will be in scope for MKC as part of the internal audit and risk management service. IT is proposed to add business continuity to the portfolio of services offered to potential and existing customers. MKC business continuity services would need to remain to support MKC (and MKBusiness Resilience Forum) but would be available to wider LGSS customers.

In summary, the immediate potential efficiencies for LGSS would be a shared A&RM (West) and the operational benefits would be:

- Larger base (80/20 split issues) should the LGSS Law model be seen as a future opportunity.
- More resilience and better professional development and career opportunities for trainees (and other colleagues).
- A more attractive service to attract better staff.
- Opportunity to specialise (IT audit, CF, VFM etc).
- A more attractive proposition to a wide range of public sector customers.
- The opportunity to move further West, South and North from the increasing number of firm bases.

Areas of risk include

- Geographical range – the three A&RM (East/West/Central) will have to be strong and able to lead and develop colleagues into modern auditing.
- The CBA between cost (resource and expenses) of travel between sites and benefits of using transferrable skills across customers will need to be managed effectively.
- Agile working methods would need to be embraced but could provide further savings if staff are ‘fixed’ to a single geographical location and remote auditing techniques are developed.

The standardisation of working arrangements will need to be carefully managed, fully consulted and communicated. Inevitably this will be an area for negotiation and, as currently exists, there will be local nuances. The skill will be to standardise as much as possible. A proportionate ISO 9002 accreditation could help as well as improve our offer to potential customers and would need consideration.

Both organisations will have to demonstrate to existing customers that this has had a positive effect to them and we believe the internal audit service, along with others, will be under increasing scrutiny and, more than ever, will need to deliver and add value. This has to be the immediate priority of the management team from here onwards. This will include the shared management proposal for West and the potential to further increase productivity %.

Once integrated teams are seen to be delivering an excellent service then the new service will be in an excellent position to really develop a compelling business case for internal audit services. However, in the first 6 months consolidation (i.e. internal alignment and focus) will be key, although any opportunities that are presented or obvious can obviously be targeted.

With the potential of reducing one Audit and Risk Manager position to increase productivity a target of £100K out of the budget in year 1 is not unrealistic, assuming we retain all existing customers and audit days.

### 12.2.3 Ambition for 3 years time

#### Year 2

A single Internal Audit service could provide the following in year 2:

- Further savings from rationalised structures and more focussed audit plans delivering a further £75k in 2017/18 (source of savings would be determined from a review of the new shared service)
- The 3 years 2018/9 – 2020/1 will generate an additional £15k pa cumulative margin i.e. £45k by year 3. This will be achieved from additional sales.
- A consolidated single Internal Audit service offer to all Council's within Northamptonshire, Cambridgeshire, Buckinghamshire and Bedfordshire. This would be developed for 2017/18 together with programme of expansion to adjacent counties.
- A strategy for commercial development beyond public sector Councils e.g. insurances and Anti-Fraud products as well as expanding the Risk / Business Continuity services
- The consideration of effective operating models to best showcase independent Audit and Risk sales / revenues

Service quality would become more contractual (as year 1 baseline established), would also:

- benefit from:
  - Increased technical resilience
  - Increased efficiency from technical development and audit expertise from one customer applicable to others
  - Increased assurances where governance issues can be better benchmarked
- Need to manage:
  - Increased pressure on senior positions e.g. travel

- Perception of independence (i.e. serve LGSS or Audit Committee)
- Compliance with PSIAS e.g. role of Audit Committee in Head of Audit appointment / removal etc.
- Capacity of key roles and service as a whole
- Multiple T&Cs
- Sensitivity of customers to move to a contracted model where additional work requires payment
- Any large / material incident at a single location that deflects resources from other areas

#### Financial

- Benefits:
    - Additional revenue from new customers
    - Savings possible from increased efficiency through possible commonality of audits
    - Consolidated accommodation opportunities
  - Costs:
    - Increased travel costs including need to resource middle management resilience
    - Support for Agile working (e.g. hardware)
- Agile working would need to be maximised with Audit staff provided:
- 'Follow me' phone technology

- Remote access to all customer systems from all LGSS locations
- Audit and Risk Management software (including remote access). LGSS use Apace and SharePoint. MKC use Galileo. Both systems would continue until any efficiencies were confirmed from using a single system
- Hardware (tablet / notebooks) compatible with major systems, specifically audit and risk software.
- Secure storage and mobile filing (e.g. document cases) for counter fraud documentation

### **12.3 Performance Targets compared to current delivery**

Key Performance Targets will include:

1. Completion of Audit Plan
2. Cost of Audit Service per £m Revenue T/o (per customer)
3. Productivity Ratio
4. Recommendations implemented by follow up testing
5. Improvement in Control standards (i.e. proportion of weak / limited audits)
6. Tangible value added

NB: 1-3 are service measures whilst 4 and 5 are core best practice measures recommended for organisations being audited maintain and measure. Target 6 will be the hardest to achieve, but is increasingly the direction of travel.



## 12.4 Financial Benefits and Investment Needs

### 12.4.1 Financial summary

The financial table gives a net budget position for the service after existing Medium Term Plan commitments for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.

	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	
Partnership ( LGSS/MKC) Recurrent						
<b>Net Budget</b>						
MKC - net budget	805	805	805	805	805	
LGSS - net budget	748	748	748	748	748	
<b>Total Budget</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>	
<b>Total Budget</b>	<b>1,553</b>	<b>1,453</b>	<b>1,378</b>	<b>1,363</b>	<b>1,348</b>	
<b>New Recurrent Costs/Benefits</b>						
Benefits (new)	-100	-75	-15	-15	-15	
<b>Net benefits</b>	<b>-100</b>	<b>-75</b>	<b>-15</b>	<b>-15</b>	<b>-15</b>	<b>-220</b>
<i>% net benefits</i>	-6.44%	-5.16%	-1.09%	-1.10%	-1.11%	-14.90%
<b>Revised Budget</b>	<b>1,453</b>	<b>1,378</b>	<b>1,363</b>	<b>1,348</b>	<b>1,333</b>	

### 12.4.2 One-off investment / funding requirements

- Agile working equipment e.g. mobile phones
- Additional licensing costs would arise where the Idea software used within MKC is expanded
- Additional marginal costs would be increased from travel, phone calls, mobile data etc. These could be offset by the expansion of flexible working with increased work from home etc reducing the office footprint and costs of audit staff

- Transport solutions may be needed and public facilities unlikely to resolve. MKC maintains a corporate vehicle and the cost: benefit of mileage etc. will need monitoring to ensure most cost effective solutions are under review

#### **12.4.3 Ongoing service costs and financial savings**

- Immediate financial savings of Head of Internal Audit and at least 1 Audit Manager (possibly 2)
- Savings possible from increased efficiency through possible commonality of audits
- Efficiency from unified processes to monitor and report IA performance (subject to customer differentials)
- Expansion of Insurance sales building on MKC model (targeting Academies etc.)
- Some (but modest) additional revenues from new customers and sales (targeting Housing Associations and third sector)
- Consolidated accommodation opportunities

#### **12.5 Non-Financial Benefits**

- Delivery of modern Internal Audit services such as VFM, Lean thinking reviews, counter fraud as well as maximising the synergy with risk management
- Individual Partners (i.e. MKC, NCC and CCC) would benefit from the delivery of their service to their individual specifications from a larger, wider skills base with greater resilience
- Increased technical resilience e.g. IT Audit
- Increased efficiency from technical development and audit expertise from one customer applicable to others

- Increased assurances where governance issues can be better benchmarked
- Improved recruitment and retention opportunities / profile by:
  - Investment in trainee roles with focussed professional development
  - Actively supporting continuing professional development for internal audit staff
  - Investing in appropriate career structures that retain skills in house

## 12.6 Risks and Issues

Risk	Likelihood L/M/H	Impact L/M/H	Mitigation
MKC Audit Committee Objection (Threat – Treat)	M	H	Consultation and assurances to be given. An ability to engage in LGSS for a ‘trial period’ enabling MKC AC to be assured may be necessary although to be avoided if at all possible. Clear service standards and support to MKC to be defined and delivered.
Financial Savings (Opportunity – Secure)	H	H	£100k in 2016/17 and a further £75k in 2017/18 from leaner structures. Further revenue opportunities from expansion of service into new clients and additional services to existing for 2017/18 and 2018/19
Improved Resilience (Opportunity – secure)	H	H	Linked to the Skills Audit below the larger ‘mass’ of expertise will provide individual customers / partners with increased resilience less affected by the loss on any key expertise within one customer area.
Service Skills Audit (Opportunity and threat – treat)	H	H	This provides the mechanism to evolve the service from disparate geographical delivery into a true shared service. It may however identify the need to enhance skills in some areas requiring career planning for individuals.
Salary Market differentials (Threat – treat / tolerate)	H	M	The wide geography presents salary pressures (e.g. higher market competition for professionals in Cambridgeshire and the London effect on MK). This may require either: <ul style="list-style-type: none"> <li>- align all salaries to highest need areas creating additional costs (to avoid unfair pay claims)</li> <li>- reflect market salaries in one area creating</li> </ul>

			<p>differential salaries / T&amp;Cs</p> <ul style="list-style-type: none"> <li>- empower the Director of Audit to use flexible non-financial salary options (buy and sell leave, shorter working weeks, enhanced flexi-working)</li> <li>- accept skills shortages</li> </ul>
Increased 'incremental' costs e.g. travelling etc (Threat – treat)	H	L	Need monitoring but after 6-12 months those costs should be predictable. Therefore 2016/17 costs may need greater budget before cost drivers are fully understood and more efficient options implemented.
Agile / New Ways of Working (opportunity / Threat – treat)	M	M	<p>Initial set up costs are needed to deliver the ability to reduce managerial costs without diluting those roles across multiple sites.</p> <p>These facilities would then support greater efficiencies in 2017/18 onwards as efficient working across multiple (and increasing) sites is maximised from existing / reduced resources</p>
Customer / Partner exit (Threat – Treat and Transfer)	L	H	The exit of any partner / customer (either from LGSS as a whole or procurement of internal audit services elsewhere) would create a need to maintain an Exit Strategy to both control costs and manage such a process.

## 13 Insurance

### 13.1 Executive Summary

Insurance is responsible for the design and implementation of robust insurable risk management programmes using an optimum balance of internal and external insurance solutions to best suit each client organisation.

Within LGSS the service has delegated claim management authority to handle, in house, public liability claims for personal injury and property damage, this has seen significant reduction in the reliance upon and costs associated with insurer or external claims handling provider services.

MKC joining LGSS will offer benefits to all parties providing the opportunity to potentially achieve further economies of scale by looking at collaborative purchasing opportunities and the future of alternative risk financing models for each client Council. We will also be able to use our combined capacity to optimise and strengthen the internal claims management support services to further reduce overall external claims handling costs for all parties and potentially further increase claims handling efficiency and resilience within our service.

We will also be able to undertake a review of processes both within MKC and LGSS to drive further efficiency improvements in terms of claims and underwriting processes.

### 13.2 Service Delivery Model

#### 13.2.1 The Current Model

MKC	LGSS
<b>Scope and structure of service</b>  Insurance services to MKC.          Team of 2 FTE, Risk and Insurance Management leads on Insurance and also provides Risk and	<b>Scope and structure of services</b>  Insurance and claims handling services provided to CCC, NCC, Norwich City Council, Northampton Borough Council, Northampton Partnership Homes, LGSS Law Ltd.          Team of 10 staff split into 2 distinct functions;

<p>Business Continuity Management support to Council (circa 50% of Risk and Insurance Management time on insurance)</p> <p>Underwriting:</p> <p>Insurance underwriting and risk financing undertaken by Risk and Insurance Management</p> <p>External premium spend £898k</p> <p>Provision of limited academy services to 2 schools.</p> <p>MKC currently charge local authority maintained schools for insurance services. This revenue may diminish as the academies programme continues.</p> <p>Fleet insurance - separate motor vehicle policy for minibuses within schools providing a small fee income for the service.</p> <p>Claims:</p> <p>Caseload circa 440 cases per year</p> <p>Claims handling all with insurers with administrative support in house</p>	<p>Underwriting:</p> <p>Responsible for all contract management, procurement, policy adjustment, interpretation and underwriting advice. Also responsible for all risk financing activities including premium apportionment. Preparation and monitoring of performance metrics.</p> <p>Approximate external premium spend across all clients £3.8m p.a. (£2.5m across CCC and NCC).</p> <p>Full underwriting and support service to academy schools, circa 30 client academies with a budgeted income of £20k p.a.</p> <p>Claims:</p> <p>Caseload of circa 1,700 cases per year across all classes of business.</p> <p>Handle Public Liability Property Damage and Public Liability Personal Injury in house to delegated authority limits from insurers.</p> <p>Manage a portfolio of self insured claims on Material Damage and work with insurers on large loss Material Damage cases.</p> <p>Oversee management of motor vehicle losses.</p>
<p><b>Budgets</b></p> <p>Net team budget 2015/16 - £83k including overheads</p>	<p><b>Budgets</b></p> <p>Net Team Budget 2015/16 - £342k excl ex-Norwich and NBC staff, plus overheads and contracted service fees (brokerage and external claims handling)</p>

FTE - 2	FTE –8.56  Ex Norwich and NBC staff – 1.80 FTE
<b>Scope of supplier spend</b>  Ext premium £898k, plus internal contributions. (based on 15/16 policy year, these are currently in negotiation for April 2016 renewal)  IT system – Claims Control £10k p.a.  Claims management circa £65k p.a.	<b>Scope of contracted service spend</b>  Total external insurance premium spend to all clients £3.8m  External support contracts:  Broker Contract let for a single LGSS provider with agreed fees based on organisation type County - £5.5k p.a. District – £4k p.a. Actuary from £3.5k for full fund review  IT system MIMS £5k p.a. serving all current clients  External claims management (budgeted) £105k excl Norwich and NBC

### 13.2.2 Proposal for Day 1 of Transition

Based on the experience from merging the two individual teams from Cambridgeshire and Northamptonshire into one LGSS insurance service we would recommend that the transition of services from MKC into LGSS is best achieved via several overlapping phases summarised below:

The pace of change can be flexed and refined during the preparation of the business case and after go live:

#### Phase 1 – Collaborate and deliver quick wins

Phase 1 will commence on day one (and ideally before) and focus on further developing and understanding of the fit between MKC's insurance programmes and processes and those in

use within LGSS and will build on information captured during the development of the business case.

We will jointly work on areas for immediate collaboration such as on the potential convergence of services contracts, looking early on at the potential amalgamation of the claims management IT system which will support service consistency, continuity and development whilst realising some small financial efficiencies.

We will look at claims management processes to identify how we can work with insurers to 'in-house' the handling of liability claims to the value of £25k to reduce cost of external claims management. Subject to business case the internal claims management team could be expanded to further reduce the cost of handling of claims. In the case of CCC/NCC the in house management of claims has seen significant financial and business benefits.

We will look to appoint a single lead for Insurance who will develop and implement the optimal organisational structure for the combined team. This will include future reporting lines, capacity risks and addressing areas of potential overlap based on the efficiencies gained by the merging the MKC and LGSS teams.

Phase 1 is likely to last 3 to 6 months from go live.

## **Phase 2 – Consolidation plans**

The outputs from this phase will concentrate on the implementation of a single unified team structure developing further the existing specific claims management and underwriting areas on a scalable structure basis to enable further clients to be added.

Creation of a procurement plan for the future insurance programme of MKC, which we will try and link into the existing NCC/CCC programmes for a collaborative tender in 2017 that will both save time and resource as well as providing a more attractive package for providers.

Continued development of in house claims handling services working toward across the board in house delegation to £50k that will enable a further reduction in external claims handling costs.



Subject to business case progress to completion the amalgamation of claims management IT systems.

A thorough review of the MKC insurance programme to identify where, through the use of increased self insured retentions and adjustments to policy cover, the overall cost of insurance protection can be reduced.

This phase can be completed alongside and build on phase 1 and should be complete within 9 to 18 months of go live.

### **Phase 3 – Convergence**

This phase would see the final implementation of the phase 1 and 2 outputs and the creation of a single unified team delivering insurance services to all clients with a single management structure.

An on-going local presence in each Council location is recommended, depending on the scale of the workload we may need to look at the development of a regional nominated officer within each discipline (claims and underwriting) providing day to day management support on an allocated client basis.

The completion of an insurance programme tender and post renewal arrangements to implement revised insurance programmes for MKC/CCC/NCC during 2017 (MKC April renewal, NCC/CCC October renewal, all long term agreements up in 2017)

This phase can be completed alongside the other phases but is likely to take longer in some areas. This phase should be completed within 18 months of go live.

### **13.2.3 Ambition for 3 years time**

By 2018/19 we will have an established professional highly capable team providing Insurance services to CCC, NCC, MKC, NBC, Norwich and potentially other clients.. The service will have worked to minimise reliance on external traded services (claims handlers/brokers) by providing as much advice and support to all service departments on insurance and insurable risk issues from within the team as possible. Staff will be

undertaking work focussed on their areas of expertise for the benefit of all LGSS partners and customers and not just for one Council at one location.

The level of claims handling delegation will be at the optimum level to reduce external costs without exposing any party to excessive capacity/capability risk.

A full insurance programme review and tender, due in 2017, will have been completed and new programmes implemented which will hopefully limit financial impacts on all parties in an environment where insurance premiums in the public sector are on the increase.

The team will look to build traded income receipts in order to reduce the net cost of the team to CCC, NCC and MKC, we will do this via a mix of:

- Development and trading of an external claims handling service to other public sector organisations
- Provision of insurance consultancy services to external organisations (i.e. insurance management support, programme procurement support)
- Increasing service provision to academy schools through our relationship with the Midlands Academy Insurance Group (MAIG)

### 13.3 Performance Targets compared to current delivery

Insurance performance measures are set out below.

Description	Purpose	Target
% claims recorded on management system and acknowledged to claimant or department within 5 working days	Effective management of the claims process	Internal target 95%
Claims overdue for action as recorded by claims management system to be less than 15% of all open claims	Effective management of the claims process	<15%

% decisions on liability claims made and communicated to claimant/representatives in accordance with Civil Procedure (CP) Rules.	Effective management of the claims process	95%
Average time to settle non-complex material damage and motor own-damage claims from first notification to LGSS Insurance.	Effective management of the claims process	60 days
Renewal and procurement cycle, % completed within agreed timescale.	Effective management of renewal and procurement.	100%
% of enquiries acknowledged within 3 working days.	Effective management of enquiries.	95%
% of enquiries resolved within 5 working days of acknowledgement. (where enquiries do not require external support/advice)	Effective management of enquiries.	95%
Number of complaints resolved within timescale	Effective management of the Complaints Process	95%

## 13.4 Financial Benefits and Investment Needs

### 13.4.1 Financial summary

The financial table gives a net budget position for the service after existing Medium Term Plan commitments for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.

	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	
Partnership ( LGSS/MKC) Recurrent						
<b>Net Budget</b>						
MKC - net budget	158	158	158	158	158	
LGSS - net budget	533	520	520	520	520	
<b>Total Budget</b>	<b>691</b>	<b>678</b>	<b>678</b>	<b>678</b>	<b>678</b>	
<b>Total Budget</b>	<b>691</b>	<b>658</b>	<b>632</b>	<b>591</b>	<b>571</b>	
<b>New Recurrent Costs/Benefits</b>						
Benefits (new)	-20	-26	-41	-20	-20	
<b>Net benefits</b>	<b>-20</b>	<b>-26</b>	<b>-41</b>	<b>-20</b>	<b>-20</b>	<b>-127</b>
% net benefits	-2.89%	-3.95%	-6.49%	-3.38%	-3.50%	-20.22%
<b>Revised Budget</b>	<b>671</b>	<b>632</b>	<b>591</b>	<b>571</b>	<b>551</b>	

### **13.4.2 One-off investment / funding requirements**

In order to achieve savings in own claims handling it is likely that the service will require strengthening of claims handlers, it is possible that this can be achieved by personal development within the team and the addition of a further claims technician to support service delivery.

### **13.4.3 Ongoing service costs and financial savings**

In summary the savings will be focussed on reducing external claims handlings costs by utilising internal resources, removing any duplication across the teams, and merging the claims management software to reduce costs

There may be the opportunity to reduce the total cost of insurable risk as a result of this collaboration (via economies of scale), however with the cyclical nature of the insurance market and insurer nervousness around local authority risks we are unable to provide an estimate savings target in this area.

## **13.5 Non-Financial Benefits**

- Resilience, without merging the teams in this way further cuts in individual Insurance staff budgets will seriously impact the team's ability to deliver an effective insurance service, bringing increased financial and reputational risk. Increased capacity will provide the opportunity for providing a proactive claims management advisory service to enable the frequently and cost of claims to be more effectively managed
- Personal Development and staff retention, staff within MKC will be able to join a larger team servicing a range of clients; this will enable a growth in personal skills and abilities. The ability to provide staff with opportunities to undertake a varied workload with personal development is shown to support staff retention.

- Opportunity for improved contract monitoring and management with external providers to ensure improved service delivery.

### 13.6 Risks and Issues

Risk	Likelihood L/M/H	Impact L/M/H	Mitigation
Failure to progress team integration in a timely manner	L	M	Prepare early team integration plan with robust timetables and responsibilities in the team.
Failure to achieve in house claims delegation	M	M	Early engagement with insurers to agree process and requirements for achieving in house authority for LGSS to manage liability claims. Ensure sufficient and robust capacity.
Mismatch and reliability of IT systems hampers ability to operate fully across service	H	H	Early work to merge MKC accesses and claims system to LGSS compatible platform to be led by IT. Insurance ensure the early transfer of historic cases via a data download into LGSS CMS and ongoing use of a unified system.
Unwillingness within team to engage in change processes required to deliver service outcomes.	L	M	Work with team to ensure they are aware of and engaged with the reasons and rationale for change and support the service aspirations.
Failure to deliver improvements in cost of insurable risk due to market conditions and claims experience within clients	H	H	Work with brokers and existing insurers to understand MKC insurance risk profile and how we can influence market to view MKC as an insured of choice. Review alternatives to traditional insurance programmes.
Capacity issues within LGSS result in failure to adequately integrate MKC into service structure	M	M	Ensure service team are clear on roles and responsibilities and have a robust plan for the implementation of MKC into the service.
Capacity issues results in failure to adequately manage increased case load post delegation by MKC insurers.	M	M	Ensure understanding of capacity required to deliver service quality and robust business case is undertaken prior to further increases in delegation.

## **14 Democratic Services**

### **14.1 Executive Summary**

This document sets out a proposal for sharing democratic services and electoral services across the partner authorities of LGSS. The proposal identifies a range of initiatives made possible by a shared service arrangement, while taking into account the unique nature of the services involved and the demands placed upon them. It proposes immediate areas for collaboration as well as a longer term proposal for a new business model based on meeting the demands of each of the partner authorities in a way that is deliverable, measurable and sustainable.

### **14.2 Service Delivery Model**

#### **14.2.1 The Current Model**

Democratic Services is the principal point of contact for councillors, officers and members of the public who require information about each authority's decision making processes. The services provide high quality professional support and advice to those involved in the Council's formal decision making processes, providing the necessary framework and support for a robust system of democratic governance which is efficient, transparent, accountable and run to high standards. The services are a critical support function in terms of the proper governance of each authority and are therefore tailored to the needs of each authority. The services operate in a way that ensures that they:

- Support councillors to be effective in their roles by providing clear, accurate advice, signposting where appropriate;
- Support officers in their roles by providing accurate, timely advice on the decision making process, protocols for dealing with councillors etc.;
- Safeguard the Council's decision making and scrutiny processes whilst adding value; and
- Facilitate the involvement of members of the public in the decision making process.

Our core services include:

- Support for formal decision making meetings, including Full Council, Cabinet (MKC and NCC), Service Committees (CCC) and regulatory committees in accordance with statutory provisions and locally adopted standards;
- Delivery of an effective overview and scrutiny function (MKC and NCC) which operates in accordance with statutory principles and makes an effective contribution to the development of services by reviewing and improving their effectiveness, holding decision makers to account and supporting openness in the way the council operates;
- Provision of effective oversight of the Council's Code of Conduct, dealing with complaints about councillors promptly and thoroughly (CCC and NCC);
- Provision of high quality advice and expertise relating to the Council's constitutional, governance and scrutiny processes;
- Delivery of the petitions scheme for the Council, including the coordination of responses to petitions from different departments across the Council;
- Oversight of the nomination of councillors to outside bodies, including national, regional and local organisations; and
- Provision of online information about Councillors and Committees via the Council's website and, in the case of NCC, delivery of the Council's webcasting project - up to 120 hours of webcast committee meeting content per year; and

Elements applicable to CCC only:

- Co-ordinating the handling of complaints to the Local Government Ombudsman (the Democratic Services Manager is the Council's Ombudsman Link Officer) and arranging panels for education appeals. The Team also has a Service Level Agreement with Cambridgeshire Fire and Rescue Service to support its democratic process.

Elements applicable to MKC only:

- Delivery of electoral services, including management of the electoral register and delivery of Parliamentary, European Parliamentary, Police and Crime Commissioner and MKC election.

Elements applicable to NCC only:

- The team provides support to councillors in their roles through the provision of three Political Assistants for the three largest political groups and a sub-team which provides secretarial support to the Leader and Cabinet;
- The team provides a high-quality independent education appeals service on behalf of the Council and a significant number of academy clients;
- Delivery of an effective Police and Crime Panel which makes a positive contribution to the development of services, holding decision makers to account and supporting openness; and
- Delivery of grants to community groups through the Empowering Councillors and Communities scheme.

### **14.2.2 Proposal for Day 1 of Transition**

A defining characteristic of Democratic Services is that it exists to provide high quality support to the councillors and officers within each of the partner authorities. The service reflects the different governance arrangements in place at each authority and recognises the importance of providing councillors and officers with a dedicated team of support staff at each location. Proposals for day 1 of transition focus on areas of common benefit to each of the partners, including:

- Outlining areas for immediate collaboration, aimed at reducing duplication at the appropriate level (e.g. training, processing expenses etc.);
- Identifying and developing areas of expertise that each of the partner authorities can deploy to the benefit of the others;



- Identifying areas where increased resilience in service delivery is desirable and creating plans to implement this, including the provision of opportunities for staff development across the shared service model

### **14.2.3 Ambition for 3 years time**

There are a number of opportunities to develop the service to the benefit of the partner authorities by 2018/19:

- Enhanced resilience through improved staff development opportunities: A large democratic services shared across three authorities has the potential to develop into a centre of excellence for staff development. Staff will be able to experience different systems of governance and correspondingly different working practices, benefitting from a rich range of opportunities and enabling the service to develop robust staffing structures over the longer term.
- CMIS: all three of the partner authorities utilise a common software application (Committee Management Information System, or CMIS) for managing the preparation and publication of agendas and reports associated with the democratic decision making process. MKC and NCC are long-term users, while CCC is a recent adopter. There is an opportunity to collaborate on a project to use CMIS to a greater extent, releasing the benefits offered by built-in workflows to manage the decision making process more efficiently and effectively. Thanks to its long-term relationship with the developers, Astech, LGSS also has a place on the CMIS steering group, giving it the opportunity to shape the future development of the product.
- Elections: the addition of MKC electoral services to LGSS Democratic Services may provide opportunities to facilitate links between LGSS and other elections authorities, including LGSS clients who are elections authorities. Opportunities for staff across the shared service to develop a wider range of skills and knowledge in relation to this particular area of work will be explored and developed.

- Councillor development: opportunities for collaboration on councillor development programmes will be explored, with a view to delivering high quality training for councillors while reducing cost and time overheads. If successful, this service could be extended to other authorities with a view to developing and growing income.
- Income generation: The expansion of LGSS presents an opportunity to revisit and explore areas of income generation. These would include the expansion of established opportunities such as specialist governance work for third parties, as well as the development of new opportunities.

### **14.3 Performance Targets compared to current delivery**

Current delivery targets and performance measures are dictated by statutory requirements relating to the publication of agendas and decisions. These are relatively static and will not be impacted due to any changes to the delivery model. However, the added resilience offered by a larger shared Democratic Services team should have a positive impact on both statutory and non-statutory targets.

Current delivery targets:

- Agendas and reports published 5 clear days in advance of formal committee meetings;
- Formal minutes published in a timely fashion;
- Formal decision notes published in a timely fashion;
- Code of Conduct complaints logged, acknowledged and determined by Monitoring Officer/Independent Person in a timely manner (within 21 days)

## 14.4 Financial Benefits and Investment Needs

### 14.4.1 Financial summary

The financial table gives a net budget position for the service after existing Medium Term Plan commitments for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.

	2016/17	2017/18	2018/19	2019/20	2020/21	
Partnership ( LGSS/MKC) Recurrent	£000s	£000s	£000s	£000s	£000s	
<b>Net Budget</b>						
MKC - net budget	355	355	355	355	355	
LGSS - net budget	872	845	845	845	845	
<b>Total Budget</b>	<b>1,227</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	
<b>Total Budget</b>	<b>1,227</b>	<b>1,200</b>	<b>1,170</b>	<b>1,140</b>	<b>1,110</b>	
<b>New Recurrent Costs/Benefits</b>		-30	-30	-30	-30	
<b>Net benefits</b>	<b>0</b>	<b>-30</b>	<b>-30</b>	<b>-30</b>	<b>-30</b>	<b>-120</b>
<i>% net benefits</i>	<i>0.00%</i>	<i>-2.50%</i>	<i>-2.56%</i>	<i>-2.63%</i>	<i>-2.70%</i>	<i>-10.40%</i>
<b>Revised Budget</b>	<b>1,227</b>	<b>1,170</b>	<b>1,140</b>	<b>1,110</b>	<b>1,080</b>	

### 14.4.2 One-off investment / funding requirements

The reason for the inclusion of Democratic Services and Electoral Services within the proposal is primarily to enhance the resilience of the business and secure opportunities for qualitative improvements and efficiencies going forward. It is not anticipated that any significant investment or funding opportunities will need to be funded in order to deliver the benefits listed above. The possibility of exploiting technology such as CMIS to a greater extent may require some additional project management and IT input, but this will not be significant.

### 14.4.3 Ongoing service costs and financial savings

A savings plan has been put in place for the existing partner authorities as part of the service review process. This will need to be refined to include any cashable efficiencies that might apply to Democratic Services and Electoral Services at MKC, however the business case is focussed more closely on non-financial benefits (see below). It is anticipated that savings will be achieved in terms of member development, however.

### 14.5 Non-Financial Benefits

As detailed above, the inclusion of Democratic Services and Electoral Services within the shared service proposal is expected to enhance the resilience of the service and secure opportunities for qualitative improvements in the future. These can be summarised as:

- Enhanced resilience derived from having a larger pool of experienced staff, as well as improved development opportunities less experienced staff;
- The exploitation of shared technology to generate improvements and efficiencies
- Development of a centre of excellence for shared specialism within the field of democratic services – e.g. overview and scrutiny, support to Independent Remuneration Panel reviews; and
- Opportunities for collaboration on member development.

### 14.6 Risks and Issues

Risk	Likelihood L/M/H	Impact L/M/H	Mitigation
Failure to deliver improvements in service resilience.	L	L	Creation of shared strategy for staff development and collaborative working. Development of a robust business continuity plan.
Failure to secure efficiencies through increased income generation or savings.	L	L	Creation of a business plan based on realistic assumptions and experiences gained from operating within a shared service.
Inability to deliver efficiencies through the development of shared technology.	L	L	Analysis of desirability and benefits of developing existing technology platforms through pilot schemes run in each authority and overseen centrally.

## **15 Service Delivery to Schools**

Both MKC and LGSS recognise the significant opportunity regarding the consolidation and further development of the range of business support services which can be offered as traded services to schools and academies - as well as the importance of ensuring these are effectively marketed and managed in terms of customer service. Both organisations have areas of strength in this sector which we believe are complimentary. A number of the service sections in this Outline Business Case have identified services to schools as an area of potential and already have income targets in place for these traded services, some of which are increased in existing plans for 2016/17. Services to schools and academies will remain a priority in focus for the expanded services of LGSS across the region and we believe that this will be a source of additional benefits to the business case as we work to improve both overall market share and the value and range of services offered.

## **16 Governance Model**

LGSS is governed by a Joint Committee, created by Cambridgeshire and Northamptonshire County Councils (CCC and NCC) under the well-proven provisions of local government legislation in this area. It is a distinct entity and the two County Councils have delegated specific business support service functions to LGSS. These delegations are included in the constitutions of the Councils. Reflecting its full public sector ownership and democratic control, the Joint Committee consists of three elected members from each authority and controls the appointment and direction of the LGSS Management Board, delegated on a day-to-day basis to the LGSS Managing Director.

It is proposed that MKC join the LGSS Joint Committee as a full partner on the same basis as the two County Councils. This will increase total membership of the Joint Committee to nine councillors from across the three authorities.

The LGSS Joint Committee is enabled by a Partnership and Delegation Agreement (PDA) between CCC and NCC, which would be replaced by a tripartite agreement between CCC, MKC and NCC

Agreement of the PDA for MKC to join the LGSS Joint Committee and the delegation of services to it requires approval by full council at all three authorities.

The Revenues and Benefits service has developed a specific governance structure to reflect the individual requirements of the service and those other LGSS partners who delegate this function. MKC will take a lead role in this as a Foundation Partner.

## **17 Employment model**

The employment model in place for LGSS between Cambridgeshire and Northamptonshire County Councils is that employees within the shared service are employed by one or other of the councils. Where LGSS provides services to other organisations and the Transfer of Undertakings (Protection of Employment) Regulations, or TUPE, has applied, employees have transferred to one of the founding authorities, based on geographical logic and the sharing of risk between partners.

It is proposed that MKC join the LGSS partnership on the same basis as the two County Councils. Employees within the scope of the shared service from MKC will continue to be employed by the authority, but as part of LGSS and with the delegation of employer rights and responsibilities to the LGSS Joint Committee and LGSS Managing Director.

Employee relations are of critical importance to LGSS as with any organisation and this is taken very seriously by LGSS, including negotiation with recognised Trade Unions (RTUs). A joint Consultation Forum including representatives from the RTUs of the two County Councils is long-established and successful, which will be expanded to include representatives from MKC.

The Outline Business Case does not include any savings at Director level in either LGSS or MKC, reflecting the fact that as a significantly expanded shared service capacity will need to be retained at this strategic level. The inclusion of MKC services as part of LGSS will require

a review to be undertaken of functional responsibilities at Director level, which will be carried out with appropriate consultation with the individuals concerned. The proposed organisation structure is detailed in Appendix B.

Key to the success of the shared service is a single organisational identity across LGSS, regardless of the employing authority. This key value 'Think as one, deliver as one' will equally apply to colleagues joining the shared service from MKC and a full welcome and induction programme will be developed as part of the transition plan.

## **18 Business Continuity**

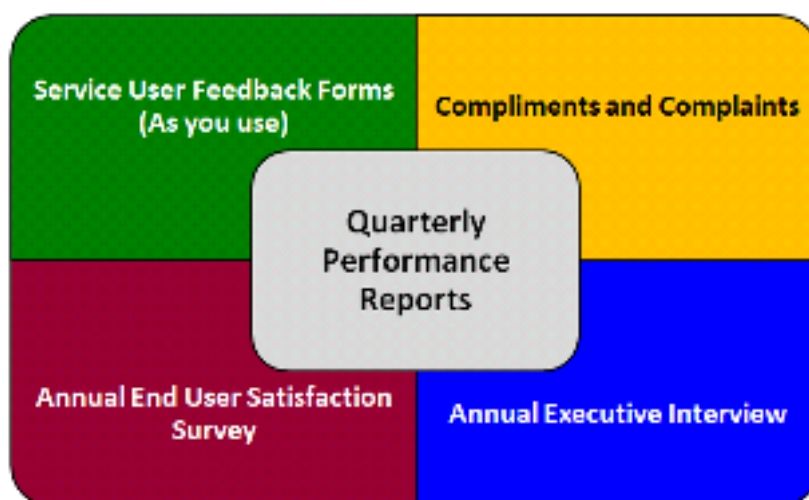
LGSS services all maintain Business Continuity Plans (BCPs) which acknowledge the critical role of those services in the BCP arrangements for each of our partners. These BCPs are reviewed on a regular basis as well as upon trigger points of key service changes, which would include MKC joining the LGSS shared service arrangements and as transition / development plans described in this document are put in place.

## **19 Service Assurance, Customers and Strategy**

### **LGSS Customer Satisfaction and Engagement Framework**

The LGSS Customer Satisfaction and Engagement Framework sets out how we engage and manage relationships with our customers. The framework enables LGSS to be proactive in addressing issues and adapting and shaping our services to meet changing customer needs as we respond to their service demands and challenges.

Feedback captured through these channels is used to inform service improvements and developments. This is aligned with the development and delivery of the LGSS Business Plan. The framework comprises of 5 key components which are shown in the graphic below:



### **Annual End User Satisfaction Survey**

The Annual End User Satisfaction Survey focuses on the operational day to day delivery of LGSS services, and provides all end users within our customer organisations with the opportunity to rate and comment on our services.

### **Annual Executive Interview**

The annual executive interview is held with the Chief Executive/Managing Director, or delegated to a member of their management team. It is designed to explore the strategic relationship and how LGSS supports our customers with their priorities, how LGSS engages with their organisation and any improvements or concerns.

### **Service User Feedback e-Forms**

Service user feedback e-forms are offered to customers throughout the year upon completion of a transaction/request/piece of work. This enables our customers to provide feedback promptly in relation to a specific experience. They are primarily offered via an e-channel.

### **Quarterly Performance Reports**

There are quarterly reports which compare performance against KPIs and with feedback received through the other channels. By understanding whether performance and



feedback results are comparable, we can refine our areas of focus for Service Improvement Planning.

### The Annual Cycle

The Customer Satisfaction and Engagement Framework is an annual cycle. The timetable below provides an overview of when each of these is undertaken.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Annual Executive interview								✓				
Annual End User Satisfaction survey								✓				
Satisfaction survey analysis								✓	✓	✓		
Service User Feedback forms	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Compliments and Complaints	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Development of Service Improvement plans									✓	✓	✓	
KPI reports	✓			✓			✓			✓		

Results from our customer satisfaction channels are analysed and presented to both LGSS Joint Committee and LGSS Partner Board. In addition, formal presentations on results are given to the senior management team within each customer organisation.

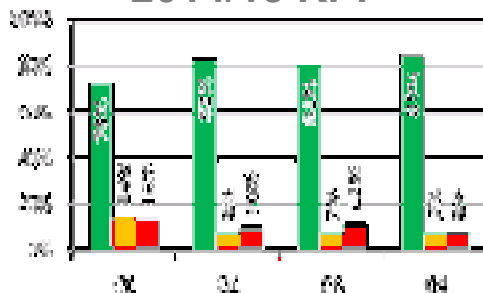
Each year a summary of performance against the Customer Satisfaction and Engagement Framework is produced and presented to customers. The summary overleaf provides an overview of 2014 performance against the Customer Satisfaction and Engagement Framework. The 2014 all user survey was issued to a total of 10,430 employees.

## Service User Feedback

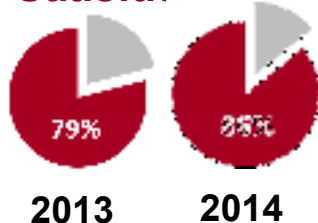


**Average satisfaction rating across 4 Service Areas**

**2014/15 KPI**



## Annual End User Satisfaction



**Overall satisfaction has increased from 79% in 2013 to 86% in 2014**

## Compliments and



**56 compliments received during 2014**



**25 complaints received during 2014**

## Annual Executive Interview

***"A competent vehicle with good people that has capacity and provides value for money but can be slow to respond and has its limits"***

## Service Improvement Plans

Feedback received through the various channels within the Customer Satisfaction and Engagement Framework is analysed to both celebrate positive areas of performance but to also identify areas which require improvement.

This provides key information to produce annual directorate Service Improvement Plans (SIP) which set out the key improvements which will be implemented. The development of SIPs is undertaken in partnership between LGSS and customers to ensure improvements meet the needs of all parties.

Progress against SIPs are reported to customers on a quarterly basis.

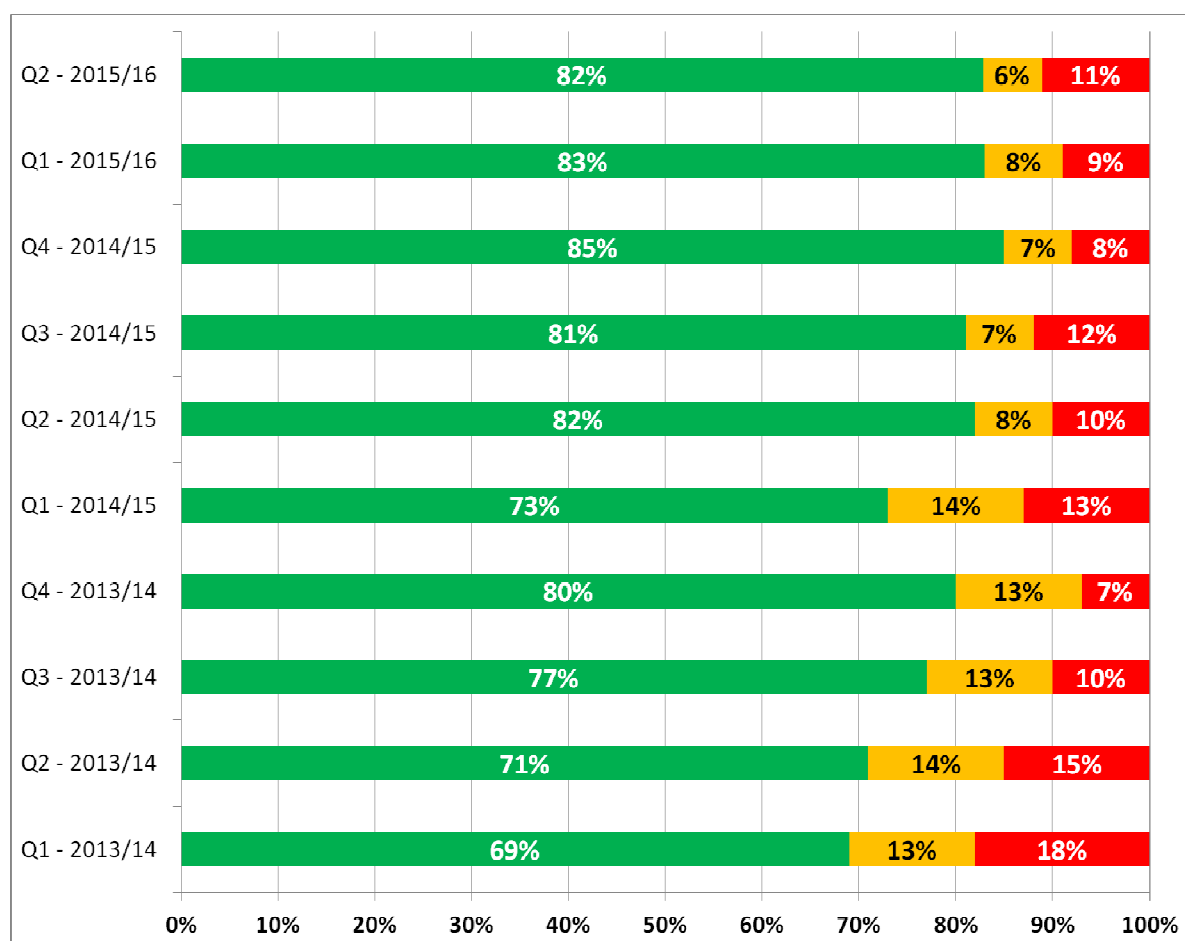
## Measuring LGSS service delivery

To measure the delivery of each customer contract, LGSS operates a robust performance framework. On a quarterly basis a 'Health of the Partnership' report is produced. This

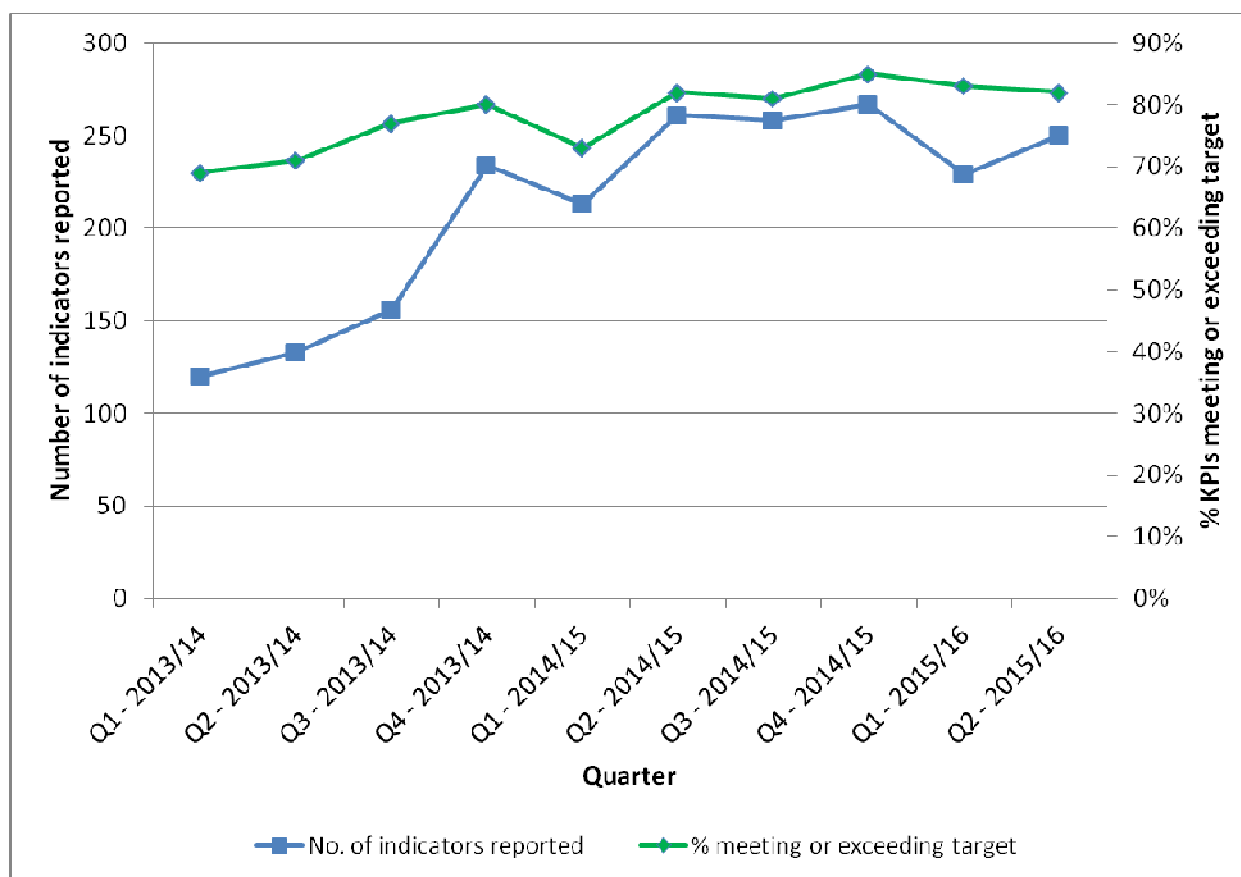
report provides an overview of how LGSS is performing and includes details of Key Performance Indicators (KPI) performance, progress against service improvements and financial performance.

LGSS has developed a suite of KPIs which are used to measure delivery of service to customers. The KPIs for Milton Keynes will be agreed and targets for delivery set based on current Milton Keynes documented performance. Managers are accountable for the delivery of the service and will have their own operational performance indicators to provide assurance on the success and delivery of the service.

Since 2013/14 performance against KPIs has been measured and reported to customers. The chart below shows the % breakdown of red, amber and green KPIs for each quarter of 2013/14, 2014/15 and quarters 1 and 2 of 2015/16 across all customers.



Since Q4 2013/14, with the exception of Q1 2014/15, the percentage of KPIs meeting or exceeding target each quarter is 80% or above. The chart below plots the number of KPIs reported along with the % of KPIs which met or exceeded target each quarter and were therefore green.



It should be noted that since April 2013 LGSS has on-boarded a number of new customers and therefore the number of KPIs being currently reported each quarter has increased to 297 in total.

## Key Workforce Indicators

### Staff turnover

The annual average voluntary turnover (April 2014 – March 2015) has marginally increased to 8.7% from 8.6% for the same period last year.

### Sickness absence

The rolling (1st April 2014 – 31st March 2015) average number of days absence for LGSS is 4.87 days lost per FTE.

The rolling average number of days absence for the Milton Keynes Service Partnership is 8.03 days lost per FTE.

### Financial Performance

The over-achievement of savings has allowed for substantial reinvestment in the development of services which has improved the customer experience and enabled further efficiencies to be delivered by the innovative use of technology. For 2012-13 and 2013-14, a dividend was also paid to each of the host authorities.

### 2014/15 Outturn

The table below shows the summary outturn position for 2014-15 by Directorate, and the overall LGSS summary financial position.

Table 2	Gross Exp Budget £000	External Income Budget £000	Internal Income Budget £000	Net Budget £000	Outturn £000	Variance £000
Trading Account	2,409	(22,424)	(185)	(20,200)	(19,817)	383
Service Assurance	1,777	(31)	(95)	1,651	1,700	49
Finance	11,997	(4,076)	(501)	7,421	7,073	(348)
People, Transformation and Transactions	25,325	(1,809)	(2,969)	20,547	20,165	(382)
Information Technology	10,519	(39)	(1,666)	8,814	8,612	(202)
Law, Property and Governance	12,417	(1,249)	(6,061)	5,105	4,953	(152)
<b>Total LGSS</b>	<b>64,444</b>	<b>(29,628)</b>	<b>(11,478)</b>	<b>23,338</b>	<b>22,686</b>	<b>(652)</b>

## **20 Future Commercial Opportunities**

Milton Keynes Council joining LGSS would take the number employees in LGSS to c1,800 and the total employees of the partners being supported to more than 25,000. This increase in scale and geography will enhance the reputation of LGSS as a leading public sector shared service and provide critical mass in regional scale and presence. The addition of a unitary council as a Joint Committee partner provides greater assurance to potential customers for some services not delivered by county councils and the ability to create synergies across a two tier relationship. It is anticipated that MKC joining LGSS will further enhance its strong commercial trading basis for sharing services in the future. The ambition is both to increase small scale trading (for example individual schools) but also to encourage other councils and public sector organisations to join the shared service.

## **21 Transition Costs**

The business case identified across the services includes a significant level of staffing reductions. Every effort will be made to ensure that staff are redeployed, either within LGSS or MKC and a vacancy protocol will therefore be developed between the organisations to ensure that this is given due consideration for any vacancies arising whilst the business case for sharing services is being agreed. However, an allowance has been made in this business case for the cost of any unavoidable redundancy.

It is expected that any project costs related to transitioning to the proposed shared service arrangement would be borne equally and will therefore be absorbed within the existing capacity within LGSS and MKC, including the cost of Project Management, HR support and the legal costs involved in drawing up the partnership agreement.

## 22 Financial Summary

The tables below summarise the benefits identified through this business case.

### Financial summary table excluding Revenues and Benefits

Partnership ( LGSS/MKC) Recurrent	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	Total £000s	Total %
<b>Net Budget</b>							
MKC - net budget	8,231	8,079	8,079	8,079	8,079		
LGSS - net budget	18,873	18,153	18,153	18,153	18,153		
<b>Baseline Net Budget</b>	<b>27,104</b>	<b>26,232</b>	<b>26,232</b>	<b>26,232</b>	<b>26,232</b>		
<b>Revised Baseline Net Budget</b>	<b>27,104</b>	<b>25,890</b>	<b>24,622</b>	<b>23,588</b>	<b>23,326</b>		
<b>New Recurrent Net Costs/Benefits</b>							
Finance	-50	-295	-275	-50	-50	-720	-12.15%
Audit	-100	-75	-15	-15	-15	-220	-14.90%
Transactions	-24	-470	-240	0	0	-733	-17.69%
HR Professional	-30	-95	-95	0	0	-220	-4.89%
IT	-98	-185	-220	-50	-50	-603	-9.11%
DSS	0	-30	-30	-30	-30	-120	-10.40%
Procurement	-20	-40	-75	-60	-35	-230	-21.07%
Insurance	-20	-26	-41	-20	-20	-127	-20.22%
Debt Recovery (Corporate)	0	-52	-44	-37	-39	-172	-16.59%
<b>Total</b>	<b>-342</b>	<b>-1,268</b>	<b>-1,034</b>	<b>-262</b>	<b>-239</b>	<b>-3,145</b>	
<b>Total Net benefits</b>	<b>-342</b>	<b>-1,268</b>	<b>-1,034</b>	<b>-262</b>	<b>-239</b>	<b>-3,145</b>	
<b>% net benefits</b>	<b>-1.26%</b>	<b>-4.90%</b>	<b>-4.20%</b>	<b>-1.11%</b>	<b>-1.02%</b>	<b>-12.49%</b>	

## Financial summary table for Revenues and Benefits

One-off	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	
<b>One-off Costs/Benefits</b>						
One-off Benefits	0	-50	-75	-50	-50	
<b>Net benefits</b>	<b>0</b>	<b>-50</b>	<b>-75</b>	<b>-50</b>	<b>-50</b>	<b>-225</b>

Recurrent	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	
<b>Net Budget</b>						
MKC - net budget	3,755	3,755	3,755	3,755	3,755	
LGSS - net budget	2,745	2,745	2,745	2,745	2,745	
<b>Total Budget</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	
<b>Total Budget</b>	<b>6,500</b>	<b>6,270</b>	<b>5,744</b>	<b>5,414</b>	<b>5,238</b>	
<b>New Recurrent Costs/Benefits</b>						
Benefits	-230	-490	-300	-150	-50	
Benefits (debt recovery)	0	-36	-30	-26	-15	-107
<b>Net benefits</b>	<b>-230</b>	<b>-526</b>	<b>-330</b>	<b>-176</b>	<b>-65</b>	<b>-1,327</b>
% net benefits	-3.54%	-8.39%	-5.75%	-3.25%	-1.24%	-22.17%
<b>Revised Budget</b>	<b>6,270</b>	<b>5,744</b>	<b>5,414</b>	<b>5,238</b>	<b>5,173</b>	

The total recurring benefits identified from this business case are £4.47m. Benefits of £3.15m have been identified from services other than Revenues and Benefits, representing a 12.5% reduction in the cost of services. The Revenue and Benefits service have identified savings of £1.33m, a 22% reduction in the cost of service, which includes some increased income from selling services to others. However, no assumption has been made about retained benefits as a result of increasing collection, these benefits will be determined on an individual business case basis.

The financial tables for each service show a net budget position for each service after existing medium term plans for each authority. Proposals as a result of the partnership between LGSS and MKC are shown as the net benefits.



## Summary of one-off costs

The table below illustrates the one-off investment requirements to deliver some of the financial benefits outlined in the OBC. MKC have already identified £1.1m and £1.3m in their capital programme to fund the IT data hosting and ERP solutions. The additional £0.2m required will be funded from delays to the delivery of some of the MKC baseline savings.

The costs for the implementation for E-recruitment and DBS e-bulk will be costs for MKC, as these systems already exist in LGSS. The costs will be funded from either carried-forward underspend or from the MKSP invest to save reserve. It should also be noted that if MKC were to implement E-recruitment and DBS stand alone these costs would be significant in the region of £250k. Considerable savings are therefore gained by MKC from implementing these systems through the LGSS partnership. The implementation costs of a new joint Revenues and Benefits system and single view of debt system will be shared between MKC, LGSS and Northampton Borough Council (NBC) and will be subject to a detailed business case and a joint agreement between MKC, LGSS and NBC.

In order to deliver financial benefits it is likely there will be some redundancies across the three partner councils. Every effort will be made to minimise redundancies, but to ensure the costs are shared in proportion to the benefits gained; the costs of redundancies will be apportioned to the partner councils based on the relative MTFP benefits in each financial year. If the MTFP benefits are exceeded through whatever means (may include additional income generation as well as cost reduction) then any additional costs will be apportioned as set out in the partnership financial agreement.

Description	Service	£000	MKC	LGSS	Funding Source
Shared ERP solution	Systems	4,402	1,586	2,816	Capital
IT data hosting	IT	961	961		Capital
E-Recruitment	HR transactions	13	13		MKC
DBS e-bulk	HR transactions	1	1		MKC
Revenue & Benefits system	Revenues & Benefits	TBD	TBD	TBD	TBA

Single View of Debt	Debt recovery	30	15	15	Additional Benefits of BC
Redundancy Reserve	Cross-cutting	1,100	726	374	MKC/LGSS
<b>Total Investment</b>		<b>6,547</b>	<b>3,302</b>	<b>3,245</b>	

#### **To note:**

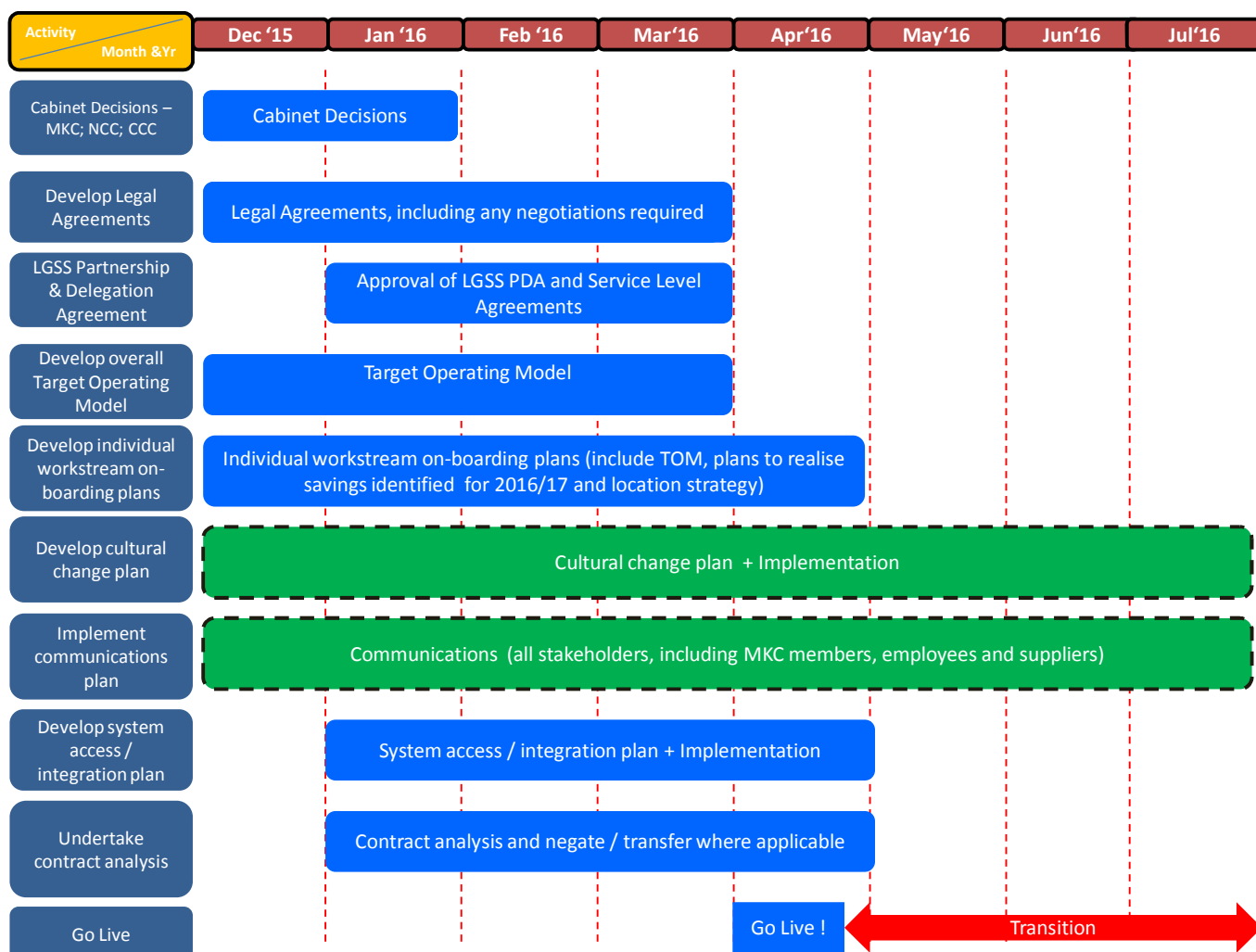
The financial tables do not include inflation. Inflation will be added to the cost of services to include the pay award as per each authorities own agreements, and any legislative changes with regard to pay or pensions. Inflation will also be added as specified by supplier contracts where applicable and RPI for non pay budgets. This will be funded separately by each authority.

Whilst considerable due diligence has been undertaken during the preparation of this OBC this will continue and may result in changes to baseline budgets as these are verified in detail.

The sharing of savings is detailed in Appendix B – Partnership Financial Arrangements.

## **23 High Level Implementation Plan**

The key activities enable MKC to become a member of LGSS are outlined in the diagram below. A more detail plan will be developed and project governance established once the key decisions have been made.



## 24 Risks and Mitigations

The key risks and mitigations for this business case can be summarised as follows:

Risk	Mitigation
Loss of direct management, means services do not reflect Council needs	MKC, CCC and NCC as partners will influence the planning and operation of the shared service through their role on the Joint Committee. This will include agreeing Service Plans and reviewing performance. The additional director role on the operational board will also enable priorities for and feedback from MKC to be incorporated.

Financial savings are not delivered	LGSS has delivered all financial savings requirements in previous years for existing partner authorities. Monitoring of savings plans and income will provide assurance on delivery, along with a project management approach where individual proposals require significant change.
Service quality does not meet Council requirements	MKC, CCC and NCC will monitor and manage service quality through both the operational board and the Joint Committee.
Non-financial benefits are not delivered	An integration plan for MKC will be developed once the Cabinet and Council decisions have been taken, which will focus on delivering both the practical changes and culture change necessary to maximise the benefits of a shared service arrangement.
Loss of key staff	As part of the transition staff will be engaged in the plans for the shared service and will understand the shape and opportunities a shared service could bring. There are some key areas of risk, this will need to be monitored and managed appropriately.

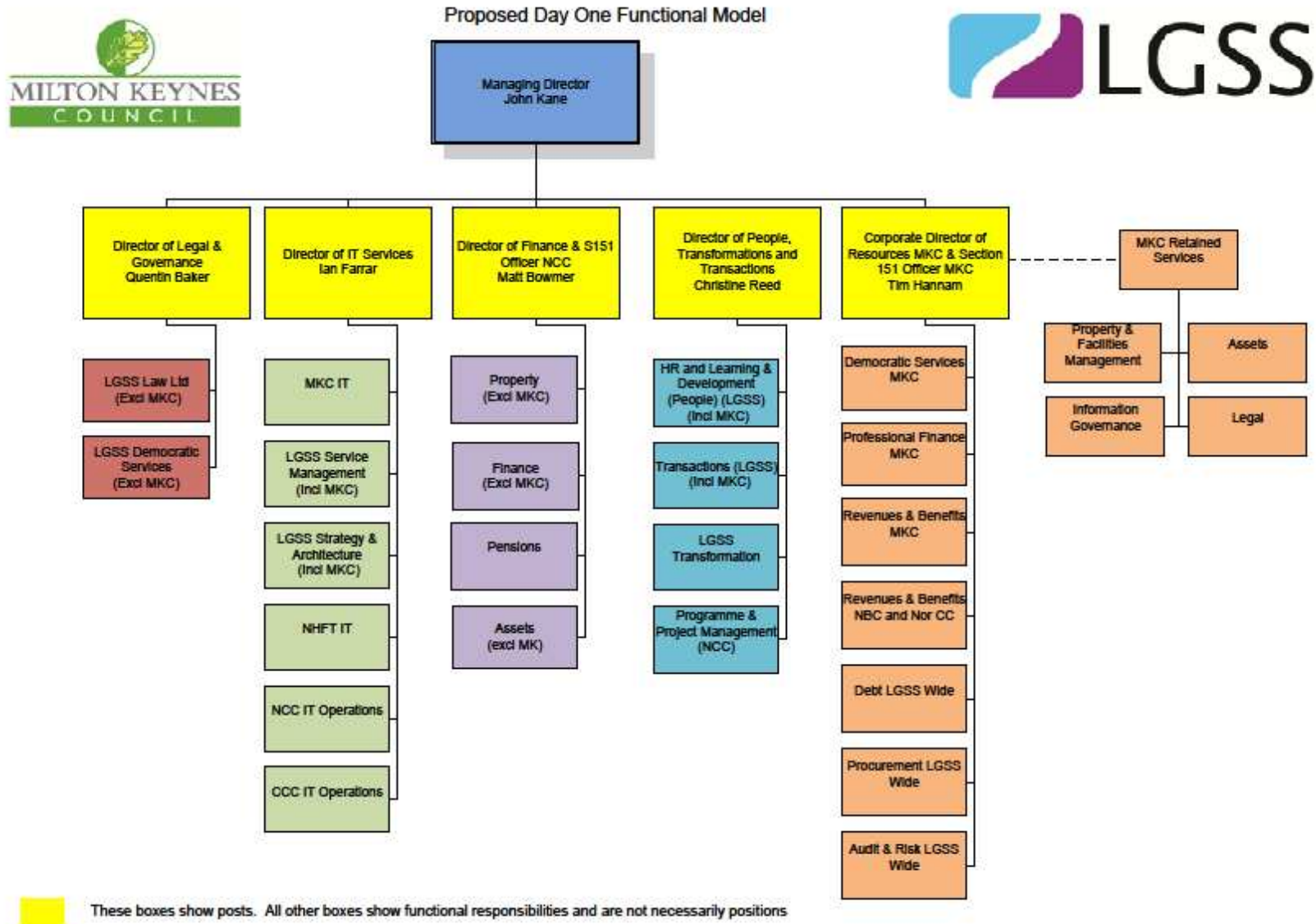
## 25 Appendices

Appendix A – Organisational Structure

Appendix B - MKC / LGSS Partnership Financial Arrangements

(Confidential)

## Appendix A - Organisational Structure





**COTTENHAM, DEVELOPMENT OF LAND IN RAMPTON ROAD**

**To:** General Purposes Committee

**Meeting Date:** 14 January 2016

**From:** Chief Finance Officer & Head of Strategic Assets

**Electoral division(s):** Cottenham, Histon & Impington

**Forward Plan ref:** 2016/022      **Key decision:** Yes

**Purpose:** To brief the Committee on proposals for the development of the Council's land at Rampton Road in Cottenham, and seek approval to submit a planning application and enter into appropriate agreements to progress the proposals through to implementation.

**Recommendation:** General Purposes Committee authorises the Chief Finance Officer, in consultation with the Chairman of General Purposes Committee (GPC) and the Investment Review Group, to enter into appropriate agreements outlined in this report required to implement the development by the Council of land at Rampton Road in Cottenham.

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## **1. BACKGROUND**

- 1.1 The County Council owns 24.15 acres/9.77ha of agricultural land fronting Rampton Road in Cottenham, shown edged red on the attached plan. The site is not in the Green Belt, and relates well to the built form of the village and the school.
- 1.2 The land was promoted by Strategic Assets in 2012 as a site for a residentially led scheme for up to 300 homes with land being reserved for a new primary school or necessary expansion should this ever be required, but the site was not included by South Cambridgeshire District Council (SCDC) as a proposed allocation in the emerging Local Plan.
- 1.3 The land adjoins the Parish Council's Recreation Ground and there is an opportunity for joint working with the Parish, who wish to expand its recreational provision and reconfigure the recreation ground making a more efficient layout and potentially improve access and parking which might involve a land swap.
- 1.4 The Parish Council is currently developing a neighbourhood plan.
- 1.5 Rampthill Farm on Rampton Road was sold by the County Council in 1998 and although its location probably does not create a ransom situation it would be logical to include the house and land in the scheme if suitable terms can be agreed. The owners have expressed an interest in taking negotiations forward.
- 1.6 The current South Cambridgeshire District Council Local Plan has a shortfall in deliverable housing numbers and presents an opportunity for landowners to bring forward schemes on land that is not currently allocated.
- 1.7 Members have asked officers to bring forward proposals for the development of Cambridgeshire County Council (CCC)-owned land in response to growing budget pressures which is necessitating an increased appetite for risk. The Council could retain full ownership of the land, developing it for housing through a wholly-owned Special Purpose Vehicle (SPV) set up as a separate company, which would manage the development and construction phase of the project.
- 1.8 Three other parcels of land close to CCC's site are actively being pursued by developers or land promoters. In July, Gladman, a national land promoter submitted an application to South Cambridgeshire District Council (Application ref -S1818/15/OL) for 225 houses and up to 70 apartments with care facilities, opposite CCC's land on Rampton Rd. Persimmon are understood to be looking at an application for 100 homes and Endurance Estates for circa 50 homes.
- 1.9 The bringing forward of sustainable sites may be seen as desirable by the District Council as it will want to close any shortfall as soon as possible. This creates a degree of urgency. If the competing housing applications are successful, they may trigger the need for a new school in Cottenham or alternative provision. CCC has previously held back from pursuing a planning application for housing as it would be difficult for it to fund a new school.



- 1.10 If triggering the requirement for a new school or school expansion is a possibility, there are sound financial arguments for CCC promoting its land, which is arguably better located than any of the other parcels.
- 1.11 There is also a real possibility that if one of the competing applications is successful it may block CCC from making the most of its asset until the next local plan round as the housing shortfall could be filled.
- 1.12 In addition delaying an application until the Parish have completed their neighbourhood plan, which they may prefer, will delay CCC's ability to deliver a scheme and thus income as early as might otherwise be achieved. In that situation CCC could be too late to benefit from housing development on its Cottenham land if earlier competing applications are determined sooner.
- 1.13 CCC's intention, if successful with a planning application, would be to retain ownership of the completed development, including the affordable housing element with management of rented houses through a mechanism to be determined but which may include SCDC owned Ermine Street Housing or by setting up its own Management Company. There may be some freehold sales of part of the site depending on the final viability model and requirements of the planning consents.
- 1.14 Although the proposed SPV is intended as a commercial and investment vehicle, CCC will pursue development in accordance with the current requirements of the local planning authorities, unless the viability of the project requires an alternative approach.

## **2. MAIN ISSUES**

- 2.1 In order to implement the project the Council will need to enter into a number of different agreements and contracts which would be better done under delegated authority.
- 2.2 It is recommended that the General Purposes Committee (GPC) authorises the Chief Finance Officer, in consultation with the Chairman of GPC, and the GPC Investment Risk Group to enter into appropriate agreements outlined in this report, required to implement the development by the Council of the land at Rampton Road Cottenham. This is a similar arrangement to the development of land at Newmarket Road, Burwell agreed by GPC in May 2015.
- 2.3 The possible contracts and agreements will include (but are not limited to):-
  - A planning application and any appropriate planning representations S.106 and other planning agreements
  - Contracts to provide specialist technical advice and consultancy
  - Funding agreements with the Public Works Loan Board
  - Construction contracts for infrastructure development and building new homes
  - Contracts for letting and freehold disposal if required
  - Any other agreements considered desirable to enable the project to progress and deliver added value, social or monetary.

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

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

The development of this land at Cottenham will provide jobs in the local area during the construction phase and thorough management of the completed homes, and will provide homes for workers throughout the area including if desired the potential for key worker housing for staff.

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

The Council proposes to build 'Lifetime Homes' to a standard which will allow residents to stay in their homes for the longest possible time. The Council will meet its statutory requirements for provision of supporting Open Space and other facilities through the planning system and would work with the Parish Council to deliver improved recreational facilities.

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

Retaining ownership of the completed dwellings provides the potential for the County Council to discuss the proposed use of parts of the development to provide specialist housing to meet established Care needs.

### **4. SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource Implications**

The Council is building up its staff resources but does not currently have sufficient skills or capacity to manage this project along with other similar projects in the pipeline and its normal day to day workload. Additional resources will be required to provide an in-house client function for the project and to resource the proposed SPV and this work is in hand

The Council will forward fund the capital construction costs, and the interest on borrowing will be repaid by the SPV from rental income received.

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

The Council will accept and manage financial risk as part of these proposals. The housing market can be volatile, and the property development market is dependent on economic conditions for funding, resource and financial returns. Generally the property market performs well over the long term, but can be subject to short term volatility and fluctuations in demand and consequently in value.

The Council will establish separate legal entities as part of these proposals, and will be required to abide by the law governing such entities.

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

There are no significant implications within this category.

#### 4.4 Engagement and Consultation Implications

Full engagement and consultation will be undertaken with the local communities as part of the planning application process. The Local District and Parish Council are aware of the proposals.

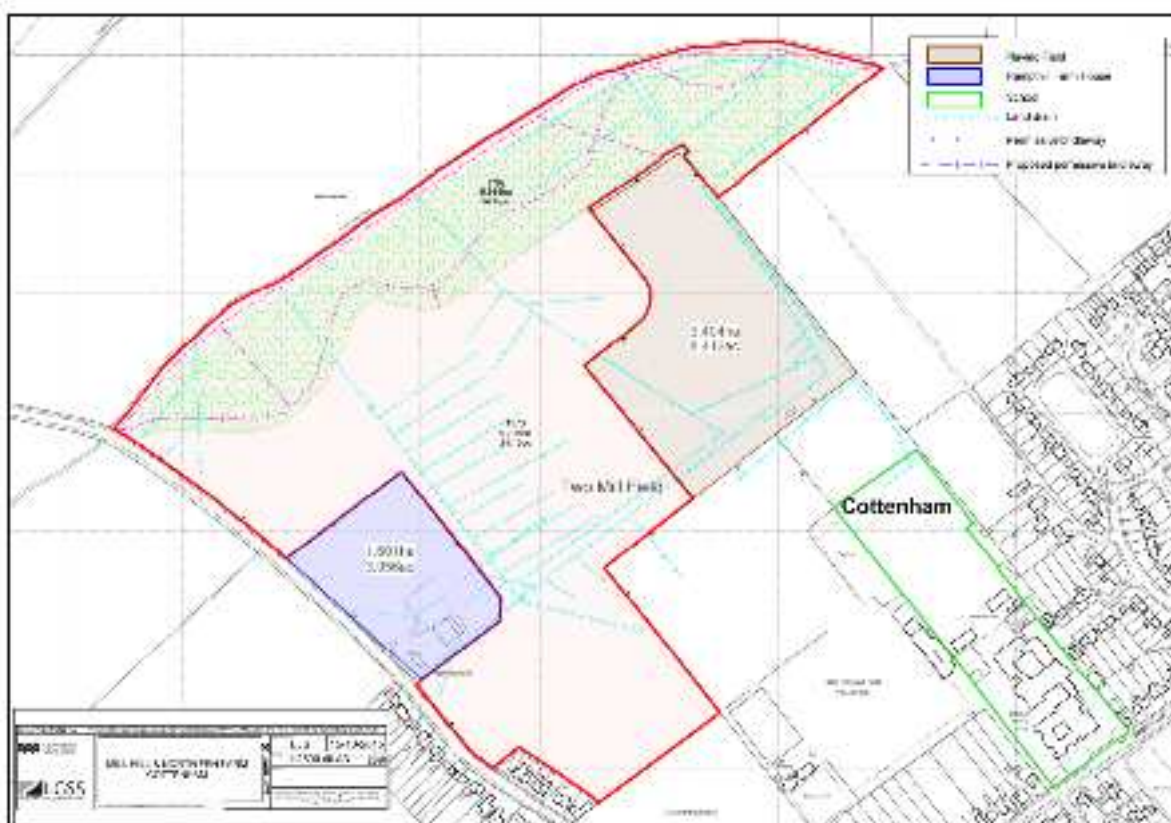
#### 4.5 Localism and Local Member Involvement

The following bullet points set out details of implications identified by officers:

- The Local members are Councillors David Jenkins and Mike Mason, who have been notified of the County's intentions.
- The Parish Council is developing a Neighbourhood Plan but it is too early in their process to be identifying any preferred sites for new housing.

#### 4.6 Public Health Implications

There are no significant implications within this category.



Source Documents	Location
None	OCT1104 Shire Hall Cambridge



**PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT – UPDATE**

**To:** General Purposes Committee

**Date:** 14th January 2016

**From:** Director: Customer Service & Transformation /  
Chief Finance Officer

**Electoral division(s):** All

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

**Purpose:** To provide an update to the committee on the provisional  
Local Government Finance Settlement

**Recommendation:** The General Purposes Committee is requested to:

- a) Note the impact of the provisional local government  
finance settlement on the Council's Business Plan; and
- b) Agree that the Chief Finance Officer write to the  
Secretary of State confirming that the Council is  
'minded' to set a 2% Adult Social Care precept for the  
2016-17 financial year.

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## 1. OVERVIEW

- 1.1 The Council's Business Plan sets out how we will spend our money to achieve our vision and priorities for Cambridgeshire. This report for the General Purposes Committee (GPC) provides an update on the content of the provisional Local Government Finance Settlement, as well as its implications on the 2016-21 business planning process.
- 1.2 The details of the settlement can be found in full at:  
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2016-to-2017>

## 2. IMPLICATIONS OF THE 2016-17 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 2.1 On 17 December 2015, Greg Clarke, the Secretary of State for Communities and Local Government announced the publication of the provisional 2016-17 settlement in an oral statement to the House of Commons.

### Funding Overview

- 2.2 The headline position for the Council is an approximate 19.8% reduction in settlement funding from central government in 2016/17 compared to 2015/16, as well as cuts to other grants given for specific purposes.
- 2.3 The largest component of this reduction is the Revenue Support Grant (RSG), the main revenue government grant. The Council will see a reduction of £20.3m in RSG, to £33.35m in 2016-17. Alongside this, a number of grants previously given to the council separately have been amalgamated into RSG. Adjusting the starting point of RSG to take this into account gives the following:

	£000
2015/16 RSG	53,669
Add: Care Act - Deferred Payment Agreements	1,219
Add: Carers and Care Act Implementation	1,778
Add: Lead Local Flood Authority grant	123
Add: Sustainable Drainage Systems funding	18
Revised 2015/16 RSG baseline	56,807

- 2.4 Therefore the real, like for like year on year reduction in RSG is a cut of £23.5m or 41%.
- 2.5 In addition to government amalgamating various grants into RSG, the cuts to the grant have been greater than expected because government has engaged in a 'redistribution' of RSG between different types of local government. This has benefited metropolitan areas at the expense of shire counties and districts, as metropolitan and unitary authorities have had the total RSG allocation for the sector reduced by a smaller amount. This table shows the relative reduction in RSG for those sectors:

Type of authority	Total reduction in sector's RSG allocation
Inner London (inc City)	-21.50%
Outer London	-27.70%
Metropolitan Districts	-24.00%
Metropolitan Fire	-11.80%
Unitaries	-28.70%
Shire Counties	-34.10%
Shire Districts	-38.40%
Combined Fire Auths	-15.60%

- 2.6 Government's change in "Spending Power" for Cambridgeshire is a decrease of 2.5% for 2016/17, and an increase of 2.7% over the period to 2019/20. This sits in stark contrast to the percentage cut figures in the previous paragraphs. The main reason for the difference between the -2.5% Spending Power and like for like cut in government funding of -19.8% is that Spending Power attempts to account for Council Tax. In arriving at their Spending Power figure, the government has assumed a growth in the council tax base of the average of the preceding three years, and has also assumed councils will increase Council Tax by 1.75% and, where applicable, apply the full 2% social care precept in each year.
- 2.7 The Spending Power concept also fails to convey the pressures the Council is facing from inflation (£8m in 16/17) and demography (£9.8m in 16/17).

### **Council Tax**

- 2.8 The Council Tax Referendum Threshold was confirmed as 2%. A proposed Council Tax rise above this level would require the Council to hold a local referendum.
- 2.9 It was also announced that councils with responsibility for Adult Social Care (ASC) would be able to levy up to an additional 2% of council tax above the referendum threshold to alleviate pressures in ASC funding. The government's intention, subject to Parliamentary approval, is for this additional flexibility to exist in each of the five years of this Parliament.
- 2.10 Chief Finance Officers of councils that make use of this flexibility will have to certify to central government that the council's ASC budget is higher than it otherwise would have been by the amount expected to be raised through the additional council tax. In addition, the levy must be separately identifiable on taxpayers' bills, with councils that raise the additional tax funding being required to meet any costs of changing bills.
- 2.11 The Department for Communities and Local Government (DCLG) has requested that councils indicate by 15 January whether they wish to make use of this further council tax flexibility.
- 2.12 No Council Tax Freeze Grant was announced, and so no government funding will be available to offset pressures caused should councils set a lower level of council tax than the referendum threshold.

## Impact on the Business Plan

- 2.13 A number of assumptions about government funding for 2016/17 onwards have already been made as part of the business planning process. Whilst these were mostly thought to be pessimistic assumptions, the details of the settlement appear to be worse than expected. Compared to our forecasts to 2019/20, RSG will be:

£m	16/17	17/18	18/19	19/20
Forecast	38.94	25.28	9.27	0
Actual	33.35	15.31	3.92	0
Difference	-5.59	-9.97	-5.35	0

- 2.14 In addition, information has been published that allows us to estimate some grant allocations for 2016/17. These are:

	£000		
	Original Forecast	Revised Forecast	Difference
Education Services Grant	3,145	3,650	505
New Homes Bonus	4,998	5,152	154

- 2.15 Details of the allocations of an additional £1.5bn nationally of funding for the Better Care Fund have been released. These indicate that Cambridgeshire could receive £7.6m in 2018/19, rising to £14.4m in 2019/20. It is unclear what, if any, additional burdens need to be taken on alongside this funding.
- 2.16 The settlement also confirmed the revised treatment of the Public Health Grant (PHG) announced in the Autumn Statement. The PHG will be reduced steadily in real-terms over the five years to 2020/21, and will also be ring-fenced until 2018/19. The effect of ring-fencing the PHG is that activity funded by it must meet the pressures caused by inflation/demography and any reductions in grant, rather than the pressures being met corporately and the PH directorate getting a savings target. As these pressures are no longer being met corporately, and PHG savings identified instead, approximately £1.8m of funding has been freed-up although the Council could supplement the PHG should it so wish.
- 2.17 Finally, as suggested by the details of the Comprehensive Spending Review in November, no funding has been announced to offset the pressure on care costs caused by the introduction of the National Living Wage. It is expected that this pressure will be £4.9m in 16/17, and approximately £4.8m of additional pressure in each year to 2020/21.
- 2.18 The council is still awaiting announcements of the details of several revenue grants, and is also awaiting announcements regarding capital grants. We expect details to emerge in January, and so they should be able to be captured for the draft Business Plan that will be presented to GPC on 2 February.

## 3. ALIGNMENT WITH CORPORATE PRIORITIES

This report gives an overview of the Business Planning Process which itself is the documents that sets out how the Council will meet the corporate priorities.



## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

This report sets out the financial implications that the provisional grant settlement will have on the Council's resources as contained within the Business Plan over the life of the MTFS.

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

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.

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

Community Impact Assessments have been completed for the proposals considered in the Business Planning Process.

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

Significant consultation has been taken out as part of the Business Planning Process.

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

Business Planning Proposals have been developed with significant Member involvement and consideration of the implications for localism.

### **4.6 Public Health Implications**

These are dealt with specifically in the proposals relating to the Health Committee, and where there are implications for work of other Committees these are highlighted.

<b>Source Documents</b>	<b>Location</b>
<a href="https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2016-to-2017">https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2016-to-2017</a>	Box OCT1114 Shire Hall Cambridge



**SERVICE COMMITTEE REVIEW OF DRAFT BUSINESS PLANNING PROPOSALS  
FOR 2016/17 TO 2020/21**

*To:* **General Purposes Committee**

*Meeting Date:* **14 January 2016**

*From:* **Sue Grace, Director Customer Service and Transformation  
Chris Malyon, Chief Finance Officer**

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

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

*Purpose:* **This report provides the Committee with an overview of the draft Business Plan Proposals for Corporate and Managed Services that are within the remit of the General Purposes Committee.**

**The report provides a summary of the latest available results from the budget consultation.**

*Recommendation:* **General Purposes Committee is recommended to:**

- a) note the overview and context provided for the 2016/17 to 2020/21 Business Plan proposals for the Service, updated since the last report to the Committee in December.**
- b) comment on the draft revenue savings proposals that are within the remit of the General Purposes Committee for 2016/17 to 2020/21, and endorse them to the General Purposes Committee as part of consideration for the Council's overall Business Plan.**
- c) note the ongoing stakeholder consultation and discussions with partners and service users regarding emerging business planning proposals.**
- d) approve the proposal to increase Blue Badge charges from April 2016 for new and replacement Badges to the maximum permitted under legislation.**

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## 1. OVERVIEW

- 1.1 The Council's Business Plan sets out how we will spend our money to achieve our vision and priorities for Cambridgeshire. Like all Councils across the country, we are facing a major challenge. Our funding is reducing at a time when our costs continue to rise significantly due to inflationary and demographic pressures. This means that despite the way in which we have been able to stimulate local economic growth, and the improving national economy, the financial forecast for the Council continues to present huge challenges.
- 1.2 The Council has now experienced a number of years of seeking to protect frontline services in response to reducing government funding. Looking back, we have saved £73m in the last two years and are on course to save a further £30m this year (2015/16). As a result, we have had to make tough decisions over service levels during this time. Over the coming five years those decisions become even more challenging. The choices are stark and unpalatable but very difficult decisions will need to be made as the Council has a statutory responsibility to set a balanced budget each year, as well as a duty to provide the best possible services for Cambridgeshire's communities. It is the Chief Finance Officer's statutory role to provide a statement on the robustness of the budget proposals when they are considered by Council in February.
- 1.3 This year the Council has agreed to move towards an outcome-led approach to business planning. This is defined and described through the draft Strategic Framework that was approved by the General Purposes Committee on 20 October this year (<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=12221>).
- 1.4 The Strategic Framework sets out the outcomes that the Council will work towards achieving, and the ways of working the Council will adopt, in the face of prolonged and extensive budget pressures. It is not a solution to austerity in itself, but instead it is the approach the Council has taken to best tackle the huge challenges it faces.
- 1.5 Within this new framework, the Council continues to undertake financial planning of its revenue budget over a five year timescale which creates links with its longer term financial modelling and planning for growth. As we prepare for the 2017/18 budget round early in the next financial year further work will be done to embed the outcome led approach to planning within the way the council operates and manages its budgets. This paper presents an overview of the proposals being put forward for 2016/17 as part of the Council's draft revenue budget.
- 1.6 Funding projections have been updated based on the latest available information to provide a current picture of the total resource available to the Council. At this stage in the year, however, projections remain fluid and will be reviewed as more accurate data becomes available.
- 1.7 The main causes of uncertainty are the effects of the Comprehensive Spending Review (CSR) issued on 25 November. Several of the announcements impact on the funding available to, and responsibilities of, local government from 2016/17 onwards, although a consultation document

on the grant settlement has been published. Until the detailed Local Government Finance Settlement is issued and can be analysed we cannot be certain of the impact on the Council. These budget proposals are prepared on the basis of financial modelling that takes into account some announcements from the CSR, but that does not yet take into account the full settlement. It should be noted that an initial assessment of 2016/17 settlement consultation document suggests that the council is likely to lose an additional £5m of Revenue Support Grant in 2016/17.

A full briefing on the finance settlement is expected to be issued in early January. Once the finance settlement is issued, a full review of our estimates of funding for the five year period will be undertaken, and budget proposals will be reviewed if necessary.

- 1.8 The Council issues cash limits for the period covered by the Business Plan (rolling five years) in order to provide clear guidance on the level of resources that services are likely to have available to deliver services over that period. To maintain stability for services and committees as they build their budgets we will endeavor to minimise variation in cash limits during the remainder of the process unless there is a material change in the budget gap.
- 1.9 The Committee is asked to endorse these proposals for consideration as part of the Council's development of the Business Plan for the next five years.
- 1.10 The Committee has previously received reports from the public consultation carried out as part of this year's business planning process. An updated summary report is attached as **Appendix E**.

## 2. SUMMARY OF THE DRAFT REVENUE BUDGET

- 2.1 In order to balance the budget in light of the cost and reduced government funding, savings or additional income of £42.9m are required for 2016-17, and a total of £121m across the full five years of the Business Plan. The following table shows the total amount necessary for each of the next five years, split by service block:

Service Block	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Children, Families and Adults	-31,299	-22,175	-16,499	-13,112	-8,048
Economy, Transport and Environment	-6,815	-3,663	-2,856	-2,041	-982
Public Health	-1,979	-1,198	-685	-830	-515
Corporate and Managed Services	-1,892	-1,746	-319	-869	-430
LGSS Operational	-971	-571	-803	-708	-351
<b>Total</b>	<b>-42,956</b>	<b>-29,353</b>	<b>-21,162</b>	<b>-17,560</b>	<b>-10,326</b>

- 2.2 In some cases services have planned to increase locally generated income instead of cutting expenditure. For the purpose of balancing the budget these two approaches have the same effect and are treated in the same way.

A list of pressures was reported in October, but since then two further pressures have been factored into financial modelling. These further pressures have not required an increase in the total level of savings, as it is anticipated that corporate funding will be available. The pressures are:

Service Block/Description	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
CFA: National Living Wage	4,956	4,861	4,765	4,763	4,833
CST: Apprenticeship Levy	0	500	0	0	0

Budget tables to date had assumed government funding to offset the National Living Wage pressure. The 2016/17 settlement consultation contained no funding for this new burden, however. It is likely that the flexibility for upper-tier councils to raise Council Tax by an additional 2% to support adult social care announced in the Autumn Statement is intended to give councils a means to fund this pressure.

- 2.3 Delivering the level of savings required to balance the budget becomes increasingly difficult each year. Work is still underway to explore any alternative savings that could mitigate the impact of our reducing budgets on our front line services, and business plan proposals are still being developed to deliver the following:

Service Block	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Children, Families and Adults	0	0	0	0	0
Economy, Transport and Environment	0	-1,135	-2,391	-2,041	-982
Public Health	0	0	-755	-912	-562
Corporate and Managed Services	0	0	-285	-827	0
LGSS Operational	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>-1,135</b>	<b>-3,431</b>	<b>-3,780</b>	<b>-1,544</b>

- 2.4 The level of savings required is predicated on an expected 1.99% increase in council tax each year. This assumption was built into the Medium Term Financial Strategy (MTFS) which was agreed by Full Council. For each 1% more or less that council tax is changed, the level of savings required will change by approximately +/-£2.4m.
- 2.5 Since the reports that were considered by the December service committees, additional funding headroom has been identified as a result of the change in the treatment of Public Health Grant (PHG) funding required by an announcement in the Comprehensive Spending Review. The PHG was ring-fenced for a further two years, which has resulted in an element of the overall savings allocation moving to PHG-funded services in order to ensure total PHG-funded expenditure matches the actual grant. This headroom will allow the removal of a limited number of savings that were originally planned, described in the paragraphs below.

2.6 The following savings in ETE were recommended to be removed by Highways & Community Infrastructure and Economy & Environment Committees in December:

Directorate	Committee	Proposal	2016/17 Impact £'000	2017/18 Impact £'000
ETE	HCI	Reactive highway maintenance	452	
ETE	HCI	Cyclic highway maintenance	217	
ETE	HCI	Mobile libraries	55	105
ETE	EE	Fenland Learning Centres		90
ETE	EE	Reduction in Passenger Transport Services	694	
<b>Total</b>			<b>1,418</b>	<b>195</b>

2.7 The following savings are also proposed to be removed or reduced subject to the views of the relevant committees:

Directorate	Committee	Proposal	2016/17 Impact £'000	2017/18 Impact £'000
CFA	CYP	Post-16 home to school transport saving for disadvantaged students	250	
CFA	CYP	Assistant Locality Manager posts in highest need areas	80	
CFA	Adults	Voluntary sector adult mental health contracts	134	
CFA	Adults	Community Equipment	100	
CFA	CYP	Personal budgets for children with disabilities	200	
CFA	CYP	NEET post to partly offset planned reductions	40	
PH	Health	Tobacco control: engagement with at risk groups	50	
PH	Health	Joint health intelligence unit with NHS/ reduced JSNA work	50	
PH	Health	Health visiting/family nurse partnership	100	
CST	GPC/Health	Community Engagement (including Time-banking) and contact centre public health activities	35	
CFA	Adults/Health	Older people's day services £150k	150	
ETE	EE/Health	Market town transport strategy – public health impact	40	

ETE	EE/Health	Fenland learning (public health MOU funding)		90
<b>Total</b>			1,229	90

### 3. OVERVIEW OF CORPORATE AND LGSS MANAGED SERVICES' DRAFT REVENUE PROGRAMME

- 3.1 The Committee has received and discussed proposals for Corporate and Managed Services in October and November 2015. The Committee is asked to endorse these as described in **Appendix A**, taking into account the update on specific issues as set out below.

#### Blue Badges

- 3.2 At the request of the Committee, a consultation was carried out to assess the impact of proposals to increase charges for new and replacement Blue Badges to the statutory maximum allowed by legislation. For new badges this is an increase of £1, and for replacement badges it is an increase of £5. It was also suggested by the Committee that if legislation changes in the future, then the Council will automatically increase charges to stay in line with the statutory maximum.
- 3.3 Even with these increases, the Council would continue to subsidise the Blue Badge scheme at a cost of around £113,000 per year due to the significant gap between income and the cost of operation.
- 3.4 A public consultation was held from 24 November 2015 to 5 January 2016. The consultation was targeted specifically at Blue Badge holders, but was also open to the public. This was the first occasion that the Council has utilised new software for carrying out such consultations which has enabled us to target our consultation more effectively to those who are likely to be impacted by the proposed change (mainly existing badge holders who had supplied the County Council with a valid e-mail address). This has resulted in a substantial return in comparison with other consultations with 3390 respondents (compared with 681 respondents for the Budget Challenge consultation).
- 3.5 The full results of the consultation are included as **Appendix B** of this report, but in summary:
- 95% of respondents and all seven of the respondent organisations "agreed" or "strongly agreed" with the proposal to increase the charge for applying for a Blue Badge from £9 to £10. The main reasons given for supporting the proposal were:

The high value placed on the Blue Badge by users compared to the size of increase:

"Cost of badge is more than compensated for by reduced parking charges in most places"



Ability to pay:

"I am extremely grateful for having a Blue Badge and the proposed increase is minimal compared to the freedom it gives me. Therefore, I have no problem with paying a little more..."

- 87.5% of respondents and all seven of the respondent organisations "agreed" or "strongly agreed" with the proposal to increase the charge for replacement Blue Badges from £5 to £10. There was some concern expressed about the size of the charge however, if someone had had their badge stolen:

"I believe that I would only be affected if my Blue Badge had been stolen, and to be honest I think that I would be annoyed to have to pay for a replacement, in those circumstances, however if the loss was my own fault then I should pay for the replacement."

- 78% of respondents agreed to the proposal that the Council automatically follows any national increases to the statutory maximum charges in this area, with four out of seven organisations agreeing
- 85% of respondents with four out of seven organisations felt that the proposed changes would have "little or no impact" on themselves and/or their families. Where impact was mentioned this was related to the additional costs of having a disability or being on a low income:

"I have a very small income - that will be eaten into. Yes, it's only a small amount... but. Typical to hit the people with the least - never hit the really wealthy people with cuts which would make little difference."

3.6 Overall the sample of people responding to the consultation was well balanced.

- There was nearly an equal mix of genders with 53% of respondents being female
- 57% of respondents were aged over 65, with 23% aged between 55 and 64
- When asked about their employment status, 64% classed themselves as retired. 8.6% of respondents selected "Other", the majority of these stated that they were disabled and not employed, instead of opting for the "unemployed" option given, where only 3% of respondents classed themselves as unemployed.
- The majority of respondents were White British; however there was at least one respondent in the most of the ethnic backgrounds.

3.7 When asked to comment on the impact the proposal would have the most frequent topics raised by respondents were:

- The benefits of the blue badge considerably outweighed the price;
- The proposed changes are too small, and they would be happy to pay more money for the badge;
- Fraudulent use of the badge should be monitored more closely;
- The increase will have a negative financial impact on holders with a low income (e.g. retired and unemployed people), with some stating that this

proposal penalises the disabled further when it is combined with other disability benefit cuts;

- Cost of replacing a stolen badge could be less than the cost of a replacement. A police crime report number could be given as evidence.
- Examples of alternative proposals the respondents gave include the following, although it is important to note that the Blue Badge scheme is Government led and so has very limited local flexibility over delivery:
- Issuing a short-time badge for the winter months, as some disabilities are worse in the colder weather;
- The badge could be means tested so that it does not adversely impact people of low incomes, allowing those who can to pay more for the badge;
- The issuing of badges could link in with the DLA or universal credit system

3.8 It is therefore proposed that the Committee approve the proposal to increase Blue Badge charges from April 2016 for new and replacement Badges to the maximum permitted under legislation.

3.9 An updated version of the Community Impact Assessment for this proposal is included as **Appendix C** of this report.

#### Short-term funding of the Directorate's transformation resource, as part of the Council-wide Corporate Capacity Review

3.10 As part of the proposals described in the October and November Business Planning reports to the Committee, it is being proposed that £150,000 of the savings required from Corporate Service are achieved through splitting out "core" functions from "transformation" functions within the directorate and funding these "transformation" functions through one-off resources rather than through base revenue funding.

3.11 Since this proposal was first developed, the new Chief Executive has launched a Corporate Capacity Review which will in effect widen the scope of the proposal for this directorate, across the entire Council.

3.12 As discussed with the Committee and Group Leaders, it is proposed that operational reserves from within Corporate Services are used to retain the "transformation" functions within the directorate whilst the Corporate Capacity Review is underway so that those working within transformation teams in Corporate Services are able to be included within the Corporate Capacity Review. The Corporate Capacity Review will be fully implemented during 2016/17.

#### Further Directorate revenue proposals

3.13 The remaining revenue proposals for Corporate and LGSS Managed Services are unchanged from those considered by the General Purposes Committee in October and November 2015. These are included within **Appendix A**, and the associated Community Impact Assessment is included as **Appendix D**.

## **4. CAPITAL PROGRAMME UPDATE**

4.1 The draft capital programme was reviewed individually by service committees in September and was subsequently reviewed in its entirety, along with the prioritisation of schemes, by General Purposes Committee in October. No changes were made as a result of these reviews, though work has been

ongoing to revise and update the programme in light of changes to overall funding or to individual schemes. Any changes, if required, were presented to service committees in December.

- 4.2 The Council is still awaiting funding announcements regarding various capital grants which are expected to be made during January, plus the ongoing nature of the capital programme inevitably means that circumstances are continual changing. Therefore Services will continue to make any necessary updates in the lead up to the GPC meeting at which the full draft Business Plan is considered.
- 4.3 The Capital Programme Board is to review the phasing of the capital programme, which will result in changes to the programme and consequently changes to the revenue financing costs of the capital programme.
- 4.4 In light of the level of slippage that as occurred in the capital programme over the last three years, a programme board has been established to improve the governance around the construction and delivery of the capital programme.
- 4.5 No changes have been made to the Corporate and Managed Services capital programme since the December committee.

## **5. NEXT STEPS**

January	General Purposes Committee meets to consider the impacts of the Local Government Finance Settlement
February	General Purposes Committee meets to consider the full Business Plan and recommend it to Full Council
February	Draft Business Plan for 2016/17 discussed by Full Council.
March	Publication of final CCC Business Plan for 2016/17. Ongoing work to deliver savings proposals.

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

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

There are no direct implications for this priority. However, services provided through this directorate play a vital role in supporting the Council to achieve its priorities.

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

There are no direct implications for this priority. However, services provided through this directorate play a vital role in supporting the Council to achieve its priorities.

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

There are no direct implications for this priority. However, services provided through this directorate play a vital role in supporting the Council to achieve its priorities.

## **7. SIGNIFICANT IMPLICATIONS**

### **7.1 Resource Implications**

Section 4 of this report outlines and summarises the financial implications of the proposals under corporate and managed services.

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

The proposals contained within this report span services that directly provide statutory functions, as well as services that support the Council as a whole to provide statutory functions.

### **7.3 Equality and Diversity Implications**

Community Impact Assessments have been completed for these proposals and are attached as associated appendixes of this report.

### **7.4 Engagement and Consultation Implications**

These proposals have been developed taking into account the responses Cambridgeshire communities gave through the Budget Challenge consultation, which incorporated an online survey as well as face-to-face engagement events across the county. Specific consultation has also been carried out around the proposal to increase charges for Blue Badges

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

Local Members continue to be critical to the implementation of the Business Plan, and will play a central role in the shaping and delivery of corporate services to support the future organisation.

### **7.6 Public Health Implications**

There are no direct implications for public health. However, services provided through this directorate play a vital role in supporting the Council to achieve its priorities.

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

# Finance Tables

## Introduction

There are six types of finance table: tables 1-3 relate to all Service Areas, while only some Service Areas have tables 4, 5 and/or 6. Tables 1, 2, 3 and 6 show a Service Area's revenue budget in different presentations. Tables 3 and 6 detail all the changes to the budget. Table 2 shows the impact of the changes in year 1 on each policy line. Table 1 shows the combined impact on each policy line over the 5 year period. Some changes listed in Table 3 impact on just one policy line in Tables 1 and 2, but other changes in Table 3 are split across various policy lines in Tables 1 and 2. Tables 4 and 5 outline a Service Area's capital budget, with table 4 detailing capital expenditure for individual proposals, and funding of the overall programme, by year and table 5 showing how individual capital proposals are funded.

**TABLE 1** presents the net budget split by policy line for each of the five years of the Business Plan. It also shows the revised opening budget and the gross budget, together with fees, charges and ring-fenced grant income, for 2016-17 split by policy line. Policy lines are specific areas within a service on which we report, monitor and control the budget. The purpose of this table is to show how the net budget for a Service Area changes over the period of the Business Plan.

**TABLE 2** presents additional detail on the net budget for 2016-17 split by policy line. The purpose of the table is to show how the budget for each policy line has been constructed: inflation, demography and demand, pressures, investments and savings are added to the opening budget to give the closing budget.

**TABLE 3** explains in detail the changes to the previous year's budget over the period of the Business Plan, in the form of individual proposals. At the top it takes the previous year's gross budget and then adjusts for proposals, grouped together in sections, covering inflation, demography and demand, pressures, investments and savings to give the new gross budget. The gross budget is reconciled to the net budget in Section 7. Finally, the sources of funding are listed in Section 8. An explanation of each section is given below.

- **Opening Gross Expenditure:** The amount of money available to spend at the start of the financial year and before any adjustments are made. This reflects the final budget for the previous year.
- **Revised Opening Gross Expenditure:** Adjustments that are made to the base budget to reflect permanent changes in a Service Area. This is usually to reflect a transfer of services from one area to another.
- **Inflation:** Additional budget provided to allow for pressures created by inflation. These inflationary pressures are particular to the activities covered by the Service Area.
- **Demography and Demand:** Additional budget provided to allow for pressures created by demography and increased demand. These demographic pressures are particular to the activities covered by the Service Area. Demographic changes are backed up by a robust programme to challenge and verify requests for additional budget.
- **Pressures:** These are specific additional pressures identified that require further budget to support.
- **Investments:** These are investment proposals where additional budget is sought, often as a one-off request for financial support in a given year and therefore shown as a reversal where the funding is time limited (a one-off investment is not a permanent addition to base budget).
- **Savings:** These are savings proposals that indicate services that will be reduced, stopped or delivered differently to reduce the costs of the service. They could be one-off entries or span several years.
- **Total Gross Expenditure:** The newly calculated gross budget allocated to the Service Area after allowing for all the changes indicated above. This becomes the Opening Gross Expenditure for the following year.
- **Fees, Charges & Ring-fenced Grants:** This lists the fees, charges and grants that offset the Service Area's gross budget. The section starts with the carried forward figure from the previous year and then lists changes applicable in the current year.
- **Total Net Expenditure:** The net budget for the Service Area after deducting fees, charges and ring-fenced grants from the gross budget.
- **Funding Sources:** How the gross budget is funded – funding sources include cash limit funding (central Council funding from Council Tax, business rates and government grants), fees and charges, and individually listed ring-fenced grants.

**TABLE 4** presents a Service Area's capital schemes, across the ten-year period of the capital programme. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table. The third table

identifies the funding sources used to fund the programme. These sources include prudential borrowing, which has a revenue impact for the Council.

**TABLE 5** lists a Service Area's capital schemes and shows how each scheme is funded. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table.

**TABLE 6** follows the same format and purpose as table 3 for Service Areas where there is a rationale for splitting table 3 in two.

## Section 4 - C: Corporate and Managed Services

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

Budget Period: 2016-17 to 2020-21

Net Revised Opening Budget 2016-17 £000	Policy Line	Gross Budget 2016-17 £000	Fees, Charges & Ring-fenced Grants 2015-16 £000	Net Budget 2016-17 £000	Net Budget 2017-18 £000	Net Budget 2018-19 £000	Net Budget 2019-20 £000	Net Budget 2020-21 £000
	<b>Corporate Services</b>							
994	Director, Policy & Business Support	1,169	-101	1,068	1,568	1,669	1,669	1,669
295	Chief Executive	205	-3	202	202	202	202	202
464	Corporate Information Management	492	-28	464	429	429	429	431
1,285	Customer Services	1,266	-128	1,138	1,161	1,185	1,211	1,238
480	Digital Strategy	492	-	492	492	492	492	492
270	Research	388	-145	243	243	243	243	243
-	- Service Transformation	-	-	-	-	-	-	-
136	Smarter Business	-	-	-	-	-	-	-
550	Strategic Marketing, Communications & Engagement	504	2	504	504	504	504	504
198	Elections	165	-	165	165	165	165	165
926	Redundancy, Pensions & Injury	1,116	-189	927	917	907	897	887
<b>5,598</b>	<b>Subtotal Corporate Services</b>	<b>5,795</b>	<b>-592</b>	<b>5,203</b>	<b>5,681</b>	<b>5,796</b>	<b>5,812</b>	<b>5,831</b>
	<b>Managed Services</b>							
1,102	Building Maintenance	1,204	-89	1,115	1,115	1,115	1,115	1,115
917	City Deal	1,434	-	1,434	1,511	1,643	1,802	1,802
-3,174	County Farms	1,078	-4,532	-3,454	-4,405	-4,406	-4,414	-4,423
121	Effective Property Asset Management	147	-146	1	1	1	1	1
179	External Audit	141	-	141	141	141	141	141
-46	Finance Managed	273	-318	-45	-45	55	55	55
1,482	Insurance	1,894	-	1,894	1,894	1,894	1,894	1,894
2,207	IT Managed	1,869	-	1,869	1,869	1,869	1,869	1,869
1,000	Members Allowances	1,025	-5	1,020	1,020	1,020	1,020	1,020
128	Organisational & Workforce Development Managed	131	-	131	131	131	131	131
5,541	Property Managed	6,014	-965	5,049	4,407	4,388	4,369	3,808
1,000	Transformation Fund	1,000	-	1,000	1,000	1,000	1,000	1,000
<b>10,457</b>	<b>Subtotal Managed Services</b>	<b>16,210</b>	<b>-6,055</b>	<b>10,155</b>	<b>8,639</b>	<b>8,851</b>	<b>8,983</b>	<b>8,413</b>
	<b>Future Years</b>							
-	- Inflation	-	-	-	286	628	980	1,334
-	- Savings	-	-	-	-	-285	-1,112	-958
<b>16,055</b>	<b>CS BUDGET TOTAL</b>	<b>22,005</b>	<b>-6,647</b>	<b>15,358</b>	<b>14,606</b>	<b>14,990</b>	<b>14,663</b>	<b>14,620</b>



## Section 4 - C: Corporate and Managed Services

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

Budget Period: 2016-17

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
<b>Corporate Services</b>							
Director, Policy & Business Support	994	21	-	63	-	-10	1,068
Chief Executive	295	7	-	-	-	-100	202
Corporate Information Management	464	11	-	-	-	-11	464
Customer Services	1,285	33	24	-	-160	-44	1,138
Digital Strategy	480	12	-	-	-	-	492
Research	270	8	-	-	-	-35	243
Service Transformation	-	-	-	-	-	-	-
Smarter Business	136	4	-	-	-	-140	-
Strategic Marketing, Communications & Engagement	550	12	-	-	-	-58	504
Elections	198	2	-	-	-	-35	165
Redundancy, Pensions & Injury	926	11	-	-	-	-10	927
<b>Subtotal Corporate Services</b>	<b>5,598</b>	<b>121</b>	<b>24</b>	<b>63</b>	<b>-160</b>	<b>-443</b>	<b>5,203</b>
<b>Managed Services</b>							
Building Maintenance	1,102	13	-	-	-	-	1,115
City Deal	917	-	-	-	517	-	1,434
County Farms	-3,174	-	-	-	-	-280	-3,454
Effective Property Asset Management	121	1	-	-	-	-121	1
External Audit	179	2	-	-	-	-40	141
Finance Managed	-46	1	-	-	-	-	-45
Insurance	1,482	134	-	278	-	-	1,894
IT Managed	2,207	24	-	-	-	-362	1,869
Members Allowances	1,000	20	-	-	-	-	1,020
Organisational & Workforce Development Managed	128	3	-	-	-	-	131
Property Managed	5,541	55	-	145	-45	-647	5,049
Transformation Fund	1,000	-	-	-	-	-	1,000
<b>Subtotal Managed Services</b>	<b>10,457</b>	<b>253</b>	<b>-</b>	<b>423</b>	<b>472</b>	<b>-1,450</b>	<b>10,155</b>
<b>CS BUDGET TOTAL</b>	<b>16,055</b>	<b>374</b>	<b>24</b>	<b>486</b>	<b>312</b>	<b>-1,893</b>	<b>15,358</b>

## Section 4 - C: Corporate and Managed Services

**Table 3: Revenue - Overview**

Budget Period: 2016-17 to 2020-21

Detailed Plans	Outline Plans
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Ref	Title	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Type	Description	Committee
<b>1</b>	<b>OPENING GROSS EXPENDITURE</b>	<b>20,339</b>	<b>22,006</b>	<b>22,797</b>	<b>23,004</b>	<b>22,713</b>			
C/R.1.001	Base Adjustments	466	-	-	-	-	Existing	Adjustment for permanent changes to base budget from decisions made in 2015-16.	GPC
C/R.1.002	Base Adjustment - City Deal	917	-	-	-	-	New	City Deal budget moved from Economy, Transport and Environment Services.	GPC
<b>1.999</b>	<b>REVISED OPENING GROSS EXPENDITURE</b>	<b>21,722</b>	<b>22,006</b>	<b>22,797</b>	<b>23,004</b>	<b>22,713</b>			
<b>2</b>	<b>INFLATION</b>								
C/R.2.001	Inflation	385	302	361	375	379	Existing	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 - Impact of National Living Wage on CCC employee costs	-	-	-	1	4	New	The cost impact of the introduction of the National Living Wage (NLW) on directly employed CCC staff is minimal, due to a low number of staff being paid below the proposed NLW rates.	GPC
<b>2.999</b>	<b>Subtotal Inflation</b>	<b>385</b>	<b>302</b>	<b>361</b>	<b>376</b>	<b>383</b>			
<b>3</b>	<b>DEMOGRAPHY AND DEMAND</b>								
C/R.3.001	Customer Services Demography	24	23	24	25	25	Existing	Increases in demography growth may increase contact volumes to Customer Services (Contact Centre).	GPC
<b>3.999</b>	<b>Subtotal Demography and Demand</b>	<b>24</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>25</b>			
<b>4</b>	<b>PRESSURES</b>								
C/R.4.004	Single-tier State Pension	63	-	-	-	-	Modified	The Government plans to abolish the State Second Pension on 1st April 2015. The Council currently receives a rebate on the amount of National Insurance contributions it pays as an employer because it has "contracted out" of the State Second Pension. This rebate will cease when the State Second Pension is abolished, resulting in an increase in the cost of National Insurance contributions which the Council is required to pay.	GPC
C/R.4.005	Apprenticeship Levy	-	500	-	-	-	New	From April 2017, large employers will be required to pay a levy of 0.5% of their salary budget in order to provide central government with a pool of money to support apprenticeship schemes. This is the forecast cost for the whole council; it is unclear what if any benefit the council will receive from the scheme.	GPC
C/R.4.901	Children's Centres Business Rates	145	-	-	-	-	New	A pressure has been identified in relation to business rates charges for the Children's Centre portfolio. These properties have not previously been subject to business rates, but the sites have been reassessed and it has been determined the Council is now liable for payments.	GPC
C/R.4.902	Insurance Fund	278	-	-	-	-	New	A few years ago an Actuarial review indicated that the insurance fund balance was too high and therefore annual contributions were reduced. Having done this, the level of the fund has reduced to a more appropriate level, but we now need to increase contributions to maintain the fund balance at this level, this following a further Actuarial assessment of future liabilities.	GPC
C/R.4.903	Renewable Energy - Soham	-	183	4	5	4	New	Operating costs associated with the Renewable Energy - Soham capital investment. Links to capital proposal C/C.2.102.	GPC

## Section 4 - C: Corporate and Managed Services

**Table 3: Revenue - Overview**

Budget Period: 2016-17 to 2020-21

Detailed Plans	Outline Plans
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Ref	Title	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Type	Description	Committee
4.999	<b>Subtotal Pressures</b>	486	683	4	5	4			
5	<b>INVESTMENTS</b>								
C/R.5.001	Contact Centre - customer service advisors	-160	-	-	-	-	Existing	Removal of 2 year investment in year 2016-17.	GPC
C/R.5.902	Property Rationalisation Resource	-45	-75	-	-	-	Existing	Phased removal of two year investment in resource to support property rationalisation project.	GPC
C/R.5.953	City Deal Revenue Costs	517	77	132	159	-	New	City Deal revenue costs funded by the growth in New Homes Bonus.	GPC
5.999	<b>Subtotal Investments</b>	312	2	132	159	-			
6	<b>SAVINGS</b>								
	<b>CS Cross-Service</b>								
C/R.6.001	Realignment of Transformation Functions	-150	-	-	-	-	New	Realignment of how Cambridgeshire County Council finance the support for council-wide Transformation through identifying alternatives source of funding.	GPC
	<b>Director, Policy &amp; Business Support</b>								
C/R.6.101	Annual Consultation	-10	-	-	-	-	New	Reduced costs of annual consultation process.	GPC
	<b>Chief Executive</b>								
C/R.6.201	Senior Management Arrangements	-100	-	-	-	-	New	Further reductions in Senior Management costs.	GPC
	<b>Corporate Information Management</b>								
C/R.6.301	Courier Contract	-	-35	-	-	-	New	Removal of Courier contract budget following changes to Council-wide postage service.	GPC
	<b>Customer Services</b>								
C/R.6.401	Contact Centre SLA	-20	-	-	-	-	New	Saving available from Contact Centre base budget as a result of increased internal income achieved through services offered by the Contact Centre.	GPC
C/R.6.402	Review contact centre public health activities	-7	-	-	-	-	New	A reduction in Public Health funding provided to this service as a result of cuts to the grant.	GPC
	<b>Strategic Marketing, Communications &amp; Engagement</b>								
C/R.6.501	Voluntary Sector Infrastructure Grants	-30	-	-	-	-	New	Reduction of grant funding to voluntary sector infrastructure organisations following ongoing review with the sector to ensure more targeted impact for the grants awarded.	GPC
C/R.6.502	Review community engagement and timebanking public health activities	-28	-	-	-	-	New	A reduction in Public Health funding provided to this service as a result of cuts to the grant.	GPC
	<b>Elections</b>								
C/R.6.601	Elections	-35	-	-	-	-	New	Reduction to annual election costs budget.	GPC
	<b>Redundancy, Pensions &amp; Injury</b>								
C/R.6.701	Reduction in costs on Redundancy, Pensions & Injury budget	-10	-10	-10	-10	-10	New	Reduction in costs on Redundancy, Pensions & Injury budget, held within Corporate Services.	GPC
	<b>Managed Services</b>								
C/R.6.901	Reduction in External Audit Fees	-40	-	-	-	-	Modified	Reduction in external audit costs to reflect reduced fees.	GPC
C/R.6.903	Rationalisation of Property Portfolio	-	-154	-	-	-553	Modified	Rationalisation of CCC property portfolio.	GPC
C/R.6.904	Effective Property Asset Management	-68	-	-	-	-	Modified	Removal of budget available to fund revenue costs associated with the Effective Property Asset Management project.	GPC

## Section 4 - C: Corporate and Managed Services

**Table 3: Revenue - Overview**

Budget Period: 2016-17 to 2020-21

Detailed Plans	Outline Plans
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Ref	Title	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Type	Description	Committee
C/R.6.905	Energy Efficiency Fund - Repayment of Financing Costs	-10	-20	-19	-19	-8	New	Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal C/C.2.119	GPC
C/R.6.906	Making Assets Count - March Market Town Project	-53	-	-	-	-	New	Removal of revenue investment for staffing costs to support the Making Assets Count March Market Town Project capital scheme. Links to capital proposal C/C.2.107.	GPC
C/R.6.907	Corporate Office IT Assets	-362	-	-	-	-	New	Removal of revenue budget for refresh of office IT assets (pc's), facilitated by the move towards provision of mobile devices, which are funded from the IT for Smarter Business Working capital scheme.	GPC
<b>6.999</b>	<b>Subtotal Savings</b>	<b>-923</b>	<b>-219</b>	<b>-29</b>	<b>-29</b>	<b>-571</b>			
	<b>UNIDENTIFIED SAVINGS TO BALANCE BUDGET</b>	<b>-</b>	<b>-</b>	<b>-285</b>	<b>-827</b>	<b>154</b>			
	<b>TOTAL GROSS EXPENDITURE</b>	<b>22,006</b>	<b>22,797</b>	<b>23,004</b>	<b>22,713</b>	<b>22,708</b>			
<b>7</b>	<b>FEES, CHARGES &amp; RING-FENCED GRANTS</b>								
C/R.7.001	Previous year's fees, charges & ring-fenced grants	-5,522	-6,647	-8,190	-8,013	-8,049	Existing	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.	GPC
C/R.7.002	Increase in fees, charges & ring-fenced grants	-180	-	-	-	-	New	Adjustment for changes to fees, charges & ring-fenced grants reflecting decisions made in 2015-16.	GPC
C/R.7.003	Fees and charges inflation	-11	-16	-19	-23	-25	Existing	Uplift in external charges to reflect inflation pressures on the costs of services.	GPC
	<b>Changes to fees &amp; charges</b>								
C/R.7.103	County Farms Investment (Viability) - Surplus to Repayment of Financing Costs	-283	-15	37	16	-4	New	Increase in County Farms rental income resulting from capital investment. Element surplus to repaying financing costs.	GPC
C/R.7.104	County Farms Investment (Viability) - Repayment of Financing Costs	3	-60	-37	-16	4	Existing	Increase in County Farms rental income resulting from capital investment. Links to capital proposal C/C.2.101.	GPC
C/R.7.105	Renewable Energy Soham - Repayment of Financing Costs	-	-876	-1	-8	100	Modified	Income generation resulting from capital investment in solar farm at Soham. Element to repay financing costs. Links to capital proposal C/C.2.102.	GPC
C/R.7.106	Renewable Energy Soham - Surplus to Repayment of Financing Costs	-	-183	-4	-5	-113	Existing	Income generation resulting from capital investment in solar farm at Soham. Element to surplus to repaying financing costs.	GPC
C/R.7.107	Solar PV - Repayment of Financing Costs	1	-	1	-	-	Existing	Income generation resulting from installation of solar PV at a further 5 CCC non-school sites. Element to repay financing costs.	GPC
C/R.7.108	Solar PV - Surplus to Repayment of Financing Costs	-1	-	-1	-	-	Existing	Income generation resulting from installation of solar PV at a further 5 CCC non-school sites. Element surplus to repayment of financing costs.	GPC
C/R.7.120	Income from Rationalisation of Property Portfolio	-637	-393	-	-	-	New	Income generation from alternative use of major office building(s) to provide ongoing revenue streams.	GPC
C/R.7.150	Research Income Generation	-35	-	-	-	-	New	Generation of additional external income resulting from provision of Research services to outside bodies.	GPC
C/R.7.160	Blue Badges	-17	-	-	-	-	New	Additional income generation resulting from proposal to increase charges for Blue Badges to the statutory maximum, reducing the level of Council subsidy of the scheme.	GPC

## Section 4 - C: Corporate and Managed Services

**Table 3: Revenue - Overview**

Budget Period: 2016-17 to 2020-21

Detailed Plans	Outline Plans
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Ref	Title	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Type	Description	Committee
C/R.7.201	<b>Changes to ring-fenced grants</b> Change in Public Health Grant	35	-	201	-	-	Existing	Change in ring-fenced Public Health grant to reflect change of function and treatment as a corporate grant from 2018-19 due to removal of ring-fence.	GPC
7.999	<b>Subtotal Fees, Charges &amp; Ring-fenced Grants</b>	<b>-6,647</b>	<b>-8,190</b>	<b>-8,013</b>	<b>-8,049</b>	<b>-8,087</b>			
	<b>TOTAL NET EXPENDITURE</b>	<b>15,359</b>	<b>14,607</b>	<b>14,991</b>	<b>14,664</b>	<b>14,621</b>			

FUNDING SOURCES									
<b>8</b>	<b>FUNDING OF GROSS EXPENDITURE</b>								
C/R.8.001	Cash Limit Funding	-15,359	-14,607	-14,991	-14,664	-14,621	Existing	Net spend funded from general grants, business rates and Council Tax.	GPC
C/R.8.002	Public Health Grant	-201	-201	-	-	-	Existing	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	-6,446	-7,989	-8,013	-8,049	-8,087	Existing	Fees and charges for the provision of services.	GPC
8.999	<b>TOTAL FUNDING OF GROSS EXPENDITURE</b>	<b>-22,006</b>	<b>-22,797</b>	<b>-23,004</b>	<b>-22,713</b>	<b>-22,708</b>			

MEMORANDUM: SAVINGS / INCREASED INCOME					
Savings	-923	-219	-29	-29	-571
Unidentified savings to balance budget	-	-	-285	-827	154
Changes to fees & charges	-969	-1,527	-5	-13	-13
<b>TOTAL SAVINGS / INCREASED INCOME</b>	<b>-1,892</b>	<b>-1,746</b>	<b>-319</b>	<b>-869</b>	<b>-430</b>

MEMORANDUM: NET REVISED OPENING BUDGET					
Revised Opening Gross Expenditure	21,722	22,006	22,797	23,004	22,713
Previous year's fees, charges & ring-fenced grants	-5,522	-6,647	-8,190	-8,013	-8,049
Changes to fees, charges & ring-fenced grants in revised opening budget	-934	-1,527	196	-13	-13
<b>NET REVISED OPENING BUDGET</b>	<b>15,266</b>	<b>13,832</b>	<b>14,803</b>	<b>14,978</b>	<b>14,651</b>

## Section 4 - C: Corporate and Managed Services

**Table 4: Capital Programme**

Budget Period: 2016-17 to 2025-26

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Later Years £000
Ongoing	125,094	6,847	2,070	6,832	12,295	13,122	13,286	70,642
Committed Schemes	23,037	6,341	13,170	3,526	-	-	-	-
2016-2017 Starts	1,345	-	595	250	250	250	-	-
2017-2018 Starts	101,100	-	-	22,659	41,721	29,220	7,500	-
<b>TOTAL BUDGET</b>	<b>250,576</b>	<b>13,188</b>	<b>15,835</b>	<b>33,267</b>	<b>54,266</b>	<b>42,592</b>	<b>20,786</b>	<b>70,642</b>

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Later Years £000	Committee
<b>C/C.01</b>	<b>Corporate Services</b>												
C/C.1.001	Essential CCC Business Systems Upgrade	Windows 2003 servers come to the end of their life in July 2015. The majority of all organisation wide customer / digital systems currently sit on these servers, which will require upgrading.		Committed	300	240	33	27	-	-	-	-	GPC
C/C.1.002	Office Portfolio Rationalisation	Investment to support the continued rationalisation of the CCC office portfolio.		2016-17	345	-	345	-	-	-	-	-	GPC
	<b>Total - Corporate Services</b>				<b>645</b>	<b>240</b>	<b>378</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>C/C.02</b>	<b>Managed Services</b>												
C/C.2.001	Optimising the benefits of IT for Smarter Business Working	IT provision to the Council will be significantly redesigned and optimised to support the transformation working envisioned by the Council as defined by the Smarter Business programme. This will involve an increase in mobile working (smart phones, tablets and laptops) and a smaller set of 'desktop' devices, likely provisioned using Thin Client technology.		Committed	3,375	1,675	1,150	550	-	-	-	-	GPC
C/C.2.002	Implementing IT Resilience Strategy for Data Centres	To establish mirrored data centre facilities for LGSS service users, in order to maintain IT services in the event of failure of one of the sites.		Committed	500	250	250	-	-	-	-	-	GPC
C/C.2.003	IT Infrastructure Investment	This scheme continues the delivery of upgrades / refresh of the core IT software and hardware systems that underpin use of IT across the Council into 016-17.		Committed	2,400	1,500	900	-	-	-	-	-	GPC
C/C.2.005	Microsoft Enterprise Agreement for CCC	Microsoft software is deeply embedded in the Council's IT services, from desktop office automation, email and operating systems, to collaboration (SharePoint) and integration (BizTalk) services, and server operating systems and management tools. An Enterprise Agreement is offered by Microsoft as a way to buy and support licences for their software products as a bundle. This is at a lower cost than buying the components separately, and delivers additional benefits such as technical training and support.		Committed	1,902	902	1,000	-	-	-	-	-	GPC

## Section 4 - C: Corporate and Managed Services

**Table 4: Capital Programme**

Budget Period: 2016-17 to 2025-26

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Later Years £000	Committee
C/C.2.006	CPSN Replacement	This is for the procurement of a replacement Wide Area Network solution. The current contract service is due to end in June 2018. This proposal is for funding for the 2017-18 and 2018-19 financial years to allow for the procurement and transition to a new service.		2017-18	5,500	-	-	500	5,000	-	-	-	GPC
C/C.2.101	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.	C/R.7.104	Ongoing	2,604	1,104	500	500	500	-	-	-	GPC
C/C.2.102	Renewable Energy - Soham	Investment in a solar farm to maximize potential revenue from Council land holdings, helping to secure national energy supplies and helping meet Government carbon reduction targets.	C/R.4.903 C/R.7.105 C/R.7.106	Committed	9,820	1,569	8,251	-	-	-	-	-	GPC
C/C.2.103	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	4,284	1,234	400	350	350	300	300	1,350	GPC
C/C.2.104	Burwell Newmarket Road 350 Homes Invest to Save	Development of the new "affordable" housing requirement and a proportion of the market rented dwellings related to the residential planning consent for development on Council owned land in order to generate an ongoing income stream.	C/R.7.117	Ongoing	105,797	500	-	4,812	10,275	11,652	12,366	66,192	GPC
C/C.2.107	MAC Market Towns Project (March)	Work within the MAC partnership to deliver property-related benefits in key market towns, including public service hubs, housing, retail and regeneration, with significant revenue savings and substantial capital receipts for the Council and its partners. The first phase will focus on March.	C/R.5.952	Committed	1,481	-	481	1,000	-	-	-	-	GPC
C/C.2.108	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	1,309	174	1,105	30	-	-	-	-	GPC
C/C.2.109	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	31	-	1,919	-	-	-	-	GPC
C/C.2.111	Shire Hall	This budget is used to carry out essential maintenance and potentially limited improvements required to occupy Shire Hall for a further 10 years, in accordance with the previous Cabinet decision in November 2009.		Ongoing	6,209	4,009	550	550	550	550	-	-	GPC
C/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	GPC

## Section 4 - C: Corporate and Managed Services

**Table 4: Capital Programme**

Budget Period: 2016-17 to 2025-26

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Later Years £000	Committee
C/C.2.113	Equality Act Works in Corporate Offices	This budget is used to provide "reasonable adjustments" for disabled staff employed by the Council.		Ongoing	200	-	20	20	20	20	20	100	GPC
C/C.2.114	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.		2017-18	5,198	-	-	482	482	4,234	-	-	GPC
C/C.2.115	Worts Causeway 230 Homes Invest to Save	Development of new "affordable" housing (40%) and open market rent housing (60%) on Council owned land in order to generate an ongoing income stream	C/R.7.116	2017-18	57,202	-	-	12,577	27,139	17,486	-	-	GPC
C/C.2.116	Shepreth 7 Homes Invest to Save	Development of new "affordable" housing and open market rent housing on Council owned land in order to generate an ongoing income stream.		2017-18	1,200	-	-	600	600	-	-	-	GPC
C/C.2.117	Cottenham 200 Homes Invest to Save	Development of new "affordable" housing and open market rent housing on Council owned land in order to generate an ongoing income stream.		2017-18	30,000	-	-	7,500	7,500	7,500	7,500	-	GPC
C/C.2.118	Redevelopment of Milton Road Library, Cambridge	A scheme to replace the existing structurally failing Milton Road Library building with a new building including a Community rm with 8 private market rent flats on two floors above.		2017-18	2,000	-	-	1,000	1,000	-	-	-	GPC
C/C.2.119	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.		2016-17	1,000	-	250	250	250	250	-	-	GPC
<b>Total - Managed Services</b>					<b>249,931</b>	<b>12,948</b>	<b>15,457</b>	<b>33,240</b>	<b>54,266</b>	<b>42,592</b>	<b>20,786</b>	<b>70,642</b>	
<b>TOTAL BUDGET</b>					<b>250,576</b>	<b>13,188</b>	<b>15,835</b>	<b>33,267</b>	<b>54,266</b>	<b>42,592</b>	<b>20,786</b>	<b>70,642</b>	

Funding	Total Funding £000	Previous Years £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Later Years £000
<b>Government Approved Funding</b>								
<b>Total - Government Approved Funding</b>	-	-	-	-	-	-	-	-
<b>Locally Generated Funding</b>								
Agreed Developer Contributions	255	-	-	255	-	-	-	-
Capital Receipts	43,701	9,442	10,268	3,189	2,704	2,727	6,513	8,858
Prudential Borrowing	39,161	3,586	6,103	11,814	13,666	6,493	1,907	-4,408
Prudential Borrowing (Repayable)	1	-	-536	18,009	37,896	33,372	9,859	-98,599
Ring-Fenced Capital Receipts	167,298	-	-	-	-	-	2,507	164,791
Other Contributions	160	160	-	-	-	-	-	-
<b>Total - Locally Generated Funding</b>	<b>250,576</b>	<b>13,188</b>	<b>15,835</b>	<b>33,267</b>	<b>54,266</b>	<b>42,592</b>	<b>20,786</b>	<b>70,642</b>
<b>TOTAL FUNDING</b>	<b>250,576</b>	<b>13,188</b>	<b>15,835</b>	<b>33,267</b>	<b>54,266</b>	<b>42,592</b>	<b>20,786</b>	<b>70,642</b>



## Section 4 - C: Corporate and Managed Services

**Table 5: Capital Programme - Funding**

Budget Period: 2016-17 to 2025-26

Summary of Schemes by Start Date						Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000	Committee
Ongoing						125,094	-	-	160	145,324	-20,390	
Committed Schemes						23,037	-	255	-	3,673	19,109	
2016-2017 Starts						1,345	-	-	-	-	1,345	
2017-2018 Starts						101,100	-	-	-	62,002	39,098	
<b>TOTAL BUDGET</b>						<b>250,576</b>	<b>-</b>	<b>255</b>	<b>160</b>	<b>210,999</b>	<b>39,162</b>	

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	Committee
<b>C/C.01</b>	<b>Corporate Services</b>										
C/C.1.001	Essential CCC Business Systems Upgrade		-	Committed	300	-	-	-	-	300	
C/C.1.002	Office Portfolio Rationalisation		-	2016-17	345	-	-	-	-	345	
	<b>Total - Corporate Services</b>		-		<b>645</b>	-	-	-	-	<b>645</b>	
<b>C/C.02</b>	<b>Managed Services</b>										
C/C.2.001	Optimising the benefits of IT for Smarter Business Working		-	Committed	3,375	-	-	-	299	3,076	GPC
C/C.2.002	Implementing IT Resilience Strategy for Data Centres		-	Committed	500	-	-	-	-	500	GPC
C/C.2.003	IT Infrastructure Investment		-	Committed	2,400	-	-	-	492	1,908	GPC
C/C.2.005	Microsoft Enterprise Agreement for CCC		-	Committed	1,902	-	-	-	402	1,500	GPC
C/C.2.006	CPSN Replacement		-	2017-18	5,500	-	-	-	-	5,500	GPC
C/C.2.101	County Farms investment (Viability)	C/R.7.104	-3,116	Ongoing	2,604	-	-	-	422	2,182	GPC
C/C.2.102	Renewable Energy - Soham	C/R.4.903	-8,174	Committed	9,820	-	-	-	111	9,709	GPC
		C/R.7.105									
		C/R.7.106									
C/C.2.103	Local Plans - representations		-	Ongoing	4,284	-	-	10	618	3,656	GPC
C/C.2.104	Burwell Newmarket Road 350 Homes Invest to Save	C/R.7.117	-87,495	Ongoing	105,797	-	-	-	105,429	368	GPC
C/C.2.107	MAC Market Towns Project (March)	C/R.5.952	-2,556	Committed	1,481	-	-	-	1,799	-318	GPC
C/C.2.108	Community Hubs - Sawston		-	Committed	1,309	-	-	-	39	1,270	GPC
C/C.2.109	Community Hubs - East Barnwell		-	Committed	1,950	-	255	-	531	1,164	GPC
C/C.2.111	Shire Hall		-	Ongoing	6,209	-	-	150	2,273	3,786	GPC
C/C.2.112	Building Maintenance		-	Ongoing	6,000	-	-	-	-	6,000	GPC
C/C.2.113	Equality Act Works in Corporate Offices		-	Ongoing	200	-	-	-	-	200	GPC
C/C.2.114	MAC Joint Highways Depot		-183	2017-18	5,198	-	-	-	4,800	398	GPC
C/C.2.115	Worts Causeway 230 Homes Invest to Save	C/R.7.116	-41,797	2017-18	57,202	-	-	-	57,202	-	GPC
C/C.2.116	Shepreth 7 Homes Invest to Save		-5,401	2017-18	1,200	-	-	-	-	1,200	GPC
C/C.2.117	Cottenham 200 Homes Invest to Save		-13,871	2017-18	30,000	-	-	-	-	30,000	GPC
C/C.2.118	Redevelopment of Milton Road Library, Cambridge		417	2017-18	2,000	-	-	-	-	2,000	GPC
C/C.2.119	Energy Efficiency Fund		-550	2016-17	1,000	-	-	-	-	1,000	GPC
	<b>Total - Managed Services</b>		<b>-162,726</b>		<b>249,931</b>	<b>-</b>	<b>255</b>	<b>160</b>	<b>174,417</b>	<b>75,099</b>	
C/C.9.001	Excess Corporate Services capital receipts used to reduce total prudential borrowing			Ongoing	-	-	-	-	36,582	-36,582	GPC
	<b>TOTAL BUDGET</b>				<b>250,576</b>	<b>-</b>	<b>255</b>	<b>160</b>	<b>210,999</b>	<b>39,162</b>	

## Section 4 - C: Corporate and Managed Services

**Table 6: Revenue - Financing Debt Charges Overview**

Budget Period: 2016-17 to 2020-21

Detailed Plans	Outline Plans
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Ref	Title	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Type	Description	Committee
1	OPENING GROSS EXPENDITURE	35,460	34,966	40,165	42,657	44,262			
F/R.1.001	Base Adjustments	-	-	-	-	-	Existing	Adjustment for permanent changes to base budget from decisions made in 2014-15.	GPC
1.999	REVISED OPENING GROSS EXPENDITURE	35,460	34,966	40,165	42,657	44,262			
2	INFLATION								
2.999	Subtotal Inflation	-	-	-	-	-			
3	DEMOGRAPHY AND DEMAND								
3.999	Subtotal Demography and Demand	-	-	-	-	-			
4	PRESSURES								
4.999	Subtotal Pressures	-	-	-	-	-			
5	INVESTMENTS								
F/R.5.001	Revenue impact of Capital decisions	946	2,867	899	324	-540	Existing	Change in borrowing costs as a result of changes to levels of prudential borrowing in the capital programme.	GPC
F/R.5.002	Invest to Save Hosuing Schemes - Interest Costs	-	892	1,593	1,281	627	New	Revenue costs associated with the development of new 'affordable' housing and open market rent housing on Council owned land in order to generate long-term income streams.	GPC
5.999	Subtotal Investments	946	3,759	2,492	1,605	87			
6	SAVINGS								
F/R.6.001	PFI Refinancing	-1,440	1,440	-	-	-	New	A one-off saving generated in 2016/17 as a result of refinancing the PFI contract for Thomas Clarkson Community College.	GPC
6.999	Subtotal Savings	-1,440	1,440	-	-	-			
	TOTAL GROSS EXPENDITURE	34,966	40,165	42,657	44,262	44,349			
7	FEES, CHARGES & RING-FENCED GRANTS								
F/R.7.001	Previous year's fees & charges	-	-	-1,936	-5,356	-8,111	New	Previous year's fees and charges for the provision of services rolled forward.	GPC
F/R.7.002	Invest to Save Hosuing Schemes - Income Generation	-	-1,936	-3,420	-2,755	-1,700	New	Generation of long-term income stream associated with the development of new 'affordable' housing and open market rent housing on Council owned land.	GPC
7.999	Subtotal Fees, Charges & Ring-fenced Grants	-	-1,936	-5,356	-8,111	-9,811			
	TOTAL NET EXPENDITURE	34,966	38,229	37,301	36,151	34,538			

## Section 4 - C: Corporate and Managed Services

**Table 6: Revenue - Financing Debt Charges Overview**

Budget Period: 2016-17 to 2020-21

Detailed Plans	Outline Plans
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FUNDING SOURCES									
<b>8</b>	<b>FUNDING OF GROSS EXPENDITURE</b>								
F/R.8.101	Cash Limit Funding	-34,966	-38,229	-37,301	-36,151	-34,538	Existing	Net spend funded from general grants, business rates and Council Tax. Fees and charges for the provision of services.	
F/R.8.102	Fees and Charges	-	-1,936	-5,356	-8,111	-9,811	New		
<b>8.999</b>	<b>TOTAL FUNDING OF GROSS EXPENDITURE</b>	<b>-34,966</b>	<b>-40,165</b>	<b>-42,657</b>	<b>-44,262</b>	<b>-44,349</b>			

GPC  
GPC

MEMORANDUM: SAVINGS / INCREASED INCOME					
Savings	-1,440	1,440	-	-	-
Changes to fees & charges	-	-1,936	-3,420	-2,755	-1,700
<b>TOTAL SAVINGS / INCREASED INCOME</b>	<b>-1,440</b>	<b>-496</b>	<b>-3,420</b>	<b>-2,755</b>	<b>-1,700</b>

MEMORANDUM: NET REVISED OPENING BUDGET					
Revised Opening Gross Expenditure	35,460	34,966	40,165	42,657	44,262
Previous year's fees, charges & ring-fenced grants	-	-	-	-	-
Changes to fees, charges & ring-fenced grants in revised opening budget	-	-1,936	-3,420	-2,755	-1,700
<b>NET REVISED OPENING BUDGET</b>	<b>35,460</b>	<b>33,030</b>	<b>36,745</b>	<b>39,902</b>	<b>42,562</b>



## Blue Badge Survey

### 2. Individual or Organisation?

Are you responding as a...										
								Response Percent	Response Total	
1	Individual			<div></div>				99.79%	3383	
2	Organisation			<div></div>				0.21%	7	
Analysis	Mean:	1	Std. Deviation:	0.05	Satisfaction Rate:			0.21	answered	3390
	Variance:	0	Std. Error:	0					skipped	0






### 3. Individual Responses

1. Who owns the blue badge?									
							Response Percent	Response Total	
1	Myself			<div><div></div></div>			80.34%	2718	
2	Someone in my household			<div><div></div></div>			11.03%	373	
3	Other (please specify):			<div><div></div></div>			8.63%	292	
Analysis	Mean:	1.28	Std. Deviation:	0.61	Satisfaction Rate:	14.14	answered	3383	
	Variance:	0.38	Std. Error:	0.01			skipped	7	




### 2. The Council is looking to increase the cost of applying for a Blue Badge for three years from the current £9 to the national £10 rate - just over 33p a year extra. How far do you agree with the increased application charge?

							Response Percent	Response Total	
1	Strongly Agree		<div></div>				59.68%	2019	
2	Agree		<div></div>				35.18%	1190	
3	Disagree		<div></div>				1.18%	40	
4	Strongly Disagree		<div></div>				1.60%	54	
5	Neutral		<div></div>				2.36%	80	
Analysis	Mean:	1.52	Std. Deviation:	0.81	Satisfaction Rate:		12.95	answered	3383
	Variance:	0.65	Std. Error:	0.01				skipped	7




**3. The council is also proposing an immediate increase in the cost for replacing lost or stolen badges from £5 to £10. How far do you agree with the increased replacement charge?**

						Response Percent	Response Total
1	Strongly Agree					49.01%	1658
2	Agree					38.46%	1301
3	Disagree					6.12%	207
4	Strongly Disagree					2.90%	98
5	Neutral					3.52%	119
<b>Analysis</b>		Mean:	1.73	Std. Deviation:	0.96	Satisfaction Rate:	18.36
		Variance:	0.91	Std. Error:	0.02		
							answered 3383
							skipped 7

**4. If at any point in the future the Government changes national guidelines and makes reasonable increases to the Blue Badge fee (currently £10), do you support Cambridgeshire County Council following this guidance and increasing its fees accordingly?**

						Response Percent	Response Total
1	Yes					78.27%	2647
2	No					6.36%	215
3	Neutral					15.38%	520
<b>Analysis</b>		Mean:	1.37	Std. Deviation:	0.74	Satisfaction Rate:	18.55
		Variance:	0.54	Std. Error:	0.01		
							answered 3382
							skipped 8

**5. Will the proposed charges have an impact on you and/or your family?**

						Response Percent	Response Total
1	Yes, a significant impact					1.66%	56
2	Yes, some impact					13.51%	457
3	Little or no impact					84.84%	2870
<b>Analysis</b>		Mean:	2.83	Std. Deviation:	0.42	Satisfaction Rate:	91.59
		Variance:	0.17	Std. Error:	0.01		
							answered 3383
							skipped 7

**6. With £41 million to find in savings next year and more demand on Council services, the alternative to charging more for blue badges, would be to make additional savings from elsewhere in the budget. How far would you agree with making alternative savings elsewhere?**

							Response Percent	Response Total	
1	Strongly Agree			<div><div></div></div>			6.36%	215	
2	Agree			<div><div></div></div>			18.36%	621	
3	Disagree			<div><div></div></div>			27.55%	932	
4	Strongly Disagree			<div><div></div></div>			19.72%	667	
5	Neutral			<div><div></div></div>			28.02%	948	
Analysis	Mean:	3.45	Std. Deviation:	1.25	Satisfaction Rate:		61.17	answered	3383
	Variance:	1.56	Std. Error:	0.02				skipped	7

**7. Do you have any other comments about the Blue Badge proposals?**

		Response Percent	Response Total
1	Open-Ended Question	100.00%	1525
		answered	1525
		skipped	1865

#### 4. About You

**Are you...**

							Response Percent	Response Total
1	Male			<div></div>			46.44%	1571
2	Female			<div></div>			52.94%	1791
3	Other			<div></div>			0.09%	3
4	Prefer not to say			<div></div>			0.53%	18
Analysis	Mean:	1.55	Std. Deviation:	0.53	Satisfaction Rate:	18.24	answered	3383
	Variance:	0.28	Std. Error:	0.01			skipped	7

Please provide your age:

						Response Percent	Response Total
1	Under 18					0.18%	6
2	18-24					0.30%	10
3	25-34					2.01%	68
4	35-44					4.85%	164
5	45-54					11.68%	395
6	55-64					22.82%	772
7	65-74					31.57%	1068
8	75+					25.45%	861
9	Prefer not to say					1.15%	39
<b>Analysis</b>	Mean:	6.56	Std. Deviation:	1.3	Satisfaction Rate:	69.56	answered 3383
	Variance:	1.7	Std. Error:	0.02			skipped 7

How would you describe your ethnic background?

						Response Percent	Response Total
1	British					93.17%	3151
2	Irish					0.77%	26
3	Gypsy & Traveller					0.03%	1
4	Other					2.34%	79
5	African					0.06%	2
6	Caribbean					0.09%	3
7	Other					0.00%	0
8	White and Black African					0.03%	1
9	White and Black Caribbean					0.03%	1
10	White and Asian					0.21%	7
11	Other					0.12%	4
12	Indian					0.44%	15
13	Pakistani					0.18%	6
14	Bangladeshi					0.12%	4
15	Chinese					0.06%	2
16	Other					0.24%	8
17	Any other Ethnic Group					0.24%	8
18	Prefer not to say					1.89%	64
<b>Analysis</b>	Mean:	2.73	Std. Deviation:	3.46	Satisfaction Rate:	7.88	answered 3382



### How would you describe your ethnic background?

					Response Percent	Response Total
	Variance:	12	Std. Error:	0.06	skipped	8

### Are you...

					Response Percent	Response Total
1	In education (full or part-time)				0.53%	18
2	In employment (full or part-time)				13.83%	468
3	Self-employed (full or part-time)				3.96%	134
4	Unemployed				3.19%	108
5	Retired				63.70%	2155
6	Stay at home parent/carer or similar				3.31%	112
7	Prefer not to say				2.96%	100
8	Other (please specify):				8.51%	288
<b>Analysis</b>					answered	3383
	Mean:	4.8	Std. Deviation:	1.55	Satisfaction Rate:	54.29
	Variance:	2.4	Std. Error:	0.03	skipped	7

### What is your postcode? (This will be used to identify common concerns by location, not to identify you personally)



			Response Percent	Response Total
1	Open-Ended Question		100.00%	3383
			answered	3383
			skipped	7

### Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?



					Response Percent	Response Total
1	Yes				88.24%	2985
2	No				8.45%	286
3	Prefer not to say				3.31%	112
<b>Analysis</b>					answered	3383
	Mean:	1.15	Std. Deviation:	0.44	Satisfaction Rate:	7.54
	Variance:	0.19	Std. Error:	0.01	skipped	7

## 5. Organisation Responses




**1. The Council is looking to increase the cost of applying for a Blue Badge for three years from the current £9 to the national £10 rate - just over 33p a year extra. How far does your organisation agree with the increased application charge?**

						Response Percent	Response Total
1	Strongly Agree					28.57%	2
2	Agree					71.43%	5
3	Disagree					0.00%	0
4	Strongly Disagree					0.00%	0
5	Neutral					0.00%	0
<b>Analysis</b>	Mean:	1.71	Std. Deviation:	0.45	Satisfaction Rate:	17.86	answered 7
	Variance:	0.2	Std. Error:	0.17			skipped 3383

**2. The council is also proposing an immediate increase in the cost for replacing lost or stolen badges from £5 to £10. How far does your organisation agree with the increased replacement charge?**

						Response Percent	Response Total
1	Strongly Agree					28.57%	2
2	Agree					71.43%	5
3	Disagree					0.00%	0
4	Strongly Disagree					0.00%	0
5	Neutral					0.00%	0
<b>Analysis</b>	Mean:	1.71	Std. Deviation:	0.45	Satisfaction Rate:	17.86	answered 7
	Variance:	0.2	Std. Error:	0.17			skipped 3383

**4. If at any point in the future the Government changes national guidelines and makes reasonable increases to the Blue Badge fee (currently £10), do you support Cambridgeshire County Council following this guidance and increasing its fees accordingly?**

						Response Percent	Response Total
1	Yes					57.14%	4
2	No					14.29%	1
3	Neutral					28.57%	2
<b>Analysis</b>	Mean:	1.71	Std. Deviation:	0.88	Satisfaction Rate:	35.71	answered 7
	Variance:	0.78	Std. Error:	0.33			skipped 3383

**3. Does your organisation think that the proposed charges will have an impact on blue badge users?**

							Response Percent	Response Total
1	Yes, a significant impact						0.00%	0
2	Yes, some impact						42.86%	3
3	Little or no impact						57.14%	4
<b>Analysis</b>	Mean:	2.57	Std. Deviation:	0.49	Satisfaction Rate:	78.57	answered	7
	Variance:	0.24	Std. Error:	0.19			skipped	3383

**5. With £41 million to find in savings next year and more demand on Council services, the alternative to charging more for blue badges, would be to make additional savings from elsewhere in the budget. How far does your organisation agree with making alternative savings elsewhere?**

							Response Percent	Response Total
1	Strongly Agree						28.57%	2
2	Agree						28.57%	2
3	Disagree						0.00%	0
4	Strongly Disagree						0.00%	0
5	Neutral						42.86%	3
<b>Analysis</b>	Mean:	3	Std. Deviation:	1.77	Satisfaction Rate:	50	answered	7
	Variance:	3.14	Std. Error:	0.67			skipped	3383

**6. Does your organisation have any other comments about the Blue Badge proposals?**

							Response Percent	Response Total
1	Open-Ended Question						100.00%	2
							answered	2
							skipped	3388

**6. About your organisation**

**Name of Organisation**

							Response Percent	Response Total
1	Open-Ended Question						100.00%	7
							answered	7
							skipped	3383

Representative providing this response			
		Response Percent	Response Total
1	Open-Ended Question	100.00%	7
		answered	7
		skipped	3383

What is the postcode of the organisation? (This will be used to identify common concerns by location, not to identify you personally)			
		Response Percent	Response Total
1	Open-Ended Question	100.00%	7
		answered	7
		skipped	3383

Further contact details if needed:			
		Response Percent	Response Total
1	Open-Ended Question	100.00%	3
		answered	3
		skipped	3387

7. Thank you

**COMMUNITY IMPACT ASSESSMENT**

Directorate / Service Area		Officer undertaking the assessment
Customer Service and Transformation		Name: Dan Thorp .....
Service / Document / Function being assessed		Job Title: Strategy & Policy Manager .....
The Blue Badge Parking Service		Contact details: 01223 699953 .....
Date completed: 5 January 2016 .....		Date approved: .....
<b>Business Plan Proposal Number (if relevant)</b>	C/R 7.160	
Aims and Objectives of Service / Document / Function		

A Blue Badge is a parking permit that allows people who are registered severely sight impaired, or those with severe mobility issues easier access to public facilities by allowing them to park closer to where they need to go and gives access to reduced price car parking in some locations.

In order to qualify for a badge applicants must be permanently and substantially disabled and provide evidence of this. This application process is for both first time applications and customers who have an existing Blue Badge. There is currently a £9 charge when applying for a new Blue Badge and a £5 charge for replacement badges that have been lost, stolen or damaged. Where applications are unsuccessful, the charge is fully refunded. All applicants are required to provide supporting documentation dependent on their qualifying criteria.

The scheme contains a number of application criteria by which the applicant is automatically eligible for a badge and a number of discretionary criteria, which are listed below. A blue badge is usually issued for a period of three years, although some badges are issued for shorter periods in accordance with the duration of a state benefit, such as Disability Living Allowance.

#### Automatic Criteria:

- In receipt of the Higher Rate Mobility Component of [Disability Living Allowance](#)
- are [severely sight impaired \(registered blind\)](#)
- In receipt of the [War Pensioner's Mobility Supplement](#)
- In receipt of a lump sum benefit from the [Armed Forces and Reserve Forces Compensation Scheme](#) (within tariff levels 1-8). You must also have been certified as having a permanent and substantial disability which causes inability to walk or very considerable difficulty in walking.
- In receipt of 8 points or more under the 'moving around' descriptor for the mobility component of the [Personal Independence Payment \(PIP\)](#).

#### Discretionary criteria

- Have a permanent and substantial disability which means you cannot walk or which makes walking very difficult.
- Drive a motor vehicle regularly, have a severe disability in both arms, and are unable to operate all or some types of parking meter (or would find it very difficult to operate them)
- Children under the age of 3 who have specific medical conditions which require them to be accompanied by bulky medical equipment or who need to be kept near a vehicle at all times, so that they can, if necessary, be treated in the vehicle, or quickly driven to a place where they can be treated, such as a hospital

The scheme does not currently cater for temporary disability or conditions, or individuals with mental health difficulties.

#### What is changing?

The proposal is to increase the charge for a new or renewed Blue Badge from £9 to £10 and for a replacement badge, from £5 to £10. This is in line with the maximum charge permitted as stated within Section 2, paragraph 4 of The Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2011.

This proposal will bring our charges in line with all neighboring authorities with the exception of Peterborough, who continue to charge £5 for a replacement badge.

No changes are being proposed in relation to full refunds where the application has been unsuccessful.

#### Who is involved in this impact assessment?

e.g. Council officers, partners, service users and community representatives.

Council officers within the Customer Service and Transformation Directorate.

This Impact Assessment also draws on information from the Department of Transport's national 2010

consultation on the Blue Badge scheme.

A public consultation was held from 24 November 2015 to 5 January 2016. The consultation was targeted specifically at Blue Badge holders, but was also open to the public. (This was the first occasion that the Council has utilised new software for carrying out such consultations which has enabled us to target our consultation more effectively to those who are likely to be impacted by the proposed change.)

- 95% of respondents and all seven of the respondent organisations “agreed” or “strongly agreed” with the proposal to increase the charge for applying for a Blue Badge from £9 to £10.
- 87.5% of respondents and all seven of the respondent organisations “agreed” or “strongly agreed” with the proposal to increase the charge for replacement Blue Badges from £5 to £10.

### What will the impact be?

Tick to indicate if the expected impact on each of the following protected characteristics is positive, neutral or negative.

Impact	Positive	Neutral	Negative
Age		x	
Disability		x	
Gender reassignment		x	
Marriage and civil partnership		x	
Pregnancy and maternity		x	
Race		x	

Impact	Positive	Neutral	Negative
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	

For each of the above characteristics where there is an expected positive, negative and / or neutral impact, please provide details, including evidence for this view. Consider whether the impact could be disproportionate on any particular protected characteristic. Describe the actions that will be taken to mitigate any negative impacts and how the actions are to be recorded and monitored. Describe any issues that may need to be addressed or opportunities that may arise.

#### Positive Impact

The changes are not expected to have any positive impact on the protected characteristics.

#### Negative Impact

Given the response to the targeted and public consultation carried out, it is anticipated that there will be no significant negative impacts to protected characteristics.

#### Neutral Impact

Given the overwhelming results of the consultation, which was targeted at those most closely impacted by the proposal, it is anticipated that this change would largely have a neutral impact across all protected characteristics outlined in this form.

Despite the clarity of feedback from the consultation, showing overwhelming support for implementing the proposed change, the Council will endeavor to monitor the impact of the proposal – if implemented – and maintain an understanding of any individual instances of negative impact.

#### Issues or Opportunities that may need to be addressed

### Community Cohesion

If it is relevant to your area you should also consider the impact on community cohesion.

Not applicable

### Version Control

Version no.	Date	Updates / amendments	Author(s)
1	03.11.2015		Jo Tompkins
2	05.01.2016	Updated to reflect the results of the public consultation	Dan Thorp



**COMMUNITY IMPACT ASSESSMENT**

Directorate / Service Area		Officer undertaking the assessment
Customer Service & Transformation		Name: Sue Grace
Service / Document / Function being assessed		Job Title: Director, Customer Service and Transformation
Business Planning proposals covering the whole of the Customer Service & Transformation Directorate		Contact details: <a href="mailto:sue.grace@cambridgeshire.gov.uk">sue.grace@cambridgeshire.gov.uk</a>
Date completed: 5 January 2016		Date approved:
<b>Business Plan Proposal Number (if relevant)</b>		
Aims and Objectives of Service / Document / Function		
<p>Customer Service and Transformation delivers direct contact and support to communities, as well as providing support across Cambridgeshire County Council to enable the organisation to achieve its aims. This includes:</p> <ul style="list-style-type: none"> <li>• Customer Services (including contact centre and corporate reception sites)</li> <li>• Emergency planning</li> <li>• Strategic Marketing, Communication and Community Engagement</li> <li>• Business Planning</li> <li>• Research</li> <li>• Strategy and Policy (including devolution)</li> <li>• Information Management</li> <li>• Service Transformation</li> <li>• Digital Strategy and web services</li> <li>• Chief Executive's office</li> <li>• Civic Offices and Duties</li> <li>• Smarter Business Programme – rationalisation and optimisation of assets and flexible working</li> </ul>		
What is changing?		

It is proposed that to make the savings required at the same time as maintaining functions that are vital to the running of the organisation, and the provision of services to our communities, we redefine the corporate directorate. This re-definition would see “core” activities within the directorate being funded through the base revenue budget, alongside this we will be seeking GPC approval to retain funding for the transformation function within the directorate through the use of one-off resources

In essence, this means that for the base funded “core” services we have sought to deliver the savings target for 2016-17 through efficiencies and increased income / charging. The summary of savings, efficiencies and income generation proposals for Corporate Services covered within this Community Impact Assessment is as follows:

Area Affected	Description	£000s
<b>Efficiencies</b>		
Transformation teams	Removing support for these teams from the base revenue budget and supporting them in future through the use of one-off resources	£147
Consultation	Reduction in the cost of corporate consultation through changing our approach – this revised approach has already been adopted to support our consultation through the current budget setting process	£10
Senior Management	Saving achieved through the shared Chief Executive arrangement with Peterborough City Council	£100
<b>Increased Fees &amp; Charges</b>		
Research	The Research Team already generate 40% of its income towards the cost of the team this requirement is for further income to be generated to support the directorate's overall budget	£35

There are two further CIAs to cover the full range of Business Planning proposals for the directorate, these focus specifically on Blue Badges and Voluntary and Community Sector Grants.

#### **Who is involved in this impact assessment?**

e.g. Council officers, partners, service users and community representatives.

This assessment has been completed based upon consultation and engagement with staff across the corporate directorate, and with colleagues across the rest of the Council to understand the implications for the Council services supported by the corporate directorate.

## What will the impact be?

Tick to indicate if the expected impact on each of the following protected characteristics is positive, neutral or negative.

Impact	Positive	Neutral	Negative
Age		X	
Disability		X	
Gender reassignment		X	
Marriage and civil partnership		X	
Pregnancy and maternity		X	
Race		x	

Impact	Positive	Neutral	Negative
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	

For each of the above characteristics where there is an expected positive, negative and / or neutral impact, please provide details, including evidence for this view. Consider whether the impact could be disproportionate on any particular protected characteristic. Describe the actions that will be taken to mitigate any negative impacts and how the actions are to be recorded and monitored. Describe any issues that may need to be addressed or opportunities that may arise.

<b>Positive Impact</b>
<b>Negative Impact</b>
<b>Neutral Impact</b>
<p>Because the majority of corporate services play an indirect, but nevertheless important, role in the delivery of services it assessed that these proposals themselves will have a neutral impact on the groups above.</p> <p>However, it should be noted that officers are aware of the impact on continued pressure on corporate services in supporting an organisation to deliver as effectively and efficiently as possible.</p>
<b>Issues or Opportunities that may need to be addressed</b>

## Community Cohesion

If it is relevant to your area you should also consider the impact on community cohesion.

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## Version Control

Version no.	Date	Updates / amendments	Author(s)
0.1	09/11/2015		Dan Thorp
0.2	04/01/2016	Updated	Dan Thorp

## COMMUNITY IMPACT ASSESSMENT

Directorate / Service Area		Officer undertaking the assessment
Customer Service & Transformation		Name: Sue Grace
Service / Document / Function being assessed		Job Title: Director Customer Service and Transformation
Changes to voluntary sector infrastructure contracts		Contact details: <a href="mailto:sue.grace@cambridgeshire.gov.uk">sue.grace@cambridgeshire.gov.uk</a>
Business Plan Proposal Number (if relevant)	C/R 6.501	Date completed: 9 / 11 / 2015
		Date approved: .....
Aims and Objectives of Service / Document / Function		
<p>The aims of the contract are to support the Voluntary and Community Sector (VCS) to be strong and well-managed. This involves funding for VCS “infrastructure” organisations such as; the Councils for Voluntary Services, Volunteer Centres and Cambridgeshire ACRE.</p>		
What is changing?		
<p>The overall fund of £150,000 is proposed to reduce by £30,000. However, £20,000 has gone unclaimed as it required match funding for parish planning (for Cambridgeshire ACRE to support Parish Council’s to develop a community-led plan) and this has not been forthcoming both in 2015/16 and in previous years, so the only real-term reduction from 2016/17 is £10,000.</p> <p>Discussions have started with the sector about how these contracts can be aligned with the Council's recently adopted Stronger Together: The Council’s Strategy for Building Resilient Communities, and how to work with infrastructure organisations more collaboratively to achieve the best impact for the sector. Discussions are still underway and will develop as part of new 3 year contract to be introduced in Autumn 2016.</p>		
Who is involved in this impact assessment?		
e.g. Council officers, partners, service users and community representatives.		
<p>Council officers, the lead member for Localism and partner organisations who have joint Service Level Agreements with us with these organisations. The infrastructure organisations themselves have been involved in discussions with the Director of Customer Service and Transformation to start to shape the future of the infrastructure funding, and how we align this work with current Council priorities as part of the new 3 year contract.</p>		

## What will the impact be?

Tick to indicate if the expected impact on each of the following protected characteristics is positive, neutral or negative.

Impact	Positive	Neutral	Negative
Age		x	
Disability		x	
Gender reassignment		x	
Marriage and civil partnership		x	
Pregnancy and maternity		x	
Race		x	

Impact	Positive	Neutral	Negative
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	

For each of the above characteristics where there is an expected positive, negative and / or neutral impact, please provide details, including evidence for this view. Consider whether the impact could be disproportionate on any particular protected characteristic. Describe the actions that will be taken to mitigate any negative impacts and how the actions are to be recorded and monitored. Describe any issues that may need to be addressed or opportunities that may arise.

<b>Positive Impact</b>
The contract that is being shaped would be clearer, would encourage collaboration between organisations and with the Council and should maximise everyone's input. This should mitigate impact on any of these groups.
<b>Negative Impact</b>
The reduction in parish planning match funding could have had a negative impact on rural areas – but in recent years this has been an undersubscribed match fund.
<b>Neutral Impact</b>
The positive impact of increased collaboration between organisations and with the Council, should maximise everyone's input and ensure a neutral impact on any of these groups.
<b>Issues or Opportunities that may need to be addressed</b>

## Community Cohesion

If it is relevant to your area you should also consider the impact on community cohesion.

The work of the infrastructure organisations and the wider voluntary and community sector has a positive impact on community cohesion.
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# **CAMBRIDGESHIRE COUNTY COUNCIL 2015 BUSINESS PLANNING CONSULTATION**

## **FINAL RESULTS**

**DEC 2015**

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## EXECUTIVE SUMMARY

### INTRODUCTION AND METHODOLOGY

There has been a shift in emphasis for this years' Business Planning Consultation. Councillors have advocated a longer term approach that seeks to both inform and engage with the public around the issues and challenges that the organisation faces. In particular the Council has moved away from asking a core set of questions about priorities towards questions that focus on the community's capacity to mitigate against some of the worst impact of the cuts being made to services as well as support the Council in its long term aim to prevent or delay people from requiring support.

In line with this approach the council has ceased to commission a 'paid for' doorstep survey, where a market research company was employed to gain the views of a representative sample of Cambridgeshire residents. Instead a significantly smaller sum of money was spent on a more enduring budget challenge animation which could be used throughout the next eighteen months to explain to people what the pressures on local government budgets were and how the County Council was responding to them. The animation was posted to YouTube and at the time of writing this has been viewed over 1,700 times.

The animation was supported by an on-line survey and together both items were publicised through various media channels. In total, 668 members of the public responded to the survey.

In addition to the on-line survey there were four direct engagement events with the community. The communication material from these was based upon the messages within the animation. These events were led by the Community Engagement Team and a range of staff from across County Council services took part. Overall this engagement directly reached over 350 people.

An engagement exercise was also carried out with the business community. The target audience were small and medium sized enterprises (SME). This was facilitated by the Cambridgeshire Chambers of Commerce who invited County Council representatives to local chamber committee meetings. There was also a County Council presence at the Chamber's regular 'B2B' event (that allows local businesses to network and communicate business to business services). Overall direct discussions were held with the representatives of 75 businesses through these methods.

### SUMMARY RESULTS

#### ONLINE CONSULTATION

The results of the survey represent a 'self-selecting' audience of 668 members of the public. By the nature of the methodology the sample only includes those who have access to the internet either at home or through public access points. The sample also includes 10% more women than men and significantly fewer people under the age of twenty-five than expected given the demography of the County.

#### Response to the challenge and service priorities

- 83% of respondents agreed that the YouTube Animation left them with a good understanding of the challenges faced by the County Council and over 90% of respondents felt concerned by these challenges.
- Concerns were raised about the effect of reducing essential services, ranging from care support to wider services such as libraries or children's centres, described as *"a vital lifeline to many vulnerable, lonely, isolated ....people"*.
- Looking across three broad categories of service respondents preferred to look for savings against universal services that everyone used (69% selecting the service area for a lower level of spending)

compared to cutting targeted services (50%) or care packages (39%).

- There was a similar level of strong support amongst respondents for all of the County Council's seven priorities.

### **Increased Community Involvement**

- Respondents were asked how realistic different messages in the animation were. The majority of respondents felt that all of the messages were realistic in at least some communities.

'Seeking greater involvement in services' by town or parish councils or by businesses was considered to be most realistic (over 90% saying this was realistic in at least some communities). Whereas 'encouraging communities to get involved in delivering our services' was considered to be least realistic (79%).

However 79% of all respondents did feel that it was appropriate to ask residents to become more involved in their own communities.

- Just under three quarters of respondents identified that 'time' was the biggest barrier against people getting more involved in their local community. 46% identified that 'unwillingness' on behalf of some community members was a problem and 44% identified 'understanding what is expected' as a barrier.
- Over a third of respondents indicated that did not 'volunteer' at all. This rises to over half of all respondents if added to those who said that they volunteered for less than five hours in an average month. A small proportion of respondents (12%) volunteered for over 20 hours per month.
- 41% of respondents were prepared to give more of their time to their local community. Of the volunteering options presented supporting older people was the most popular (37% interest) but there was also strong interest in a number of other volunteering possibilities.
- Female respondents were more inclined to express an interest in getting involved in their local community, with a higher proportions indicating interest in getting involved with their local library, assisting vulnerable older people, supporting children in need of fostering. Male respondents expressed a markedly greater interest in getting involved in local democracy and local politics.

### **Council Tax**

- When asked how far they agreed with the idea of increasing Council Tax to reduce the cuts to services, 60% of respondents either strongly agreed or tended to agree. This is a marked increase from last year, where less than 50% of respondents felt this way.
- There was a greater willingness to accept some sort of an increase to council tax compared to previous years. 81% were willing to accept an increase, compared to 78% last year.
- Overall, 19% of respondents opted for no increase, 32.4% opted for an increase of between 0.5 and 1.99 percent and 48.6% opted for an increase of over 1.99 percent.

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## COMMUNITY EVENTS

Council Members and officers talked with over 350 people at four separate events in Wisbech, Cherry Hinton, Ramsey and Ely (with 217 feedback forms being completed as some talked as a couple or group). People were shown information about the County Council's budget challenge and were asked about their level of awareness, their initial reaction to the savings and what they thought of the Council's current plans to cope with the savings. People were also asked if they supported an increase in Council Tax.

### **Awareness and reaction to the savings challenge**

- Overall, general awareness of the budget challenge faced by the County Council was good with approximately two-thirds having an understanding.
- The main gap in people's knowledge was around the scale of savings to be made over the next five years.
- People expressed their reaction to the scale of the cuts in one of two ways; either expressing shock, or that the cuts are an unfortunate reality, particularly in light of the national budget situation.

### **Increased community action to support services**

- The vast majority of people felt that increased community action to support services was a good idea.
- During each event there were many stories of the extensive amount of volunteering and other forms of community action that were taking place.
- People did discuss the challenges involved including inspiring people to get involved for the first time, particularly when there were a range of work / time pressures.

### **Council Tax**

- The proportion of people opposed to paying more council tax varied according to location and the type of event attended.
- Overall, the majority of people fell into a group who were willing to accept an increase providing certain conditions were met. These conditions were either that a particular service area received additional funding or was protected and/or there was some sort of means testing for the rise so people struggling to pay wouldn't be penalised.

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## BUSINESS CONSULTATION

In total, 75 businesses were engaged with 33 of these were through in-depth discussions through the Chambers of Commerce Local Committees, with a further 42 individual discussions at the B2B event.

### **Engagement with the Community**

- Representatives were asked about their engagement as businesses with the local community. Key examples cited included, taking on apprenticeships and work experience placements and direct engagement with schools and colleges, providing support to develop 'soft skills' such as CV-writing and interview preparation.
- Apprenticeships were viewed very positively as they gave significant benefit to businesses and young people. Representatives noted some difficulty in schools engaging with businesses; sometimes this was down to a general lack of awareness of local business, but there was also a concern that more often it was due to a stigma being associated progressing to work in a local business compared to following a route through to university.

- Business representatives also referred to supporting the promotion of appropriate waste disposal and recycling and their role in engaging with providers / councils to seek improvement to local transport options (this was recognised as a significant block to development particularly within rural areas).

### **Transport and infrastructure**

- This was a theme common to all representatives, and was also a major part of the feedback received from businesses last year. It was recognised that improvements are taking place, and things are slowly progressing in the right direction, but that there was a lot more work to be done. It was noted that *'poor road structure stunts business growth'*. Specific topics included the A14, A10, public transport, the electrification of railways and road/roadside maintenance.

### **Broadband**

- Feedback this year was much more positive than last year. Many commented they had seen an improvement in broadband speeds, but concerns were also raised about the way in which the rollout was taking place, and the results achieved (for example, the reach of provision, and the speeds promised).

### **Skills and Staffing**

- Business representatives raised concerns about staffing shortages, especially in the skilled manual labour or customer service industries. They highlighted a need for schools to provide students with a full view of all potential options for their future.

### **The role and structure of local government**

- Representatives from some committees discussed the role and structure of local government, and the repetitious nature of policy and planning processes. Cambridge City and South Cambridgeshire representatives identified issues where they felt that local government organisations regularly “buck-pass” questions and issues. It was noted that there needs to be a joined up approach between different parts of local government so this doesn’t happen.
- Many felt that it was currently unclear what the County Council does to support businesses (beyond the obvious maintenance of roads and other universal services).
- Communication processes within the Council were also discussed. It was felt that communication both with businesses and with the public was often not as strong as it could be, with a need for greater clarity and consistency of messages.



## ONLINE CONSULTATION

The online survey remained open from early October to early December so that people wishing to respond to the consultation in response to news of budget proposals could have the chance to do so.

## METHODOLOGY DESIGN AND DELIVERY

### CHANGE OF APPROACH

In the past the County Council has employed a market research company to carry out a doorstep survey to ensure that a robust sample of the resident population in terms of age, gender, economic status and location took part. An on-line survey has then been posted as an accompaniment to this exercise. Over the years the following approaches have been used:

- 2014: A doorstep 'Priorities' survey with accompanying on-line version.
- 2013: A doorstep survey using the YouChoose interactive budget model with accompanying on-line version.
- 2012: A Spring 'priorities' survey, commissioned focus groups and a doorstep survey using the YouChoose interactive budget model with accompanying on-line version.
- 2011: Use of the Simalto budget prioritisation tool and workshops with key users of County Council services.

There has been a considerable shift in emphasis for this years' Business Planning Consultation. Councillors have advocated a longer term approach that seeks to both **inform** and **engage** with the public around the issues and challenges that the organisation faces. In particular the Council has moved away from asking a core set of questions about priorities or budgets towards questions that focus on the community's capacity to mitigate against some of the worst impact of the cuts being made to services as well as support the Council in its long term aim to prevent or delay people from requiring support.

In line with this approach the council ceased to commission a 'paid for' doorstep survey. Instead a significantly smaller sum of money was spent on a more enduring budget challenge animation (accessed by [clicking here](http://www.cambridgeshire.gov.uk/challenge)<sup>1</sup>) which could be used throughout the next eighteen months to explain to people what the pressures on local government budgets were and how the County Council was responding to them. The animation was posted to YouTube and at the time of writing this has been viewed over 1,700 times.

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<sup>1</sup> <http://www.cambridgeshire.gov.uk/challenge>

**Figure 1: A sample view of the YouTube animation**



The animation was based on a video first developed by Oldham Council, and since has been adopted as ‘best practice’ by a number of other Councils. It outlines the pressures on the Council and the severity of future service cuts which must be made. It explains how residents could help save money through small changes, such as recycling more waste correctly, engaging with their community (for example supporting an elderly neighbour), and accessing Council services online.

## SOCIAL MEDIA ENGAGEMENT

The social media campaign that accompanied the survey had the broader aim of raising awareness of the County Council’s situation; the on-line survey should be viewed as a supporting product to this campaign, gathering people’s reaction to its key messages. The campaign was built around propagating the key messages that the County Council wished to communicate; encouraging people to watch the YouTube animation to gain a further understanding of the situation and finally encouraging people to give their views.

**Figure 2: Key messages of the social media campaign**



Key messages and questions raised by the social media campaign are shown above. As well as social media the campaign was supported by a series of press releases which gained positive headlines throughout local media. Information also went direct to County Council libraries, parish councils and key mailing groups. The types of social media used included:

- Internet: The budget consultation has featured continually on the front page of the County Council's website and was featured favourably on the pages of local news outlets.
- Twitter: Regular tweets through the County Council's account and accompanying retweets by Cllrs and other key influencers.
- Facebook: Regular features on the County Council's account with the additional purchase of specific side-bar advertising targeting local Facebook users.
- E-Mails: Targeted mail to previous consultation respondents and specific mailing groups.

Twitter impressions for relevant tweets hit over 20,000 impressions during November (with a twitter campaign reach of 130,000<sup>2</sup>). One Tweet appeared as a 'Great UK Government Tweet' (This means it was one of the top performing government tweets of that day) and had 2,104 impressions and a reach of 21,820).

The Facebook campaign yielded figures of over 25,000 impressions with nearly 45,000 unique people reached via a paid-for Facebook advert. The County Council's budget webpage itself has had more than 3,900 visits. The number of views of the budget challenge animation is growing steadily (and will continue to grow as it becomes a feature of other consultation exercises. So far there have been over 1,700 views.

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## QUESTIONS AND CAVEATS

Questions were designed to be neutral as possible, with regular opportunities for respondents to give further comments. Where used grid questions presented possible answers on a Likert scale<sup>3</sup>, with the option to say "don't know". The software used enable questions with listed options to be randomised for each respondent, thereby eliminating behavioural bias.

An online engagement, whilst in theory available to all residents, does have an opt-in bias towards those people who have easy access to the internet, and those who actively want to answer online surveys about local government cuts. The survey was available in other formats, however none were requested. Therefore the results should not be considered to be fully representative of the views of all residents (the community events and other associated activities were commissioned so as to take steps to engage with those less likely to take part in an on-line survey).

Specific bias noted for the sample of those answering the survey included more women than men were responding to the survey and fewer people from Fenland or within the under-twenty-five age range responding.

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<sup>2</sup> Impressions are the number of times people saw a tweet or a post. This includes people seeing a post multiple times. Reach is the number of people who saw the post 'organically'; as it is shared or appeared on twitter.

<sup>3</sup> A likert scale is where respondents are asked to rate their views of something against a scale, usually something like satisfaction with a service; 'Very satisfied', 'Satisfied' and so on to 'Very dissatisfied', or on a numeric scale, usually 1 to 5.  
<http://www.socialresearchmethods.net/kb/scallik.php>

## ONLINE CONSULTATION: FINDINGS

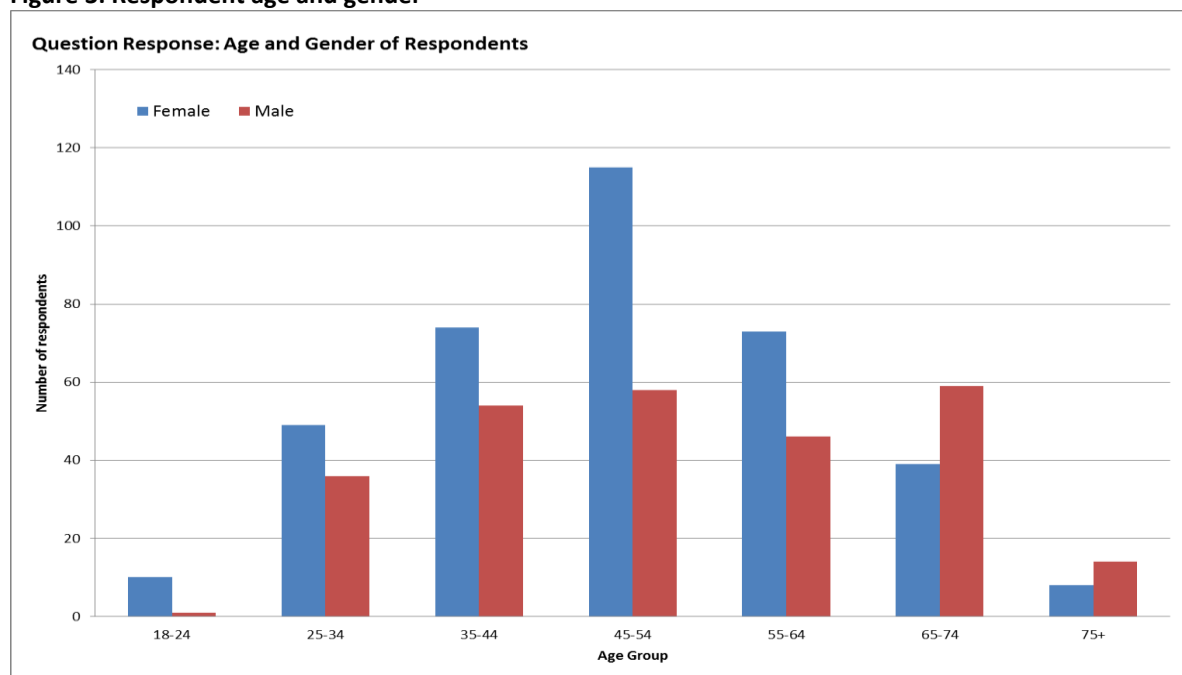
In total, 668 members of the public responded to the survey. Based on a total population of 635,100 (County Council Population Estimate 2013) this number of respondents would in theory give results that are accurate to  $\pm 3.79\%$  at the 95% confidence interval. For example, this means with a result of 50%, we can be 95% confident that if we interviewed all residents then the result would be between 46.21% and 53.79%.

### RESPONDENT PROFILE

Within the survey, respondents were asked for some details about themselves. This information assists in analysing some of the context to the answers people gave. The information is only used to help us understand how different groups of residents feel and whether there are specific concerns by, for example, age group or resident location.

40.7% of respondents indicated they were male, with 55.4% female and 0.6% other. When asked their age, a greater proportion of respondents indicated they were aged between 45 and 54 years. 1.7% indicated they were under 25 years, and 18.3% over 65 years. This age breakdown differs to those figures from the 2011 Census, where 33.6% of residents were aged over 65. The following chart outlines respondents broken down by age and gender.

**Figure 3: Respondent age and gender**



86.8% of respondents indicated their ethnicity as being white British, with smaller proportions from a range of different backgrounds. 77.3% of respondents stated they did not have a health problem or disability which limited their day-to-day activities, with 16.3% stating they did. Of those that did, 60.6% were female.

When asked about working status, 72.2% indicated they were in full or part time employment, with a further 17.5% stating they were retired. This is consistent with employment figures for Great Britain as produced by the ONS APS<sup>4</sup>, 77.5% of people in employment for July 2014-June 2015 (figures for Cambridgeshire are slightly higher, at 82.4%).

<sup>4</sup> <http://www.nomisweb.co.uk/reports/lmp/la/1941962832/report.aspx#tabempunemp>

The following table breaks down responses to this question in full:

**Table 1: Occupational status of survey respondents**

Occupation Status	Count	% Respondents
In education (full or part time)	5	0.75%
In employment (full or part time)	421	63.02%
Self-employed (full or part time)	61	9.13%
Retired	117	17.51%
Stay at home parent / carer or similar	24	3.59%
Other	40	5.99%
<b>Total</b>	<b>668</b>	<b>-</b>

Of those 24 who stated 'other', responses included those registered as disabled, some with combined employment and education status, scholars, and those who are generally unemployed.

In total, of the 668 members of the public who responded to the survey, over 80% left an identifiable postcode. By district, the survey had a higher rate of respondents from South Cambridgeshire compared to other districts. Huntingdonshire and Fenland had the lowest rate of response.

**Table 2: Count and Rate of Respondents by district (\*November 9<sup>th</sup> data extract)**

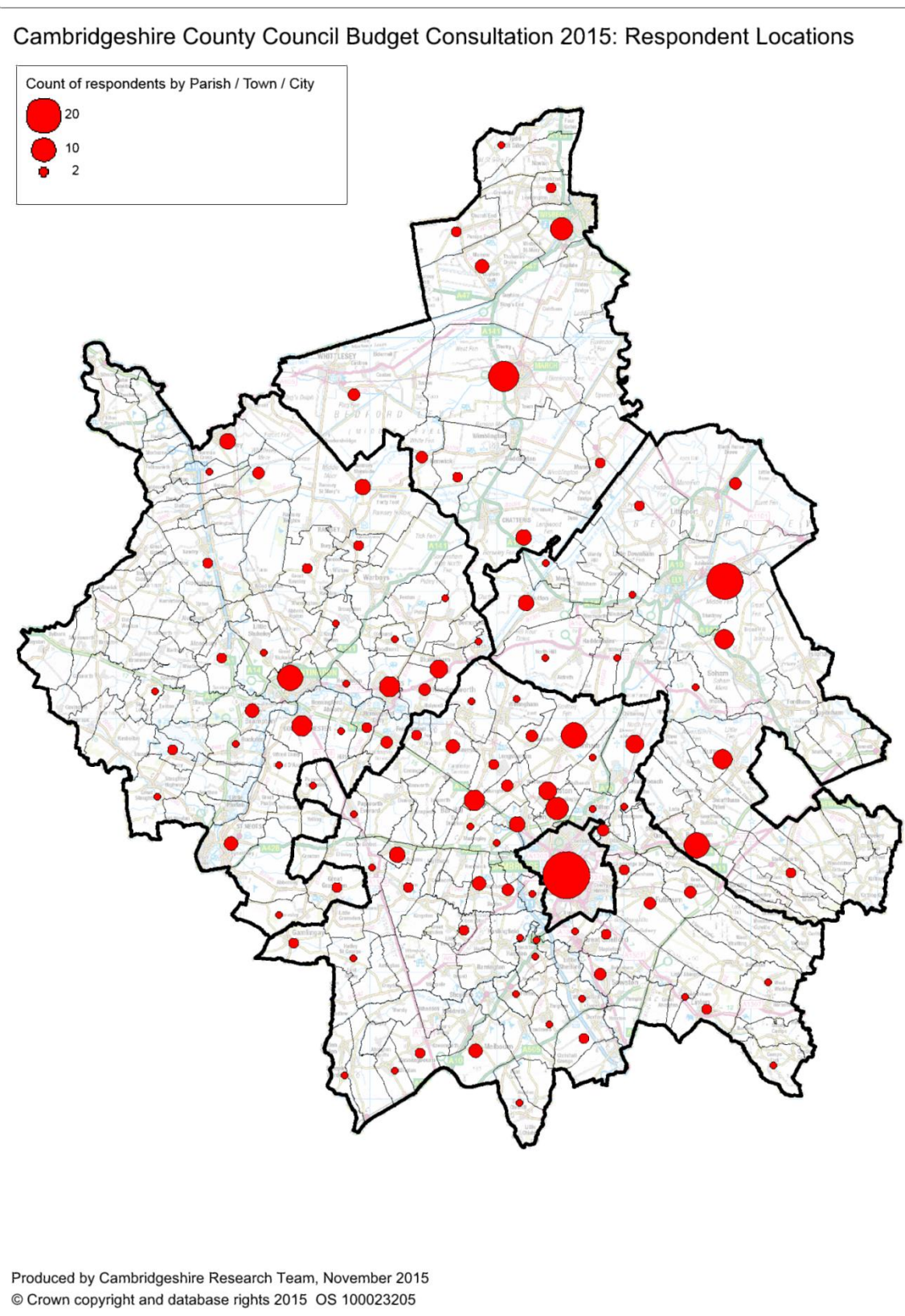
District	Count	Respondents against District Population: Rate per 10,000
Cambridge City	83	6.5
East Cambridgeshire	63	7.4
Fenland	48	5.0
Huntingdonshire	87	5.0
South Cambridgeshire	128	8.5
<b>ALL CAMBRIDGESHIRE</b>	<b>409*</b>	<b>6.4</b>

*Table based on those respondents leaving valid postcodes*

The approximate location of respondents by parish / town / city is shown in the map overleaf.



**Figure 4: Approximate location of respondents**

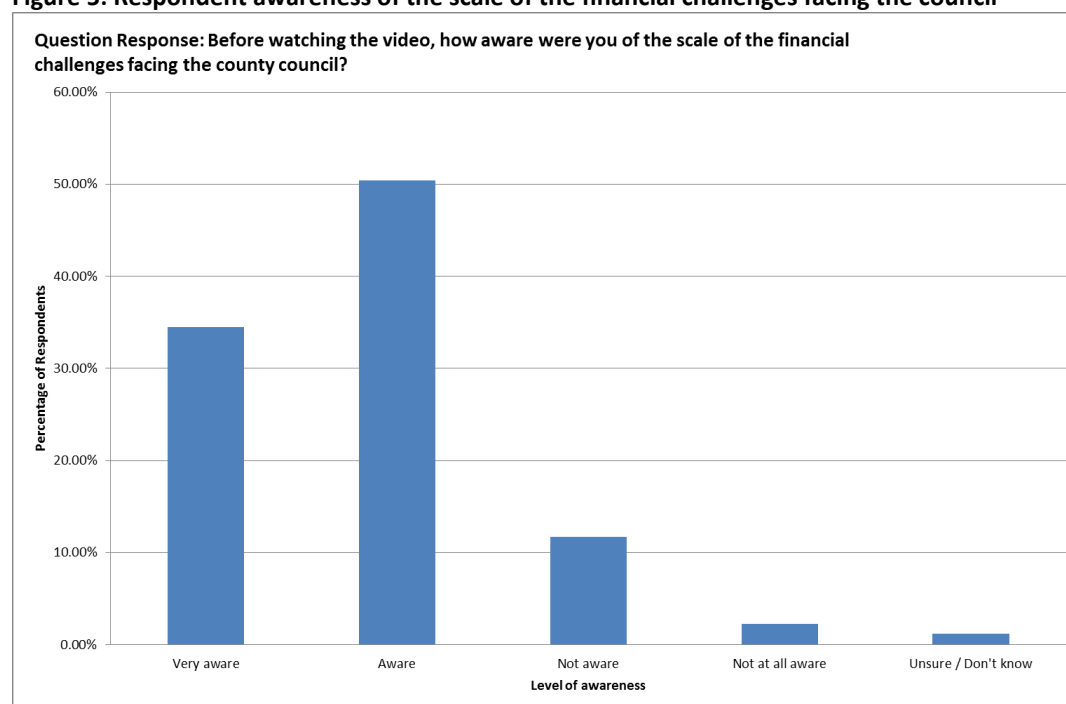


## SECTION 1: OUR BUDGET CHALLENGE: VIDEO

On the first page of the survey, the YouTube Video (which can be accessed by [clicking here](#)) was displayed. In total, 95.6% of respondents indicated they had watched the video prior to completing the survey.

83.1% of respondents agreed that the video left them with a good understanding of the challenges faced by the County Council. Prior to watching the video 84.9% of respondents indicated they were either aware or very aware of the scale of the financial challenges facing the County Council. The following chart outlines responses to this question:

**Figure 5: Respondent awareness of the scale of the financial challenges facing the council**



In total, 165 respondents left initial comments as an immediate reaction to the video, these generally related to the following thematic areas:

- **Concern about the loss essential services and the general impact of austerity**  
It was noted that cuts should not always be blamed on local public services, with a number discussing the issues of responsibility at all layers of government, and the need for local government representatives (specifically chief executives and county councillors lobbying parliament)
- **Concern about the impact of the service cuts on vulnerable people**  
Services were described as *"a vital lifeline to many vulnerable, lonely, isolated ....people"* or as extremely valuable *"I am aware there are fabulous services the council offer to the public and many guises. However I believe there is so much more to be done, rather than less. That is why I have grave concerns about how the most vulnerable people will continue to access services required."*

Concern for vulnerable people was raised in a generic way *"the cut in so many services will lead to vulnerable families being left in crisis and that those who are already finding it very hard to cope with less support will be expected to fend more for themselves."* Or people referred to very specific circumstances. *"My son has severe special needs which are growing as he is. I struggle to get the help in Direct payments I do get now. I am worried this will be cut."* Or *"I have little hope that good outcomes for my son will be reached. His quality of life has been severely impacted. There are no safe settings that he can access in order to have good social experiences and cannot take part in normal life due to his disability."*

- **Challenges about the current level of efficiency of the County Council**

Some questioned whether the *“financial challenges [were] quite as dire as portrayed”* and the point was raised about if the Council was getting increasing income as the population increases.

Questions were also raised around the use of business rates, and potential savings made through either complete devolution or the amalgam of services across the various layers of local government. Focusing on the video, it was suggested that the *“challenge is over-stated, mixing up annual and total savings or costs and understating proposed... efficiency gains”*.

- **Specific comments about the content and use of the video for consultation**

With regards to the video, questions were raised about the cost of the video; *“Stop wasting money on expensive information videos and the media budget. This could have been done a lot cheaper by someone speaking to the camera”*. Others questioned the accuracy of figures provided and the related visuals<sup>5</sup>. Whilst some felt that the video was patronising, others did suggest the video was a helpful guide.

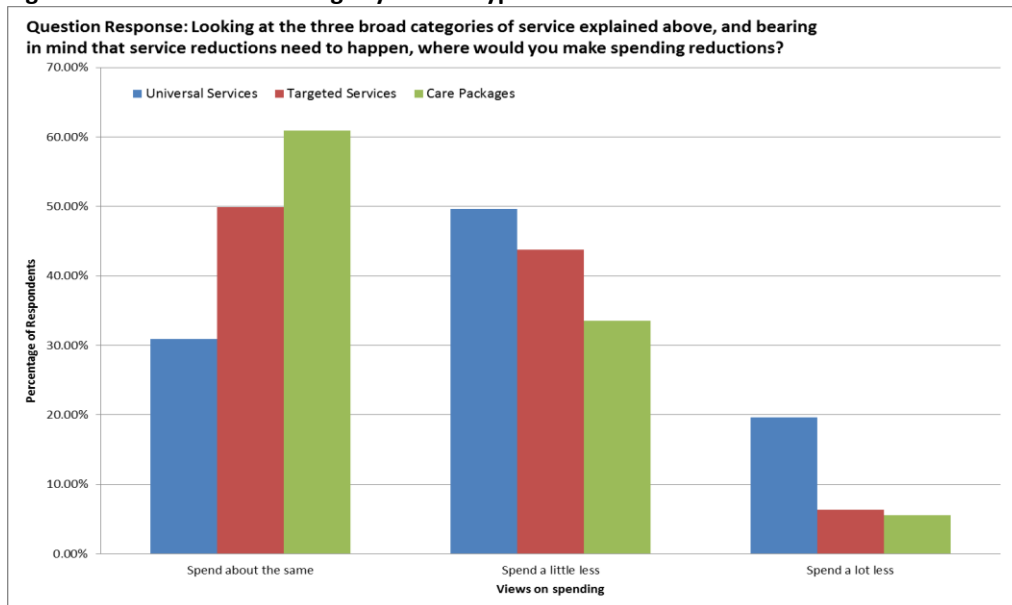
## SECTION 2: LOOKING FORWARD

Within the survey, we separated out the types of services we provide into three broad ‘top level’ groupings:

- Universal services: By this we mean for use by everyone - such as repairing potholes, libraries and providing school transport;
- Targeted services: For example support for children with special educational needs, mental health services, and children’s centres;
- Individually: Focused services. For example, care packages for those people with the greatest need.

Respondents were asked to consider these three broad categories (given the understanding that savings had to be made) and to identify where they would spend less. Overall, when looking at the three groupings opinion was clearly more in favour of spending less on universal services as compared to reducing spend on specialized care packages.

**Figure 6: Preference for savings by service type**



<sup>5</sup> Due to an editing error, at one point in the video the shape of a pie chart didn’t reflect the figures quoted.



260 respondents left further comments to this section, where they were specifically asked about which services could or should be reduced. Comments were varied, with some expressing concern about the future impact of the reduction in services. Some discussed the future impact on services if early intervention was to be cut back or cease altogether. Some services were mentioned by way of example for the different service types e.g. Universal services included repairing potholes, libraries and school transport so naturally the public's comments tended to focus around these.

Many points were raised in relation to school transport. Some questioned the benefit or reasoning behind the extensive funding of more expensive means of transport such as taxi services. One commented that *"the council needs to look at how and why it transports children with special needs miles away to remote special schools instead of educating them in their immediate community because the budget for their transport is substantial."* Questions were also raised in relation to the efficiency of school route planning and it was asked whether the costs involved in schools transport had increased as knock-on effect of the reduction in subsidised bus routes, especially in rural areas of the county.

The second most commented issue was on 'roads and pavements' as an area of concern. Concerns were raised that reductions in spending in these areas were a *"false economy, ... not repairing potholes, gritting roads etc. could result in serious accidents, again increasing burden on emergency services, NHS, and potential liability claims"*. There was a significant sentiment expressed that this was an area of 'universal' service that needed to be protected as it benefited everyone. There was also scepticism around 'targeted' services *"Reduce the part of the council that does 'parenting' of residents. Mainly because this is not the bit that it does particularly well....Instead focus on infrastructure, waste, building schools etc. i.e. all the things that we really, truly, can't do ourselves (or with help from local charities)."*

The third most commonly commented issue focused on those more vulnerable and "hard to reach" people in society. Concerns were raised that these reductions in services could mean that further families and individuals needing support will be left in crisis. One commented that *"To severely cut targeted services would not only impact immediately on families/individuals in need of these services but would put additional pressure on services such as social care as difficulties would escalate."*

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### SECTION 3: COUNTY COUNCIL PRIORITIES

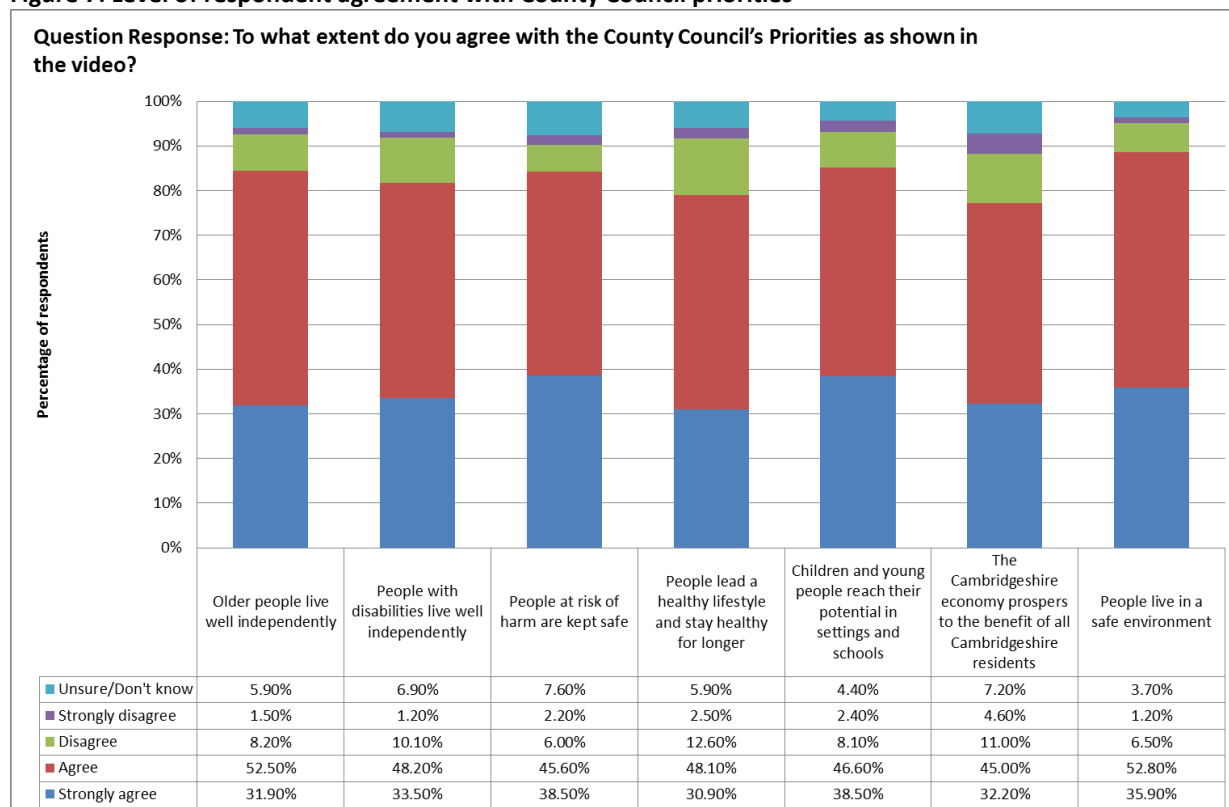
The County Council has developed seven draft priorities as part of its revised strategic framework:

- Older people live well independently
- People with disabilities live well independently
- People at risk of harm are kept safe
- People lead a healthy lifestyle and stay healthy for longer
- Children and young people reach their potential in settings and schools
- The Cambridgeshire economy prospers to the benefit of all Cambridgeshire residents
- People live in a safe environment

Respondents were asked to consider these priorities, and define how far they agreed with each of them. Overall, there was very little difference in the public response to each priority; all were supported to a similar level. By a small margin the top three priorities that respondents most agreed with are as follows:

- People live in a safe environment (88.7%)
- Children and young people reach their potential in settings and schools (85.1%)
- Older people live well independently (84.4%)

**Figure 7: Level of respondent agreement with County Council priorities**



Respondents were then invited to discuss anything that is particularly important that they felt we had missed. In total, 158 left further comments, this ranged from suggesting alternative priorities to concerns around state parenting versus personal responsibility. People also discussed the substance of the priorities *“These priorities are too general, who could disagree with them? Maybe some specific policies aimed at these priorities could be re-evaluated to save money. - It should also be a priority to balance the budget and avoid the temptation to take on loans.”*

Respondents commented on the importance of transport and roads mainly because these are specifically mentioned within the wording of the priorities.

Mental health was also raised as an issue potentially overlooked within the priorities. Concerns were raised about the impact of mental health at all ages, with one stating that *“There is massive underfunding in preventative mental health services and early intervention - people can only reach their full potential and live a healthy life if they are emotionally healthy and stable”*. Other raised concerns about older peoples’ mental health, with a specific focus on illnesses such as Alzheimer’s and general dementia.

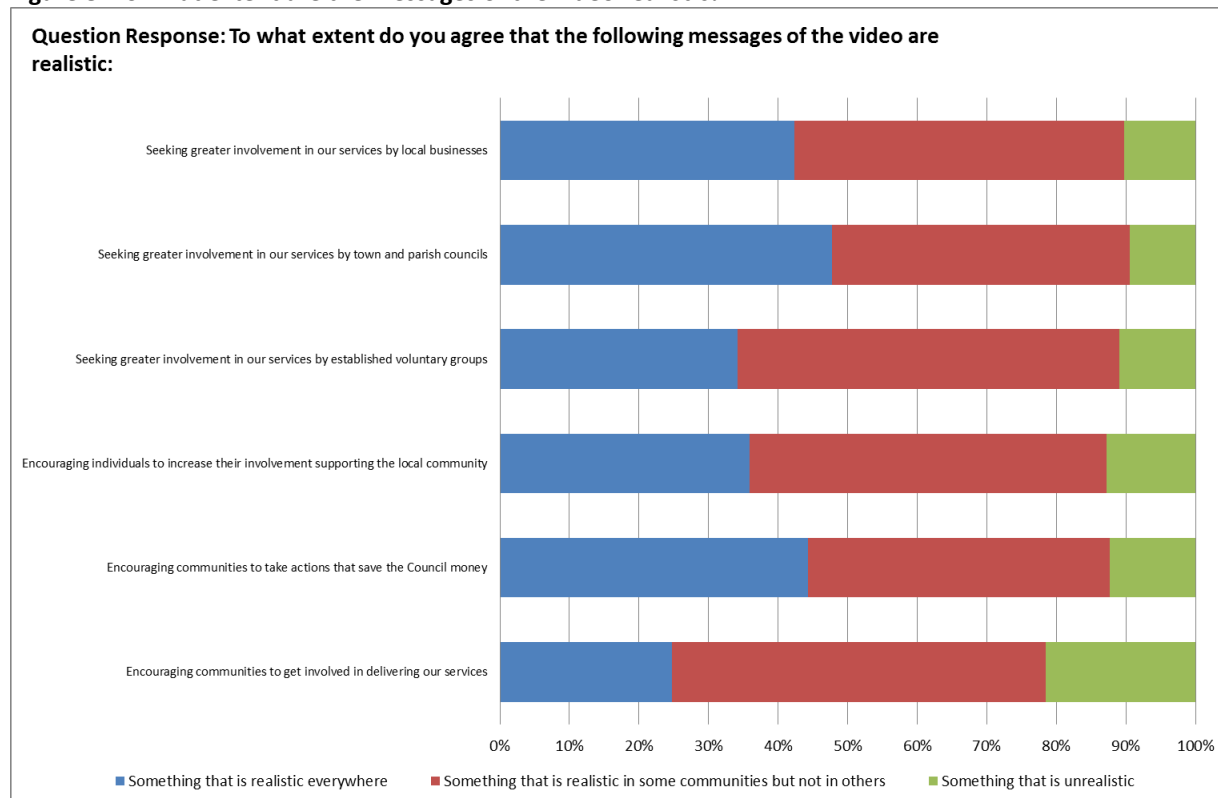
#### SECTION 4: THE ROLE OF THE COMMUNITY IN CAMBRIDGESHIRE’S FUTURE

This section took respondents back to consider the video, and its key messages. Six were outlined, as follows, and respondents were asked to consider how realistic they felt each was:

- Encouraging communities to take actions that save the Council money;
- Seeking greater involvement in our services by established voluntary groups;
- Seeking greater involvement in our services by local businesses;
- Encouraging individuals to increase their involvement supporting the local community;
- Seeking greater involvement in our services by town and parish councils;
- Encouraging communities to get involved in delivering our services

It was most strongly felt that the aim of seeking greater involvement in services by town and parish councils was most realistic with over 47% of people thinking that this could happen everywhere. For all of the messages, at least three quarters of respondents felt they were realistic to some degree, however views were mixed as to whether this was the same for all communities or just some. The following chart summarises responses to this question:

**Figure 8: To what extent are the messages of the video realistic?**



The question was then posed whether these ideas will enable the Council to continue to help people whilst having significantly less funding – and the responses were very mixed, with just 36.6% feeling they would. 36.3% were unsure, and 27% felt they would not.

198 respondents left further comments for this section. As with earlier comments, concerns were raised about the knock-on effect changes would have for the future. Three key areas of discussion rose above the rest:

- The overall plan of the County Council not being realistic or achievable
- Success would only be achieved in some communities not everywhere
- Skill development and funding would be required to achieve these ambitions

A number of respondents stated they did not believe the messages of the video were realistic. One stated that *“individual people are at breaking point, unable to give more volunteer time unless they know they can pay their mortgage/rent and put food on the table first.”* This reflected the view of a number of other respondents, who expressed concerns about individual capacity, and for the capacity of businesses to help, when their incomes are also a priority. Concerns were also raised that the *“voluntary sector is already struggling under the strain of having to make up the gaps left by public funding reductions”*, and the capacity to expect further involvement in service delivery was unrealistic.

Of those who indicated that some communities would be more receptive than others, comments focused on the sense of community spirit already existing in an area, and the importance of building on this. Additional respondents commented on the need to build up the sense of community in some areas, raising concerns that for some, the *“Community ethos will have to fundamentally change from that of ‘there is help for us from the county council’ to ‘we have to do it ourselves as there is no help from the council’*. Another stated that *“People*

*can easily get involved in their local communities, save money and increase their sense of participation in the area where they live. Getting the message out AND understood will be problematic though because people have got used to having things done for them”.*

Respondents commented on the need for specific skills and training to be provided for some if they were to get involved in services (this included the individual as well as organisations). This ranged from the basic need for DBS checks for those getting involved with vulnerable people to more in-depth qualifications for those taking on more specific roles. It was also noted that *“the untrained cannot replace the trained”* and a number of respondents indicated that they would be more willing to support services if they did not feel it would directly result in a paid member of staff losing their position.

Further comments also included the need to push people to get involved – sometimes with rewards, but sometimes by simply removing service provision. IT was also mooted that there should be stronger lobbying of national government, to increase funding and boost support: *“The Council, in association with other local government authorities, should lobby central government for reinstatement of council funding, scaled up, pro rata, in line with inflation since it was originally cut”.*

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## SECTION 5: TAKING PART IN YOUR LOCAL COMMUNITY

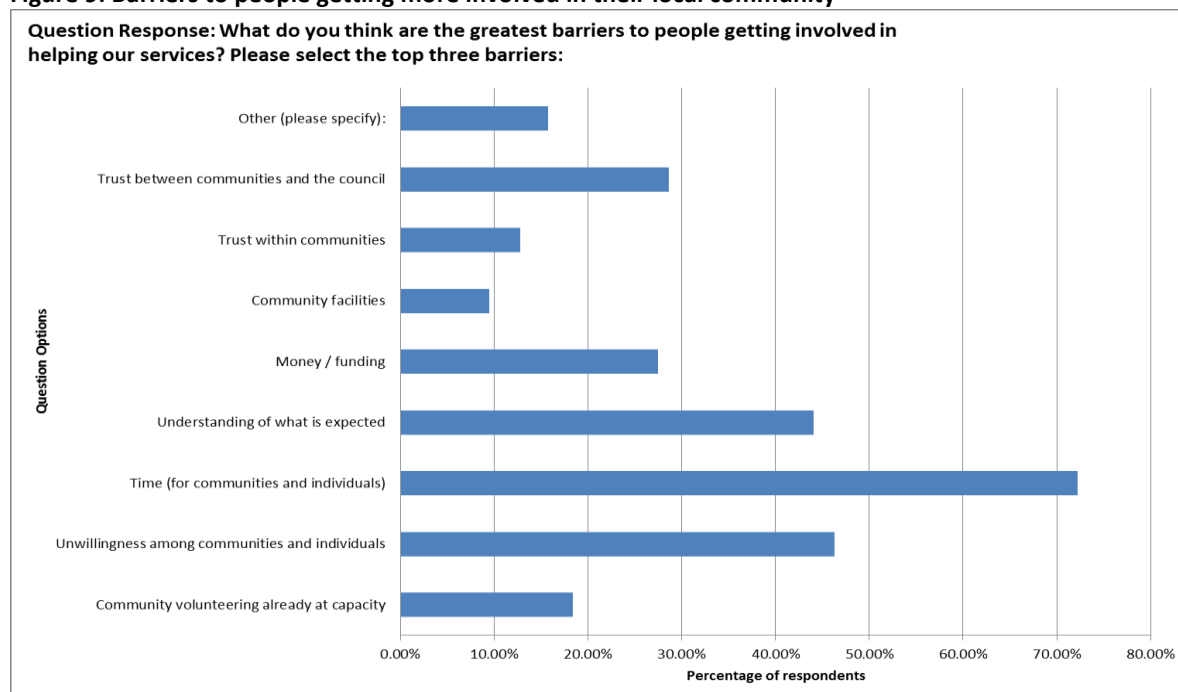
Within this section, respondents were asked to consider whether it was appropriate to ask residents to become more involved in their communities and to support the Council to provide services, 79.4% felt it was a good idea.

261 respondents left further comments. Of these, the most common comment noted that this could only be appropriate for certain services and only then typically with the support of a paid, skilled, member of staff. It was also noted that *“Highly skilled roles should not be included”*, and that the Council should clearly outline services that could welcome involvement: *“It [CCC] should specifically list services where local help is needed”.*

Respondents also commented that it was likely that only specific communities would find residents willing and able to engage with their community, which sometimes works to a benefit, but sometimes serves as a deterrent to others wanting to get involved when there was, for example, a *“range of community services being run by cliques and interest groups”*. One noted that typically only specific sections of society could afford to take time out to get involved, and as such there was a risk of only certain areas being represented. It was also noted that those communities most in need were also likely to consist of those least able to get involved.

Respondents were then asked to consider what barriers there might be to people getting involved in helping the Council provide services. Eight closed options were provided, with the option for respondents to add an additional ‘other’ response. 72% of people identified that ‘time’ was the biggest barrier to getting involved and around 45% of people identified either ‘unwillingness amongst some communities’ or ‘understanding what is expected’ as a barrier.

**Figure 9: Barriers to people getting more involved in their local community**



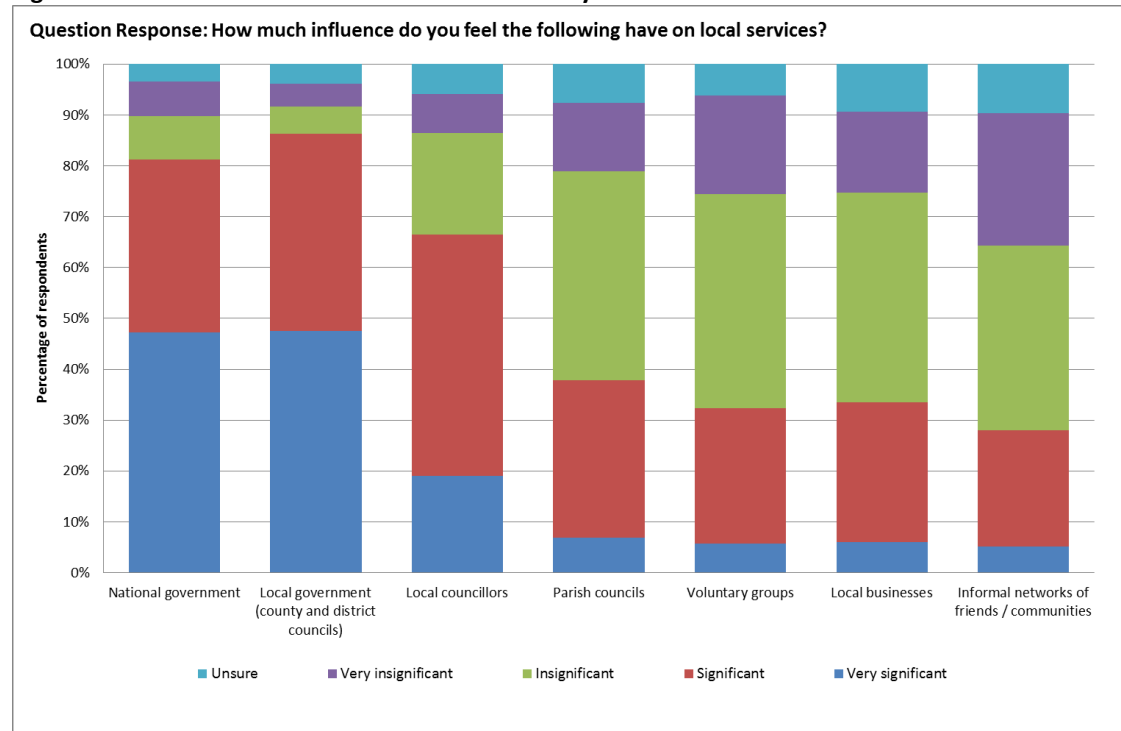
106 respondents left further comments, which focused on the general reluctance of people to engage, sometimes due to general apathy, but sometimes due to a lack of awareness of how and where to get involved, and frustrations around the degrees of bureaucracy involved in volunteering to support some services. People reflected on the general lack of awareness of what to do and of the impact: *"People are not [a]ware that they could/should get involved and what this would mean to them, their community and the council"*. It was noted that consistent communication from the Council was needed, with one stating that there was a *"lack of communication. Social media publicity is free but under used by the council"*. 8.3% commented on the need for a sense of reward, with stories of success to push for involvement in schemes.

The actual or the perceived level of bureaucracy faced by volunteers was also raised. One commented on *"crazy health and safety legislation"* as a barrier, another commented that *"Individuals simply do not have the institutional support to deal in a coherent and consistent way with service delivery. Setting up ad hoc and individual dependant alternatives to current services leaves councils and individuals open to legal challenge"*.

## SECTION 6: LOCAL DECISION-MAKING

Within this section, respondents were asked to consider how much influence they felt certain groups / organisations had on local services and local decision-making. The following bar chart summarises the responses provided to this question.

**Figure 10: Perceived level of influence on services by different institutions**



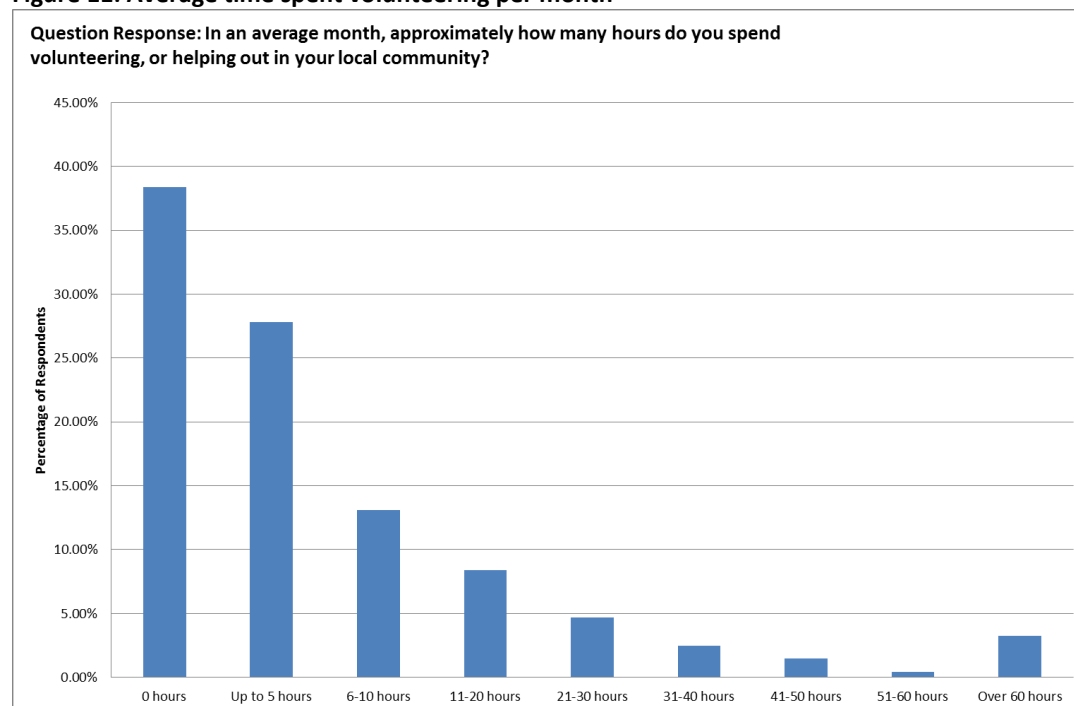
There was a greater sense that national and local government had the greatest impact on local services. Parish Councils were considered to be no more influential than voluntary groups, local businesses and Informal networks.

## SECTION 7: CURRENT INVOLVEMENT IN YOUR COMMUNITY

This section of the survey focused on respondents' current experiences getting involved in their local community, such as direct volunteering or supporting others.

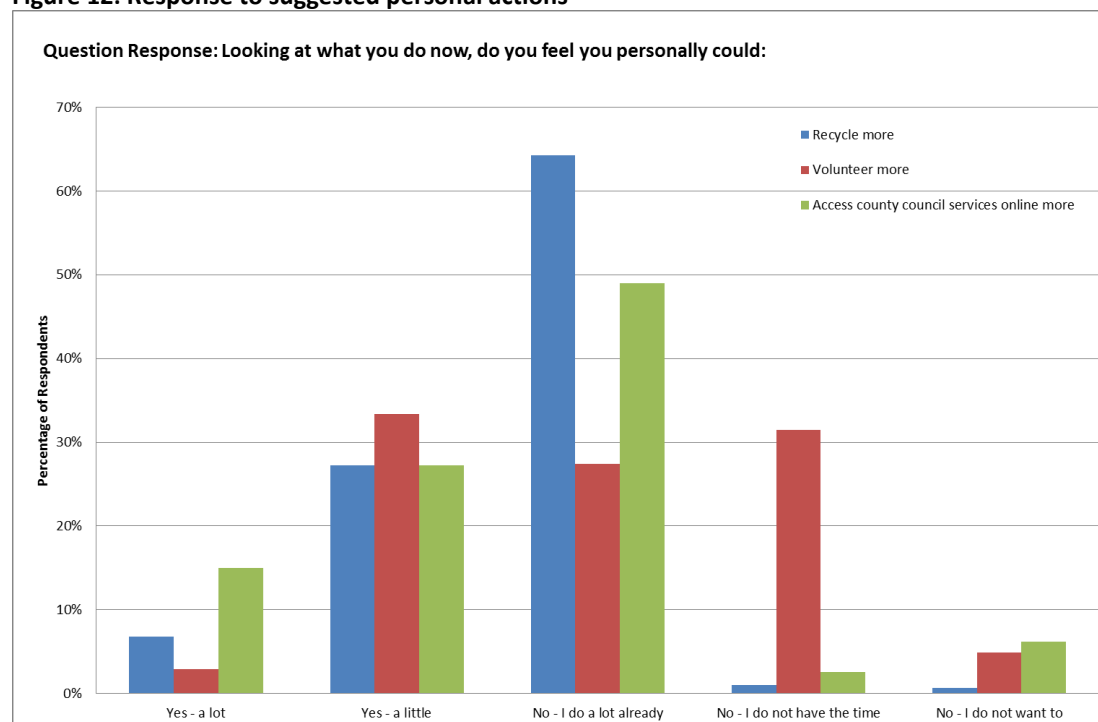
Over a third of respondents stated that they did not volunteer or help out in their community at all with an addition 28% saying that they volunteered less than five hours a month (overall 66% volunteering five hours or less).

**Figure 11: Average time spent volunteering per month**



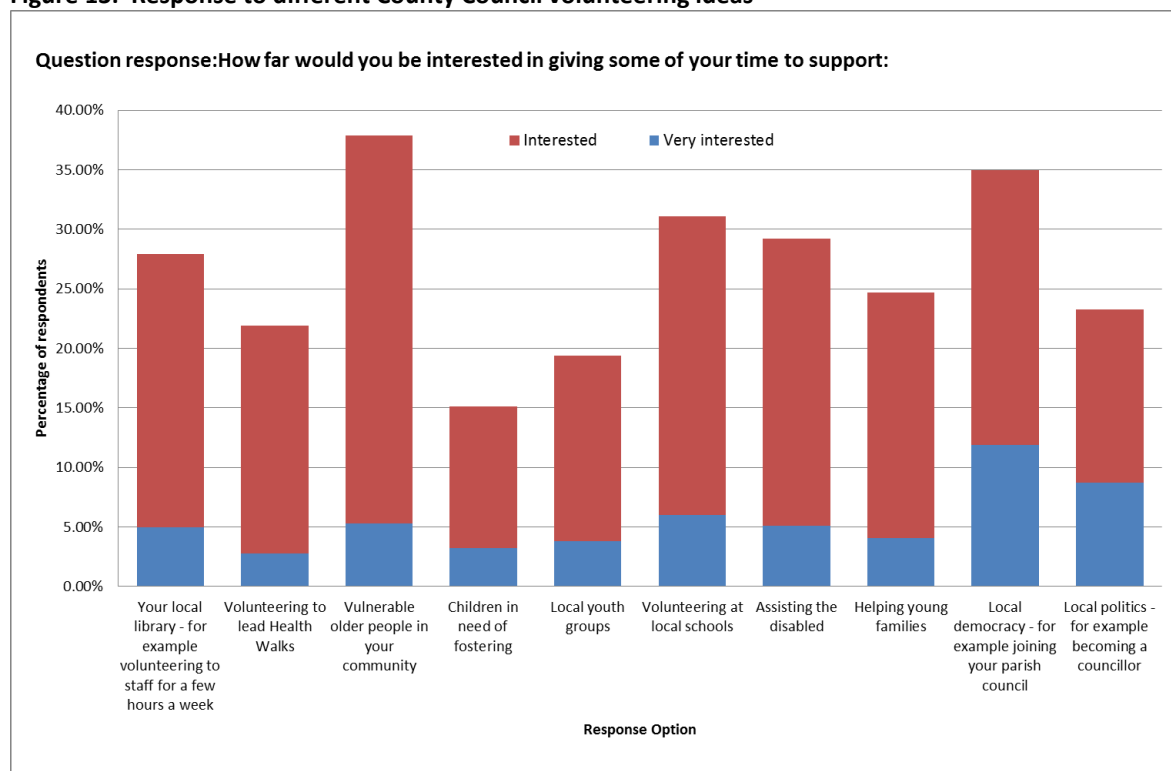
Respondents were asked to consider their current ability to recycle more, volunteer more and access more services online. 15% felt that they could do a lot more to access County Council services on-line compared to what they did at the moment. Opinions regarding the ability to volunteer more were more mixed, with a higher proportion indicating they could do a little more – but an almost equal proportion indicated they did not have the time.

**Figure 12: Response to suggested personal actions**



Respondents were then provided with the following ten ideas, and asked how far they would be interested in giving some of their time to support each. For all proposed options, the majority of respondents were either not at all interested or not interested in taking part, with over 60% of respondents selecting these in each suggestion (for some, over 85% selected this).

**Figure 13: Response to different County Council volunteering ideas**



The following bullets break down each of the ten options separately, completing them against other questions in the survey.

- Your local library - for example volunteering to staff for a few hours a week**  
27.9% of all respondents indicated they would be interested or very interested in getting involved in their local library. Females and males showed an equal interest in this activity.
- Volunteering to lead Health Walks**  
21.9% of respondents indicated they would be interested or very interested in volunteering to lead health walks. There was no significant difference by gender.
- Vulnerable older people in your community**  
37.9% of respondents were either interested or very interested in working with vulnerable over people in their community. This was the highest proportion for any of the ten suggestions. Females were more interested in this activity, with 43.2% expressing an interest, compared to 30.1% of males.
- Children in need of fostering**  
15.1% of respondents indicated they would be interested or very interested in giving some of their time to support children in need of fostering. Again, females expressed more interest in engaging with this, with 17.4% expressing interest compared to 11.8% of males.
- Local youth groups**  
19.4% of respondents indicated they were interested or very interested in engaging with local youth groups. By gender, there was no significant difference in engagement levels.



- Volunteering at local schools  
31.1% of respondents indicated they were interested or very interested in volunteering at local schools. Females were significantly more interested in getting involved, with 34.3% indicating interest, compared to 25.7% of males.
- Assisting the disabled  
29.2% of respondents indicated they were interested or very interested in assisting the disabled. There was no significant difference by gender.
- Helping young families  
In total, 24.7% of respondents indicated they were interested or very interested in helping young families. By gender, again females expressed more interest, at 29.7%, compared to 18% of males.
- Local democracy - for example joining your parish council  
35% of all respondents indicated they were interested or very interested in engaging with local democracy. Males were significantly more likely to want to get involved, with 46.3%% expressing some degree of interest, compared to 27.3% of females.
- Local politics - for example becoming a councillor  
23.3% of respondents stated they were interested or very interested in getting involved in local politics (for example becoming a councillor). Again, males were significantly more interested, with 31.9% expressing interest, compared to 16.3% of females.

255 respondents provided further comments on this; with the key messages being that they had no time due to non-voluntary commitments or that they did a lot already.

Of those indicating time as a restricting factor, comments related to the pressure to make ends meet or existing care responsibilities *"already have to work two jobs (1 full time 1 part time and have three elderly relatives to care for) spare time!!!! What spare time!!!!"* or *"I a single breadwinning parent of a young child. So I don't have very much spare time."* Some indicated a lack of support from employers as a barrier, citing issues such as inflexibility in time off. Other noted the considerable amount of time dedicated to care-giver roles, typically for close family members, and cited frustration that these were not treated with more value. There was however recognition that the Council does have little option but to reduce support.

Of those who indicated they specifically volunteered a lot already, a number commented on the strain that the current financial situation was placing on local voluntary organisations and informal groups. Respondents provided a variety of examples of services they were involved in, including those services highlighted above, food banks, visiting the local prison, supporting local football clubs and volunteering at local museums.

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## SECTION 8: COUNCIL TAX

This section was identical to a set of questions asked the previous year so comparisons can be drawn.

Respondents were asked to identify which Council Tax band their property was in. The web survey form then highlighted for them how much council tax they paid per year to the County Council. There were then asked a series of questions about taxation. Of the sample, a quarter indicated they were in Council Tax band D (25.2%) with a fairly even distribution around this point.

When asked how far they agreed with the idea of increasing Council Tax to reduce the cuts to services the Council has to make, 60% of respondents either strongly agreed or tended to agree. This is a marked increase from last year, where 48.1% of respondents felt this way. Opinions were consistent across all tax bands.

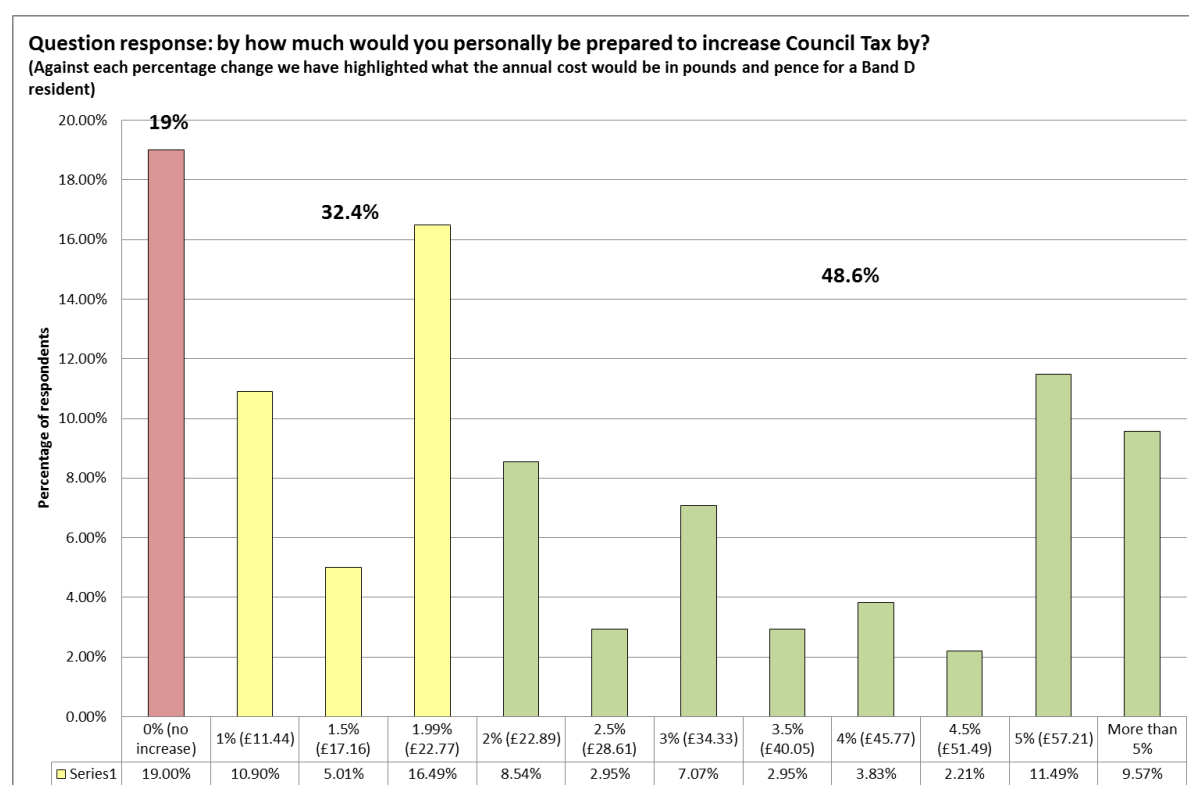
Respondents were then asked by how much they would personally be prepared to increase Council Tax by, taking into account the savings required, and that an increase of over 1.99% would require a public referendum to be held.

19% of respondents felt they would not be prepared to see any increase, with 32.4% opting for an increase of between 1% and 1.99%. 48.6% of respondents felt they could take an increase of over 2%. Again these differ from last year, with a higher proportion of respondents being open to the idea of a tax increase. Last year, 78.3% were open to some level of increase, compared to 81% this year. The following table compares this year's responses with those from 2014.

**Table 3: Willingness to increase council tax**

% Tax increase	2015	2014
0 (no increase)	19.0%	21.7%
1 – 1.99	32.4%	23.9%
> 2	48.6%	54.4%

**Figure 14: Willingness to increase council tax**



## COMMUNITY EVENTS

### INTRODUCTION

In addition to the on-line survey there were four direct engagement events with the community. The events attended were in Wisbech, Cherry Hinton, Ramsey and Ely (with the choice of location being limited to suitable community events being run during the consultation period. The communication material from these was based upon the messages within the animation. These events were led by the Community Engagement Team and a range of staff from across County Council services took part. Local elected members were also invited to attend.

Overall this engagement directly reached over 350 people with well over 200 contact forms being completed (people participated in couple or groups). Each write-up was circulated to those officers who had been present for confirmation and a further 'feedback' meeting was held, with all facilitator invited, to establish the key themes arising from the consultation.

### RESULTS FROM COMMUNITY EVENTS

#### CAMBRIDGESHIRE'S BUDGET CHALLENGE: WISBECH

*Sunday 13<sup>th</sup> September 10-3 Wisbech Heritage Craft Market & Car Boot*

Members of County Council staff and a local councillor talked with over 100 people at the Heritage Craft Market (with 61 feedback forms being completed as some talked as a couple or group). People were shown information about the County Council's budget challenge and were asked about their level of awareness, their initial reaction to the budget cuts and what they thought of the County Council's plans to cope with the cuts. People were also asked if they supported an increase in Council tax. Conversations were wide ranging and people commented on local issues as well as the County Council's budget. There were many positive examples of people volunteering to support the community. Thirty people gave their e-mails in order to participate in the on-line survey when it became available.

#### Awareness of the Budget Challenge

- Almost half the people we talked to were unaware of the budget challenge faced by the County Council. In total 46% were unaware of the issue prior to meeting County Council staff and a further 11% only had a little awareness of the issue.
- Some people expressed '*surprise*' at the scale of the cuts needed over the next five years whilst others found them '*A bit shocking / worrying*'. One person indicated that they were '*saddened and appalled*' and another said that £100million was too much.
- Within some people's minds the scale of the cuts were combined with what they considered to be a history of underinvestment in Wisbech. Several referred to Wisbech being '*underfunded*' and money being spent in other parts of the County.

#### Suggestions for Savings

- Savings suggestions from members of the public included cutting Councillors expenses 'you don't need £7,000 to be a Councillor', cutting senior pay ('*cuts should not come from services. Why do high end Council employees get paid so much - cut their salary*') and not spending money on consultants
- A few people pointed to expenditure on translation fees as an area where money could be saved and one person suggested that this was where volunteers could help.
- There were suggestions that street lights could be turned off late at night; although more people mentioned this as a negative idea saying that Wisbech was not safe enough for this to happen. These

people went on to say that local policing was inadequate or needed protecting from cuts.

- Some suggested that money could be spent in a more efficient or targeted way and there were suggestions that different parts of government could be merged. A couple questioned spending money on proposals to reopen the Wisbech to March railway line.
- There was general support expressed for charging more for some services if people could afford the additional amount.

### **Community Action to support services**

- Generally there was a very positive response to the suggestion that increased community action and volunteering could help to support local services. For example people thought that it was possible for libraries to be staffed by volunteers (*'Volunteering is a good idea as it increases feelings of wellbeing and helps the community'*)
- There were many examples of people doing a considerable amount within their local communities. There was a positive story about the benefits of 'Wisbech in Bloom' in maintaining the built environment of the town. Another person was involved with the University of the Third Age (the 43 separate groups/activities in the March area) and the additional informal support that had grown out of this. There were also more personal examples *'I look after my brother who is mentally ill. We come under Norfolk NHS and their mental health team are always at the end of the phone in an emergency - they support me to support him'*. Generally existing volunteers were able to point to further opportunities for collaboration.
- When asked if they personally would be willing to volunteer more there was a mixed response. Some people felt that they already did what they could and cited work / family commitments as a barrier for example one person said that *'they already visit three people'*.
- There was considerable discussion about where new volunteers would be drawn from. The people we spoke to identified the young as well as the recently retired as being groups to target. One person recognised the skills amongst recently retired people. Several mentioned the unemployed and suggested that an element of service should be linked to benefit entitlement.
- There was a mixed response regarding community spirit. Those who regularly volunteered felt that the community spirit in Wisbech was really strong and cited many positive examples. Others thought that there wasn't a strong spirit and a small number linked this issue to migration.
- It was positive that a number of people provided their e-mail addresses in order to hear more about volunteering opportunities.

### **Paying more Council Tax**

- Of those who gave a direct answer to this question (50 people) 52% said that Council tax should not be increased. A small number argued for a decrease. For those who said it shouldn't go up *'Feels like we pay enough already and get little for it'* was a common comment.
- 48% of people said that they would pay more but for over half of these people this was a conditional statement. There were three common conditions; the first was that the increase should not be too high; the second was that it was inevitable; the third was that it should be clearly demonstrated what the additional money was for *'target services that need protecting'*, *'depends on services'* and *'yes – for direct delivery of priorities'* are example comments.
- Some people highlighted that taxes should be means tested with some groups (older people, those on a low income) paying less than those who are better off.

## CAMBRIDGESHIRE'S BUDGET CHALLENGE: CHERRY HINTON

*Saturday 19<sup>th</sup> September Cherry Hinton Festival, Cherry Hinton*

Members of County Council staff talked with over 100 people at the Cherry Hinton Festival with 59 feedback forms being completed as some talked as a couple or group). People were shown information about the County Council's budget challenge and were asked about their level of awareness, their initial reaction to the budget cuts and what they thought of the County Council's plans to cope with the cuts. People were also asked if they supported an increase in Council tax. Conversations were wide ranging and people commented on local issues as well as the County Council's budget. There were many positive examples of people volunteering to support the community. Thirty-six people gave their e-mails in order to participate in the on-line survey when it became available.

### Awareness of the Budget Challenge

- The level of awareness about the cuts was very good. Of the people who specifically answered this questions (50) 62% were very aware and a further 22% were broadly aware. It should be noted that a proportion attributed this awareness to being public sector workers e.g. from the NHS.
- Five people linked their awareness to the scale and scope of the cuts to the proposals to turn off streetlights between midnight and 6am.
- Of the minority who did not have much awareness there was some shock expressed as to the scale of the cuts that needed to be made over the next few years; one person admitted turning off the news because it was all *'too depressing'*.

### Suggestions for Savings

- There were not many savings suggestions from members of the public. Rather they found it easier to list services that they valued. These included Mental Health Services, Transport (Bus passes being described as a *'life-line'*) and *'Concern about the impact on children from low income families and older people'*.
- Bus passes were also raised by an additional two people in relation to the ability of some to pay for bus services that they currently got for free. One thought was that bus passes should be means tested. One person wrote *"Understand it's very challenging. Important to protect transport - although not necessarily as it is at the moment - it could be increasing community transport and decreasing bus subsidy"*. One person also mentioned *'pay to use'* library services.
- Making increased use of the internet was mentioned. *"Should do more digitally. Stop posting stuff, only use online. And equip people so that they can engage digitally - training, providing tablets, etc."*

### Community Action to support services

- There were many excellent examples of people already doing an extensive amount of volunteering within the community. *'Community readers' do Saturday morning session each week for children'*; *'I live in a small village and that is already happening - there are lots of elderly volunteers'*. *'I'm 76 and happy to do my bit - I've been part of St John Ambulance most of my life. I've also set up an Old Boy's Club recently'*
- Many people mention the need for signposting for people to be able to help volunteer more *'Yes to volunteering - has volunteered at Cambridge ReUse and Children's Society - would do more if she could find the right opportunities'* also *'people can help but they won't - need a coordinator otherwise people will sit around waiting for others to help'*. Others mentioned how inspiring some individuals are *'Could have lost the library - one person was key to saving it - now things have turned around.'*
- Time pressures were mentioned as one of the reasons people couldn't volunteer more *'Does mowing for old people working / time pressure limits ability to do more'* and *'I'm not sure that they can - they are squeezed too - working longer, raising children and retiring later and looking after parents. Need*

*to make more opportunities for working people. Think capacity is declining'*

- Another barrier mentioned for volunteering was not being perceived as an official or being allowed to help without running into red tape. *'You run into problems litter picking. I'd get an earful for not being 'official'.*
- Some conversations centred on how to move volunteering on from something that is person or local e.g. *'I know my neighbours we do the odd thing for each other - we just pay our way - that's how it is.'* Or *'Needs to be directly relevant to family - e.g. children's football team.'* To something that is outside someone's normal scope of community involvement; time credit schemes were praised in this regard.

#### **Paying more Council Tax**

- Of those who gave a direct answer to this question (44 people) only 20% said that Council tax should not be increased. For those who said it shouldn't go up almost all said that they would struggle to pay the additional amount or they were already struggling to pay.
- As many as 75% of people said that they would pay more but for over half of these people this was a conditional statement.

There common conditions were;

- A specific area of public service work would receive the additional funding or would be protected. The NHS was mentioned in this regard as was children's centres as well as the police.
- That there was some sort of fairness or means test attached to the increase. People mentioned *'big corporates'* paying more and another person suggested that *'students'* should be taxed. *'Only for people who can afford it'* and *'personally wouldn't mind an extra £150 p.a., but concerned about people who can't afford it'* were also two recorded comments.
- Some people also highlighted the transparency in spending and knowing about the sort of things local taxes were spent on.

## CAMBRIDGESHIRE'S BUDGET CHALLENGE: RAMSEY

Sunday 27<sup>th</sup> September, Ramsey Plough Day, Ramsey

Members of County Council staff talked with over 50 people at the Ramsey Plough Day (with 37 feedback forms being completed as some talked as a couple or group).

People were shown information about the County Council's budget challenge and were asked about their level of awareness, their initial reaction to the budget cuts and what they thought of the County Council's plans to cope with the cuts. People were also asked if they supported an increase in Council tax. Conversations were wide ranging and people commented on local issues as well as the County Council's budget. There were many positive examples of people volunteering to support the community. Eighteen people gave their e-mails in order to participate in the on-line survey when it became available.

### Awareness of the Budget Challenge

- Well over half the people we talked to were aware of the budget challenge faced by the County Council. In total 63% were aware of the issue prior to meeting County Council staff.
- Some people expressed '*surprise*' at the scale of the cuts '*sounds like a lot more than I thought*' and '*Shocking - couldn't believe the amounts involved*' were two of the comments recorded.
- Others expressed that the cuts were inevitable given the state of the public finances '*everyone's money is squeezed*'. T
- There was some expression that the cuts were either unfairly targeted at local services '*Shame there has to be cuts and sharing the amount around needs to be fair to make up the deficit. Shire Counties are being hit the hardest*'; '*Staggering amount - can understand why we don't see coppers on the beat anymore*' and '*Sounds like a lot more than thought. Noticing run down paths and hedgerows and other things slipping*'
- There was a further comment about the most vulnerable being hit the hardest '*Well as usual it will be the vulnerable people, older people that get hit, suffer as a result. Provision for children with disabilities and social services is in free fall (that's what I've heard). Infrastructure isn't funded appropriately, respite care is underfunded*'.

### Suggestions for Savings

- Savings suggestions from members of the public included cutting Councillors and their allowances '*Stop paying councillors -expenses only*'
- A form of local government reorganisation was also mentioned by several people '*District councils not needed. Remove this tier*' and '*Cheaper offices. Fewer Councillors, Shared facilities, commercialise and charge for more services. Reduce levels of government*'
- People were aware of the problem of playing services off against each other; '*difficult to think about how it can be met without removing services that are essential. Cuts to roads rather than youth services*' and '*Spending money where we don't need to i.e. on street lighting. Put it in roads instead*'.
- There was also some concentration on the current quality of services and the current approach to spending. Someone commented '*Can understand there must be savings but don't think CCC is clear about how the money is spent. Also some departments don't seem to do anything i.e. Conservation. Feels things are going back rather than improving*' and also '*Wasted at source before it is ever spent. This needs to be looked at.*'

### Community Action to support services

- Unlike the other areas where this consultation has been carried out there was a mixed response to the suggestion that increased community action and volunteering could help to support local services. - There were many examples of people doing a considerable amount within their local communities. People volunteering to run health walks, with the Ramsey Museum (run entirely by volunteers), street



pride initiatives, community gardening and with cancer charities.

- There was also some pessimism that the community would be able to respond with additional effort as services are cut. Someone observed *'Community won't do it. Used to have many more volunteers within communities. Commuters - often not interested / able in volunteering within communities'* whilst another said *'Warboy's community spirit hangs by a thread. Job to get volunteers to run things'*.

- When exploring in more detail why there were problems with volunteering people attributed this to the work pressures placed on the young *'Already do a lot of volunteering. When people are working can be very difficult - if you get a volunteer under fifty then you are very lucky'* and *'It is always the same people volunteering and younger people have more work / financial pressures. Volunteers need support as well. Can't just do it on their own'*.
- It was positive that a number of people provided their e-mail addresses in order to hear more about volunteering opportunities. There was also particular praise for the Ramsey Million project and also for the St Neot's Time Bank as being better ways to engage younger people in the community.

#### **Paying more Council Tax**

- Of those who expressed an opinion only 22% said yes to paying for an additional amount of Council tax.
- A much larger proportion of 41% said that they would pay an increase but it was conditional. The main conditions are as follows:
  - The money is spent well and not wasted;
  - That they could be sure that the money was spent on some very specific services *'If the money went to services I used then yes'* or *'Need to know a lot more about what it would be spent on i.e. £20 more council tax ...this is what will be achieved with it.'*
  - That the increase would not be unfairly charged to those on a low income e.g. poorer pensioners or struggling families.
- A few people referred to the quandary of being asked for ever more council tax at the same time as services were being cut, feeling that if this was the case there was little point in paying the increase *'Wouldn't object to paying more council tax if services remained'*.



## CAMBRIDGESHIRE'S BUDGET CHALLENGE: ELY

Saturday 16<sup>th</sup> October, Ely Market

Members of County Council staff and a local councillor talked with over 100 people in (with 60 feedback forms being completed as some talked as a couple or group). People were shown information about the County Council's budget challenge and were asked about their level of awareness, their initial reaction to the budget cuts and what they thought of the County Council's plans to cope with the cuts. People were also asked if they supported an increase in Council tax. Conversations were wide ranging and people commented on local issues as well as the County Council's budget. There were many positive examples of people volunteering to support the community. Thirty one people gave their e-mails in order to participate in the on-line survey when it became available.

### Awareness of the Budget Challenge

- Only a quarter of the people we talked to were unaware of the budget challenge faced by the County Council. In total 25% were unaware of the issue prior to meeting County Council staff and a further 23% only had a partial awareness of the issue.
- Just over 50% of people said they were fully aware of the situation. Most attributed put this awareness down to what they've read or seen in the media but a few also reported direct experience of the cuts as either service users or because relatives worked in public services.
- Some people expressed their reaction to the scale of the cuts in one of two ways:
  - shock; *'Shock, that much money is being spent...you have 'open my eyes' to the scale of the cuts needed'; 'Shocking about the amount that needed to be saved'.*
  - The cuts as a necessary evil, particularly in light of the national budget situation; *'Not shocked by the level of the challenge. Deficit has to be cleared. (It's like any household budget). No good living in cloud cuckoo land about it'; 'Pragmatic - do what needs to be done. Start at the top - councillor's expenses'.*

### Suggestions for Savings

- Some savings suggestions by members of the public were made in light of a perception that local government was wasteful;
  - *'people at the top get too much. We should start with getting rid of golden handshakes / huge salaries';*
  - *'They find it frustrating that so much is wasted on ideas / planning projects that don't happen. Move on prevention - i.e not leaving road damage until it costs a fortune to repair'*
  - *'Money is wasted on outsourcing'*
- The proposal to reduce street lighting arose and opinion was divided as to this being a good idea or not. One person suggested that the streetlights were one of the few benefits that they got for their council tax (alongside bin collections). Whereas others approved of the measure, particularly in light of other areas that could be cut;
  - *'Happy to see a reduction in street lighting but not older and vulnerable people'.*
  - *'Turn the street lights off and turn libraries into community centres'*
  - *'Yes people should help in their communities would be happy to go without streetlights'*
- Rather than suggest areas for cuts people put forward area that they wanted to see protected.
  - *'It is wrong that the savings might be taken from children and the disabled. The elderly should be properly supported - better support for those who need it. Worry about essential services going even though they are supposed to be protected.'*
  - *'Worried about the impact on care for older people. Children need a good education, felt all services described were important.'*
  - *'Protecting vulnerable people is most important'*
  - *'Shouldn't lose libraries as they offer so much.'*
- People also raised issue of service quality.
  - *'Roads are rubbish, we've only four street lights and I've never seen a bus.'*

- 'I go to London for eye Hospital appointments. Often miss the last bus [there aren't any later ones] when I get home and have to pay £30 for a taxi'

### **Community Action to support services**

- We heard lots of stories about how much volunteering was already taking place in the community.
  - *'Already work within their community - helping a number of elderly people'*
  - *'Member of Soham Rotary Club so raise money for good causes'*
  - *'Local volunteer / secretary of village centre.... there is community spirit there. Older people pull together'*
  - *'runs a dementia group - finds it difficult to inspire people - runs group herself after funding was cut'*
  - *'School / college do volunteering and also donate to charity'*
- Generally there was strong support for the idea of encouraging more volunteering and other forms of community action but people questioned if it would be a suitable replacement for paid services.
  - *'It's not wrong to be asked. Same people would be happy to be asked. But its not for everybody, depends on the circumstances of the person. Volunteering is brilliant if you are that type of person. Cannot be compulsory'*
  - *'yes it can be right to ask people to help - but the same people want to be paid to deliver services. Not sure about community spirit'*
  - *'This initiative should cover health services as well. People do 'keep an eye' on neighbours but worried this is seen as being nosey'*

### **Paying more Council Tax**

- Of those who gave an opinion only 16% gave an unequivocal yes to increasing council tax. This can be balanced against the 24% who said no to an increase.
- 59% of people gave an answer that amounted to a conditional yes. Agreeing to an increase but placing caveats on that agreement.
  - *'Yes for specific things - i.e. roads. People need to know what the extra money will be spent on.'*
  - *'I don't mind as long as the money goes to the right services.'*
  - *'Yes as long as the Council doesn't waste money.'*
  - *'Yes but it needs to be spent on appropriate things - essential services not bypasses and roads.'*
  - *'Wouldn't mind a slight increase if services improved'*

## BUSINESS CONSULTATION

### INTRODUCTION

As part of its business planning process, the Council consults with the public, businesses and other interest groups to gain insight into their views about what should be considered priority areas for budget spending. In the case of businesses, the Council wished to develop an insight into their views about what it can do to help local businesses thrive. The Council was also keen to talk with businesses about how they engage with and support their local communities.

In order to develop this engagement, the Council sought to run a series of consultative meetings with businesses across the County. To do this, it was agreed with the Cambridgeshire Chambers of Commerce that County Council research staff should gather views by attending local Chamber committees. Alongside these sessions, individual businesses were consulted at a Chamber of Commerce B2B event. Experience has shown that face to face conversations are the most effective approach to engage with businesses. A decision was made not to run the online consultation this year due to the typically low response rate of this engagement.

This report summarises consultations carried out with 75 businesses through the Cambridgeshire Chambers of Commerce Local Committees in September, October and November 2015 and at the 2015 Cambridgeshire Chambers of Commerce B2B event held at Quay Mill Hotel in September. In its 6th year, the event hosted over 100 exhibitors and 600 visitors.

### METHODOLOGY

The consultation sought to gather the views of businesses across the County about what the County Council can and should be doing to develop an environment within which local businesses can thrive, through having a semi-structured discussion. The face to face consultation with businesses had the following objectives:

- Focus predominantly on small to medium enterprises (SME). The Cambridgeshire Chambers of Commerce advise that 68% of businesses in Cambridgeshire employ four people or fewer.
- Gather the views of businesses across the County about what the County Council can and should be doing to develop an environment within which local businesses can thrive.
- Explore the involvement of local businesses in the community through processes such as work experience placement and apprenticeships.

There were two parts to the consultation. The major part was open discussions similar to a focus group with the business representatives on the four local Cambridgeshire Chambers of Commerce committees for Cambridge and South Cambridgeshire, Ely, Fenland, and Huntingdonshire. These were carried out through September to November 2015. In-depth discussions with 33 businesses took place through the Chambers of Commerce local committees in Cambridge and South Cambridgeshire, Ely, Fenland, and Huntingdonshire.

The second part looked beyond the representatives sitting on the Cambridgeshire Chamber of Commerce committees to other businesses involved in the local area. County Council representatives manned a stall at the annual B2B event, held this year at the Quay Mill Hotel in September. Discussions were focused in the same way as for those at the Chambers meetings.

The face to face consultations and the survey were run by the County Council Research Team. Promotion was conducted by the Cambridgeshire Chamber in tandem with the Research Team.

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## QUESTION DESIGN AND DELIVERY

The questions were designed to be open so as to promote discussion and gather businesses' views without being constrained by any preconceptions.

A short paper was circulated beforehand to the business representatives on the Chambers of Commerce Local Committees which explained the level of savings required from the County Council budget, the main areas of current spending and a summary of progress the Council has made over the past year addressing the key issues raised in our 2014 engagement exercises.

At the B2B event, this was provided alongside presentation of some key facts and figures on the saving we need to undertake. A guide questionnaire was developed, and following a brief run through of the circulated paper to ensure understanding, discussions with business representatives were guided around the following open questions:

- How aware was the person of the scale of the savings challenge. What was their reaction to the savings challenge, and how do they think their business has been affected?
- What does their business value from the County Council – what are the best bits that we are doing currently that supports their business to thrive? (*e.g.: transport links, childcare, broadband, digital first, staff training, qualifications for staff, licensing and rogue traders*).
- What do they feel Cambridgeshire County Council should be doing to help their business thrive that we don't already do. What do we need to do more of to support their business most? (*This also examines the community involvement of the business and how the Council can support a business to do more.*)

The Council Research staff recorded discussions at the Commerce meetings and the B2B event in note form. The discussion points were sorted into themes as presented in this report. In total 75 businesses were engaged with. 33 of these were through in-depth discussions through the Chambers of Commerce Local Committees, with a further 42 individual discussions at the B2B event.

## CHAMBER OF COMMERCE RESULTS

During September, October and November, members of the Council's Research Team attended each of the Chamber of Commerce Local Committees: East Cambridgeshire, Fenland, Huntingdonshire, Cambridge City and South Cambridgeshire. In total, 33 representatives were engaged with through these meetings.

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## ENGAGEMENT WITH LOCAL COMMUNITIES

Within our discussions with business representatives both at the B2B event and the Chamber of Commerce local committees, Research staff questioned respondents on their current degree of engagement with their local communities, from what they do now, to ideas of engagement they could do – and what the barriers were, if any.

A key focus by almost all representatives was around local apprenticeship schemes and work experience placements. Some businesses gave excellent examples of strong engagement with local colleges and schools, including engaging in 'in-house' support on soft skills such as CV-writing and interview preparation. A number of representatives across Cambridgeshire did raise concerns about the difficulties in engaging with some schools, with a number citing examples of the times they had attempted to engage but had no response.

Looking at transport and environmental issues, some did note the promotion of appropriate waste disposal (including recycling) on their premises. Others discussed supporting roadside maintenance. One example was given by a local company wishing to engage in promotion on roundabouts, with a willingness to pay and to

assist in the maintenance / beautification of the area. They highlighted difficulties in engaging with the local council and questioned why more roundabouts were not available for sponsorship. A best practice example for this would be Milton Keynes.

Transport was discussed as a blocking issue for staff and for engaging with local communities. Some funded taxis to enable potential work experience students and apprentices to get to work.

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## TRANSPORT AND INFRASTRUCTURE

This came up as a key topic in 2014, and again has been raised by all Chamber of Commerce meetings. For some, positive statements arose, for others concerns were raised about the accessibility to their services by other businesses and customers. It was recognised that improvements are taking place, and things are progressing in the right direction, but that there was a lot more work to be done. It was noted that *'poor road structure stunts business growth'*.

Specific topics included:

- The A14
- The A10
- Electrification of railways
- Public transport
- Road and roadside maintenance

Two key issues about poor transport and infrastructure were discussed, focusing on how it stunted a business from developing. Firstly, that customers could not easily access and engage with a business. Secondly, that recruitment could be hindered, with the staffing and apprentice pool becoming limited to local residents.

Developments on the A14 were noted by the Cambridge & South Cambridgeshire and East Cambridgeshire meetings as being generally positive, with some improvements identified around traffic flow. It was however recognised that these developments are some way off completion, so further developments might still result in marked improvements. The A10 was noted as being a barrier to businesses, especially when seeking to expand their customer base. This mirrors feedback from 2014.

Representatives from Cambridge and South Cambridgeshire noted the degree of delay that took place when planning projects, and that this often meant that improvement only took place slowly. This reflects back on another common point of discussion around the repetitious nature of government, especially around policy and project planning.

Road maintenance was discussed as an issue, especially in rural areas. It was noted that there was a need for local communities to take on verge-side maintenance, with residents performing simple tasks such as mowing the grass directly outside their property. It was noted that Councils need to positively recognise that behaviour, however.

Developments around the train station in Ely were discussed positively by the East Cambridgeshire business representatives. Access to businesses and customers would be significantly improved. Concerns around parking and taxi ranks within the station were discussed.

Further electrification of railways was discussed specifically by business representatives from Fenland, as a requirement to boost reliability of services and production. The cost of HS2 was noted as being possibly better-placed in investing in local train services across the country.

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## BROADBAND

The rollout of super-fast broadband has been recognised and was applauded; however concerns were raised about the methodology behind the achievement of “95% coverage”. It was suggested that this might be far from the case in more rural areas. Concerns were raised that in some areas, boxes were installed but that they did not cover a full village – hence they were recording as having coverage incorrectly<sup>6</sup>.

Broadband and connectivity is still viewed as a significant issue in rural areas – especially so in Fenland, with businesses suffering as a result. Access speeds were also discussed, with many representatives expressing scepticism that the pledged speeds matched actual speed. One example was provided by a local business owner who still had difficulty with simple requirements such as processing card payments.

Business representatives stressed the need for good broadband access and described the lack of broadband access for households and for businesses as a deprivation indicator. It was noted that poor coverage impacted not only on businesses but also on families and schools and education. The benefits of the roll out were discussed, where better broadband might have an indirect positive impact in other areas – for example reductions in traffic, improving road and rail links, and boost business productivity, labour markets and increase potential cost-saving methods.

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## SKILLS AND STAFFING

Business representatives raised concerns about staffing shortages, especially in the skilled manual labour or customer service industries.

Difficulties in recruiting staff were linked to skills gaps, but also to the pool of workers to hand. As above, poor transport and infrastructure can act as a block for staff, and as such the pool of potential employees can be drastically reduced. Housing affordability was also noted as a block, specifically for Cambridge City.

The EDGE Jobs and Skills Service was discussed by representatives at the Huntingdonshire meeting, and it was noted that adult learning and education departments are engaged with the service. Job application skills development required improvement, and should be integral to education in schools.

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## SCHOOLS AND APPRENTICESHIPS

Each Committee discussed how positive apprenticeships were and the significant benefit they gave businesses. The majority of representatives (including those from the B2B event) had taken on apprentices, and found them to be a very positive resource. The introduction of the Living Wage and its impact was discussed, with recognition that this was pushing businesses to reconsider employment and apprenticeship processes, re-examining the age profiles of staff to plan for the future.

There was a general sense from representatives that the demand for apprentices and work experience outweighs the candidates currently available. Difficulties in getting potential apprentices to work was also discussed – again with regards to transport provision, and the limited local pool of candidates.

Representatives noted difficulty in schools engaging with businesses – sometimes this was down to a general lack of awareness of local business, but there was concern that more often it was due to the stigma associated to progressing down alternative routes to university.

It was recognised that some schools fully engage with businesses, in a very rewarding fashion, but for the most part the feedback was that there was a need to push schools to engage with trades and local business

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<sup>6</sup> Although expressed as a view this is probably not the case. The details published at <http://www.connectingcambridgeshire.co.uk/my-area/> do reflect coverage details of this sort.

opportunities. Typically, communications to schools received no response, and this was a point where the Council should play a lead role in transforming how schools link with local businesses.

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## THE ROLE AND STRUCTURE OF LOCAL GOVERNMENT

Representatives from some committees discussed the role and structure of local government, and the repetitious nature of policy and planning processes. Cambridge City and South Cambridgeshire representatives identified issues where they felt that local government organisations regularly “buck-pass” questions and issues. It was noted that there needs to be a joined up approach between different parts of local government so this doesn’t happen. Many felt that it was currently unclear what the County Council does to support businesses (beyond the obvious maintenance of roads and other universal services).

Communication processes within the Council were also discussed, with similar reflections as those engaged with at the B2B exhibition. It was felt that communication both with businesses and with the public was often not as strong as it could be, with a need for greater clarity and consistency of messages. In the view of some businesses Councils appear to communicate only from a defensive point of view, responding to an issue or a problem raised in the press. It was felt that there was a need for the council to better communicate its successes, and that *‘there are probably some very good news stories that the Council are simply not raising awareness of’*.

The potential of devolution was raised, with mixed opinions around accountability, and the inevitable cost of the process in the form of meetings, debates, and repetitious discussions across the organisations in question.

It was emphasised that Councils need to *‘be more business-like’* in both its management and decision-making processes, drawing similar teams together and being more forceful with partner organisations.

## COMMENTS FROM BUSINESSES AT THE B2B EVENT

In its sixth year, the B2B event at Quy hosted over 100 exhibitors and 600 visitors. The day was a great success for many, providing numerous networking opportunities as well as the chance to learn through the inspiring seminar programme. Cambridgeshire County Council manned a stall at the event and through this and walking through the event engaged with a high number of businesses.

The majority of businesses were aware of the financial pressures faced by the County Council. For some this was due to having relatives working in the public sector, whilst for others it was due to their business’ historical involvement with local groups. In general, those questioned were less concerned about the impact this might have on their businesses, but did reflect on wider impact this might have— for example degradation of road networks and reductions in free parking. Concerns about the focus on SMEs were raised, with some suggesting that the council could do more to engage with and support smaller business.

The majority of comments focused on the accessibility of their business to their customers – for many this focused on road and rail networks, for others concern around a lack of suitable office space and broadband was raised. Key issues raised include:

- **Advice and Support.** Some felt that little support was provided directly from the County Council to assist businesses in promoting their brand. This ranged from a need for more business advisors to a willingness to let out land (e.g. roundabouts) for promotion. Guidance on how smaller businesses can bid for projects was also requested.
- **Communication.** It was felt that engagement between the County Council and the SMEs needed improvement, with some commenting that it reflected a wider communication issue. This is a similar issue to that raised last year. There was a sense that many positive activities run by the council were not widely communicated and hence not recognised.



- **Transport Infrastructure.** Respondents spoke positively about improvements that have taken place over the last year across the county. Some noted that their selection of business location was specifically guided by the fact that some key roads become blocked – specifically referencing the A14 and the A10.
- **Travel and congestion.** Whilst it was recognised that roads have improved, there was a concern that congestion had not. Some reflected positively on the A14 developments, but added concern that this had not led to the improvement in travel time that had been hoped for. Concerns were expressed that this was limiting their customer pool as well as their access to skilled staff.
- **Availability of office space.** Businesses questioned felt that a lack of availability of affordable office space was a significant issue, specifically with regards to Cambridge City. One smaller business explained they were being pushed out of their premises in Cambridge for a new housing development, but could find nowhere else to move to.
- **Broadband.** In contrast to last year, feedback on broadband and the availability of super-fast connections was spoken of very positively. Whilst concerns were raised about the continuing existence of small areas with no access (typically more remote rural locations) feedback was positive and reflected on the improvements seen over the past year. Questions were raised about the promised connection speeds compared to the actual speed provided.

Businesses were asked about how they get involved in their local community, with a specific focus on work experience placements and apprenticeships.

Businesses also made the following points:

- **Infrastructure provision** to support housing developments – *“it is okay to build homes but if there is no surrounding infrastructure to support it you will have difficulties.”*
- **Apprenticeships / work experience placements** also need to be sought out by schools: *“Expectation by colleges to have people come to them ... Used to get direct work experience requests - doesn't seem to happen in Cambridgeshire.”*
- **Congestion** is a challenge and things are worsening, especially around in **Cambridge City**. There is a need to invest in public transport – *“busway is fantastic”* and cycleways - *“Lack of safe cycling paths, lack of interest from CCC in cycling<sup>7</sup>”*.
- Concern over **procurement support**: *“SMEs find it very difficult to negotiate the public sector procurement system, [they need] more support on how to get into the system.”*
- The implementation of the **living wage**. Views were mixed – some (typically larger businesses) felt it was a very positive move, whilst others expressed concern that it might destabilise their business and that even now it stopping them from hiring new staff.

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<sup>7</sup> When the respondent was then advised about cycling initiatives across the City, they were impressed, but questioned why the Council did not promote it more.











## APPENDICES




### On-line Survey Summary

#### 2. Our Budget Challenge

Have you watched the video? (If not, you can continue with this survey but it will not be possible to answer a number of the questions):						Response Percent	Response Total
1	Yes					95.59%	650
2	No					4.41%	30
Analysis	Mean:	1.04	Std. Deviation:	0.21	Satisfaction Rate:	4.41	answered 680
	Variance:	0.04	Std. Error:	0.01			skipped 1

Did the video leave you with a good understanding of the challenges that the County Council faces?						Response Percent	Response Total
1	Yes					83.09%	565
2	No					4.41%	30
3	Unsure					12.50%	85
Analysis	Mean:	1.29	Std. Deviation:	0.68	Satisfaction Rate:	14.71	answered 680
	Variance:	0.46	Std. Error:	0.03			skipped 1

Before watching the video, how aware were you of the scale of the financial challenges facing the county council?						Response Percent	Response Total
1	Very aware					34.47%	233
2	Aware					50.44%	341
3	Not aware					11.69%	79
4	Not at all aware					2.22%	15
5	Unsure / Don't know					1.18%	8
Analysis	Mean:	1.85	Std. Deviation:	0.8	Satisfaction Rate:	21.3	answered 676
	Variance:	0.63	Std. Error:	0.03			skipped 5

How concerned are you about the financial challenges faced by the County Council?						Response Percent	Response Total
1	Very concerned					51.26%	347
2	Concerned					40.92%	277
3	Not concerned					5.47%	37

How concerned are you about the financial challenges faced by the County Council?				
			Response Percent	Response Total
4	Not at all concerned		1.03%	7

### 3. Looking forward

Looking at the three broad categories of service explained above, and bearing in mind that service reductions need to happen, where would you make spending reductions?				
	Spend about the same	Spend a little less	Spend a lot less	Response Total
Universal services which anyone can access	30.9% (210)	49.6% (337)	19.6% (133)	680
Targeted services	49.9% (339)	43.8% (298)	6.3% (43)	680
Care packages for people with the greatest need	60.9% (414)	33.5% (228)	5.6% (38)	680
			answered	680
			skipped	1

### Matrix Charts

5.1. Universal services which anyone can access							Response Percent	Response Total
1	Spend about the same			<div></div>			30.9%	210
2	Spend a little less			<div></div>			49.6%	337
3	Spend a lot less			<div></div>			19.6%	133
Analysis	Mean:	1.89	Std. Deviation:	0.7	Satisfaction Rate:	44.34	answered	680
	Variance:	0.49	Std. Error:	0.03				

5.2. Targeted services							Response Percent	Response Total
1	Spend about the same			<div></div>			49.9%	339
2	Spend a little less			<div></div>			43.8%	298
3	Spend a lot less			<div></div>			6.3%	43
Analysis	Mean:	1.56	Std. Deviation:	0.61	Satisfaction Rate:	28.24	answered	680
	Variance:	0.37	Std. Error:	0.02				

5.3. Care packages for people with the greatest need							Response Percent	Response Total
1	Spend about the same				<div><div></div></div>		60.9%	414
2	Spend a little less				<div><div></div></div>		33.5%	228
3	Spend a lot less				<div><div></div></div>		5.6%	38
Analysis	Mean:	1.45	Std. Deviation:	0.6	Satisfaction Rate:	22.35	answered	680
	Variance:	0.37	Std. Error:	0.02				

5.3. Care packages for people with the greatest need				Response Percent	Response Total
Variance:	0.36	Std. Error:	0.02		






#### 4. Our Priorities





To what extent do you agree with the County Council's Priorities as shown in the video?						
	Strongly agree	Agree	Disagree	Strongly disagree	Unsure/Don't know	Response Total
Older people live well independently	31.9% (217)	52.5% (357)	8.2% (56)	1.5% (10)	5.9% (40)	680
People with disabilities live well independently	33.5% (228)	48.2% (328)	10.1% (69)	1.2% (8)	6.9% (47)	680
People at risk of harm are kept safe	38.5% (262)	45.6% (310)	6.0% (41)	2.2% (15)	7.6% (52)	680
People lead a healthy lifestyle and stay healthy for longer	30.9% (210)	48.1% (327)	12.6% (86)	2.5% (17)	5.9% (40)	680
Children and young people reach their potential in settings and schools	38.5% (262)	46.6% (317)	8.1% (55)	2.4% (16)	4.4% (30)	680
The Cambridgeshire economy prospers to the benefit of all Cambridgeshire residents	32.2% (219)	45.0% (306)	11.0% (75)	4.6% (31)	7.2% (49)	680
People live in a safe environment	35.9% (244)	52.8% (359)	6.5% (44)	1.2% (8)	3.7% (25)	680
					answered	680
					skipped	1






#### Matrix Charts






7.1. Older people live well independently						Response Percent	Response Total
1	Strongly agree					31.9%	217
2	Agree					52.5%	357
3	Disagree					8.2%	56
4	Strongly disagree					1.5%	10
5	Unsure/Don't know					5.9%	40
Analysis	Mean:	1.97	Std. Deviation:	0.99	Satisfaction Rate:	24.23	answered 680
	Variance:	0.99	Std. Error:	0.04			

7.2. People with disabilities live well independently						Response Percent	Response Total
1	Strongly agree					33.5%	228
2	Agree					48.2%	328
3	Disagree					10.1%	69
4	Strongly disagree					1.2%	8
5	Unsure/Don't know					6.9%	47
Analysis	Mean:	2	Std. Deviation:	1.05	Satisfaction Rate:	24.93	answered 680
	Variance:	1.11	Std. Error:	0.04			

7.3. People at risk of harm are kept safe						Response Percent	Response Total
1	Strongly agree					38.5%	262
2	Agree					45.6%	310
3	Disagree					6.0%	41
4	Strongly disagree					2.2%	15
5	Unsure/Don't know					7.6%	52
Analysis		Mean:	1.95	Std. Deviation:	1.1	Satisfaction Rate:	23.71
		Variance:	1.22	Std. Error:	0.04		
						answered	680

7.4. People lead a healthy lifestyle and stay healthy for longer						Response Percent	Response Total
1	Strongly agree					30.9%	210
2	Agree					48.1%	327
3	Disagree					12.6%	86
4	Strongly disagree					2.5%	17
5	Unsure/Don't know					5.9%	40
Analysis		Mean:	2.04	Std. Deviation:	1.03	Satisfaction Rate:	26.1
		Variance:	1.06	Std. Error:	0.04		
						answered	680

7.5. Children and young people reach their potential in settings and schools						Response Percent	Response Total
1	Strongly agree					38.5%	262
2	Agree					46.6%	317
3	Disagree					8.1%	55
4	Strongly disagree					2.4%	16
5	Unsure/Don't know					4.4%	30
Analysis		Mean:	1.88	Std. Deviation:	0.97	Satisfaction Rate:	21.88
		Variance:	0.94	Std. Error:	0.04		
						answered	680

7.6. The Cambridgeshire economy prospers to the benefit of all Cambridgeshire residents						Response Percent	Response Total
1	Strongly agree					32.2%	219
2	Agree					45.0%	306
3	Disagree					11.0%	75
4	Strongly disagree					4.6%	31
5	Unsure/Don't know					7.2%	49
Analysis		Mean:	2.1	Std. Deviation:	1.12	Satisfaction Rate:	27.39
		Variance:	1.25	Std. Error:	0.04		
						answered	680

7.7. People live in a safe environment						Response Percent	Response Total	
1	Strongly agree		<div></div>			35.9%	244	
2	Agree		<div></div>			52.8%	359	
3	Disagree		<div></div>			6.5%	44	
4	Strongly disagree		<div></div>			1.2%	8	
5	Unsure/Don't know		<div></div>			3.7%	25	
Analysis	Mean:	1.84	Std. Deviation:	0.88	Satisfaction Rate:	20.99	answered	680
	Variance:	0.78	Std. Error:	0.03				



## 5. The role of the community in Cambridgeshire's future




To what extent do you agree that the following messages of the video are realistic:				
	Something that is realistic everywhere	Something that is realistic in some communities but not in others	Something that is unrealistic	Response Total
Encouraging communities to get involved in delivering our services	24.7% (166)	53.8% (362)	21.5% (145)	673
Encouraging communities to take actions that save the Council money	44.3% (296)	43.4% (290)	12.3% (82)	668
Encouraging individuals to increase their involvement supporting the local community	35.9% (241)	51.3% (345)	12.8% (86)	672
Seeking greater involvement in our services by established voluntary groups	34.2% (228)	54.9% (366)	10.9% (73)	667
Seeking greater involvement in our services by town and parish councils	47.7% (318)	42.9% (286)	9.4% (63)	667
Seeking greater involvement in our services by local businesses	42.3% (283)	47.5% (318)	10.2% (68)	669
			answered	675
			skipped	6




## Matrix Charts




9.1. Encouraging communities to get involved in delivering our services							Response Percent	Response Total
1	Something that is realistic everywhere			<div></div>			24.7%	166
2	Something that is realistic in some communities but not in others			<div></div>			53.8%	362
3	Something that is unrealistic			<div></div>			21.5%	145
Analysis	Mean:	1.97	Std. Deviation:	0.68	Satisfaction Rate:	48.44	answered	673
	Variance:	0.46	Std. Error:	0.03				


9.2. Encouraging communities to take actions that save the Council money						Response Percent	Response Total
1	Something that is realistic everywhere					44.3%	296




9.2. Encouraging communities to take actions that save the Council money						Response Percent	Response Total
2	Something that is realistic in some communities but not in others					43.4%	290
3	Something that is unrealistic					12.3%	82
Analysis	Mean:	1.68	Std. Deviation:	0.68	Satisfaction Rate:	answered	668
	Variance:	0.46	Std. Error:	0.03			

9.3. Encouraging individuals to increase their involvement supporting the local community						Response Percent	Response Total
1	Something that is realistic everywhere					35.9%	241
2	Something that is realistic in some communities but not in others					51.3%	345
3	Something that is unrealistic					12.8%	86
Analysis	Mean:	1.77	Std. Deviation:	0.66	Satisfaction Rate:	answered	672
	Variance:	0.43	Std. Error:	0.03			

9.4. Seeking greater involvement in our services by established voluntary groups						Response Percent	Response Total
1	Something that is realistic everywhere					34.2%	228
2	Something that is realistic in some communities but not in others					54.9%	366
3	Something that is unrealistic					10.9%	73
Analysis	Mean:	1.77	Std. Deviation:	0.63	Satisfaction Rate:	answered	667
	Variance:	0.4	Std. Error:	0.02			










9.5. Seeking greater involvement in our services by town and parish councils						Response Percent	Response Total
1	Something that is realistic everywhere					47.7%	318
2	Something that is realistic in some communities but not in others					42.9%	286
3	Something that is unrealistic					9.4%	63
Analysis	Mean:	1.62	Std. Deviation:	0.65	Satisfaction Rate:	answered	667
	Variance:	0.43	Std. Error:	0.03			

9.6. Seeking greater involvement in our services by local businesses						Response Percent	Response Total
1	Something that is realistic everywhere					42.3%	283
2	Something that is realistic in some communities but not in others					47.5%	318
3	Something that is unrealistic					10.2%	68
Analysis	Mean:	1.68	Std. Deviation:	0.65	Satisfaction Rate:	answered	669
	Variance:	0.42	Std. Error:	0.03			

Do you think these ideas will enable us to continue to help people whilst having significantly less funding?							Response Percent	Response Total
1	Yes						36.62%	249
2	No						27.06%	184
3	Unsure						36.32%	247
Analysis	Mean:	2	Std. Deviation:	0.85	Satisfaction Rate:	49.85	answered	680
	Variance:	0.73	Std. Error:	0.03			skipped	1

## 6. Taking Part in your Local Community

Do you think it is a good idea asking residents to become more involved in their local community to help us to provide council services?				
			Response Percent	Response Total
1	Yes	<div></div>	79.41%	540
2	No	<div></div>	20.59%	140
			skipped	1

What do you think are the greatest barriers to people getting involved in helping our services? Please select the top three barriers:							Response Percent	Response Total
1	Community volunteering already at capacity						18.40%	124
2	Unwillingness among communities and individuals						46.29%	312
3	Time (for communities and individuals)						72.26%	487
4	Understanding of what is expected						44.07%	297
5	Money / funding						27.45%	185
6	Community facilities						9.50%	64
7	Trust within communities						12.76%	86
8	Trust between communities and the council						28.64%	193
9	Other (please specify):						15.73%	106
Analysis	Mean:	11.58	Std. Deviation:	12.8	Satisfaction Rate:	110.39	answered	674
	Variance:	163.89	Std. Error:	0.49			skipped	7

## 7. Local decision-making

How much influence do you feel the following have on local services?							Response Total
	Very significant	Significant	Insignificant	Very insignificant	Unsure		
National government	47.2% (321)	34.1% (232)	8.5% (58)	6.8% (46)	3.4% (23)		680






How much influence do you feel the following have on local services?



	Very significant	Significant	Insignificant	Very insignificant	Unsure	Response Total
Local government (county and district councils)	47.5% (323)	38.8% (264)	5.3% (36)	4.6% (31)	3.8% (26)	680
Local councillors	19.0% (129)	47.5% (323)	20.0% (136)	7.6% (52)	5.9% (40)	680
Parish councils	6.8% (46)	31.0% (211)	41.0% (279)	13.5% (92)	7.6% (52)	680
Voluntary groups	5.7% (39)	26.6% (181)	42.1% (286)	19.4% (132)	6.2% (42)	680
Local businesses	6.0% (41)	27.5% (187)	41.3% (281)	15.9% (108)	9.3% (63)	680
Informal networks of friends / communities	5.1% (35)	22.9% (156)	36.3% (247)	26.0% (177)	9.6% (65)	680
					answered	680
					skipped	1






Matrix Charts






13.1. National government						Response Percent	Response Total	
1	Very significant			<div><div></div></div>		47.2%	321	
2	Significant			<div><div></div></div>		34.1%	232	
3	Insignificant			<div><div></div></div>		8.5%	58	
4	Very insignificant			<div><div></div></div>		6.8%	46	
5	Unsure			<div><div></div></div>		3.4%	23	
Analysis	Mean:	1.85	Std. Deviation:	1.05	Satisfaction Rate:	21.25	answered	680
	Variance:	1.11	Std. Error:	0.04				






13.2. Local government (county and district councils)						Response Percent	Response Total	
1	Very significant				<div><div></div></div>	47.5%	323	
2	Significant				<div><div></div></div>	38.8%	264	
3	Insignificant				<div><div></div></div>	5.3%	36	
4	Very insignificant				<div><div></div></div>	4.6%	31	
5	Unsure				<div><div></div></div>	3.8%	26	
Analysis	Mean:	1.78	Std. Deviation:	1	Satisfaction Rate:	19.6	answered	680
	Variance:	1.01	Std. Error:	0.04				



13.3. Local councillors						Response Percent	Response Total
1	Very significant					19.0%	129
2	Significant					47.5%	323
3	Insignificant					20.0%	136




13.3. Local councillors						Response Percent	Response Total
4	Very insignificant					7.6%	52
5	Unsure					5.9%	40
Analysis	Mean:	2.34	Std. Deviation:	1.05	Satisfaction Rate:	33.49	answered 680
	Variance:	1.11	Std. Error:	0.04			

13.4. Parish councils						Response Percent	Response Total
1	Very significant					6.8%	46
2	Significant					31.0%	211
3	Insignificant					41.0%	279
4	Very insignificant					13.5%	92
5	Unsure					7.6%	52
Analysis	Mean:	2.84	Std. Deviation:	1	Satisfaction Rate:	46.07	answered 680
	Variance:	1	Std. Error:	0.04			



13.5. Voluntary groups						Response Percent	Response Total
1	Very significant					5.7%	39
2	Significant					26.6%	181
3	Insignificant					42.1%	286
4	Very insignificant					19.4%	132
5	Unsure					6.2%	42
Analysis	Mean:	2.94	Std. Deviation:	0.97	Satisfaction Rate:	48.42	answered 680
	Variance:	0.93	Std. Error:	0.04			



13.6. Local businesses						Response Percent	Response Total
1	Very significant					6.0%	41
2	Significant					27.5%	187
3	Insignificant					41.3%	281
4	Very insignificant					15.9%	108
5	Unsure					9.3%	63
Analysis	Mean:	2.95	Std. Deviation:	1.02	Satisfaction Rate:	48.71	answered 680
	Variance:	1.04	Std. Error:	0.04			



13.7. Informal networks of friends / communities						Response Percent	Response Total
1	Very significant					5.1%	35
2	Significant					22.9%	156

13.7. Informal networks of friends / communities						Response Percent	Response Total
3	Insignificant					36.3%	247
4	Very insignificant					26.0%	177
5	Unsure					9.6%	65
Analysis	Mean:	3.12	Std. Deviation:	1.03	Satisfaction Rate:	answered	680
	Variance:	1.06	Std. Error:	0.04			

## 8. Your Current Involvement in your Community

In an average month, approximately how many hours do you spend volunteering, or helping out in your local community?							
						Response Percent	Response Total
1	0					38.38%	261
2	Up to 5 hours					27.79%	189
3	6-10 hours					13.09%	89
4	11-20 hours					8.38%	57
5	21-30 hours					4.71%	32
6	31-40 hours					2.50%	17
7	41-50 hours					1.47%	10
8	51-60 hours					0.44%	3
9	Over 60 hours					3.24%	22
Analysis	Mean:	2.48	Std. Deviation:	1.88	Satisfaction Rate:	answered	680
	Variance:	3.55	Std. Error:	0.07		skipped	1

Are you involved in your local community?							
						Response Percent	Response Total
1	Yes					61.91%	421
2	No					38.09%	259
Analysis	Mean:	1.38	Std. Deviation:	0.49	Satisfaction Rate:	answered	680
	Variance:	0.24	Std. Error:	0.02		skipped	1

Would you be willing/ able to provide more of your time to support your local community in Cambridgeshire?							
						Response Percent	Response Total
1	Yes					40.88%	278
2	No					59.12%	402
Analysis	Mean:	1.59	Std. Deviation:	0.49	Satisfaction Rate:	answered	680
	Variance:	0.24	Std. Error:	0.02		skipped	1

Looking at what you do now, do you feel you personally could:

	Yes - a lot	Yes - a little	No - I do a lot already	No - I do not have the time	No - I do not want to	Response Total
Recycle more	6.8% (46)	27.2% (185)	64.3% (437)	1.0% (7)	0.7% (5)	680
Volunteer more	2.9% (20)	33.4% (227)	27.4% (186)	31.5% (214)	4.9% (33)	680
Access county council services online more	15.0% (102)	27.2% (185)	49.0% (333)	2.6% (18)	6.2% (42)	680
					answered	680
					skipped	1

#### Matrix Charts

17.1. Recycle more							Response Percent	Response Total
1	Yes - a lot			<div><div></div></div>			6.8%	46
2	Yes - a little			<div><div></div></div>			27.2%	185
3	No - I do a lot already			<div><div></div></div>			64.3%	437
4	No - I do not have the time			<div><div></div></div>			1.0%	7
5	No - I do not want to			<div><div></div></div>			0.7%	5
Analysis	Mean:	2.62	Std. Deviation:	0.66	Satisfaction Rate:	40.44	answered	680
	Variance:	0.44	Std. Error:	0.03				





17.2. Volunteer more							Response Percent	Response Total
1	Yes - a lot				<div><div></div></div>		2.9%	20
2	Yes - a little				<div><div></div></div>		33.4%	227
3	No - I do a lot already				<div><div></div></div>		27.4%	186
4	No - I do not have the time				<div><div></div></div>		31.5%	214
5	No - I do not want to				<div><div></div></div>		4.9%	33
Analysis	Mean:	3.02	Std. Deviation:	0.98	Satisfaction Rate:	50.48	answered	680
	Variance:	0.96	Std. Error:	0.04				

17.3. Access county council services online more							Response Percent	Response Total
1	Yes - a lot			<div><div></div></div>			15.0%	102
2	Yes - a little			<div><div></div></div>			27.2%	185
3	No - I do a lot already			<div><div></div></div>			49.0%	333
4	No - I do not have the time			<div><div></div></div>			2.6%	18
5	No - I do not want to			<div><div></div></div>			6.2%	42
Analysis	Mean:	2.58	Std. Deviation:	0.98	Satisfaction Rate:	39.45	answered	680
	Variance:	0.97	Std. Error:	0.04				

How far would you be interested in giving some of your time to support:

	Very interested	Interested	Not interested	Not at all interested	Response Total
Your local library - for example volunteering to staff for a few hours a week	5.0% (34)	22.9% (156)	46.8% (318)	25.3% (172)	680
Volunteering to lead Health Walks	2.8% (19)	19.1% (130)	49.3% (335)	28.8% (196)	680
Vulnerable older people in your community	5.3% (36)	32.6% (222)	40.9% (278)	21.2% (144)	680
Children in need of fostering	3.2% (22)	11.9% (81)	46.9% (319)	37.9% (258)	680
Local youth groups	3.8% (26)	15.6% (106)	48.7% (331)	31.9% (217)	680
Volunteering at local schools	6.0% (41)	25.1% (171)	41.8% (284)	27.1% (184)	680
Assisting the disabled	5.1% (35)	24.1% (164)	46.2% (314)	24.6% (167)	680
Helping young families	4.1% (28)	20.6% (140)	46.9% (319)	28.4% (193)	680
Local democracy - for example joining your parish council	11.9% (81)	23.1% (157)	38.1% (259)	26.9% (183)	680
Local politics - for example becoming a councillor	8.7% (59)	14.6% (99)	43.5% (296)	33.2% (226)	680
				answered	680
				skipped	1

#### Matrix Charts

18.1. Your local library - for example volunteering to staff for a few hours a week							Response Percent	Response Total
1	Very interested						5.0%	34
2	Interested						22.9%	156
3	Not interested						46.8%	318
4	Not at all interested						25.3%	172
Analysis	Mean:	2.92	Std. Deviation:	0.82	Satisfaction Rate:	64.12	answered	680
	Variance:	0.68	Std. Error:	0.03				

18.2. Volunteering to lead Health Walks							Response Percent	Response Total
1	Very interested			<div><div></div></div>			2.8%	19
2	Interested			<div><div></div></div>			19.1%	130
3	Not interested			<div><div></div></div>			49.3%	335
4	Not at all interested			<div><div></div></div>			28.8%	196
Analysis	Mean:	3.04	Std. Deviation:	0.77	Satisfaction Rate:	68.04	answered	680
	Variance:	0.59	Std. Error:	0.03				


18.3. Vulnerable older people in your community						Response Percent	Response Total
1	Very interested					5.3%	36
2	Interested					32.6%	222
3	Not interested					40.9%	278
4	Not at all interested					21.2%	144
Analysis	Mean:	2.78	Std. Deviation:	0.84	Satisfaction Rate:	59.31	answered 680
	Variance:	0.7	Std. Error:	0.03			





18.4. Children in need of fostering						Response Percent	Response Total
1	Very interested					3.2%	22
2	Interested					11.9%	81
3	Not interested					46.9%	319
4	Not at all interested					37.9%	258
Analysis	Mean:	3.2	Std. Deviation:	0.77	Satisfaction Rate:	73.19	answered 680
	Variance:	0.59	Std. Error:	0.03			





18.5. Local youth groups						Response Percent	Response Total
1	Very interested					3.8%	26
2	Interested					15.6%	106
3	Not interested					48.7%	331
4	Not at all interested					31.9%	217
Analysis	Mean:	3.09	Std. Deviation:	0.79	Satisfaction Rate:	69.56	answered 680
	Variance:	0.62	Std. Error:	0.03			





18.6. Volunteering at local schools						Response Percent	Response Total
1	Very interested					6.0%	41
2	Interested					25.1%	171
3	Not interested					41.8%	284
4	Not at all interested					27.1%	184
Analysis	Mean:	2.9	Std. Deviation:	0.87	Satisfaction Rate:	63.28	answered 680
	Variance:	0.75	Std. Error:	0.03			

18.7. Assisting the disabled						Response Percent	Response Total
1	Very interested					5.1%	35
2	Interested					24.1%	164
3	Not interested					46.2%	314




18.7. Assisting the disabled						Response Percent	Response Total
4	Not at all interested					24.6%	167
Analysis	Mean:	2.9	Std. Deviation:	0.83	Satisfaction Rate:	answered	680
	Variance:	0.68	Std. Error:	0.03	63.38		

18.8. Helping young families						Response Percent	Response Total
1	Very interested					4.1%	28
2	Interested					20.6%	140
3	Not interested					46.9%	319
4	Not at all interested					28.4%	193
Analysis	Mean:	3	Std. Deviation:	0.81	Satisfaction Rate:	answered	680
	Variance:	0.65	Std. Error:	0.03	66.52		

18.9. Local democracy - for example joining your parish council						Response Percent	Response Total
1	Very interested					11.9%	81
2	Interested					23.1%	157
3	Not interested					38.1%	259
4	Not at all interested					26.9%	183
Analysis	Mean:	2.8	Std. Deviation:	0.97	Satisfaction Rate:	answered	680
	Variance:	0.94	Std. Error:	0.04	60		

18.10. Local politics - for example becoming a councillor						Response Percent	Response Total
1	Very interested					8.7%	59
2	Interested					14.6%	99
3	Not interested					43.5%	296
4	Not at all interested					33.2%	226
Analysis	Mean:	3.01	Std. Deviation:	0.91	Satisfaction Rate:	answered	680
	Variance:	0.82	Std. Error:	0.03	67.11		

## 9. Council Tax

Which Tax Band are you in? If you don't know what Band you are in, you can look up your property here. Alongside your tax band, we have highlighted how much of your money went to the Council for 2015/16.						Response Percent	Response Total
1	Band A (£762.84)					5.74%	39
2	Band B (£889.98)					9.28%	63
3	Band C (£1,017.12)					21.65%	147

Which Tax Band are you in? If you don't know what Band you are in, you can look up your property here. Alongside your tax band, we have highlighted how much of your money went to the Council for 2015/16.

			Response Percent	Response Total
4	Band D (£1,144.26)		25.18%	171
5	Band E (£1,398.54)		16.20%	110
6	Band F (£1,652.82)		10.01%	68
7	Band G (£1,907.10)		7.51%	51
8	Band H (£2,288.52)		1.33%	9
9	Don't know		1.91%	13
10	I don't pay Council Tax		1.18%	8
<b>Analysis</b>			answered	679
	Mean: 4.23	Std. Deviation: 1.84	Satisfaction Rate: 35.92	
	Variance: 3.4	Std. Error: 0.07	skipped	2

How far do you agree with the idea of increasing Council Tax to reduce the cuts to services we need to make?

			Response Percent	Response Total
1	Strongly agree		26.36%	179
2	Tend to agree		33.58%	228
3	Indifferent		7.07%	48
4	Tend to disagree		13.99%	95
5	Strongly disagree		17.53%	119
6	Don't know		1.47%	10
<b>Analysis</b>			answered	679
	Mean: 2.67	Std. Deviation: 1.5	Satisfaction Rate: 33.43	
	Variance: 2.26	Std. Error: 0.06	skipped	2

Considering the above, by how much would you personally be prepared to increase Council Tax by? Against each percentage change we have highlighted what the annual cost would be in pounds and pence for a Band D resident.

			Response Percent	Response Total
1	0% (no increase)		19.00%	129
2	1% (£11.44)		10.90%	74
3	1.5% (£17.16)		5.01%	34
4	1.99% (£22.77)		16.49%	112
5	2% (£22.89)		8.54%	58
6	2.5% (£28.61)		2.95%	20
7	3% (£34.33)		7.07%	48
8	3.5% (£40.05)		2.95%	20
9	4% (£45.77)		3.83%	26
10	4.5% (£51.49)		2.21%	15
11	5% (£57.21)		11.49%	78



Considering the above, by how much would you personally be prepared to increase Council Tax by? Against each percentage change we have highlighted what the annual cost would be in pounds and pence for a Band D resident.

						Response Percent	Response Total
12	More than 5%					9.57%	65
Analysis	Mean:	5.53	Std. Deviation:	3.83	Satisfaction Rate:	41.18	answered 679
	Variance:	14.67	Std. Error:	0.15			skipped 2

#### 10. Section 1: About You

Are you...

						Response Percent	Response Total
1	Male					40.72%	272
2	Female					55.84%	373
3	Other					0.60%	4
4	Prefer not to say					2.84%	19
Analysis	Mean:	1.66	Std. Deviation:	0.64	Satisfaction Rate:	21.86	answered 668
	Variance:	0.41	Std. Error:	0.02			skipped 13












Please provide your age:

						Response Percent	Response Total
1	Under 18					0.30%	2
2	18-24					1.65%	11
3	25-34					12.87%	86
4	35-44					19.46%	130
5	45-54					26.50%	177
6	55-64					18.26%	122
7	65-74					14.97%	100
8	75+					3.29%	22
9	Prefer not to say					2.69%	18
Analysis	Mean:	5.18	Std. Deviation:	1.54	Satisfaction Rate:	52.19	answered 668
	Variance:	2.38	Std. Error:	0.06			skipped 13







How would you describe your ethnic background?

						Response Percent	Response Total
1	British					86.83%	580
2	Irish					1.05%	7
3	Gypsy & Traveller					0.00%	0

### How would you describe your ethnic background?

							Response Percent	Response Total
4	Eastern European						0.60%	4
5	Other						4.34%	29
6	African						0.30%	2
7	Caribbean						0.00%	0
8	Other						0.45%	3
9	White and Black African						0.15%	1
10	White and Black Caribbean						0.00%	0
11	White and Asian						0.60%	4
12	Other						0.15%	1
13	Indian						0.60%	4
14	Pakistani						0.15%	1
15	Bangladeshi						0.00%	0
16	Chinese						0.15%	1
17	Other						0.00%	0
18	Any other Ethnic Group						0.00%	0
19	Prefer not to say						4.64%	31
<b>Analysis</b>							answered	668
	Mean:	3.52	Std. Deviation:	4.98	Satisfaction Rate:	10.97	skipped	13
	Variance:	24.77	Std. Error:	0.19				

### Are you..

							Response Percent	Response Total
1	In education (full or part time)						0.75%	5
2	In employment (full or part time)						63.02%	421
3	Self-employed (full or part time)						9.13%	61
4	Retired						17.51%	117
5	Stay at home parent / carer or similar						3.59%	24
6	Other (please specify):						5.99%	40
<b>Analysis</b>							answered	668
	Mean:	2.78	Std. Deviation:	1.21	Satisfaction Rate:	35.63	skipped	13
	Variance:	1.47	Std. Error:	0.05				

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## About the Cambridgeshire Research Group

The Research Group is the central research and information section of Cambridgeshire County Council. We use a variety of information about the people and economy of Cambridgeshire to help plan services for the county. The Research Group also supports a range of other partner agencies and partnerships.

Subjects covered by the team include:

- Consultations and Surveys
- Crime and Community Safety
- Current Staff Consultations
- Data Visualisation
- Economy and The Labour Market
- Health
- Housing
- Mapping and Geographic Information Systems (GIS)
- Population
- Pupil Forecasting

For more details please see our website:

[www.cambridgeshireinsight.org.uk](http://www.cambridgeshireinsight.org.uk)



**TREASURY MANAGEMENT STRATEGY 2016-17**

**To: General Purposes Committee**

**Meeting Date: 14th January 2016**

**From: Chief Finance Officer**

**Electoral  
division(s): All**

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

**Purpose: To bring the draft Treasury Management Strategy 2016-17.**

**Recommendation: That General Purposes Committee:**

- 1. Recommend to Council that it approve the draft Treasury Management Strategy for 2016-17, including:**
  - a) The Capital Financing and Borrowing Strategy for 2016-17 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 2016-17 as required by the Local Government Act 2003**
  - b) The Investment Strategy for 2016-17 as required by the Communities and Local Government (CLG) revised Guidance on Local Government Investments issued in 2010.**
- 2. That the authority be delegated to the Council's Chief Finance Officer, in consultation with the Chairman of General Purposes Committee, to make temporary changes needed to the Council's borrowing and investment strategy to enable the authority to meet its obligations.**

<b>Officer contact:</b>	
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## **1. INTRODUCTION**

- 1.1 The Treasury Management Strategy report sets out the Council's policy for its debt and investment portfolios over the next financial year. It is reviewed annually and reported to General Purposes Committee and Council as part of the budget setting process.

## **2. BACKGROUND**

- 2.1 See Treasury Management Strategy Report attached.

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

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

There are no significant implications for this priority.

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

There are no significant implications for this priority.

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

There are no significant implications for this priority.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

The resources required to deliver the Council's Treasury Management Strategy and policies over the next five years are incorporated into the Council's debt financing budgets, which are included in the Council's overall budget reported to this committee.

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 2016-17 outline the ways in which treasury management risk will be determined, managed and controlled.

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

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

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

There are no significant implications within this category.

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

There are no significant implications within this category.

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

There are no significant implications within this category.

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

There are no significant implications within this category.

<b>Source Documents</b>	<b>Location</b>
Treasury Management Scheme of Delegation and role of Section 151 Officer Treasury Management Policy Statement Prudential and Treasury Indicators Minimum Revenue Provision (MRP) Policy Statement Annual investment strategy	Box OCT1114 Shire Hall Cambridge





## Section 8 – Treasury Management Strategy

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1: Introduction	Appendix 1: Treasury Management Scheme of Delegation and role of Section 151 Officer
2: Current Treasury Management position	
3: Prospects for interest rates	Appendix 2: Treasury Management Policy Statement
4: Borrowing strategy	Appendix 3: Prudential and Treasury Indicators
5: Minimum Revenue Provision	Appendix 4: Minimum Revenue Provision (MRP) Policy Statement
6: Investment strategy	Appendix 5: Annual investment strategy
7: Sensitivity of the forecast and risk analysis	
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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).

### **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, capital expenditure, external debt and treasury management, as well as 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 CLG revised Guidance on Local Government Investments issued in 2010.

The strategy takes into account the impact of the Council's Medium Term Financial Plan, its revenue budget and capital programme, the balance sheet position and the outlook for interest rates.

The Treasury Management Strategy for 2016-17 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 2015-16 are:

- Updates to interest rate forecasts
- Updates to debt financing budget forecasts
- Updates to Prudential and Treasury Indicators

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 2016, 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.

£m	2015-16 Projected	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
<b>External borrowing</b>						
Borrowing at 1 April	381.1	424.2	484.5	493.1	498.0	493.2
Expected change in borrowing	43.1	60.3	8.6	4.8	(4.8)	(21.4)
<b>Actual borrowing at 31 March</b>	<b>424.2</b>	<b>484.5</b>	<b>493.1</b>	<b>498.0</b>	<b>493.2</b>	<b>471.8</b>
<b>CFR – the borrowing need</b>	<b>582.1</b>	<b>642.5</b>	<b>651.1</b>	<b>655.9</b>	<b>651.1</b>	<b>629.7</b>
<b>Under/(over) borrowing</b>	<b>157.9</b>	<b>157.9</b>	<b>157.9</b>	<b>157.9</b>	<b>157.9</b>	<b>157.9</b>
<b>Total investments at 31 March</b>						
<b>Investments</b>	<b>6.8</b>	<b>5.6</b>	<b>5.8</b>	<b>6.0</b>	<b>6.2</b>	<b>6.5</b>
Investment change	(28.8)	(1.2)	0.2	0.2	0.2	0.2
<b>Net borrowing</b>	<b>417.4</b>	<b>478.9</b>	<b>487.3</b>	<b>491.9</b>	<b>486.9</b>	<b>465.3</b>

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 Capita Asset Services (CAS) 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 CAS central view for short term (Bank Rate) and longer fixed interest rates.



UK GDP growth rates in of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again. However, quarter 1 of 2015 was weak at +0.4%, although there was a short lived rebound in quarter 2 to +0.7% before it subsided again to +0.5% (+2.3% y/y) in quarter 3. The Bank of England's November Inflation Report included a forecast for growth to remain around 2.5% – 2.7% over the next three years. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.3%.

The MPC has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. The Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a sharp tick up from the current zero rate to around 1% in the second half of 2016. Indeed, the increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the

biggest since February 2013. Nevertheless, despite average weekly earnings ticking up to 3.0% y/y in the three months ending in September, this is unlikely to provide ammunition for the MPC to take action to raise Bank Rate in the near future as labour productivity growth has meant that net labour unit costs appear to be rising by about only 1% y/y. Having said that, at the start of October, data came out that indicated annual labour cost growth had jumped sharply in quarter 2 from +0.3% to +2.2%: time will tell if this is just a blip or the start of a trend.

There is, therefore, considerable uncertainty around how quickly inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are, therefore, arguments that they need to raise rates sooner, rather than later, so as to have some options available for use if there was another major financial crisis in the near future. But it is unlikely that either would raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has, therefore, been pushed back progressively during 2015 from Q4 2015 to Q2 2016 and increases after that will be at a much slower pace, and to much lower levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

This challenging and uncertain economic outlook has several key treasury management implications:

- Investment returns are likely to remain relatively low during 2016/17 and beyond;
- Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.
- To manage the Council's debt maturity profile, leaving no one future year with a disproportionate level of repayments.
- 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 alternative options available, including forward loan agreements.
- Support the LGA Bond Agency that the Council has invested in.
- Provide value for money and savings where possible to meet budgetary pressures.

#### 4: Borrowing strategy

The overarching objectives for the borrowing strategy are as follows:

The Council is currently maintaining an under borrowed position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Council's reserves, balances, and cash flow, has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is quite high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2016-17 treasury operations. The Chief Finance Officer will monitor interest



rates in financial markets and adopt a pragmatic approach to changing circumstances.

Given that projections over the next three years show an increasing CFR and Bank Rate is expected to remain low, the Council will continue to use a mix of its own cash balances, short term borrowing and long term borrowing to finance further capital expenditure. This strategy maximises short term savings.

However, the decision to maintain internal borrowing to generate short term savings 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.

It is budgeted that £60.3m of new long term borrowing is undertaken to finance further capital expenditure. A proportion of this borrowing will be from the newly formed Bonds Agency when it is expected to issue its first bond during 2015-16. The Council is also exploring the possibility of arranging loans now for advance in up to 5 years time. This provides certainty for future interest costs and reduces the risk that loans may have to be raised in the future at a higher interest rate than is forecast.

### 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. It should be noted that CIPFA undertook a review of the Code in early 2008 with a fully revised version being published in 2009 to incorporate changes towards implementing International Financial Reporting Standards (IFRS).

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 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 made within the following constraints:

Year	Max. Borrowing in advance	Notes
2016-17	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.
2017-18	50%	
2018-19	25%	

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through



the Councils reporting mechanism for treasury management and capital financing matters.

### **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 the size of the cost/benefit of any debt repayment (premiums and discounts included).

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).

Consideration will also be given to identifying whether there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling 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, has considered 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. Due to the ongoing uncertainty in the banking sector which has seen institutions fold, it is now felt more appropriate to focus on the safe return of the sum invested.

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

A copy of the Council's Annual Investment Strategy is shown in Appendix 5.

## 7: Sensitivity of Forecast and Risk Analysis

### 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. In terms of interest rates, with the forecast average investment portfolio of £41m for 2016-17, each 0.1% increase or decrease in investment rates equates to £4k, the revenue impact.

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

In line with the Code full Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are:

### a) Annual Treasury Management Strategy

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision 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) Treasury Management Mid Year Report

This will update members with the progress of the capital position, amending prudential indicators as necessary, and indicating whether the agreed treasury strategy is meeting the Council's stated capital financing objectives, or whether any policies require revision.

### c) Treasury Management Outturn Report

This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

In addition, GPC will receive quarterly **Monitoring Reports**. The second and fourth quarter report will go to full Council as described above. The quarterly reports will be subject to the Council's Scrutiny process.

## 9: Treasury Management budget

The table below provides a breakdown of the treasury management budget.

	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Interest payable	17.363	18.419	18.654	18.654	18.196
MRP	20.011	22.189	22.734	23.192	23.362
Interest receivable	(0.356)	(0.613)	(0.718)	(0.825)	(0.933)
Internal Interest (net)	0.364	0.698	0.832	0.965	1.015
Debt Management Expenses	0.100	0.100	0.100	0.100	0.100
Technical & Other	(0.085)	(0.085)	0.165	0.165	0.165
<b>Total</b>	<b>37.398</b>	<b>40.708</b>	<b>41.766</b>	<b>42.251</b>	<b>41.904</b>

Assumptions behind the 2016-17 budget:

- Average rates achievable on investments will be 0.9%.
- New and replacement borrowing to fund the capital programme will be financed by a mixture of long term

borrowing and short term at rates equating to approx 3%.

- The MRP charge is in line with the Council's MRP policy.

### **10: Policy on the use of external service providers**

The Council uses CAS as its external treasury management advisors. The contract expires in October 2016 and will therefore be retendered during 2016-17.

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.

### **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 of 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 available 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 economic development, and maybe funded by external borrowing.

#### **c) Municipal Bond Agency**

The Agency raised £6m share capital from 56 local authorities (including Cambridgeshire County Council) plus the Local Government Association to launch the UK Municipal Bonds Agency. The purpose of the Agency is 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 Agency has been working with a small group of authorities on

finalising the loan documentation and the Framework Agreement. This agreement describes the relationship between the Agency and the local authority borrowers, including the Joint and Several Guarantee, payment timelines and various protections in place to mitigate the risk of default. It is expected that the first bond issuance will take place at the end of quarter one 2016.

## 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

Capita Asset Services run regular training events 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. A training session for Councillors was held on the 12<sup>th</sup> December 2014.

## 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 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.

### **The Treasury Management role of the Section 151 Officer**

The S151 (responsible) officer:

- Recommends clauses, Treasury Management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- Submits regular Treasury Management policy reports.
- Submits budgets and budget variations.
- Receives and reviews management information reports.
- Reviews the performance of the Treasury Management function.
- Ensures the adequacy of Treasury Management resources and skills, and the effective division of responsibilities within the Treasury Management function.
- Ensures the adequacy of internal audit, and liaising with external audit.
- Recommends the appointment of external service providers.

## 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 now 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.

Capital Expenditure £m	2015-16 Projected	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
Net financing need for the year	92.5	80.4	30.8	27.6	18.4	2.0

**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. The CFR below is shown net of these liabilities.



Capital Financing Requirement £m	2015-16 Projected	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
<b>Capital Financing Requirement</b>						
<b>Total CFR</b>	<b>582.1</b>	<b>642.5</b>	<b>651.1</b>	<b>655.9</b>	<b>651.1</b>	<b>629.7</b>
<b>Movement in CFR</b>	<b>75.1</b>	<b>60.3</b>	<b>8.6</b>	<b>4.8</b>	<b>(4.8)</b>	<b>(21.4)</b>
<b>Movement in CFR represented by</b>						
Net financing need for the year (above)	92.5	80.4	30.8	27.6	18.4	2.0
Less MRP and other financing movements	17.4	20.0	22.2	22.7	23.2	23.4
<b>Movement in CFR</b>	<b>75.1</b>	<b>60.3</b>	<b>8.6</b>	<b>4.8</b>	<b>(4.8)</b>	<b>(21.4)</b>

**The operational boundary.** This is the limit beyond which external borrowing is not normally expected to exceed. All things being equal, this could be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing undertaken as impacted by the level of current and future cash resources and the shape of the interest rate yield curve.

Operational Boundary £m	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Total Borrowing	630.3	672.5	681.1	685.9	681.1	659.7

**The authorised limit for external borrowing.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external borrowing is prohibited, and this limit needs to be set or revised by the 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.

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 £m	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Total Borrowing	660.3	702.5	711.1	715.9	711.1	689.7

## 2: Treasury Management limits on activity

There are three debt 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. The formula is shown below. Due to the mathematical calculation exposures could be greater than 100% or below zero (i.e. negative) depending on the component parts of the formula. The formula is shown below:

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

### Fixed rate calculation:

$$\frac{\text{Fixed rate borrowing} - \text{fixed rate investments}^*}{\text{Total borrowing} - \text{total investments}}$$

\*defined as greater than 1 year to run

### Variable rate calculation:

$$\frac{\text{Variable rate borrowing}^{**} - \text{fixed rate investments}^{**}}{\text{Total borrowing} - \text{total investments}}$$

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

£m	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Interest rate Exposures</b>					
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt</b>	150%	150%	150%	150%	150%
<b>Limits on variable interest rates based on net debt</b>	65%	65%	65%	65%	65%

<b>Maturity Structure of borrowing 2016-17</b>			
	<b>Lower</b>	<b>Upper</b>	<b>30<sup>th</sup> September 2015</b>
Under 12 months	0%	80%	11%
12 months to 2 years	0%	50%	4%
2 years to 5 years	0%	50%	3%
5 years to 10 years	0%	50%	27%
10 years and above	0%	100%	55%

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. This indicator represents the borrowing falling due in each period expressed as a percentage of total borrowing.

### **Affordability Prudential Indicators**

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

**a) Actual and estimates of the ratio 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.

%	2015-16 Projected	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
	9.16	10.53	11.50	11.97	12.04	11.58

**b) Estimates of the incremental impact of capital investment decisions on Council Tax.** This indicator identifies the revenue costs associated with proposed changes to the five year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a five year period.

The incremental impact of capital investment decisions on the Band D Council Tax is shown in the table below.

£	2015-16 Projected	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
<b>Council Tax - Band D</b>	2.92	21.27	15.09	4.76	2.15	(1.54)

## **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 (the CFR) through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if required.

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. A review of the policy is currently being undertaken which will be considered by General Purposes Committee in February 2016. The outcome from the review will inform the policy for 2015-16 and 2016-17 that Council will be asked to approve in March 2016, along with the Budget.

## Appendix 5: Annual Investment Strategy

### 1: Investment policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

Investment instruments identified for use in the financial year are listed in section 8 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

### 2: Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch; Moodys; and Standard & Poors. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies.
- Credit Default Swap (CDS) 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 scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands provided they meet the minimum sovereign rating described in section 3:

- Yellow        5 years
- Purple        2 years
- Blue         1 year (only applies to nationalised or semi nationalised UK banks)
- Orange       1 year
- Red          6 months
- Green        up to 100 days

- No Colour not to be used

The Capita Asset Services creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services creditworthiness service.

- If a 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 will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support.

The Chief Finance Officer has 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 periods 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 therefore reviewed its previous policy of restricting overseas investments to counterparties in countries with a sovereign rating of AAA.

The Council has determined that for 2016-17 it will only use approved counterparties from countries with a sovereign credit rating from the three main ratings agencies that is equal to or above AA-.

The list of countries that qualify using these credit criteria as at the date of this report are shown below. This list will be amended by officers should ratings change in accordance with this policy.

<b>AAA</b>	<b>AA+</b>	<b>AA</b>
Australia	Finland	Abu Dhabi
Canada	Netherlands	France
Denmark	UK	Qatar
Germany	USA	
Singapore		<b>AA-</b>
Sweden		Belgium
Switzerland		

**4: Banking services**

Barclays currently provide banking services for the Council. The Council will 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. 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.). Detailed below are estimates of the year end balances.



Year End Resources £m	2015-16 Projected	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
Fund balances/reserves	52.7	52.9	52.9	52.9	52.9	52.9
Provisions & other	25.5	24	24	24	24	24
<b>Total core funds</b>	<b>78.2</b>	<b>76.9</b>	<b>76.9</b>	<b>76.9</b>	<b>76.9</b>	<b>76.9</b>
Working capital surplus	86.5	86.7	86.9	87.1	87.3	87.5
Under/(over) borrowing	157.9	157.9	157.9	157.9	157.9	157.9
<b>Expected investments</b>	<b>6.8</b>	<b>5.6</b>	<b>5.8</b>	<b>6.0</b>	<b>6.2</b>	<b>6.5</b>

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short term interest rates (i.e. rates for investments up to 12 months).

The Council is asked to approve the following treasury indicator and limit 'total principal funds invested for greater than 364 days'. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year end. This indicator is calculated by adding together all investments which have greater than 364 days to run to maturity at a single point in time. This is a change from the previous year in that monetary limits apply.

The Council is asked to approve the treasury indicator and limit:

Maximum principal sums invested > 364 days					
£m	2016-17	2017-18	2018-19	2019-20	2020-21
Principal sums invested > 364 days	7	6	6	6	6

For its cash flow generated balances, the Council will seek to utilise its business reserve accounts, notice accounts, money market funds and short dated deposits (overnight to three months) in order to benefit from the compounding of interest.

## 6: Specified investments

An investment is a specified investment if all of the following 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.

## 7: Non-specified investments

Non-specified investments are defined as those not meeting the above criteria.

Lending to third parties:

- 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.
- Loans of this nature will be under exceptional circumstances and must be approved by General Purposes Committee.
- The primary aims of the Investment Strategy, 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.
- Recipients of this type of investment are unlikely to be a financial institution and therefore unlikely to be subject to a credit rating as outlined in the creditworthiness policy above. In order to ensure security of the Authority's capital, extensive

financial due diligence must be completed prior to any loan or investment being agreed. The Authority will use specialist advisors to complete financial checks to ascertain the creditworthiness of the third party. Where deemed necessary additional guarantees will be sought. This will be via security against assets and/or through guarantees from a parent company.

## 8: The use of specified and non-specified investments

Investment instruments identified for use in the financial year are as follows:

- The tables below set out the types of investments that fall into each category and the limits placed on each of these. A detailed list of each investment type is available in the Treasury Management Practices guidance notes.
- Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is added 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 breached on an overnight basis when cash surpluses are identified 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 as soon as reasonably practicable.

Criteria for specified investments:

Specified investments			
Investment	Minimum security / credit rating	Maximum amount	Maximum period
Debt Management Agency Deposit Facility (DMADF)	Government backed	No maximum	6 months
UK Treasury Bills	Government backed	No maximum	9 months
UK Local Authorities	Government backed	No maximum	1 year
Certificate of Deposit / Term Deposits (including callable deposits)	Purple	£20m individual/group	1 year
	Blue	£20m individual/group	1 year
	Orange	£20m individual/group	1 year
All colours are as per Capita			

Asset Service's matrix.	Red	£20m individual/group	6 months
	Green	£20m individual/group	100 days
	No colour	Not to be used	N/A
UK Government Gilts	Government backed	No maximum	1 year
Money Market Funds	AAA rated	£20m individual	Liquid
Bonds (multilateral development banks)	AAA	£20m	1 year

Criteria for non-specified investments:

Non-specified investments			
Investment	Minimum security / credit rating	Maximum amount	Maximum period
UK Government	Government backed	No maximum	5 years
UK Local Authorities	Government backed high security	No maximum	5 years
Certificate of Deposit / Term Deposits (including callable deposits) All colours are as per Capita Asset Service's matrix.	Yellow Purple	£20m individual/group	5 years 2 years
Property Funds Unit Trust	Considered on an individual basis	£20m	-
UK Government Gilts	Government backed	No maximum	5 years
Sovereign Issues	AAA or UK	£20m	5 years
Corporate Bonds Funds	Considered on an individual basis	£20m	-

UK Bonds	AAA / Government backed	£20m	5 years
Enhanced Money Market Funds	AAA variable net asset value	£20m	-
Bonds (multilateral)	AAA / Government backed	£20m	5 years
Equity	Considered on an individual basis	£20m	-

The Council may enter into forward agreements up to 3 months in advance of the investment commencing. If forward deposits are to be made, the forward period plus the deal period should not exceed the limits above.

### **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 or grant or financial assistance by this Council to another body for capital expenditure by that body will be treated as capital expenditure.

### **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 this local authority will comply with the requirements of SI 2009 No 393.

# GENERAL PURPOSES COMMITTEE AGENDA PLAN

Published on 4th January 2016



Cambridgeshire  
County Council

**Agenda Item No.9**

## **Notes**

Committee dates shown in bold are confirmed.

Committee dates shown in brackets and italics are reserve dates.

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

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

+ indicates items expected to be confidential, which would exclude the press and public. Additional information about confidential items is given at the foot of this document.

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

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

Committee date	Agenda item	Lead officer	Reference if key decision	Spokes meeting date	Deadline for draft reports	Agenda despatch date
<b>14/01/16</b>	1. Minutes – 22/12/15	M Rowe	Not applicable	10/12/15	04/01/16	05/01/16
	2. Business Planning – Consider impact of Local Government Finance Settlement	C Malyon	Not applicable			
	3. LGSS: potential option for shared services with Milton Keynes Council*	Peter Borley-Cox	2016/016			
	4. Draft Treasury Management Strategy	S Howarth	Not applicable			
	5. Local Plan Revisions – South Cambridgeshire - Cottenham, development of land in Rampton Road	S Conrad	2016/022			

Committee date	Agenda item	Lead officer	Reference if key decision	Spokes meeting date	Deadline for draft reports	Agenda despatch date
	6. Service Committee Review of Draft Business Planning Proposals for 2016/17 to 2020/21	C Malyon	Not applicable			
<b>02/02/16</b>	1. Minutes – 14/01/16	M Rowe	Not applicable	07/01/16	20/01/16	22/01/16
	2. Risk Management Update	Sue Grace	Not applicable			
	3. Integrated Resources and Performance Report (November)	P Emmett	2016/004			
	5. Business Planning – Review Full Business Plan*	C Malyon	Not applicable			
	6. Finance and Performance Report – November 2015	D Parcell/ S Heywood	Not applicable			
	7. Approval for a Joint and Several Guarantee*	M Batty	2016/019			
	8. Minimum Revenue Provision Policy*	M Batty	Not applicable			
<i>[23/02/16] Provisional Meeting</i>				28/01/16	10/02/16	12/02/16
<b>15/03/16</b>	1. Minutes – 02/02/16	M Rowe	Not applicable	25/02/16	02/03/16	04/03/16
	2. Treasury Management Q3 Report	M Batty	Not applicable			
	3. Integrated Resources and Performance Report (January)	P Emmett	2016/002			
	4. Resources and Performance Report (January) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			
	5. Final Report from the Member Working Group on Consultation	M Soper	Not applicable			



<b>Committee date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Reference if key decision</b>	<b>Spokes meeting date</b>	<b>Deadline for draft reports</b>	<b>Agenda despatch date</b>
	6. Policy for increasing Fees and Charges in line with the maximum charge permitted under legislation	S Grace	Not applicable			
	7. Exploration of options in relation to supply of agency workers	P White	2016/018			
	8. IT options for Members	S Grace	Not applicable			
<i>[26/04/16] Provisional Meeting</i>				17/03/16	13/04/16	15/04/16
<b>31/05/16</b>	1. Minutes – 15/03/16	M Rowe	Not applicable	28/04/16	18/05/16	20/05/16
	2. Treasury Management Outturn Report	M Batty				
	3. Integrated Resources and Performance Report (March)	P Emmett	2016/003			
	4. Resources and Performance Report (March) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			
	5. Quarterly Risk Management Report	S Norman	Not applicable			
<i>[28/06/16] Provisional Meeting</i>					15/06/16	17/06/16
<b>26/07/16</b>	1. Minutes – 31/05/16	M Rowe	Not applicable		13/07/16	15/07/16
	2. Quarterly Risk Management Report	S Norman	Not applicable			
<i>[23/08/16] Provisional Meeting</i>					23/08/16	12/08/16

<b>Committee date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Reference if key decision</b>	<b>Spokes meeting date</b>	<b>Deadline for draft reports</b>	<b>Agenda despatch date</b>
<b>20/09/16</b>	1. Minutes – 26/07/16	M Rowe	Not applicable		07/09/16	09/09/16
	2. Quarterly Risk Management Report	S Norman	Not applicable			
<i>[25/10/16] Provisional Meeting</i>					12/10/16	14/10/16
<b>29/11/16</b>	1. Minutes – 20/09/16	M Rowe	Not applicable		16/11/16	18/11/16
<i>[20/12/16] Provisional Meeting</i>					07/12/16	09/12/16
<b>10/01/17</b>	1. Minutes – 29/11/16	M Rowe	Not applicable		28/12/16	30/12/16
<b>24/01/17</b>	1. Minutes – 10/01/17	M Rowe	Not applicable		11/01/17	13/01/17
	2. Quarterly Risk Management Report	S Norman	Not applicable			
<i>[28/02/17] Provisional Meeting</i>					15/02/17	17/02/17
<b>21/03/17</b>	1. Minutes – 24/01/17	M Rowe	Not applicable		08/03/17	10/03/17
	2. Quarterly Risk Management Report	S Norman	Not applicable			
<i>[25/04/17] Provisional Meeting</i>					25/04/17	13/04/17
<b>06/06/17</b>	1. Minutes – 21/03/17	M Rowe	Not applicable		23/05/17	25/05/17

**Notice made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in compliance with Regulation 5(7)**

1. At least 28 clear days before a private meeting of a decision-making body, public notice must be given which must include a statement of reasons for the meeting to be held in private.
2. At least 5 clear days before a private meeting of a decision-making body, further public notice must be given which must include a statement of reasons for the meeting to be held in private, details of any representations received by the decision-making body about why the meeting should be open to the public and a statement of the Council's response to such representations.

Forward plan reference	Intended date of decision	Matter in respect of which the decision is to be made	Decision maker	List of documents to be submitted to the decision maker	Reason for the meeting to be held in private

**Decisions to be made in private as a matter of urgency in compliance with Regulation 5(6)**

3. Where the date by which a meeting must be held makes compliance with the above requirements impracticable, the meeting may only be held in private where the decision-making body has obtained agreement from the Chairman of the Council.
4. Compliance with the requirements for the giving of public notice has been impracticable in relation to the business detailed below.
5. The Chairman of the Council has agreed that the Committee may hold a private meeting to consider the business referred to in paragraph 4 above because the meeting is urgent and cannot reasonably be deferred for the reasons stated below.

Date of Chairman's agreement	Matter in respect of which the decision is to be made	Reasons why meeting urgent and cannot reasonably be deferred

For further information, please contact Quentin Baker on 01223 727961 or [Quentin.Baker@cambridgeshire.gov.uk](mailto:Quentin.Baker@cambridgeshire.gov.uk)



## GENERAL PURPOSES COMMITTEE TRAINING PLAN

The Training Plan below includes topic areas for GPC approval. Following sign-off by GPC the details for training and development sessions will be worked up.

### Agenda Item No.9

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
	Strategic finance and budgeting	Members will gain a more detailed understanding of the strategic financial management of the Council's budget, and the future challenges associated.		TBC	Chris Malyon				
	The Council's asset portfolio and approach to asset management	Background knowledge on the Council's asset portfolio, and understanding of the approaches taken to best utilise this		TBC	Chris Malyon				
	Background to services provided by Customer Service & Transformation	Members will gain an insight into the range of frontline and back-officer services provided across CS&T: <ul style="list-style-type: none"> <li>Consultation</li> </ul>		24 Nov	Sue Grace  Mike Soper / Elaine O'Connor	Presentations & Q&A.	Cllrs Schumann, Count, Leeke, Kavanagh, Rouse, Orgee, Hickford, Bates. Criswell, Cearn, Tew,		

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
							Reeve, Bullen, Jenkins, Nethsingha & McGuire		
	Understanding Health and Social Care integration	<i>Collaboration with Service Committee development around the Better Care Fund to be explored</i>		TBC	TBC				
	Regional governance	Understanding the range of regional governance structures that exist across Cambridgeshire, such as the LEP. Also understanding potential future models of governance for local public services		TBC	TBC				
	Equality and Diversity responsibilities	Understanding the responsibilities the Committee has to comply with equality legislation and to provide services for all Cambridgeshire communities		20 Oct 2015	LGSS Law / CS&T		Cllrs Bailey, Bates, D Brown, Count, Criswell, Hickford, Hipkin, Jenkins, McGuire, Reeve, Tew, Walsh, Divine, Williams		

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
	Digital Strategy			22 Dec 2015			Cllrs Bailey, Bates, D Brown, Bullen, Cearns, Count, Criswell, Hickford, Jenkins, McGuire, Orgee, Reeve, Tew, Whitehead		

