GENERAL PURPOSES COMMITTEE

Tuesday, 28 January 2020

Democratic and Members' Services
Fiona McMillan
Monitoring Officer

<u>10:00</u>

Shire Hall
Castle Hill
Cambridge
CB3 0AP

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

AGENDA

Open to Public and Press

CONSTITUTIONAL MATTERS

1.	**Apologies for absence and declarations of interest** *Guidance on declaring interests is available at http://tinyurl.com/ccc-conduct-code*	
2.	**Minutes - 17th December 2019 and Action Log**	**5 - 18**
3.	**Petitions and Public Questions**	

OTHER DECISION

4.	**Finance Monitoring Report - November 2019**	**19 - 28**

KEY DECISIONS

The General Purposes Committee comprises the following members:

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

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

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

Clerk Name: Michelle Rowe

Clerk Telephone: 01223 699180

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

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Agenda Item No.2

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 17th December 2019

Time: 10.00a.m. – 11.35a.m.

Present: Councillors Bailey, Bywater, Count (Chairman), Dupre, Goldsack (substituting for Councillor Criswell), Hickford, Hudson, Meschini, Schumann, Shuter, Whitehead and Wotherspoon (substituting for Councillor Bates)

217. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received from Councillors Bates, Criswell, Jenkins, Kindersley and Sanderson.

No declarations of interest were made.

218. MINUTES – 26TH NOVEMBER 2019 AND ACTION LOG

The minutes of the meeting held on 26th November 2019 were agreed as a correct record and signed by the Chairman. In noting the action log, attention was drawn to one ongoing action.

219. PETITIONS AND PUBLIC QUESTIONS

No petitions or public questions were received.

220. PERFORMANCE REPORT – QUARTER 2 2019-20

The Committee considered an update report on the Council's Corporate Services performance indicators, and a summary of the performance measures monitored by Service Committees for Quarter 2 (activity taking place up to the end of September 2019). Attention was drawn to a number of changes to the report format relating to the RAG statuses being used, a covering page to each appendix to improve understanding, and the replacement of some arrows with text to clarify what was meant by good performance. The Committee was advised that Indicator 162: Number of carers receiving Council funded support per 100,000 of the population should be reported as green instead of red; this error had been identified by Adults Committee.

The Chairman welcomed the changes to the presentation of the report and the fact that it was scheduled at the beginning of the agenda to recognise that the Council was an outcome focussed organisation.

Individual Members raised the following issues in relation to the report:

- the need to improve the listing of the RAG ratings to avoid there being a void between green and blue. It was suggested that the ratings should be ranked as numbers e.g. 0-10. **Action Required**.

- highlighted the variable performance of *Indicator 183: SARS - % completed within 40 working days (YTD)*. It was noted that this performance reflected the volume of Freedom of Information (FOI) and Subject Access Requests (SARS) received in a month. Some were easy to resolve whilst others were more complicated. There had also been recruitment issues within the Information Governance Team which had corresponded with high volumes of FOI and SARS. The situation had improved and as such these indicators would show an improving picture in Quarter 3.

- queried why performance of *Indicator 191: Percentage of calls presented that are answered* was declining particularly when the target had been met consistently for the last three years. The Business Intelligence Manager reported that he would ask colleagues in the Contact Centre for an explanation. **Action Required**.

- highlighted the fact that the explanation for *Indicator 195: Requests resolved within Service Level Agreement* remained above target when performance showed that it had not been for a number of quarters.

- queried why performance was above target for *Indicator 196: Availability of Universal Business System IT Availability* but performance was declining. The Business Intelligence Manager agreed to investigate. It was suggested that there should be a commentary if performance was declining. The Chairman asked the Business Intelligence Manager to check whether the direction for improvement was up. In response, it was noted that more work might be needed as a higher level of performance was expected for this indicator. It was suggested that the Direction for Improvement box might need to be moved next to the target. **Action Required**.

- expressed concern about the performance of *Indicator 20: Average monthly number of bed delays (social care attributable) per 100,000 18+ population.*

- queried why the direction for improvement was up and the Change in Performance was improving for *Indicator 21: Proportion of adults, in contact with secondary mental health services, who are in paid employment* but the performance indicated a decline. The Business Intelligence Manager acknowledged that this might be an error. The Chairman queried how this error could be made when the information was generated by computer and asked the Business Intelligence Manager to explain why it was incorrect. **Action Required.**

- requested more clarity as to what had improved in relation to the wording for *Indicator 21: Proportion of adults, in contact with secondary mental health services, who are in paid employment*. The Chairwoman of Adults

Committee reported that this indicator was a national measure and what needed to improve was set out in the indicator description.

- highlighted the need for the People and Communities Directorate to be on top *of Indicator 132: Percentage of Persistent absence (All children)*. The Chairman of Children and Young People Committee reported that the Service Director: Education was aware and was dealing with the challenge.

- noted that Children and Young People Committee had requested that more detailed commentary be included next to the arrows. It was noted that this had been provided in the report for General Purposes Committee but had not been available in time for the publication of the report for Children and Young People Committee.

It was resolved unanimously to note and comment on performance information and take remedial action as necessary.

221. FINANCE MONITORING REPORT – OCTOBER 2019

The Committee was presented with the October 2019 Finance Monitoring Report for Corporate Services and LGSS Cambridge Office, which was showing a forecast underspend of £988k. The increase in underspend was due to additional vacancies in Customer Services and additional income from Democratic and Members' Services following its repatriation from LGSS.

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

222. INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING 31ST OCTOBER 2019

The Committee was informed that a forecast year-end pressure of £0.7m was being predicted. The increase in the revenue pressure since last month's forecast was due to additional pressures in Adults Services relating to higher than expected costs of residential and nursing care, the increasing complexity of cases being referred to the coroner, and backdated claims relating to Outdoor Education. It was noted that some of this pressure had been offset by underspends in Waste Management and reduced demand in the contract waste collected.

Members were also informed of an increase in the pressure on the High Needs Block budgets, which were funded by the Dedicated Schools Grant (DSG). Linked to this was a proposal to purchase existing school buildings on the Abington Woods site and repurpose them for use as a school for children with Special Educational Needs and Disability. This acquisition would release places at the Granta Special School and result in savings on DSG funded High Needs Block budgets.

The Chairman of Children and Young People Committee reported that this proposal had received unanimous support from his committee. He added that there could be revenue savings in transport budgets from being able to increase capacity at Granta and avoid the expenditure that came from placing children and young people at provisions outside of the county. The Chairman queried whether it would be sufficient to effect budgetary change. The Head of Finance reported that it was not clear at this stage how it would impact on the budget.

One Member requested that the graph on page 89 of the report should be displayed in colour with an increase in size (potentially landscape) in order to improve clarity online. **Action Required.**

The Chairman congratulated officers on being so close to a balanced budget at this stage of the year.

It was resolved unanimously to:

> Approve additional prudential borrowing of £335k in 2019/20 for the Abington Woods Special Educational Needs (SEN) scheme, as set out in section 5.7.

223. NEARLY ZERO ENERGY BUILDINGS REQUIREMENTS FOR NEW PUBLIC BUILDINGS

Councillor Hickford declared a disclosable interest under the Code of Conduct in this report, as the tenant of Manor Farm, Girton. He was not present whilst the item was discussed or for the vote.

[Councillor Hickford left the meeting]

The Committee considered a report detailing the requirement for new buildings owned and occupied by public authorities to be 'Nearly Zero Energy Buildings' (NZEB) from January 2019 and the implications of this on current and future buildings works undertaken by the Council. Attention was drawn to the background, which included the adoption of the Cambridgeshire University's Science and Policy Exchange report, *Net-Zero Cambridgeshire – What actions must Cambridgeshire County Council take to support net-zero carbon emissions by 2050*.

In considering the main issues, it was noted that to ensure all Council new buildings could reasonably be said to be 'Nearly Zero Energy', the Council needed to demonstrate compliance with the following: a very high energy performance; and energy needs met to a very significant extent from renewable resources. Attention was drawn to some different ways to achieve compliance, and the Committee was reminded that a combination of different mechanisms had been identified as a preference at a Member Workshop on 24 May 2019. The workshop had also identified the need for a new business model for financing NZEB for schools. The Council was proposing to set up a pilot to develop a new business model where the benefit of installing higher energy standards could be shared between the school operator and the Council.

Individual Members raised the following issues in relation to the report:

- queried how the business model would work for upgrading existing school buildings operated by Academy Trusts. Although the Trusts were responsible for maintenance, they could argue that refurbishing or upgrading assets within existing buildings should not be classified as such. The Project Director reported that the Council worked with a whole range of schools on energy measures which achieved pay back starting from day one. There was a funding mechanism to cover the cost of the loan to ensure both parties benefited from the Energy Performance Contract. The Council was currently talking to schools about installing low carbon heating systems. It was noted that there would be no upfront cost to schools but both sides would benefit from the payback over so many years. The Chairman acknowledged the importance of a mutual benefit situation as there was no obligation of the Council to upgrade non-maintained schools.

- queried how the Regulations would apply to County Farms. The Project Director reported that to be classed as a public building in the Regulations it needed to be owned and occupied by a public authority. It was noted that the Regulations would apply to all new buildings irrespective of owner or occupier from 2021. There were also exceptions in relation to certain types of building such as temporary structures or those not requiring space heating. Members requested more detail on the exceptions in order to improve understanding. **Action Required.**

- queried how the policy would apply to projects already underway. The Project Director reported that it would not apply to projects already in the planning system. However, it was important to note that designing energy efficiency measures from the start was much cheaper than retrofitting later on.

- queried the financial risk to the Council of delivering increased standards for those buildings the Council did not own and occupy such as schools where Section 106 contributions for the new build costs had been agreed with developers based on current specifications. It was queried further as to how many of these building projects were currently in transition. The Project Director reported that there were approximately ten new schools currently in the pipeline. It was therefore important that the Council found a model to help them achieve the Regulations. The Project Director offered to provide a list. She explained that the Council's ambitious approach to setting energy standards would help to minimise risk. The Chairman added that the costs for those at the planning stage were likely to be marginal. The Council was trying to minimise the risk so the capital costs were unlikely to be significant. He acknowledged that the proposed pilot removed the risk entirely. He requested that a confidential note be circulated to the Committee detailing the numbers and capital costs of those building projects post planning. **Action Required.**

- queried whether there was a risk at any stage in relation to updating existing procurements of standards being reduced. It was noted that buildings could still be very energy efficient and not achieve BREEAM or still dependent on fossil fuels.

The Chairman, with the agreement of the Committee, proposed the following amendments to Recommendation c): change “or” to “and” and add “all” after “of” and before “schools”.

It was resolved unanimously to:

a) Note the requirements of the Nearly Zero Energy Buildings (NZEB) regulation;

b) Approve the development of a pilot school new build project as set out in paragraph 3.4 at energy standards set out in paragraph 2.6;

c) Approve the recommendation for energy standards in paragraph 2.6 as policy for all new public buildings (where appropriate) to be built, owned and occupied by the Council from now, with the exception of all schools (see (b) above);

d) Approve work to review all procurement frameworks and new procurements to ensure that they reflect the new energy standards;

e) Require that all business cases for new and existing building construction projects include whole life cycle costs;

f) Install low carbon heating systems for any refurbishments and boiler replacements (set out in paragraph 2.8) to reduce the Council’s carbon footprint and maximise energy benefits to the Council.

[Councillor Hickford returned to the meeting]

224. GENERAL PURPOSES COMMITTEE REVIEW OF DRAFT REVENUE AND CAPITAL BUSINESS PLANNING PROPOSALS FOR 2020-21 TO 2024-25

The Committee received an overview of the draft Business Plan revenue and capital proposals that were within its remit as well as those reviewed by service committees. It was noted that to balance the budget whilst still delivering for communities the Council needed to identify savings or additional income of £21.4m for 2020-21 and a total of £68.5m across the full five years of the Business Plan. Attention was drawn to the financial overview update, which included a summary of the various material changes since October in the overall business planning position for 2020-21. The level of unidentified savings had now been reduced to £3.9m and work to identify and work up further ideas to fill the gap was ongoing. It was noted that following the election, the Local Government finance settlement was expected in mid-January in time for full Council; Members were advised that material changes were unlikely. Attention was also drawn to the assumptions and risks, the capital programme update, the overview of Corporate and Managed Services draft revenue programme and next steps.

Individual Members raised the following issues in relation to the report:

- queried the timing of the counter fraud and compliance scheme relating to Council Tax in relation to the capital and revenue budget. The Chief

Finance Officer reported that officers were working through the details with District Council colleagues. It was noted that figures had been included in the Revenue Overview for 2020-21 to 2024-25.

- highlighted the need for a clearer distinction between the Adult Social Care precept and Council Tax to make clear that no increase was proposed at this stage in Council Tax. The Chief Finance Officer reported that he would make the distinction absolutely clear in the final report. **Action Required.** He reminded the Committee that the current limit to increase Council Tax was 1.99%; it had been 2.99% for last year only.

- congratulated officers on the significant amount of work which had gone into the Business Plan to nearly achieve the savings or additional income of £21.4m. The Chairman also thanked all the political parties for working together to achieve agreement on over 95% of the budget.

It was resolved to:

a) Note the overview and context provided for the 2020/21 to 2024/25 Business Plan revenue proposals, updated since the last report to the Committee in October.

b) Comment on the draft budget and savings proposals that were within the remit of the General Purposes Committee for 2020/21 to 2024/25, as part of consideration for the Council's overall Business Plan.

c) Comment on the changes to the capital programme that were within the remit of the General Purposes Committee, as part of consideration for the Council's overall Business Plan.

d) Note the draft revenue savings proposals and draft capital programme for the whole Council, as part of consideration for the Council's overall Business Plan.

225. TREASURY MANAGEMENT STRATEGY 2020-21

The Committee considered a report detailing the proposed Treasury Management Strategy for 2020-21. The Chief Finance Officer reported that the Strategy would need to be revised following the general election to reflect the nuances of the global market. Although there was now more stability in the markets, there still remained some uncertainty in relation to the impact of Brexit. He reported that an amended version of the Strategy would be presented to Council for approval in February. Members were advised that the Strategy included good and necessary borrowing. Attention was drawn to the key areas in the Strategy relating to Third Party Loans Policy, UK Municipal Bonds Agency, Scheme of Delegation, performance indicators, Minimum Revenue Provision, and the Council's approach to financial investments.

Councillor Count highlighted the importance of separating necessary from good borrowing in order to understand the impact on the Council's revenue position. He reminded the Committee of the Government's surprise move to increase interest rates offered by the Public Works Loan Board (PWLB). The Local Government Association had raised concerns on behalf of local authorities who borrowed this funding to build schools. It had also proposed that the PWLB should consider split rates; it was noted that Cambridgeshire was currently leading the field in this area. As yet no response had been received.

The Chairman, with the agreement of the Committee, proposed an amendment to the recommendation to make clear that the Strategy was still draft and approval rested with full Council.

It was resolved unanimously to note the draft Treasury Management Strategy for 2020-21 to be recommended to full Council.

226. DEVELOPING A JOINT APPROACH FOR PREVENTING AND ADDRESSING ADOLESCENT RISK

The Committee received a Transformation Fund bid to develop a joint approach from preventing and addressing adolescent risk. Members were asked to approve up to £50,000, contingent on other partners (Police and Crime Commissioner (PCC), Cambridgeshire Clinical Commissioning Group (CCG) and Police) also contributing financially and in kind to the project. The funding would be used to engage ISOS to help the council understand and improve the early help system. Whilst a significant amount of work had been carried out in relation to children's social care, the Council had not yet reviewed early help. Although there was a lot of advisory work taking place, it was not joined up and there was not a coherent offer. The review by ISOS would conclude in July with a report to the Children and Young People Committee.

Individual Members raised the following issues in relation to the report:

- requested further clarification regarding what the funding would actually cover. The Service Director: Children's Services and Safeguarding reported that a significant amount would be spent on engaging young people so that they owned the process. The Council would then come up with a model which would include an outcomes framework.

- queried how much the partners were contributing. Members were informed that the Executive Director, People and Communities had already made formal requests to the PCC and CCG who had indicated that they would consider it favourably. However, it was important to note that the Council was not looking for significant amounts. The Chairman reminded the Committee that the recommendation was contingent on partners contributing. The Chairman of the Health Committee reminded Members that the PCC already contributed to drug and alcohol services. The Service Director: Children's Services and Safeguarding reported that partners were very supportive of the need to address child exploitation which was a big problem.

- highlighted the discussions which had taken place at Children and Young People Committee. It was important to identify children at risk before they were arrested and went through the criminal justice system.

- highlighted the need to involve Think Communities in the project.

The Chairman reminded the Committee of the Council's corporate priorities. However, the Council could not achieve these priorities on its own. It had been very successful in addressing silo thinking within the Council but it now needed the commitment of its partners.

It was resolved unanimously to:

> approve this Transformation Bid proposal up to £50K, contingent on other partners (Police and Crime Commissioner, Cambridgeshire Clinical Commissioning Group (CCG) and Police) also contributing financially and in kind to the project.

227. GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENT TO OUTSIDE BODIES, AND INTERNAL ADVISORY GROUPS AND PANELS

The Committee considered its agenda plan which included the addition of a transformation bid in January for a climate change officer.

It was resolved unanimously to review the agenda plan.

Chairman

GENERAL PURPOSES COMMITTEE

Minutes-Action Log

Cambridgeshire County Council

Introduction:

This log captures the actions arising from the General Purposes Committee on 17th December 2019 and updates members on the progress on compliance in delivering the necessary actions. This is the updated action log as at 20th January 2020.

Minutes of 17th December 2019

Item No.	Item	Action to be taken by	Action	Comments	Completed
218.	**MINUTES – 26TH NOVEMBER 2019 AND ACTION LOG**	S French	A copy of the CUSPE report to be sent electronically to all Members, Chief Executives and Leaders of District Councils, the Combined Authority and utility providers with a letter offering to engage at every opportunity.	Letter sent 20 December 2019.	Completed
220.	**PERFORMANCE REPORT – QUARTER 2 2019-20**	A Mailer	The need to improve the listing of the RAG ratings to avoid there being a void between green and blue. It was suggested that the ratings should be ranked as numbers e.g. 0-10.	This change has been incorporated into the template and reports for Q3, which will be presented to Committee in March.	Completed

		A Mailer	To ask the Contact Centre why the percentage of calls presented that were answered was declining particularly when the target had been met consistently for the last three years.	An unusually high number of leavers in the last 12 months has resulted in Customer Services carrying out five recruitment campaigns this year to try to reach establishment in relation to Customer Service Advisors and Assistants. (Note - The vast majority of leavers have moved into other council services). We have been unable to match the number of new starters with leavers, resulting in reduced operational cover. We have proactively been managing the timing of recruitment campaigns against known peak periods, the attainment of operational targets (Albeit to a lower level than usual) and the desire to realise financial savings. We are presently operating two groups of probationers- week 6 and week 23 respectively. Management capacity prevents us taking on a third group simultaneously. An open advert closed on the 8th January with a view to addressing the remaining vacancies. Anticipated start date in March 2020. Throughout this year, a number of services have also exceeded the volume of contacts (for which we are resourced) specified within their service Level Agreements with Customer Services - Children’s social care, Registrations and Waste Management.	Completed

		A Mailer	To check why performance was above target for Indicator 196: Availability of Universal Business System IT Availability but performance was declining. There should be a commentary if performance was declining. It was suggested that the Direction for Improvement box might need to be moved next to the target.	In June 2019 the staff Wi-Fi was unavailable for one day across all sites, which accounts for the ‘dip’ in performance of this measure quarter one	Completed
		A Mailer	To explain why the direction for improvement was up and the Change in Performance was improving for Indicator 21: Proportion of adults, in contact with secondary mental health services, who are in paid employment but the performance indicated a decline.	There was an error with the template where the ‘change in performance’ figure was pulling through an incorrect value. This has been corrected, and all other templates have been reviewed to ensure this error does not reoccur.	Completed
222.	**INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING 31ST OCTOBER 2019**	T Kelly	Requested that the graph on page 89 of the report be displayed in colour with an increase in size in order to improve clarity online.	This report now has this enlarged and in colour / hatching as per the Committee’s request.	Completed
223.	**NEARLY ZERO ENERGY BUILDINGS REQUIREMENTS FOR NEW PUBLIC BUILDINGS**	S French S Wilkinson	Requested more detail on the exceptions to the Regulations in order to improve understanding.	E-mail sent to Members on 16 January 2020.	Completed

		S French S Wilkinson	Requested that a confidential note be circulated to the Committee detailing the numbers and capital costs of those buildings projects post planning	To be progressed.	Ongoing
224.	**GENERAL PURPOSES COMMITTEE REVIEW OF DRAFT REVENUE AND CAPITAL BUSINESS PLANNING PROPOSALS FOR 2020-21 TO 2024-25**	C Malyon	The need for a clearer distinction between the Adult Social Care precept and the Council Tax in the final budget report.	The business plan report on this Agenda provides absolutely clarity that the current business plan is predicated on applying the Adult Social Care precept of 2% in 20/21.	Completed

Agenda Item No:4

FINANCE MONITORING REPORT – NOVEMBER 2019

To:	**General Purposes Committee**
Meeting Date:	**28th January 2020**
From:	**Director of Corporate and Customer Services** **Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To present to General Purposes Committee (GPC) the November 2019 Finance Monitoring Report for Corporate Services and LGSS Cambridge Office.** **The report is presented to provide GPC with an opportunity to comment on the projected financial and performance outturn position, as at the end of November 2019.**
Recommendation:	**The Committee is asked to review, note and comment upon the report.**

	Officer contact:		***Member contacts:***
Name:	Tom Kelly	Names:	Councillors Count & Hickford
Post:	Head of Finance	Post:	Chair/Vice-Chair
Email:	Tom.Kelly@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk / Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 703599	Tel:	01223 706398

1. BACKGROUND

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

2. MAIN ISSUES

2.1 Attached as **Appendix A**, is the November 2019 Finance Monitoring report.

2.2 **Revenue:**

- At the end of November, Corporate Services (including the LGSS Managed, Deputy Chief Executive and Financing Costs) is forecasting an underspend of £1,017k.

  There are no new material exceptions to report this month.

- At the end of November, the LGSS Cambridge Office budget is forecasting an overspend of £582k.

  There are no new material exceptions to report this month.

2.3 **Capital:**

- At the end of November, Corporate Services & Transformation and LGSS Managed are forecasting a balanced budget on capital. £435k of the £1,363k capital programme variations budget has been used. There is one new significant variance by value (over £250k) to report.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

There are no significant implications for this priority.

3.2 Thriving places for people to live

There are no significant implications for this priority.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

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

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Consultation Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	N/A
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	N/A
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	N/A
Have the equality and diversity implications been cleared by your Service Contact?	N/A
Have any engagement and communication implications been cleared by Communications?	N/A
Have any localism and Local Member involvement issues been cleared by your Service Contact?	N/A
Have any Public Health implications been cleared by Public Health	N/A

Source Documents	Location
CS and LGSS Cambridge Office Finance Monitoring Report (November 19)	1st Floor, Octagon, Shire Hall, Cambridge

Service	Corporate Services, LGSS Managed and LGSS Cambridge Office
Subject	Finance Monitoring Report – November 2019

KEY INDICATORS

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

CONTENTS

Section	Item	Description
1	Revenue Executive Summary	High level summary of information: By Directorate Narrative on key issues in revenue financial position
2	Capital Executive Summary	Summary of the position of the Capital programme within Corporate Services and LGSS Managed
3	Savings Tracker Summary	Summary of the latest position on delivery of savings
4	Technical Note	Explanation of technical items that are included in some reports
Appx 1	Service Level Financial Information	Detailed financial tables for Corporate Services and LGSS Managed
Appx 2	Service Commentaries	Detailed notes on financial position of services that are predicting not to achieve their budget
Appx 3	Capital Position	This will contain more detailed information about Corporate Services and LGSS Managed' Capital programme, including funding sources and variances from planned spend.
Appx 4	Savings Tracker*	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the business plan.
Appx 5	Technical Appendix*	Twice yearly, this will contain technical financial information for Corporate Services and LGSS managed showing: • Grant income received • Budget virements into or out of Corporate Services • Service reserves
Appx 6	Service Level Financial information	Detailed financial table for LGSS Cambridge Office
Appx 7	Service commentaries	Detailed notes on financial position of LGSS Cambridge Office that are predicting not to achieve their budget
Appx 8	Technical Appendix*	This will contain technical financial information for LGSS Cambridge Office: • Grant income received

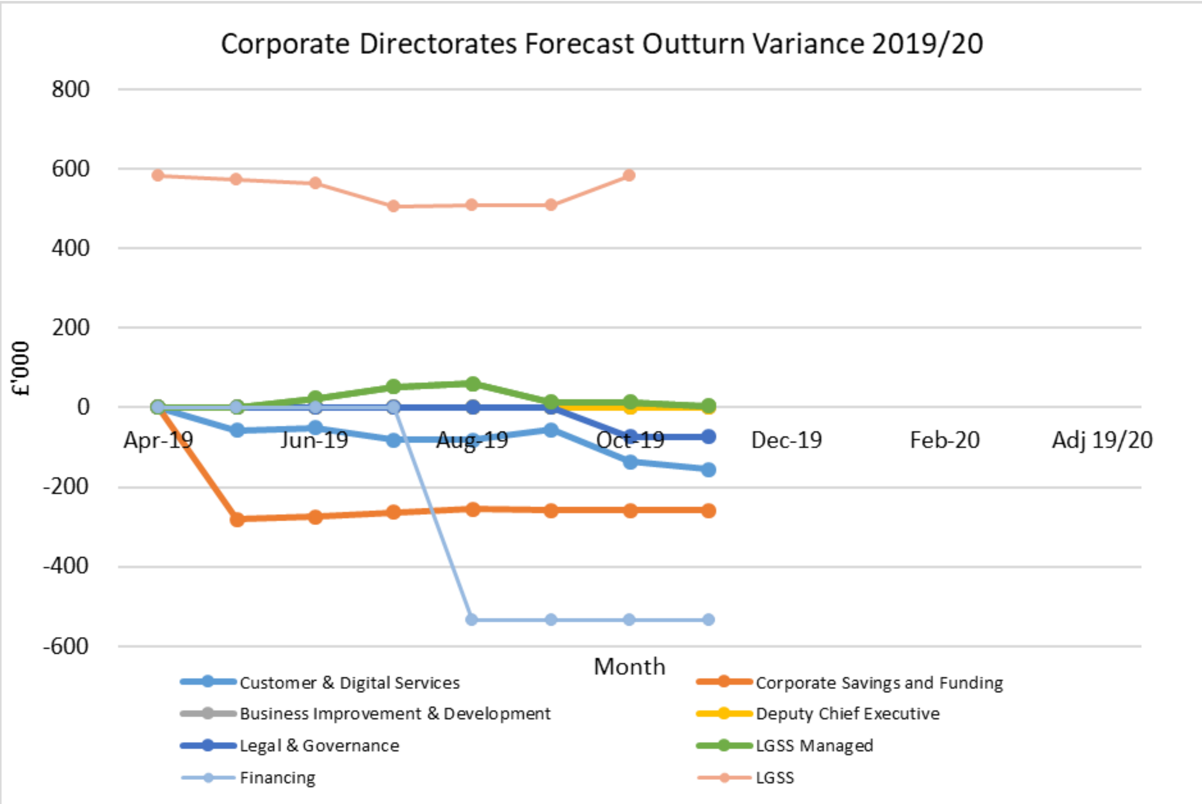
		• Budget virements into or out of LGSS Cambridge Office • Service reserves

***These appendices are not included each month as the information does not change as regularly*

1. Revenue Executive Summary

1.1 Overall Position

Corporate Services, Financing costs and LGSS Managed is forecasting an underspend of £1,017k at the end of November, an increase of £29k since October.



1.2 Summary of Revenue position by Directorate

Outturn Variance (October 19) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	*Outturn Variance %*	Status
-136	Customer & Digital Services	6,802	4,782	-155	-2.3%	**Green**
-259	Corporate Savings & Funding	758	0	-259	-34.2%	**Green**
-0	Business Improvement & Development	969	913	-0	0.0%	**Green**
-0	Deputy Chief Executive	2,139	1,404	0	0.0%	**Green**
-73	Legal & Governance	1,540	970	-73	-4.8%	**Green**
-534	Financing Costs	27,558	3,960	-534	-1.9%	**Green**
14	LGSS Managed	13,149	10,274	4	0.0%	**Green**
-988	**Total**	**52,916**	**22,303**	**-1,017**	**-1.9%**	

The service level budgetary control report for Corporate Services, Financing Costs and LGSS Managed for November 2019 can be found in appendix 1.

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

Further analysis can be found in appendix 2 for Corporate Services and appendix 7 for LGSS Cambridge Office.

The appendices are published online only and not printed for Committee.

1.3 Significant Issues

At the end of November 2019, the overall Corporate Services and LGSS Managed position is an underspend of £1,017k, around -£1.9% of budget

Significant issues are details below:

Customer & Digital Services

Corporate and Customer Services budgets are currently predicting an underspend of £155k, which is an increase of £19k from the previous forecast. This is mainly due to an increase of £47k in the forecast underspend in Communication & Information and £13k in Director, Customer & Digital Services; offset by a decreased underspend in IT & Digital Services.
There are no new exceptions to report this month.

Corporate Savings and Funding

Corporate Savings and Funding budgets are currently predicting an underspend of £259k, which is the same as the previous forecast.

There are no new exceptions to report this month.

Business Improvement & Development

Business Improvement & Development budgets are currently predicting a balanced position, which is the same as the last month.

There are no new exceptions to report this month.

Resources Directorate

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

There are no new exceptions to report this month.

Legal and Governance

The Legal and Governance budget is currently predicting an underspend of £73k. This is mainly due to additional income in Democratic & Member Services from the Combined Authority, Fire, and Education Finance, and underspends on printing and general office costs

LGSS Managed

LGSS Managed budgets are currently predicting an overspend of 4k, which is a decrease of £10k from last month.

There are no new exceptions to report this month.

Financing Costs

The Financing Costs budget is currently predicting an underspend of £534k, which is the same as the previous forecast.

There are no new exceptions to report this month.

LGSS Cambridge Office

LGSS Cambridge Office budgets are currently predicting an overspend of £582k, which is an increase of £73k from last month. This is due to the repatriation of Democratic & Member Services, which was reporting an underspend of £73k, into Cambridgeshire County Council from LGSS.

There are no new exceptions to report this month.

2. Capital Executive summary

2019/20 In Year Pressures/Slippage

At the end of November 2019 the capital programme forecast is on budget.

Corporate Services and Transformation schemes have a capital budget of £7.8m in 2019/20 and there is expenditure of £3.3m to date. The total scheme forecast is on budget.

In March 2019 GPC approved capital expenditure of £300k for a loan to Viva Arts for capital expenditure on the Soham Mill project. This will increase the Prudential Borrowing requirement by £300k.

LGSS Managed has a capital budget of £2.3m in 2019/20 and there is expenditure of £2.4m to date (this is due to expenditure on EastNet which will be recovered from partners). The total scheme forecast is on budget.

There are no new material exceptions to report this month.

Details of the currently forecasted capital variances and funding can be found in appendix 3.

3. Savings Tracker Summary

The savings tracker is produced quarterly, and the latest savings tracker can be found in appendix 4.

4. Technical Notes

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

This appendix will cover:

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

The appendices to this report can be viewed in the online version of the report.

Agenda Item No.5

INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING 30TH NOVEMBER 2019

To:	**General Purposes Committee**
Date:	**28 January 2020**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**2020/001** *Key decision:* **Yes**
Purpose:	**To present financial information to assess progress in delivering the Council's Business Plan.**
Recommendations:	**General Purposes Committee (GPC) is recommended to:**

a) Approve additional prudential borrowing of £20m in 2019/20 for Commercial Investments (property) and the use of £20m of capital receipts for investments into the Multi-Class credit pooled fund, as set out in section 5.7;

b) Approve the extension of the contract with Virgin Media Business for the provision of IT infrastructure services, as set out in Appendix 3.

	Officer contact:		*Member contacts:*
Name:	Tom Kelly	Names:	Councillors Count & Hickford
Post:	Head of Finance	Post:	Chair/Vice-Chair
Email:	Tom.Kelly@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 703599	Tel:	01223 706398

1. PURPOSE

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

2. OVERVIEW

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

Finance and Key Activity

Revenue budget outturn		Capital programme outturn
+£1.0m (0.3%) variance at end of year RED	This is a £0.236m increase in the revenue pressure since last month's forecast. This is a £1.368m decrease in the in-year capital expenditure compared to last month's forecast.	-£22.7m (-7.0%) variance at end of year GREEN

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	Nov-19	May-19	Trend since May 19
Nursing	477	489	Stayed the same
Residential	912	873	Increasing
Community	1,576	1,476	Increasing

Adults aged 18+ receiving long term services

	Nov-19	May-19	Trend since May 19
Nursing	53	45	Increasing
Residential	359	376	Stayed the same
Community	2,839	2,855	Stayed the same

Children open to social care

	Nov-19	Apr-19	Trend since Apr 19
Children in Care	760	783	Decreasing
Child Protection	455	581	Decreasing
Children in need *	1,744	2,207	Decreasing

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

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end pressure of +£1.0m (+0.3%); this is largely within People & Communities (P&C) (£3.7m pressure), Commercial & Investment (C&I) (£0.9m pressure), and LGSS Operational (£0.4m pressure) partially offset by forecast underspends of -£2.7m in Place & Economy, -£0.5m in CS Financing and -£0.5m in Corporate Services. See section 3 for details.

- The Capital Programme is forecasting a -£22.7m underspend at year-end after the capital programme variations budget has been utilised in full. See section 5 for details.

3. REVENUE BUDGET

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

Key to abbreviations

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

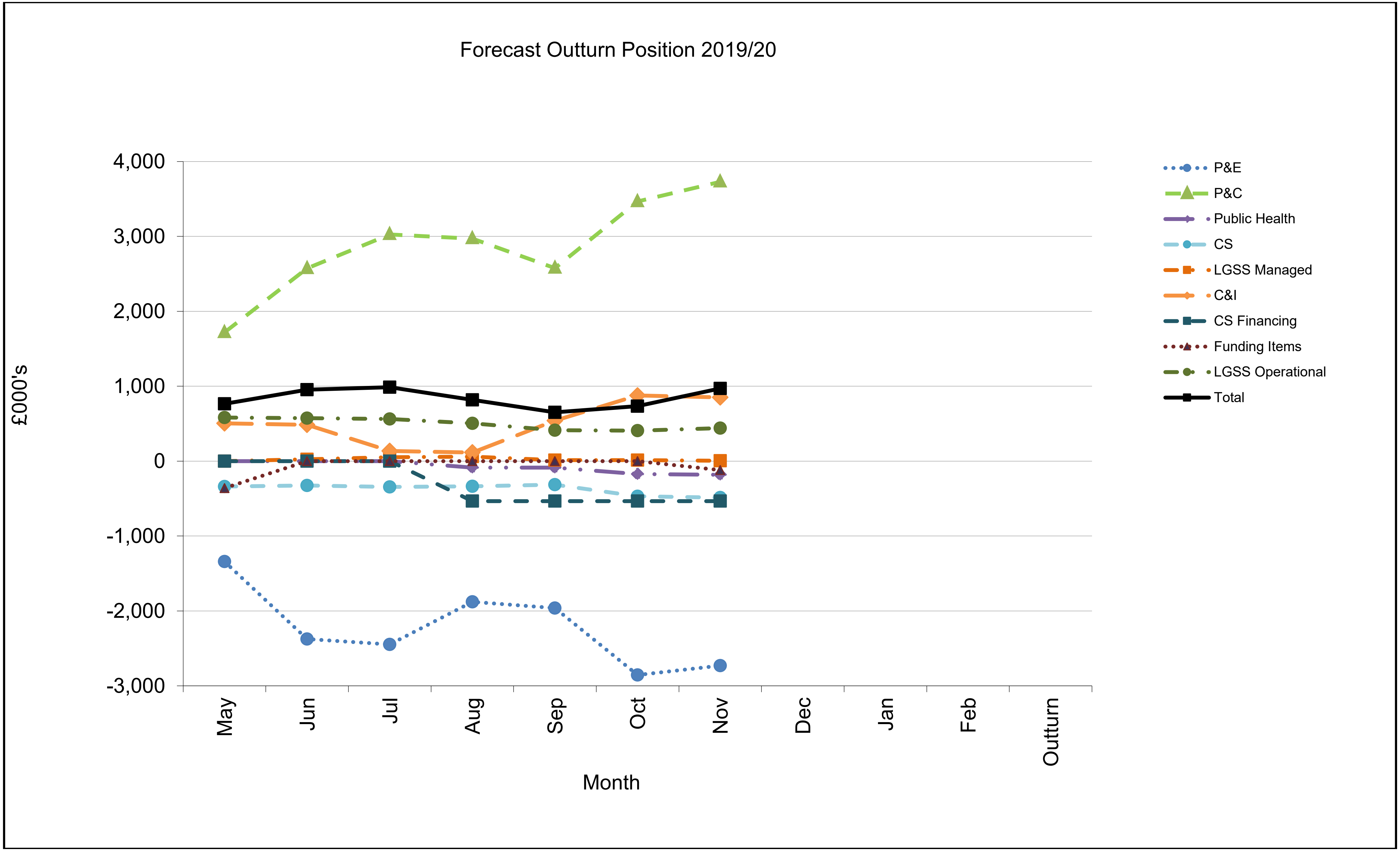
Original Budget as per Business Plan £000	Forecast Variance (Oct) £000	Service	Current Budget for 2019/20 £000	Actual (Nov) £000	Forecast Variance (Nov) £000	Forecast Variance (Nov) %	Overall Status	DoT
57,504	-2,855	Place & Economy	52,079	27,217	-2,731	-5.2%	Green	↓
254,936	3,466	People & Communities	262,935	168,572	3,729	1.4%	Red	↓
390	-172	Public Health	390	-6,505	-182	-	Green	↑
10,221	-469	Corporate Services	12,208	8,069	-487	-4.0%	Green	↑
14,048	14	LGSS Managed	13,149	10,274	4	0.0%	Green	↑
-9,502	877	Commercial & Investment	-8,768	-1,065	852	-	Amber	↑
28,161	-534	CS Financing	27,558	3,960	-534	-1.9%	Green	↓
355,758	**328**	**Service Net Spending**	**359,551**	**210,522**	**651**	**0.2%**	**Amber**	↓
20,357	0	Funding Items	18,447	9,709	-120	-0.7%	Green	↑
376,115	**328**	**Subtotal Net Spending**	**377,998**	**220,231**	**531**	**0.1%**	**Amber**	↓
		Memorandum items:						
8,161	407	LGSS Operational	6,103	4,701	440	7.2%	Amber	↓
	735	**Grand Total Net Spending**	**384,101**	**224,932**	**971**	**0.3%**	**Red**	↓
170,024		Schools	170,024					
554,300		**Total Spending 2019/20**	**554,125**					

1 The budget figures in this table are net.

2 For budget virements between Services throughout the year, please see Appendix 1.

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

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


Forecast Outturn Position 2019/20
£000's
4,000
3,000
2,000
1,000
0
-1,000
-2,000
-3,000
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Outturn
Month
P&E
P&C
Public Health
CS
LGSS Managed
C&I
CS Financing
Funding Items
LGSS Operational
Total

3.2 Key exceptions this month are identified below.

3.2.1 **Place & Economy:** -£2.731m (-5.2%) underspend is forecast at year-end. There are no exceptions to report this month; for full details see the P&E Finance Monitoring Report, (https://tinyurl.com/rzuot86).

3.2.2 **People & Communities:** +£3.729m (+1.4%) pressure is forecast at year-end.

£m **%**

- **Central Commissioning - Adults** – a +£0.513m pressure is forecast. This is an increase of +£0.412m on last month's position. The change is in relation to increased spend on the contract for block cars that deliver domiciliary care to people, including those leaving hospital. The council has needed to support a number of packages at an enhanced rate this year due to the large scale failure of a major provider of homecare in the last quarter of 2018. There was a need to retain the capacity in the market, as domiciliary care enables people to remain in their own homes and retain their independence; the alternative is often moving into bed-based care at a higher cost. Retaining this capacity has helped us to support winter pressures and facilitate earlier discharges from hospital, and will continue to do so over the last part of the year.

  This is an in-year pressure only as the contract has now been re-commissioned, with more favourable rates secured that will lead to a balanced budget in 2020/21. Reducing capacity within this area in order to mitigate the in-year cost pressure would ultimately lead to increased spend on alternative provision such as bed-based care. +0.513 (+5%)

  The remainder of the pressure is mainly due to a delay in the realisation of savings on the Housing Related Support contracts; some contracts have been extended until the service is retendered. The full saving is still forecast to be delivered by 2021/22 and work is ongoing as to how best to deliver this service. The in-year pressure on housing related support is £274k, however, this has been mitigated in part, and has been reported previously.

- **Funding to Special Schools & Units, High Needs Top Up Funding and Out of School Tuition** – a +£9.0m pressure is currently forecast. This is an increase of +£0.5m on the position reported last month. Initial in-year pressures have been forecast for a number of Dedicated Schools Grant (DSG) funded High Needs Block budgets including funding for special schools and units (+£3.5m), top-up funding for mainstream schools and Post-16 provision (£3.0m), out of school tuition (£2.0m) and Special Educational Needs (SEN) Placements (£0.5m). A Special Educational Needs and Disability (SEND) Project Recovery team has been set-up to oversee and drive the delivery of the SEND recovery plan to address the current pressure on the High Needs Block. As previously reported in 2018/19 we saw a total DSG pressure across SEND services of £8.7m which, combined with underspends on other DSG budgets, led to a deficit of £7.2m carried forward into 2019/20. Given the ongoing increase in numbers of pupils with Education Health Care Plans (EHCPs) it is +9.000 (+20%)

likely that a similar pressure will occur in 2019/20. Current estimates forecast an in-year pressure of approximately £9.0m. This is a ring-fenced grant and as such pressures do not currently affect the Council's bottom line but are carried forward as a deficit balance into the next year.

• **Financing DSG** – a -£9.0m required contribution from DSG is forecast. This is an increase of -£0.5m on the required contribution previously reported in last month. This represents the amount that will be drawn down from the DSG reserve in excess of what was budgeted to cover pressures in DSG-funded areas. These pressures are primarily Funding to Special Schools and Units (£3.5m), High Needs Top Up Funding (£3.0m), Out of School Tuition (£2.0m) and SEN Placements (£0.5m) as described above.	-9.000	(-15%)
• **Home to School Transport – Special** – a +£0.700m pressure is forecast. This is an increase of £0.400m on the position previously reported in May, of which £0.200m relates to a change since last month. We are continuing to see significant increases in pupils with Education Health Care Plans (EHCPs) and those attending special schools, leading to a corresponding increase in transport costs. Between 1st April and 30th November 2019 there was an increase in the number of pupils with EHCPs of 379 (8.9%), compared with 307 (8%) over the same period last year. Alongside this, we are seeing an increase in complexity of need resulting in assessments being made by the child/young person's Statutory Assessment Case Work Officer that they require individual transport, and, in many cases, a passenger assistant to accompany them. A strengthened governance system around requests for costly exceptional transport requests introduced in 2018/19 is resulting in the avoidance of some of the highest cost transports as is the use of personal transport budgets offered in place of costly individual taxis. The People and Communities (P&C) Finance & Performance Report, outlines further actions being taken to mitigate the position.	+0.700	(+7%)
• **Children in Care Transport** – a -£0.400m underspend is forecast. This relates in full to a change since last month. Ongoing work around route optimisation, combined with decreasing numbers of Children in Care have resulted in lower than budgeted costs, despite the pressures on the wider transport market.	-0.400	(-20%)

- A combination of more minor variances sum with the above to lead to an overall outturn of +£3.729m. For full and previously reported details see the P&C Finance Monitoring Report, (https://tinyurl.com/ue5pf8d).

3.2.3 **Public Health:** -£0.182m (-%) underspend is forecast for year-end. There are no exceptions to report this month; for full details see the PH Finance Monitoring Report, (https://tinyurl.com/tquzofw).

3.2.4 **Corporate Services:** -£0.487m (-4.0%) underspend is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance Monitoring Report, (https://tinyurl.com/sht8gln).

3.2.5 **LGSS Managed:** +£0.004m (+0.0%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance Monitoring Report, (https://tinyurl.com/sht8gln).

3.2.6 **CS Financing:** -£0.534m (-1.9%) underspend is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance Monitoring Report, (https://tinyurl.com/sht8gln).

3.2.7 **Commercial & Investment**: +£0.852m (-%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the C&I Finance Monitoring Report, (https://tinyurl.com/wfhd33r).

3.2.8 **Funding Items:** -£0.120m (-0.7%) underspend is forecast at year-end. There are no exceptions to report this month.

3.2.9 **LGSS Operational:** +£0.440m (+7.2%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance Monitoring Report, (https://tinyurl.com/sht8gln).

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

4. KEY ACTIVITY DATA

4.1 The latest key activity data for: Children in Care Placements; Special Educational Needs (SEN) Placements; Adults & Safeguarding; Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest P&C Finance Monitoring Report, (https://tinyurl.com/ue5pf8d) (section 5).

5. CAPITAL PROGRAMME

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

2019-20							TOTAL SCHEME	
Original 2019/20 Budget as per Business Plan £000	Forecast Variance - Outturn (Oct) £000	Service	Revised Budget for 2019/20 £000	Actual-Year to Date (Nov) £000	Forecast Variance - Outturn (Nov) £000	Forecast Variance - Outturn (Nov) %	Total Scheme Revised Budget (Nov) £000	Total Scheme Forecast Variance (Nov) £000
43,908	-16,308	P&E	59,381	17,230	-17,149	-28.9%	411,096	-
129,267	-0	P&C	101,292	63,499	-0	0.0%	678,259	-10,334
3,457	-	CS	7,763	3,258	-	0.0%	24,977	-
2,827	-	LGSS Managed	2,339	2,443	-	0.0%	6,785	-69
90,443	-4,995	C&I	155,139	87,710	-5,522	-3.6%	353,998	-
-		Outturn adjustment	-	-		-	-	-
269,902	**-21,303**	**Total Spending**	**325,914**	**174,140**	**-22,671**	**-7.0%**	**1,475,115**	**-10,403**

Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 5.2.

2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2019/20 of £30.8m and is currently forecasting an in-year underspend of -£1.5m at year-end.

3. The 'Total Scheme Forecast Variance' reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.

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

2019-20					
Service	Capital Programme Variations Budget £000	Forecast Variance - Outturn (Nov) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (Nov) £000
P&E	-13,505	-30,654	13,505	100.00%	-17,149
P&C	-13,399	-8,464	8,464	63.17%	-0
CS	-1,431	-108	108	7.55%	0
LGSS Managed	-585	-327	327	55.90%	0
C&I	-26,312	-31,834	26,312	100.00%	-5,522
Outturn adjustment	-	-	6,516	-	
Total Spending	**-55,232**	**-71,387**	**55,232**	**100.00%**	**-22,671**

5.3 As at the end of November 2019, Place & Economy schemes and Commercial and Investment (C&I) schemes have exceeded the capital variations budget allocated to them, forecasting in-year underspends of -£17.1m and -£5.5m respectively. At this stage of the financial year it is thought that the position across the whole programme will be an underspend, so no adjustment has been made to the outturn.

5.4 A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.25m or greater are identified below.

5.4.1 **Place & Economy:** a -£17.1m (-28.9%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

Revised Budget for 2019/20	**Forecast Spend - Outturn (Nov)**	**Forecast Spend - Outturn Variance (Nov)**	**Variance Last Month (Oct)**	**Movement**	**Breakdown of Variance**	
					Underspend/ pressure	**Rephasing**
£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Delivering the Transport Strategy Aims – Cycling Schemes						
1,258	441	-817	-283	-534	-100	-717

An in-year underspend of -£0.8m is forecast across Delivering the Transport Strategy Aims – Cycling Schemes. This is a change of -£477k on the position previously report in July, of which -£534k relates to a change since last month. This relates primarily to the following schemes:

- Fenstanton to the Busway

Due to the need to work through a statutory process relating to changing a permissive footpath to a public bridleway by means of a 'Creation Order' this will delay the scheme's delivery.
Detailed design and statutory processes are progressing, but not complete. Construction works at this location are best completed in spring, rather than winter, hence the forecast is to spend just £7k in this financial year, with the remaining funding to be spent in 20/21.

- Dry Drayton to NMU (Non-Motorised User) link

Design work is progressing on this scheme, but it cannot be delivered until works on the A14 are completed due to its close proximity. The spend forecast for this year is £35k, with the remaining £145k to be spent in 20/21.

- Papworth to Cambourne

Design work is progressing on this scheme, but it cannot be delivered until works on the A14 are complete as the scheme lies on the diversion route that is regularly used by Highways England. Forecast spend for this year is less than originally planned.

- For full and previously reported details see the P&E Finance Monitoring Report, (https://tinyurl.com/rzuot86).

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

Revised Budget for 2019/20	Forecast Spend - Outturn (Nov)	Forecast Spend - Outturn Variance (Nov)	Variance Last Month (Oct)	Movement	Breakdown of Variance	
					Underspend/ pressure	Rephasing
£'000	£'000	£'000	£'000	£'000	£'000	£'000
Basic Need - Primary						
34,420	33,454	-966	-791	-175	-1,958	992
An in-year underspend of -£1.0m is forecast across Basic Need – Primary schemes. This is a change of -£0.4m on the position previously reported in August of which -£0.2m relates to a change since last month. This is primarily due to changes on the schemes as outlined below:						
Chatteris New School						
4,600	3,000	-1,700	-1,700	0	0	-1,700
£1.7m rephasing is anticipated in 2019/20 due to issues around Highways and planning permission . This is a combined project with Cromwell Community College. This is an increase of -£0.1m on the rephasing position previously reported in August.						
Hatton Park, Longstanton						
189	0	-189	-189	0	-189	0
An in-year underspend of -£0.2m is forecast which is an increase on the position previously reported in August. This is due to savings made on contingency and risk as the project nears completion.						
Bassingbourn Primary School						
2,666	2,350	-316	-316	0	-225	-91
An in-year underspend of -£0.3m is forecast mainly due to savings on the completion of the scheme. This is a -£50k increase on the in-year underspend previously forecast in August.						
Basic Need - Secondary						
51,096	44,310	-6,786	-6,466	-320	-248	-6,538
An in-year underspend of -£6.8m is forecast across Basic Need – Secondary schemes. This is a change of -£0.32m on the position reported since month and is primarily due to changes on the Fenland Secondary scheme as outlined below:						
Fenland Secondary						
5,000	300	-4,700	-4,400	-300	0	-4,700
None of the applications submitted to the Department for Education (DfE) to establish the new secondary as free school were approved. Work is progressing to determine the final specification for the scheme and the associated project cost.						
Condition & Maintenance						
3,623	4,083	460	0	460	952	-492
An in-year pressure of £0.5m is forecast across Condition & Maintenance schemes. This is primarily due to changes on the schemes as outlined below:						
School Condition, Maintenance & Suitability						
3,123	3,482	359	0	359	952	-593
The forecast in-year pressure of £359k has arisen due to an increased number of unplanned emergency projects requiring urgent attention to ensure the schools concerned remained operational and to maintain schools' condition. The in-year position has been partially offset with slippage of £593k for Galfraid Primary (formerly known as Abbey Meadows) which was agreed by GPC as additional funding						

for 2019/20. This funding is required in 2020/21 due to the scheme timescales being delayed. (See also 5.5.2.)						
Temporary Accommodation						
1,500	257	-1,243	0	-1,243	-1,243	0
An underspend of -£1.2m is forecast across Temporary Accommodation schemes. The level of temporary mobile accommodation is lower than initially anticipated when the Business Plan was approved. (See also 5.5.2.)						
Cultural & Community Services						
5,157	3,731	-1,426	-223	-1,203	0	-1,426
An in-year underspend of -£1.4m is forecast across Cultural & Community Services schemes. This is a change of -£1.2m on the position since last month. This is primarily due to changes on the schemes as outlined below:						
Libraries - Open access & touchdown facilities (hub libraries)						
567	11	-556	0	-556	0	-556
Work is ongoing to tender for the system and create a detailed plan for the rollout of Open Access across all libraries; this will involve building surveys of all sites to determine the requirements for implementation, which is the expenditure projected within the current financial year. A report will be brought to C&P Committee in the Spring to update members and make decisions about prioritisation and principles of the rollout, with implementation and expenditure taking place later in 2020/21 and 2021/22.						
Libraries - Open access & touchdown facilities - further 22 Libraries						
605	0	-605	0	-605	0	-605
Work is ongoing to tender for the system and create a detailed plan for the rollout of Open Access across all libraries; this will involve building surveys of all sites to determine the requirements for implementation, which is the expenditure projected within the current financial year. A report will be brought to Communities and Partnership Committee in the Spring to update members and make decisions about prioritisation and principles of the rollout, with implementation and expenditure taking place later in 2020/21 and 2021/22.						
P&C Capital Variation						
-13,399	-4,935	8,464	5,933	2,531	0	8,464
As agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. Therefore the net £8.5m underspend is balanced by use of the capital variations budget; this is an increase of £2.5m on the use of the variations budget reported last month. The increase relates primarily to the increased in-year underspends on Basic Need- Primary, Basic Need- Secondary, Temporary Accommodation and Cultural & Community Services, partially offset by the pressure on Condition & Maintenance as reported above, together with more minor variances.						

- For full and previously reported details see the P&C Finance Monitoring Report, (https://tinyurl.com/ue5pf8d).

5.4.3 **Corporate Services:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance Monitoring Report, (https://tinyurl.com/sht8gln).

5.4.4 **LGSS Managed:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance Monitoring Report, (https://tinyurl.com/sht8gln).

5.4.5 **Commercial & Investment**: a -£5.5m (-3.6%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

Revised Budget for 2019/20	Forecast Spend - Outturn (Nov)	Forecast Spend - Outturn Variance (Nov)	Variance Last Month (Oct)	Movement	Breakdown of Variance	
					Underspend/ pressure	Rephasing
£'000	£'000	£'000	£'000	£'000	£'000	£'000
Woodston Closed Landfill Energy Project						
285	29	-256	-	-256	-	-256
An in-year underspend of -£0.26m is forecast on the Woodston Closed Landfill Energy Project scheme. The C&I Committee approved an officer request to suspend activity on this project in October due to prohibitive grid connection costs and current uncertainty in the battery service market.						

- For full and previously reported details see the C&I Finance Monitoring Report, (https://tinyurl.com/wfhd33r).

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

5.5.1 **Place & Economy:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full details see the P&E Finance Monitoring Report, (https://tinyurl.com/rzuot86).

5.5.2 **People & Communities:** a -£10.334m (-1.5%) total scheme underspend is forecast.

Total Scheme Revised Budget	Total Scheme Forecast Spend - Outturn (Nov)	Total Scheme Forecast Spend - Outturn Variance (Nov)	Variance Last Month (Oct)	Movement
£'000	£'000	£'000	£'000	£'000
Basic Need - Primary				
273,739	264,242	-9,497	-3,058	-6,439
A total scheme underspend of -£9.5m is forecast across Basic Need – Primary schemes. This is a change of -£6.4m on the position reported last month and is mainly due to changes on the schemes outlined below:				
Sawtry Infants				
5,511	2,306	-3,205	0	-3,205
The scheme to expand Sawtry Infant and Junior School is no longer being progressed. On 12th November Children & Young People (CYP) Committee agreed support for the request to change the project at Sawtry from an expansion by one form of entry to the existing Infant and Junior schools on their current shared site, to a project to build a new separate primary school on the site of the proposed new development on Glatton Road in Sawtry.				
Sawtry Junior				
3,214	0	-3,214	0	-3,214
The scheme to expand Sawtry Infant and Junior School is no longer being progressed. On 12th November Children & Young People (CYP) Committee agreed support for the request to change the project at Sawtry from an expansion by one form of entry to the existing Infant and Junior schools on their current shared site, to a project to build a new separate primary school on the site of the proposed new development on Glatton Road in Sawtry.				

Condition & Maintenance				
27,123	28,075	952	0	952
A total scheme pressure of +£0.95m is forecast across Condition & Maintenance schemes. This is primarily due to changes on the schemes as outlined below:				
School Condition, Maintenance & Suitability				
25,473	26,425	952	0	952
A total scheme pressure of +£0.95m is forecast. This is due to an increased number of unplanned emergency projects requiring urgent attention in 2019/20 to ensure the schools concerned remained operational and to maintain schools' condition. (See also 5.4.2.)				
Temporary Accommodation				
12,500	11,257	-1,243	0	-1,243
A total scheme underspend of -£1.2m is forecast across Temporary Accommodation schemes. The level of temporary mobile accommodation in 2019/20 is lower than initially anticipated when the Business Plan was approved. (See also 5.4.2.)				

- For full and previously reported details see the P&C Finance Monitoring Report, (https://tinyurl.com/ue5pf8d).

5.5.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance Monitoring Report, (https://tinyurl.com/sht8gln).

5.5.4 **LGSS Managed:** a -£0.069m (-1.0%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance Monitoring Report, (https://tinyurl.com/sht8gln).

5.5.5 **Commercial & Investment**: a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the C&I Finance Monitoring Report, (https://tinyurl.com/wfhd33r).

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding1 £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	16.0	0.5	-0.3	1.4	**17.6**	19.0	1.4
Basic Need Grant	6.9	-	-	-	**6.9**	6.9	-
Capital Maintenance Grant	4.7	-	-	-1.1	**3.5**	3.5	-
Devolved Formula Capital	1.0	2.0	-	-0.2	**2.8**	2.8	-
Specific Grants	8.4	0.0	-	0.7	**9.1**	7.4	-1.8
S106 Contributions & Community Infrastructure Levy	19.4	3.3	-12.8	0.5	**10.4**	10.1	-0.3
Capital Receipts	45.4	10.4	-10.5	-20.6	**24.7**	26.7	2.0
Other Contributions	24.6	3.3	-	4.9	**32.8**	15.7	-17.1
Revenue Contributions	10.1	-	-	-	**10.1**	10.1	-
Prudential Borrowing	133.4	20.0	-13.4	67.9	**207.9**	201.0	-7.0
TOTAL	**269.9**	**39.5**	**-37.0**	**53.5**	**325.9**	**303.2**	**-22.7**

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

5.7 At the January Commercial & Investment (C&I) Committee meeting, the Committee recommended to General Purposes Committee (GPC) that

- £20m of capital receipts funding is re-assigned from financing commercial property to the asset classes considered by the C&I Committee (multi class credit); thereby supporting the investment activities outlined within the Commercial Strategy 2019-21 and our Investment Strategy, and
- requiring a corresponding increase in borrowing of £20m to replace the capital receipts funding for commercial property.

Further information can be found in the paper here.

The current strategy of direct property investment has enabled the Council to expect annual revenue returns of approximately £7.8m gross (5.3% return) before financing costs. The Council are in a good position to manage any capital value decrease (over the long term) and can control when assets are disposed to reduce capital losses.

Following advice about the Council's constraints, the Council's appointed investment advisor, Redington Ltd, suggested there is a further opportunity through diversifying our portfolio to also reduce the risk (across a larger portfolio) to the revenue income from the portfolio. Following workshops with Redington and Members of the C&I Committee, the intention is now to reduce the possible fluctuation in portfolio value and protect revenue returns through reducing the average Value at Risk.

Based upon the Council's requirements and funding capacity, the proposed next step is to deploy £20m of capital receipts within a Multi-Class Credit fund. Multi-class credit comprises a range of fixed income corporate and government debts managed across an investment fund. In order to achieve the higher yield constraints that the Council has requested (in comparison to property financed by borrowing for example) the pool of credit is likely to include sub-investment grade assets.

The impact of this investment decision on our wider portfolio will be;

- Reduction in the average Value at Risk across the portfolio
- Estimated income per annum – increase from £7.8m to £8.9m
- % of investment in Property – 84% down from 100% once funds deployed
- % in Non-property – 16% up from 0% once funds deployed

General Purposes Committee has recently agreed £73m of borrowing to fund commercial property acquisitions this year, and this recommendation will increase that figure to £93m. The recommended extension has been in prospect during the autumn and was initially considered alongside the benefit analysis for the financing of commercial property. On a recurrent basis, after applying additional borrowing costs and an MRP to commercial property as a result of the £20m borrowing extension, the Council has additional financing costs of £0.8m, however this is more than offset by the net return from the proposed £20m investment in multi-class credit, where the return is £1.02m. Therefore the expected net impact to the Council from these twin changes is additional investment income of £220k per annum, alongside an increase in the size of the portfolio by £20m.

The Council is taking further advice on the next stages of this process including the approach to procurement of an investment manager, and the overall appropriateness of this type of investment, this may (or may not) in turn require consideration by Full Council in relation to compliance with the treasury management strategy. Redington are appointed to support the process of the selection of an investment manager. C&I committee highlighted the governance processes in place for the Council to monitor and manage the investment through its Investment Group, advisors and the Commercial team, and the preferable liquidity of this asset class, relative to property, should the Council deem it necessary to withdraw funds.

General Purposes Committee is asked to approve additional prudential borrowing of £20m in 2019/20 for Commercial Investments (property) and to use £20m of capital receipts for investments into the Multi-Class credit pooled fund.

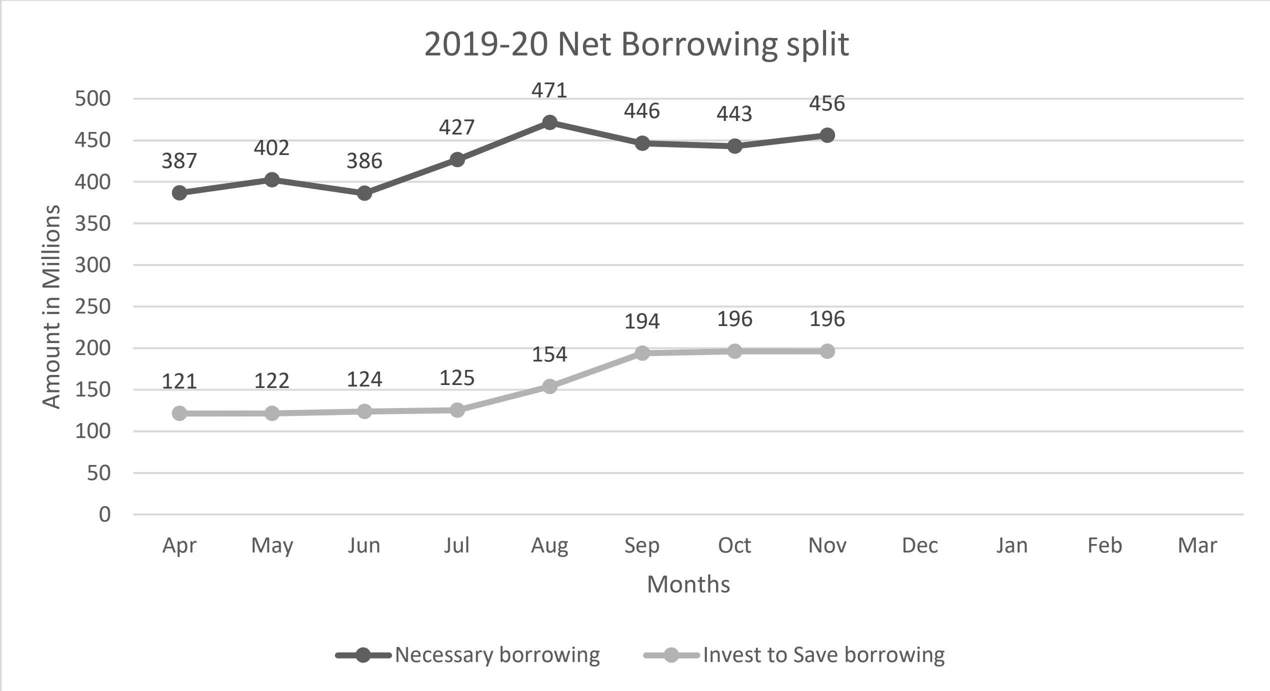
6. BALANCE SHEET

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

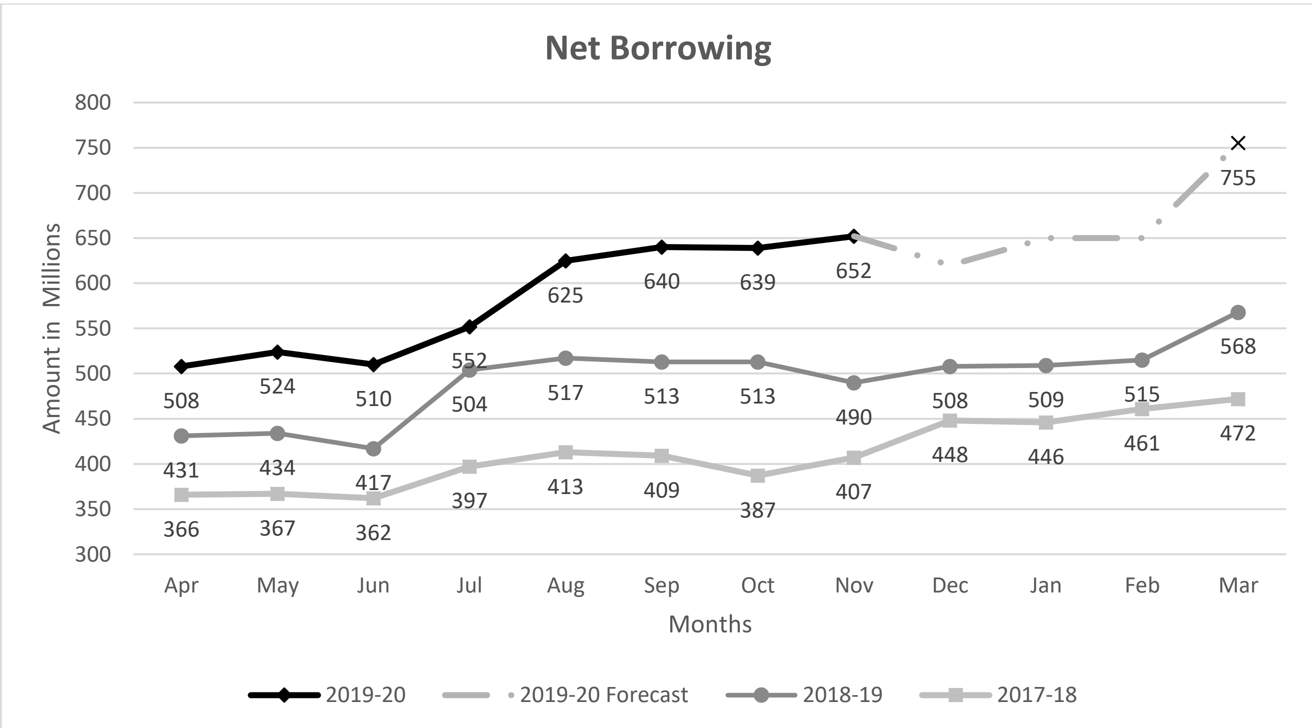
Measure		Year End Target	Actual as at the end of Nov 2019[1]
Level of debt outstanding (owed to the council) 91 days +, £m	Adult Social Care	£3.37m	£4.92m
	Sundry	£1.71m	£2.04m

[1] The debt figures from Oct 19 onwards exclude Cambridgeshire & Peterborough CCG debts as these are considered collectable and are subject to separate reconciliation.

6.2 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2019-20, it is estimated that £196m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3rd parties in order to receive a financial return.



6.3 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. At the end of November 2019, investments held totalled £96m (excluding 3rd party loans) and gross borrowing totalled £748m, equating to a net borrowing position of £652m.



6.4 The Council's cash flow profile – which influences the net borrowing requirement - varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, council tax etc.). As illustrated by the comparative 2017-18 and 2018-19 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2019-20 net borrowing position is expected to take a similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.

6.5 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2019-20 TMSS was set in February 2019, it anticipated that net borrowing would reach £732.1m by the end of this financial year. Based on the 2018-19 outturn position and subsequent revisions to the capital programme is, this is now forecast to be £755.0m by the end of this financial year.

6.6 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings and consequently holding less investments reduces the Councils exposure to credit risk. However, this approach carries with it interest rate risk and officers continue to monitor options as to the timing of any potential longer term borrowing should underlying interest rates be forecast to rise in a sustained manner.

6.7 There is a link between the capital financing borrowing requirement, the net borrowing position and consequently net interest costs. However, the Debt Charges budget is prudently formulated with sensitivity to additional factors including projected levels of cash-backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.

6.8 Further detail around the Treasury Management activities can be found in the latest Treasury Management Report, (http://tiny.cc/5qfggz).

6.9 The Council's reserves include various earmarked reserves (held for specific purposes), as well as provisions (held for potential liabilities) and capital funding. A schedule of the Council's reserves and provisions can be found in Appendix 2.

7. ALIGNMENT WITH CORPORATE PRIORITIES

7.1 A good quality of life for everyone

There are no significant implications for this priority.

7.2 Thriving places for people to live

There are no significant implications for this priority.

7.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

8. SIGNIFICANT IMPLICATIONS

8.1 Resource Implications

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

8.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

8.3 **Statutory, Legal and Risk Implications**

There are no significant implications within this category.

8.4 **Equality and Diversity Implications**

There are no significant implications within this category.

8.5 **Engagement and Consultation Implications**

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

8.6 **Localism and Local Member Involvement**

There are no significant implications within this category.

8.7 **Public Health Implications**

There are no significant implications within this category.

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

Source Documents	Location
P&E Finance Monitoring Report (November 19) P&C Finance Monitoring Report (November 19) PH Finance Monitoring Report (November 19) CS and LGSS Cambridge Office Finance Monitoring Report (November 19) C&I Finance Monitoring Report (November 19) Capital Monitoring Report (November 19) Report on Debt Outstanding (November 19)	1st Floor, Octagon, Shire Hall, Cambridge

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

	P&C	Public Health	P&E	CS Financing	Corporate Services	LGSS Managed	C&I	LGSS Op	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	254,936	390	57,504	28,161	10,221	14,048	-9,502	8,161	20,357
Greater Cambridge Partnership budgets not reported in CCC budget					-602				
Budget Build correction- Impact of Local Government Pay offer on CCC Employee Costs					-430	430			
External audit fees budget transfer					27	-27			
19/20 Council tax income generation proposal to precept income codes					200				
Transfer of Cultural & Community Services from P&E to P&C	4,721		-4,721						
Movement of Contract Efficiency saving target from Corporate Services					49		-49		
Inflation allocation adjustment for Children's Services Legal from CS	30				-30				
Remove Traded Services Central income target from Central Services Risks budget.					-58		58		
Correction of apprenticeship levy					-7	7			
Correction of staffing budget					48			-48	
Community & Safety – Trading Standards moving from P&E to P&C	694		-694						
Review of 2019-20 budget as approved by GPC at 16th July 2019 meeting, Agenda item 5a	2,360				-322	-250	122		-1,910
Transfer Concessionary Fares budget to P&E	-12		12						
Adjustment to match revised LGSS Law SLA						-5		5	
Transfer of commercial scheme debt charges budget				-603			603		
Transfer P&E Management restructure savings			-22		22				
Repatriation of the Professional Finance Services from LGSS to Corporate Services as approved by GPC 22nd Oct 2019					1,631			-1,631	
Repatriation of the Democratic & Members' Services from LGSS to Corporate Services as approved by GPC 22nd Oct 2019					1,438	-1,053		-385	
Allocation of £230k School Improvement Grant to P&C as approved by GPC 26th Nov 2019	230								
Transfer from Fostering to Communications	-23				23				
Current budget	**262,935**	**390**	**52,080**	**27,558**	**12,210**	**13,150**	**-8,768**	**6,103**	**18,447**
Rounding	0	0	0	0	1	1	0	-1	0

APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2019	2019-20		Forecast Balance 31 March 2020	Notes
		Movements in 2019-20	Balance at 30th Nov 2019		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	12,850	4,699	17,549	16,578	
- Services					
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	0	0	0	0	
4 LGSS Operational	112	0	112	185	
subtotal	12,962	4,699	17,661	16,763	
Earmarked					
- Specific Reserves					
5 Insurance	4,060	-1,627	2,433	2,433	
subtotal	4,060	-1,627	2,433	2,433	
- Equipment Reserves					
6 P&C	8	0	8	8	
7 P&E	0	0	0	0	
8 CS	3	0	3	3	
9 C&I	56	0	56	0	
subtotal	67	0	67	11	
Other Earmarked Funds					
10 P&C	1,008	-133	875	875	
11 PH	2,886	98	2,984	2,258	
12 P&E	5,571	-964	4,607	3,437	Includes liquidated damages in respect of the Guided Busway
13 CS	3,193	297	3,490	3,498	
14 LGSS Managed	63	0	63	0	
15 C&I	600	0	600	679	
16 Transformation Fund	24,504	3,085	27,589	20,841	Savings realised through change in MRP policy.
17 Innovate & Cultivate Fund	1,561	-252	1,309	963	
subtotal	39,386	2,131	41,517	32,551	
SUB TOTAL	**56,475**	**5,203**	**61,678**	**51,759**	
Capital Reserves					
- Services					
18 P&C	29,463	0	29,463	29,463	
19 P&E	6,069	841	6,910	1,000	
20 LGSS Managed	0	0	0	0	
21 C&I	20,415	13,549	33,964	0	
22 Corporate	54,694	16,754	71,447	61,914	Section 106 and Community Infrastructure Levy balances.
subtotal	110,641	31,144	141,784	92,377	
GRAND TOTAL	**167,116**	**36,347**	**203,463**	**144,135**	

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

Fund Description	Balance at 31 March 2019	2019-20		Forecast Balance 31 March 2020	Notes
		Movements in 2019-20	Balance at 30th Nov 2019		
	£000s	£000s	£000s	£000s	
- Short Term Provisions					
1 P&E	0	0	0	0	
2 P&C	200	0	200	200	
3 CS	0	0	0	0	
4 LGSS Managed	3,460	0	3,460	3,460	
5 C&I	0	0	0	0	
subtotal	3,660	0	3,660	3,660	
- Long Term Provisions					
6 LGSS Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	**7,273**	**0**	**7,273**	**7,273**	

APPENDIX 3 – IT Infrastructure Services Contract Extension

We are approximately 60% of the way through the installation of new Eastnet circuits across the partnership however there was always a risk that we would need to extend the transition of services from Virgin Media Business (CPSN) to MLL (Eastnet) into 2020. All 'central services' (WiFi, Firewalls, Domain Name System) have been completed and we are pushing to have the final circuits migrated to Eastnet by the spring 2020.

We have now negotiated the additional extension costs with Virgin Media Business:

- The shared partnership costs are £432k - including the core network and reduced project resources;
- The costs of keeping the remaining circuits online for up to 6 months is £332k;
- Total £767k.

The County Council's contribution to the shared partnership costs is £250k, equating to 58%. As a high percentage of the remaining circuits are the County Council's (corporate buildings and schools), most of the circuits costs are ours.

All the County Council costs are within the allocated budget.

The procurement to replace CPSN was approved by GPC in March 2016. In June 2017 GPC approved an extension to the CPSN/Virgin Media Business contract to allow time for a comprehensive procurement process and in May 2018 GPC approved the award of the Eastnet contract to MLL.

General Purposes Committee is asked to approve this decision to extend the contract with Virgin Media Business so that we can continue and complete the migration to Eastnet in 2020.

Agenda Item No: 6

IMPLEMENTATION OF SOFTWARE DEFINED NETWORKING SOLUTION AS PART OF SHIRE HALL DATA CENTRE MOVE

To:	**General Purposes Committee**		
Meeting Date:	**28th January 2020**		
From:	**Director: Customer and Digital Services**		
Electoral division(s):	**All**		
Forward Plan ref:	**2020/012**	*Key decision:*	**Yes**

Purpose: **To advise the Committee of:**

- **The recommended approach to support the migration of the Shire Hall Data Centre utilising a networking solution that will support the future strategic alignment of Cambridgeshire County Council and Peterborough City Council.**

- **That the costs of the procurement of networking equipment to support the move might exceed £500k.**

This paper is informed by the joint Move of IT Systems from Shire Hall Data Centre paper approved by General Purposes Committee on 28th May 2019 and the joint IT Strategy approved by both Peterborough City and Cambridgeshire County Councils in July 2019.

Recommendation: **General Purposes Committee is requested to:**

a) Agree the spending for this approach from the budget allocated to the project by GPC on 28th May 2019.

b) Delegate approval for procurement of Software Defined Network to the Section 151 Officer, in consultation with the Chairman of General Purposes Committee.

	Officer contact:		*Member contact:*
Name:	Sam Smith	Name:	Councillors Count & Hickford
Post:	Strategic IT Lead for CCC & PCC	Post:	Chair/Vice-Chair
Email:	Sam.smith@cambridgeshire.gov.uk	Email:	Steve.count@cambridgeshire.gov.uk Roger.hickford@cambridgeshire.gov.uk
Tel:	07565 009838	Tel:	01223 706398

1. BACKGROUND & STRATEGIC CONTEXT

1.1 In May 2019 General Purposes Committee (GPC) approved the move of IT Systems from Shire Hall Data Centre to the Peterborough City Council data centre in Sand Martin House (SMH). As part of that work some IT systems will be moved to appropriate cloud services and others will be migrated to SMH.

1.2 As part of that migration it is necessary to reconfigure the core network (Core LAN) that allows all the servers to connect and be used to deliver services. That reconfiguration will require procurement of new equipment which may cost more than £500k.

1.3 In line with the Vision for shared IT services for Cambridgeshire County Council and Peterborough City Council (see below) and the Cloud First Strategy and the transformative approach to the work that was approved by GPC in May 2019, the Core LAN will utilise 'software defined networking' (SDN), an architecture which makes the provision of computer networks more flexible and responsive to business needs. It is the architecture employed in Cloud solutions.

1.4 The Vision for shared IT services for Cambridgeshire County Council and Peterborough City Council:

- 'Simplify, Standardise and Share',
- Shared IT infrastructure delivered by a single provider,
- Alignment/convergence of key business systems,
- Shared web and digital platform between both authorities.

1.5 The judgement of the technical team working on the data centre migration is that the migration of the Cambridgeshire County Council core LAN to Peterborough City Council SMH is the right time to lay the foundations of shared infrastructure and this has been approved by the DC Migration Project Board.

2. SOFTWARE DEFINED NETWORKING

2.1 Software defined networking enables automation and orchestration of the network. It supports the agility of IT services by providing an agile implementation of network services. Repetitive tasks involving the configuration of individual switches can be automated, reducing human error, increasing speed of deployment and reducing costs.

2.2 Some technologies, including those already in use by Peterborough City Council can provide a secure 'multi-tenancy' environment which is similar to public cloud infrastructure. It also provides support for multi-cloud integration (with Amazon Web Services, Microsoft Azure and Google) and is therefore a foundation for the 'Cloud first' strategy. This integrated environment would provide a consistent hybrid cloud experience for the end user.

2.3 A post 2020 implementation of 'software defined networking' would involve a large project following on the data centre migration and involving equivalent investment to that proposed in this paper. All of the networking equipment in the Core LAN would need to be revisited to consider whether it needed to be replaced. New equipment would need to be implemented and the mode of operation of retained equipment changed. Retesting would be necessary to ensure that other infrastructure attached to the network would still operate.

3. RECOMMENDED APPROACH

3.1 The recommended approach is to procure and implement 'software defined networking' fully compatible with equipment already used by both Cambridgeshire County Council and Peterborough City Council.

3.2 The rationale for this approach is to:
Support the shared Cambridgeshire County Council and Peterborough City Council strategy for shared services across Cambridgeshire County Council and Peterborough City Council:

- By using the opportunity of the data centre migration project to implement technology which will support it.

Improve future responsiveness and efficiency of networking services:

- By implementing the most up to date technology intended for this purpose.

Minimise future risk:

- By providing resilience for Cambridgeshire County Council and Peterborough City Council in the future.

4. COST AND GOVERNANCE

4.1 The procurement and implementation of SDN would be within the established governance of the Data Centre project board with reference to the Section 151 Officer and Chair of GPC.

4.2 The costs of this work sit within the overall figure approved by GPC for the migration of the Shire Hall Data Centre. No additional budget is being requested.

4.3 A full procurement exercise is currently underway to ensure that the council gets best value for money and this will include technical design work to finalise the solution. Indicative costs have been received which suggest that the overall cost of the solution, including hardware, design costs and implementation may be more than £500k.

4.4 In light of the indicative costs and the need to ensure that the work can continue at pace to meet the deadlines of the exit from Shire Hall, the project team is prudently requesting GPC permission to spend in excess of £500K from the project budget on the basis of the indicative costs received. The procurement exercise may bring this cost below the threshold. Additionally, given the nature and scale of the project i.e. a fixed scope and timescale with potential high impact on business services, the design and approach may need to change as analysis and design for the project progresses. GPC is requested to allow changes to the approach and delegate spending on Software Defined Network to be made to the Section 151 Officer in consultation with the Chairman of GPC.

5. RISK AND IMPACT

Risks

5.1 The implementation of SDN at the same time that the Shire Hall Data Centre is migrated does present an element of risk to the overall project. The introduction of new technology to LGSS and Cambridgeshire County Council *could* delay the project through:

- the procurement exercise that is necessary,
- the implementation and integration of new hardware and
- through the soft aspects of change for LGSS Networks and LGSS IT Services at Cambridgeshire County Council i.e. training and changes to working practices.

5.2 The above risks will be mitigated in part by careful project planning but also by completing all of the migrations that are not dependant on this software during the early part of the year.

- The procurement of the SDN solution will follow standard procurement processes and will run in parallel with other project activity to ensure that it is complete in sufficient time for implementation to start when required.
- The implementation of SDN solution has been factored into the overall data centre migration project timescale.
- The risk from the introduction of new technology will be mitigated by the use of expertise from Peterborough City Council where software defined networking has previously been implemented as well as third party resource from key suppliers.

Business Impact

5.3 There should be no separate business impact. A successful implementation of SDN would be transparent to the services. This has been demonstrated at Peterborough City Council.

Technical Impact

5.4 The technical impact would be to any infrastructure which is specific to Cambridgeshire County Council. This infrastructure would be connecting to a core network operating in a different way.

Opportunities

5.5 The implementation of SDN may enable the migration team to take advantage of automation in the migration of Cambridgeshire County Council infrastructure thereby reducing the effort and time involved for some items in the migration.

6. ALIGNMENT WITH CORPORATE PRIORITIES

6.1 A good quality of life for everyone

Frontline services will inevitably be impacted by any extended downtime of IT systems, every effort will be made to mitigate any effect of the move on the delivery of services to the citizens of Cambridgeshire.

6.2 Thriving places for people to live

Frontline services will inevitably be impacted by any extended downtime of IT systems, every effort will be made to mitigate any effect of the move on the delivery of services to the citizens of Cambridgeshire.

6.3 The best start for Cambridgeshire's children

Frontline services will inevitably be impacted by any extended downtime of IT systems, every effort will be made to mitigate any effect of the move on the delivery of services to the citizens of Cambridgeshire.

7. SIGNIFICANT IMPLICATIONS

7.1 Resource Implications

The implementation will be procured as a package including consultancy services to supplement in-house resources.

7.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The suggested approach would involve a procurement exercise i.e. a mini-competition to be completed using either the 'Think IT' framework or Crown Commercial Services framework. The IT Services Procurement team and Corporate Procurement team have been engaged for advice and support.

7.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

7.4 Equality and Diversity Implications

There are no significant implications within this category.

7.5 Engagement and Communications Implications

There are no significant implications within this category.

7.6 Localism and Local Member Involvement

There are no significant implications within this category.

7.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	As this procurement is part of the 'Move of IT Systems from Shire Hall Data Centre' approved on 28th May 2019, there are no new implications to consider.
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	As this procurement is part of the 'Move of IT Systems from Shire Hall Data Centre' approved on 28th May 2019, there are no new implications to consider.
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	As this procurement is part of the 'Move of IT Systems from Shire Hall Data Centre' approved on 28th May 2019, there are no new implications to consider.
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	As this procurement is part of the 'Move of IT Systems from Shire Hall Data Centre' approved on 28th May 2019, there are no new implications to consider.
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not applicable
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	Location
Documents relating to the Move of IT Systems from CCC Shire Hall	https://cambridgeshire.cmis.uk.com/ccc_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/917/Committee/2/Default.aspx

Agenda Item No. 7

BUSINESS PLAN 2020-2021 TO 2024-25

To:	**General Purposes Committee**
Meeting Date:	**28th January 2020**
From:	**Chief Executive and Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To provide General Purposes Committee (GPC) with an overview of the key issues contained within the Business Plan prior to formal recommendation by GPC for Council decision in February. The accompanying draft Business Plan will be circulated separately to this paper.**
Recommendation:	**It is recommended that the Committee:**

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

2. Reviews the options set out in section 4 of this paper to establish a balanced budget position.

3. Reviews the following recommendations to Council:

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

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

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

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

- **Commitments from schemes already approved;**

- **Expenditure on new schemes in 2020-21 shown in summary in section 2, Table 6.7 of the Business Plan.**

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

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

   ii. **The Affordable Borrowing Limit for 2020- 21 (as required by the Local Government Act 2003).**

   iii. **The Investment Strategy for 2020-21 as required by the Ministry of Housing, Communities and Local Government (MHCLG) revised Guidance on Local Government Investments issued in 2018, and the Prudential Indicators as set out in Appendix 3 of Section 7 of the Business Plan.**

4. **Endorse the priorities and opportunities as set out in the Strategic Framework including the addition of the new priority – "Net Zero carbon emissions for Cambridgeshire by 2050".**

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

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1. BACKGROUND AND CONTEXT FOR BUSINESS PLANNING

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

1.2 It is a statutory requirement under the Local Government Finance Act 1992 for the Council to approve a balanced budget "before 1 March in the financial year preceding that for which it is set". In doing so, the Council undertakes financial planning covering a five year timescale in order to align spending plans with the projected resources available and ensure that we recognise and provide for growth in demand for services. The budgets set out in this report are robust for 2020-21 given the information the Council has available at this point. The figures for 2021-22 and the three years after this are based on prudent assumptions and modelling but will naturally become less accurate for projections looking further forward.

1.3 For 2020-21, Cambridgeshire will receive £608m of funding, excluding grants retained by its schools. The key sources of funding are local taxation (council tax and business rates), central Government grants and fees and charges income.

1.4 Council tax falls in to two elements. These are the core council tax that is used to support the delivery of all Council services, and the Adult Social Care precept which can only be used to support the delivery of social care services to adults. The assumptions that are currently upon which the Medium Term Financial Strategy (MTFS) financial forecasts are predicated are zero % general council tax increase and 2% adult social care precept increase for each year of the Business Plan.

1.5 Total expenditure for 2020-21 will be £612m. The costs of running the Council have risen by £36m (6.3%) as compared to 2019-20. This is primarily due to inflationary and demand pressures across service areas generally but especially in respect of Adult and Children's Social Care provision.

1.6 In light of the increasing costs and reducing funding, significant savings are required across the planning period. As shown in the table below, the savings/income target for 2020-21 is £21.0m with over £68m required over the next five years.

	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	Total £'000
Total Saving Requirement	**21,024**	**13,138**	**10,531**	**12,244**	**11,417**	**68,354**

1.7 The above savings requirements are predicated on the following assumptions for raising Core Council tax and the Adult Social Care Precept. Further detail regarding the Council's options to increase Council tax is included in section 4.4.

Current MTFS assumption	% increase in Council tax	Value to Council	Band D increase
Core Council tax	0%	£0.0m	£0.00
Adult Social Care Precept	2%	£5.9m	£26.19

1.8 The Council declared a Climate Emergency in July 2019 and committed itself to actions to address it in collaboration with our public and private sector partners. Appendix 1 provides detail of how the 2020/21 budget addresses the Climate Emergency commitment and of the further work ongoing to improve the environmental sustainability of the Council's budget in future years.

2. STRATEGIC FRAMEWORK AND APPROACH

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

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

- A good quality of life for everyone
- Thriving places for people to live
- The best start for Cambridgeshire's children
- Net zero carbon emissions for Cambridgeshire by 2050

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

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

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

3. UPDATES TO POSITION FROM DECEMBER COMMITTEE

3.1 At its December meeting, General Purposes Committee received information about the draft business planning proposals. These have been developed in liaison with members throughout the year using the strategic approach outlined above. They were scrutinised by Service Committees in October and December before being recommended to GPC to form part of the Business Plan. All of the proposals that have been approved are reflected in the Business Plan tables and supporting business cases. By December we had identified £17.3m of savings and additional income generation opportunities for 2020-21.

3.2 However, as we have moved through this business planning process a range of new pressures and other financial impacts not directly within our control have emerged. These have increased the scale of the financial challenge we are working to address and therefore the size of the required savings across all of the years of the Business Plan. Additionally, there are a number of emerging risks with potential impacts on the Council's business plan which are as yet unclear. The key areas of current financial pressure and future risk are set out in the paragraphs below.

3.3 As at 31st March 2019 there was a total Dedicated Schools Grant (DSG) overspend across Special Educational Needs (SEND) services of £8.7m which, combined with underspends on other DSG budgets, led to a deficit of £7.2m carried forward into 2019/20. Given the continuing increase in numbers of pupils with Education Heath and Care Plans (EHCPs), current estimates forecast in-year pressures of approximately £9m. The DSG is a ring-fenced grant and, as such, overspends do not currently affect the Council's bottom line but are carried forward as a deficit balance into the next financial year. Alongside the pressures on the DSG, the continuing increase in EHCPs directly impacts on statutory services delivered by the Council, such as Home to School Transport – Special, Statutory Assessments, and Educational Psychologists. As numbers and complexity of need continues to increase there is a risk these associated budgets will see further increases in pressures. Officers have recently met with the Department for Education (DfE) and have been invited to meet the Schools Minister at the end of January to discuss the position in Cambridgeshire.

3.4 The Local NHS is facing significant financial challenges and as of April 2019 was carrying an operating deficit of £189m. The Clinical Commissioning Group (CCG) is seeking to reduce funding for joint working arrangements including the Learning Disability Partnership (LDP), Better Care Fund and intermediate care provision in order to reduce its operating deficit. Any reduction in NHS funding is likely to lead to an increased financial burden on the Council. The Council is planning to undertake a detailed case review of partner contributions to the LDP pooled budget in order to establish whether the current funding arrangements provide value for money for the Local Authority. The sustainability of the CCG's financial position will be a key factor impacting the outcome of any future negotiations concerning joint funding commitments.

3.5 The Council has seen significant increases in the unit costs of the most expensive types of Adult Social Care since the 2019-2024 business plan was set. This has resulted in the inclusion of a £4.9m pressure in the business plan for 2020-21 as the trend of increasing unit costs is expected to continue. Residential placements are on average £50 per week more than 12 months ago (8%), and nursing placements are typically around £100 per week more expensive (15%). Continued price increases on these scales would clearly place an unsustainable burden on social care budgets over the medium term. The Council will continue to work closely with service providers to facilitate proactive care and support planning in order to reduce the numbers of high cost placements which are seeing the largest cost increases.

3.6 In addition to the above, over 2019/20 the Council has seen rising costs of providing care for older people that has exceeded original demand projections. Both rising numbers and unit cost of residential and nursing care are causing pressures, similar to those reported by Councils nationally as well as in the NHS, despite the success in mitigating substantial demand through preventative and strengths-based work that can be evidenced. Demand and cost models for 2020-25 have already been refreshed earlier in the year, but they will be revisited over the coming months in light of recent adverse movements in the Adults forecast outturn position for 2019/20.

3.7 Delays to national reforms of the social care system are also prolonging uncertainty for local authorities. The Government has stated that it aims to seek cross-party consensus regarding proposals for long term reform of social care but the timescales are as yet unclear. Additionally, the Government provided an assurance in the December Queen's Speech that no-one needing care will have to sell their home to pay for their care. Any future changes to legislation governing client contributions to the cost of care packages could have major financial implications for Local Authorities.

3.8 In light of the current pressures and future risks faced by the Council around delivery of Adult Social Care Services as set out in sections 3.5 – 3.7, Adults Committee approved a change to the Council's client contributions policy on 16th January, aligning Cambridgeshire's charging policy more closely with those of neighboring Authorities. The timing and amount of additional income anticipated as a result of the policy change is contingent on the outcome of the financial assessment process.

3.9 General Purposes Committee received a report in November regarding the next stages and direction of travel for the future operating model for LGSS. The Committee acknowledged that Chartered Institute of Public Finance and Accountancy (CIPFA) analysis showed that the current cost distribution model between LGSS partner authorities favoured Cambridgeshire and that the intended transition towards a more equitable funding arrangement would likely see costs increase significantly for Cambridgeshire. A revised operating model is currently under development, building on the analysis undertaken by CIPFA. However, due to the detailed evaluation of service resourcing and associated costs that is needed, the budget required to deliver back office services from 2020-21 will not be fully clear when the business plan is reviewed by Council in February. Pressure funding has been included in the Business Plan to provide for the potential increase in costs however the Committee should note that this is currently subject to a significant level of uncertainty – a position that is exacerbated by the establishment of a children's trust and the local government reorganisation of Northamptonshire.

3.10 During the last 18 months, the Council has invested significant amounts in the acquisition of commercial property. This, combined with investment in the

Council's wholly owned housing investment company, construction of energy capital schemes, investment in CCLA and return on shareholder dividends means that around 4.1% of the Council's net service expenditure will be funded by commercial income in 2020-21. In order to manage the level of risk that the Council is exposed to in this area, the Commercial Team is looking to review the current investment strategy in order to:

- reduce borrowing risk
- create a sinking fund for maintenance of the portfolio
- continue to diversify the portfolio
- reflect on the governance structures in place
- ensure it remains fit for purpose in line with any revisions to statutory and technical guidance

A more detailed paper will be presented to Commercial and Investment (C&I) Committee in due course.

3.11 The planned reforms to the national formulae for allocating Local Authority core funding and business rates have been delayed by government and will now expected to be implemented from 2021-22 instead of 2020-21 as part of the Comprehensive Spending Review that will take place this year. The Council continues to face considerable uncertainty around the levels of resources available to deliver services over the medium term. In the first Queen's Speech of the new parliament, the Government announced a proposal to create a funding model for Mayoral Combined Authorities (MCAs). The inclusion of MCAs in the mainstream Local Government funding system could impact the balance of local and nationally allocated funding and potentially the funding sources available to Local Authorities. The Government also announced its intention to fundamentally reform the business rates system to create a fairer taxation model for businesses. The basis on which business rates are levied and the frequency of revaluations are likely to be subject to review. The impact of these upcoming reforms to Local Authority funding are as yet unclear. The business plan currently assumes a neutral position with income streams remaining largely consistent for the duration of the MTFS period.

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

- The core Council Tax referendum principle will be 1.99% in 2020-21. This means Council Tax can increase by up to 1.99% without a referendum, in addition to the Adult Social Care precept. The Business Plan currently assumes that core Council Tax will not be increased in 2020-21. The Council therefore has the option to raise an additional £5.846m income by increasing Council Tax.

- Continued flexibility to levy the adult social care precept of 2% in 2020-21. It has not been confirmed whether the precept will continue to be made available to Local Authorities in future years. The Council has assumed that the precept will be levied at 2% for the duration of the MTFS.

- The New Homes Bonus grant, currently worth £3m to the County Council, will continue for another year but will be phased out by 2023-24 through annual reductions. The Government intends to move towards "a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes we need".

- Confirmation of the Council's £8.4m allocation of the £1bn pot of additional funding for social care announced in the 2019 spending review. The Social Care Support Grant and Winter Pressures Grant totaling £6.3m for Cambridgeshire will also continue and will be de-ringfenced for 2020-21 onwards.

- Core Spending Power (which includes local authorities' ability to generate income locally through raising Council tax and ASC precept to the maximum levels permitted by referendum limits) will increase by 6.3% in 2020-21, the highest increase in over a decade and the first real-terms increase since 2010.

- Confirmation that Cambridgeshire's application for a business rate pooling arrangement for 2020-21 has been successful. The pooling arrangement reduces the levies paid by district authorities on business rates income by combining the funding baselines of the participating authorities. Since upper tier authorities usually receive business rates topups, the net levy paid by the pool as a whole is reduced and the benefit is shared between the participating authorities. The arrangement will provide a one-off financial benefit to the Council in 2020-21 however the value of this benefit will not be confirmed until final business rates collection figures are known, however current estimates suggest this could be in the region of £1.5m.

- A UK-wide Roads Fund of £500m was proposed, to be repeated in each year until 2023-24. The allocations to individual authorities will be announced later in the New Year and may not be available until after the Council's budget is set in February. Cambridgeshire benefitted from a £6.7m additional allocation of Highways Maintenance Funding in 2018-19 from a total funding pot of £420m for Local Authorities in England only.

3.13 In light of the latest information on budget pressures and the outcome of the funding settlement we are now therefore projecting a remaining budget gap for 2020-21 of £4.0m and substantial gaps in the next four years after that – this position is shown in the table below.

	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	Total £'000
Total Saving Requirement	**21,024**	**13,138**	**10,531**	**12,244**	**11,417**	**68,354**
Identified Savings	-11,532	-3,454	-1,222	-31	169*	**-16,070**
Identified additional Income Generation	-5,463	-4,848	-1,478	-1,303	-897	**-13,989**
Residual Savings to be identified	**4,029**	**4,836**	**7,831**	**10,910**	**10,689**	**38,295**

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

3.14 This financial position is predicated on an assumption previously agreed within the Medium Term Financial Strategy that the Council will set the Adult Social Care Precept at 2% and not increase general council tax.

3.15 The table below provides a summary of the various material changes since December in the overall business planning position for 2020-21.

Business Planning Reference	Title	2020-21 impact (£'000)	Notes
A/R.4.009	Impact of National Living Wage (NLW) on contracts	626	Impact of announced increase in the National Living Wage on adult social care contract prices. The increase in the living wage in April is above expectations set earlier in business planning.
A/R.4.010	Increase in Older People's placement costs	520	There have been continuing increases in the weekly costs of care for Older People, reflecting supply of residential and nursing placements. The Council has already recognised additional social care grant income announced.
F/R.4.017	Babbage House dilapidations costs	190	Latest estimate following survey and additional clarity on timing of Babbage House closure as part of Cambs 2020.
N/A - Financing	Increase in financing costs	334	Interest costs have been lower than expected (reflecting securing PWLB borrowing at historically low rates) but in turn this reduces the interest sum to be capitalised.
N/A - Funding	Local taxation forecasts	-659	Business rates and Council tax collection fund surpluses and tax base increases, following latest information from district councils.
N/A - Funding	Increase in Government grants	-985	Announced in the Provisional Local Government Finance Settlement, relating to indexation/multiplier on business rates related grant.

4. OPTIONS TO CLOSE THE REMAINING BUDGET DEFICIT

4.1 Officers will continue to seek to identify and deliver transformation and efficiency improvements over the lifetime of the Business Plan. All anticipated benefits arising from current transformation projects have been included within the Business Plan. Even with these there is still a budget deficit that must be balanced as part of the budget setting process. The Council has a statutory responsibility to set a balanced budget for the forthcoming financial year and to be cognisant of the medium term implications that those decisions will have on the on-going sustainability of the organisation.

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

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

4.3 The benefits and dis-benefits of each option are described in the following paragraphs to enable the Committee to consider the best course of action.

4.4 Increase the base rate of general Council Tax (each 1% would bring in £2.943m)

Currently the Medium Term Financial Strategy (MTFS) includes an assumption that general Council Tax will remain unchanged (zero increase) across the five years of the business plan. The Council Tax Limitation Regulations for 20/21 have confirmed that Councils will have the freedom to raise Council Tax by up to 1.99% without triggering a local referendum.

If the Council chooses to amend the assumptions in the MTFS and raise the core Council Tax each percentage point increase generates additional revenue of £2.943m from year 1. Clearly for the County Council's longer term financial position this is the most advantageous approach as it generates ongoing revenue on a sustainable basis. It is also important to note the cumulative effect of raising the level of council tax; with a higher base rate, the value of each % of increase agreed in future years is also increased. Maximising tax revenue also places the Council in a better position with regard to challenging central government in respect of adopting a fairer funding distribution methodology as part of the forthcoming Comprehensive Spending Review.

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

Impact on Households

Percentage increase in Council Tax	Annual Impact on a Band D Household
1%	£13.14
1.99%	£26.10

Note - a 2% increase (£26.19 for a Band D Household) is included in current Business Plan assumptions as a result of increasing the Adult Social Care precept.

Impact on Council Budget Position

The table below shows the forecast gaps in each of the next five years and how potential changes in the ongoing assumption of base Council Tax increases would affect this (0% is current position):

	Remaining Level of Unidentified Savings				
	2020-21	2021-22	2022-23	2023-24	2024-25
0% rise	4,029	4,836	7,831	10,910	10,689
1% rise	1,085	4,639	7,718	10,794	10,571
2% rise	-1,818	4,444	7,604	10,679	10,455

Note - Negative figures represent a budget surplus that could be invested in additional services, or the avoidance of undesirable savings in the current year or future years of the business plan.

It should be noted that the Business Plan currently assumes that an Adults Social Care precept of 2% will be available in each of the five years to 2024-25 and that the Council will choose to apply the precept each year.

4.5 Use of ongoing MRP benefit to balance budget deficit (up to £2m funding recurring until 2024/25 then diminishing annually)

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

4.6 Reduced service levels

The Business Plan and the level of services that are supported by the resource allocation have been discussed in detail by each service committee. However the Council can decide to reduce the operating cost base by reducing service levels. As the Committee will be aware any service reductions are likely to have a significant impact on the users of that service. Having operated within a financially challenging environment for a number of years most service efficiencies have already been implemented and therefore further changes will impact on the quality or quantum of those services.

5. CAPITAL STRATEGY

5.1 Including current commitments, the Council will be spending £653.0m on capital investment in the county over the period of the Business Plan. This is in addition to previous expenditure of £786.2m on some of these schemes, creating a total Capital Programme value of £1.4 billion. For 2020-21, the Council's proposed expenditure on its capital programme is £158.8m. This is financed by a combination of the following funding streams:

- Central Government and external grants (£52.2m);
- Section 106 and external contributions (£13.5m);
- Prudential borrowing (£91.2m); and
- Capital receipts (£1.8m).

5.2 Alongside updates to previously agreed schemes, additional investment proposals this year include several new school schemes (£11.1m), the Data Centre Relocation (£5.4m), a new IT Strategy (£3.3m), the Cambs 2020 Spokes Asset Review (£6.0m) and equity purchase of Light Blue Fibre and LGSS Law (£40k and £475k respectively). The 2020-21 Capital Programme includes the following Invest to Save / Invest to Earn schemes:

Total Capital Investment (£m)	Scheme	Total Revenue Surplus (£m)
1.0	Energy Efficiency Fund	0.6
206.4	Commercial Investments	225.8
	Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	2.0
Total Capital Investment (£m)	**Scheme**	**Total Revenue Surplus (£m)**
	Babraham Smart Energy Grid	10.6
	Trumpington Smart Energy Grid	7.0
	Stanground Closed Landfill Energy Project	8.9
	Woodston Closed Landfill Energy Project	8.8
	North Angle Solar Farm, Soham	40.1
193.1	Housing schemes	105.9
3.0	County Farms investment (Viability)	7.4
18.3	Shire Hall Relocation	45.2*
475.8	**TOTAL**	**462.3**

*Figure taken from original business case, saving is not currently included in the business plan and is subject to change as the proposal is finalised.

The net return accounts for the cost of financing the capital expenditure and the ongoing revenue costs associated with the investment, therefore a zero net return indicates that the project has broken even.

5.3 LGSS Law Ltd is a company partly owned by the Council for the purposes of providing legal services on a shared basis, in collaboration with the two other shareholders: Central Bedfordshire Council and Northamptonshire County Council. The company is distinct from the other corporate services arrangements labelled as ‘LGSS’ as it is an entity in its own right, rather than reporting to a local government joint committee, and therefore maintains a separate bank account, employs staff and is responsible for its financial affairs (filing accounts at Companies House).

The directors and shareholder representatives of LGSS Law Ltd have recently reviewed the company’s financial performance, which is significantly improved in 2019/20 compared to earlier years, where retained losses have been accrued. Now that there are strong foundations for the company, and further to advice from the company’s external auditors, the time is right for the three shareholder Councils to inject additional share capital (equity). This addresses the current adverse ratio of debt to equity (thin capitalisation), which is of concern to the auditors. The current equity of the company is only £150, which is clearly no longer appropriate for a company of this size. It is planned that each shareholder will inject equity capital of £475k into LGSS Law, which is shown in the capital programme for 2020-21 as part of this budget, although the option to advance this amount before 31 March (as accelerated spend) is also being considered. In turn, the injection of the equity will enable the company to pay Cambridgeshire County Council (CCC) amounts for support services received (such as IT support and accommodation) which are currently overdue, and thereby reach a more proportionate distribution of financing between the shareholders.

5.4 The debt charges budget is now forecast to spend £29.3m in 2020-21, increasing to £36.2m by 2024-25. This remains within the advisory debt charges limit that was set by Council early in the 2015-16 business planning process. The revenue impact of the Commercial Investment schemes is included within the Commercial and Investment table, so this is not shown within these figures.

6. TREASURY MANAGEMENT STRATEGY

6.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) revised the Prudential Code and Treasury Management Code in 2017. Also, the Ministry of Housing, Communities and Local Government (MHCLG) revised its statutory guidance in 2018 on:

- Local Government Investments; and
- Minimum Revenue Provision

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

6.2 The Council is required to approve and monitor a series of Prudential Indicators for 2020-21 to 2024-25. These include indicators showing the cost of servicing debt as a percentage of revenue expenditure and the Council's underlying borrowing requirement. Fixed and variable interest rate exposure and the maturity profile of debt are also reported.

6.3 Throughout 2020-21 the Council intends to maintain an under borrowing position, which means borrowing will be reduced as a result of utilising internal cash balance which will ultimately keep the cost of borrowing down. As a result cash balances will be generally lower and the level of loan debt reduced. Furthermore, the loan debt is projected to increase year on year as a direct result of capital investment.

6.4 Given that projections over the next three years show an increasing Capital Financing Requirement (CFR) and Bank Rate is forecast to remain low, the Council plans to predominately use a mix of its own cash balances and short/medium term borrowing to finance further capital expenditure before long term borrowing is considered. This strategy maximises short term net interest savings but against this background and the risks within economic forecasts, caution will be adopted with treasury operations. Due to the increase in Public Works Loans Board (PWLB) rates in October 2019, the Council will consider other lending avenues for if those options present better value for money.

6.5 In March 2019 the Council applied for and in November 2019 subsequently secured approval for £60m worth of discounted Local Infrastructure Rate funding via the PWLB to support clean energy work in Cambridgeshire.

6.6 The Council will continue to prioritise the security and liquidity of capital and achieve an investment return that is commensurate with these priorities. A prudent investment strategy is followed, and external advice provides a guide on the creditworthiness of institutions. The majority of the Council's investments are in liquid instruments and shorter-term deposits with Money Market Funds and high credit quality banks. The Council has invested in two of Churches, Charities and Local Authorities (CCLA) funds with a 3-5 year duration outlook - The Local Authority Property Fund and Diversified Income Fund. The Council is currently considering adding an additional investment into the Local Authority Property Fund in 2020.

7. IMPACT OF PROPOSALS

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

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

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

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

8. BUDGET CONSULTATION

8.1 The Council carries out a consultation process to inform the business planning process. This year a representative household survey and an open web survey on the draft business plan proposals and options for council tax were carried out. The Survey asked residents to consider draft proposals within the plan and indicate their level of support or objection.

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

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

- 32% of residents did not support any increase in Council Tax
- 30% supported only raising the Adult Social Care precept of 2%
- 24% supported raising both the Adult Social Care precept and the general increase in Council Tax – a total of 4%
- 9% supported only having an increase in Council Tax of 2% and not raising the Adult Social Care precept
- 4% supported an increase in Council Tax of more than 4%

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

8.4 46 people responded to the public online survey. This survey is not representative of the county's population. The headline results on Council Tax from the public survey are as follows:

- 7% of respondents did not support any increase in Council Tax
- 7% supported only raising the Adult Social Care precept of 2%
- 59% supported raising both the Adult Social Care precept and the general increase in Council Tax – a total of 4%
- 2% supported only having an increase in Council Tax of 2% and not raising the Adult Social Care precept
- 16% supported an increase in Council Tax of more than 4%

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

9. ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

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

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

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

9.3 This report sets out several options for GPC to recommend a balanced budget to Council for the 2020-21 financial year. The estimates that support this budget have used all the data and supporting information that the Council has at its disposal at this point in time. In spite of the challenges facing the Council the proposals are robust and set out how the increasing pressures and costs will be offset by a programme of work to increase efficiency, generate additional income and manage demand for our services. This programme is supported by business cases, delivery plans and, where required, by additional transformation investment.

9.4 The continued economic and population growth we are fostering, coupled with the increases in taxation rates available to the Council, will create an expansion of the base revenue funding available to the Council. However whilst the economic growth seen by the county is positive, it does bring with it additional demand for services which are not fully funded by increases in the council tax base. In 2020/21 Local Authorities will see the largest increases in Government funding for social care in a decade. Despite this, we anticipate that financial pressures within Adults and Older Peoples Services will exceed the additional grant funding allocated. The Council has made significant representations to Government in order to ensure that councils like Cambridgeshire are appropriately resourced. We continue to await the outcome of the Fair Funding Review and reforms to the Business Rates Retention System and as such our medium term funding projections are subject to considerable uncertainty. We have therefore made prudent estimates of available funding in future years including plans to maximise locally generated income and efficiency savings where possible to reduce reliance on Government funding.

9.5 Delivering a balanced outturn for 2020-21 is not without its challenges. As the budget has become leaner over several challenging budgets cycles, dealing with pressures and exceptions often arising from non-predictable factors beyond the Council’s control becomes increasingly difficult. We have seen within the current year that both demand levels and unit costs across service user groups have continued to increase, often at rates higher than previously modelled. We continue to work closely with local communities to support increased resilience and independence and with our service providers to help address the challenges of an increasingly stretched social care market. The analysis in the Medium Term Financial Strategy also highlights the challenging wider financial context including the economic uncertainty surrounding Brexit and funding allocations to Local Government beyond the next one year spending review period.

9.6 The General Reserve is specifically held to mitigate against any in-year pressures beyond those that have been built into the Business Plan. Seven years ago the Council agreed a policy that the General Reserve should be held at no less than 3% of gross non-school spending to cover any such incidents. This currently equates to a figure of £17.3m. When the Council agreed to increase the General Reserve to 3% of gross non-school expenditure it did so in the context of a risk assessment that reviewed key areas of spend and the likelihood of significant budget variations in those areas. The risks associated with delivery have not diminished and therefore it is the Chief Finance Officer’s opinion that the level of the General Reserve should remain at 3%. As a consequence, any known draw on this Reserve that takes it below this threshold should be balanced with a contribution from within the base budget for the following financial year.

9.7 We are currently projecting to end 2019-20 with an ongoing overspend position of £1.0m which has had to be accounted for within the 2020-21 savings requirement. In this context, although we have developed an impressive portfolio of savings, efficiencies, and income proposals and have financing options at our disposal which will enable a balanced budget to be set in 2020-21, we should not underestimate the risks in delivering a balanced outturn for the year.

9.8 Proposals developed for the later years of the business planning period represent the continuation of this programme of transformation and are considered deliverable based on the information available. However, as we might expect, the level of detail in some of the proposals for 2021-22 onwards is not as full as it is for the coming financial year. It should also be noted that there are remaining levels of unidentified savings in the later years of the plan which will need to be addressed through the development of further proposals.

10. NEXT STEPS

10.1 The meeting of General Purposes Committee on 28th January is the last opportunity for the Committee to publically scrutinise the business plan before Full Council debates the plan for approval on 11th February 2020.

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

11. ALIGNMENT WITH CORPORATE PRIORITIES

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

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

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

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

12. SIGNIFICANT IMPLICATIONS

12.1 **Resource Implications**
This report and the Full Business Plan outlines the overall resource position for the Council over the business planning cycle 2020-25. In particular the financial tables show the budget allocation, savings plans and proposals and The Medium Term Financial Strategy provides an overview of the Council's approach in the wider economic context.

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

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

Effective risk management is a fundamental requirement for the treasury management function, and this theme runs clearly throughout the Treasury Management in Public Services: Code of Practice and Cross-Sectorial Guidance Notes. The Council's Treasury Management Policy, Treasury Management Practices (TMPs) and Schedules, and Treasury Management Strategy for 2020-21 outline the ways in which treasury management risk will be determined, managed and controlled.

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

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

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

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

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

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

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Gus De Silva
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	Yes – Fiona McMillan
Are there any Equality and Diversity implications?	Covered in individual business cases (Business Plan section 4)
Have any engagement and communication implications been cleared by Communications?	Yes Christine Birchall
Are there any Localism and Local Member involvement issues?	Covered in individual business cases (Business Plan section 4)
Have any Public Health implications been cleared by Public Health	Yes Liz Robin

Source Documents	Location
Papers presented to all Committees in December 2019 regarding the business plan for 2020/21 – 2024/25 December Briefing to Members regarding the Provisional Local Government Finance Settlement	https://cmis.cambridgeshire.gov.uk/ccc_live/Committees.aspx If required please request from Finance@cambridgeshire.gov.uk

Business Plan Contents:

APPENDIX 1

Reminder of Cllr David Jenkins' Motion to Council

- The motion passed by Council at its July 2019 meeting in which it recognised the Climate Emergency and committed itself to actions to address it; and

- The Council's obligation to deliver a balanced budget for 2020/21 which enables it to deliver its statutory obligations and which is consistent with its policies and strategic objectives.

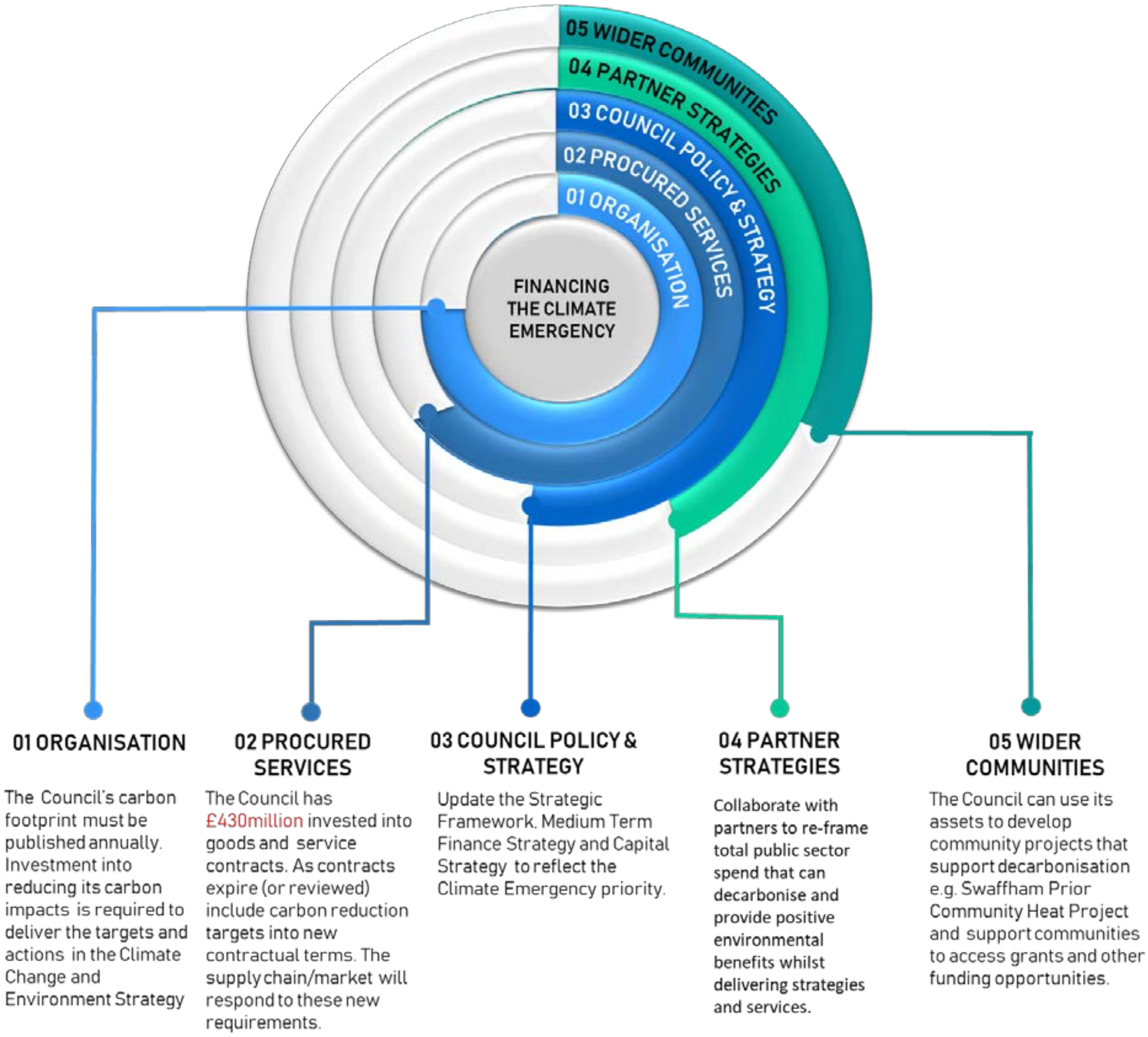
The Council therefore asked the Chief Executive, within the budget setting process, to:

- Deliver a commentary which explains how the 2020/21 budget addresses its Climate Emergency commitment.

How does the 2020/21 budget address the Council's Climate Emergency commitment?

1. BACKGROUND AND CONTEXT

1.1 The Draft Climate Change and Environment Strategy focusses both on the services which are directly under the Council's control and those provided by the wider public sector which the Council can influence through its strategies and policies. To address the Climate Emergency, the Council must consider how its budget can deliver carbon reductions on its organisational carbon footprint and how it interacts with other organisations to facilitate the delivery of decarbonised public services across the County, to provide a framework that over time delivers the Climate Change and Environment Strategy and government's net-zero carbon target for 2050.



2. PROPOSED METHODOLOGY FOR TACKLING THE CLIMATE EMERGENCY

2.1 ORGANISATION

The Council has direct control over its organisational carbon footprint (Scope 1 and 2). This has been calculated as 7,711 tonnes of CO2 equivalent (CO2e) emissions per annum and is 8% of the total emissions calculated for the Council's carbon footprint. Scope 1 and 2 covers direct emissions from buildings and transport and for purchased electricity. The target is to reduce this by 50% by 2023 and the intention is to take all buildings owned and occupied by the Council off fossil fuels (currently listed as 69) and to replace all fleet cars and vans with electric vehicles by 2025. The investment estimate for shifting our buildings off fossil fuels and improving energy efficiency is currently being quantified.

During 2021 it is expected that the investment model will be 'invest to save' and funding allocations will be included in the MTFS to support reductions in the Council's carbon footprint. Currently the Council has a £1milion fund to invest in improving the energy efficiency of Council buildings which is in its fourth year of operation. 2020/21 will be the final year for the fund and the balance to be invested is £336,430. At this stage further work needs to be done to quantify any new fund and the level of funding required.

Further collaboration with CUSPE researchers is needed to develop and test new business case templates for revenue and capital projects. These will need to explicitly include carbon and whole life cycle costings and be tested on a range of different projects to understand the approach and any unintended consequences before launching the templates more widely.

2.2 PROCURED SERVICES

Approximately 66% of the Council's 2020/21 gross budget, a total of over £430m, will be spent on procured goods and services to fulfil statutory duties and other responsibilities. This expenditure is currently estimated to account for 92% of the Council's carbon footprint (or 95,186 tonnes gross per annum) and this proportion is likely to increase as unknown CO2e data from purchased goods and services is scoped and calculated to add to the carbon footprint. This additional CO2e is estimated to be up to 200,000 tonnes per annum and it is therefore crucial that the Council gathers further data in order to accurately assess and manage down its carbon footprint.

The Council's suppliers also have a role to play in designing their service offers to minimise their carbon footprints. It is suggested that the Council requires all new procurements or contracts (e.g. farming tenancies) to set a baseline carbon footprint using the Government's GHG protocol, and describe measures to reduce carbon emissions by 50.4% by 2030. This policy will incentivise the Council's suppliers to mobilise and invest in these changes. It is anticipated that some of the change measures will include switching from petrol to electric cars and that the initial upfront capital cost for this will be offset by cheaper ongoing operational costs. There may be other aspects of service delivery such as care home provision or electricity purchasing that suppliers will need to adapt to address emissions but carbon reduction may also be prompted by stronger environmental regulations.

Examples of work currently ongoing to address our carbon footprint is our work on the schools energy programme. £11million has been invested across 55 schools to date, both maintained and academy schools, reducing carbon emissions by 3,314 tonnes of CO2e per annum. A loan facility for schools up to £20milion has been agreed and more work with schools planned. In addition, the County Council has supported the development of a £56million pipeline of projects between now and 2023/24 to tackle carbon emissions from buildings, generate renewable energy for local consumption and to support electric vehicle charging.

Moving forward further collaborations are needed with CUSPE researchers to develop the carbon footprint methodology for purchased goods and services to improve data quality for scope 3 emissions. Further work will also be required around the Council's procurement practices to identify how to include carbon targets as a criteria for new procurements and contracts to deliver a 50.4% reduction in carbon emissions from the supply chain by 2030.

2.3 THE COUNCIL'S POLICIES AND STRATEGIES

The business plan comprises the Strategic Framework, Medium Term Financial Strategy, Treasury Management Strategy and the Capital Strategy. All of these documents have been updated for 2020/21 to provide detail of the Council's approach to tackling the Climate Emergency and to drive future investment to reduce carbon emissions, adapt to climate change and protect our environment.

2.4 PARTNER STRATEGIES

The Council has the opportunity to lead efforts to decarbonise by collaborating with partners and re-framing and aligning public sector spend – this could have the biggest impact on Climate Change and our environment quickly. For example, "Think Communities" is joining up services across partner organisations to focus on specific places and communities that we serve. Re-framing the total public sector spend across all partners to also deliver decarbonisation or environmental benefits, will promote more powerful change than simply one organisation refocussing its spend in isolation. Think Communities is working with partners to align budgets, procurements and spend across different public services to provide a joined up approach to service provision – this model could be extended to include decarbonisation, providing a faster and deeper response to the Climate Emergency.

Moving forward, consideration will be given as how to align the Climate Change and Environment Emergency priorities with the 'Think Communities framework' to achieve net zero carbon by 2050 across our communities.

2.5 WIDER COMMUNITIES

The Council has a significant portfolio of land assets. It is identified in the Council's Corporate Energy Strategy how the Council can use its land assets to benefit the community either through attracting investment into clean energy infrastructure or its land, or using its land to support community energy projects that will reduce Cambridgeshire's carbon footprint. For example, Swaffham Prior Community Heat Project aims to take the village off oil using County land to host and invest in an energy centre. A joint venture company owned by the Community Land Trust and the County Council is being scoped and the investment grade proposal for the design, construction and operation of the scheme is under development. With 10,000 homes dependent on oil in the County, we are keen to develop a blueprint for replication with and by other villages. The County is supporting this process through accessing grants for the community, using its networks to convene professional teams and, where land is available, co-invest in projects. To date, the Council has committed £95,700 match funding to the Swaffham Prior project and drawn down £382,300 in grants to support its development from Government and the CPCA.

Another example of innovation is the St.Ives Park and Ride project. This is a new business model developed as a result of high connection costs to the local distribution network making small and medium sized projects unviable in Cambridgeshire. The Council has invested £182k into the project development to date, is seeking a £1.8million grant from MHCLG, and will invest a total of £1.8million into a project that offers EV charging, generates clean energy, battery storage and clean energy for the local economy.

Cambridgeshire County Council

Strategic Framework

2019 – 2021

Introduction

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

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

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

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

Steve Count Leader of Cambridgeshire County Council

Gillian Beasley, Chief Executive of Cambridgeshire County Council

The Council's Strategic Framework

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

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

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

Priority Outcomes

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

Priority Outcomes for Cambridgeshire Citizens

A good quality of life for everyone	Thriving places for people to live	The best start for Cambridgeshire's children	Net zero carbon emissions for Cambridgeshire by 2050
• Keeping vulnerable people safe in a way that draws on their own strengths and those of their communities. • Nurturing healthily communities that have access to resources that enable them to support themselves, connect with others and become sustainable. • Improving social and economic equality so that life expectancy, opportunity and social mobility are not determined by wealth or background. • Encouraging and supporting people to choose healthy lifestyles to prevent problems in	• Growing financial, environmental and social capital place-by-place by stewarding local resources including public, private and voluntary contribution. • Continuing to invest in the environment, infrastructure and services that are a vital part of everyday life for everyone in the county and for a thriving local economy. • Putting more choice and more independence directly into the hands of individuals and communities. • Working with District and	• Focusing on what happens to children in their earliest years as the key to influencing positive outcomes in adult life. • Working with children, their families and carers to develop positive attitudes to learning and health and wellbeing. • Joining services across health, education and social care to address social inequalities in our most deprived communities. • Intervening early and effectively to support and safeguard vulnerable children, young people and their families.	• Reducing the carbon footprint of Cambridgeshire County Council and the services it delivers to the community. This includes: • Mitigating carbon emissions from our buildings and fleet vehicles • Managing changes to our infrastructure to manage the risk of significant climate change. • Looking after Cambridgeshire's air, water and soil to ensure the future health of Cambridgeshire people, flora and fauna • Working with our communities and businesses to reduce the overall

later life - focusing our help on those communities most at risk of poor health outcomes. • Using our public assets wisely and raising money in a fair and businesslike way to reduce their carbon footprint and generate social return for all citizens of Cambridgeshire.	Parish Councils, Public Sector Partners and other community organisations to provide local services which build supportive, resilient communities and great places to live.	• Increasing stability in placements for children in care. • Providing ongoing support for care leavers to help achieve positive educational outcomes and access to quality work opportunities.	carbon emission across the whole of Cambridgeshire. • Leading the cleantech and agritech changes to demonstrate new technologies and business models that can support this change

Themes and Design Principles

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

Corporate Strategy themes

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

Council-wide design principles

Meeting need in a way that improves quality of life, the environment and reduces inequalities	Focusing on low carbon, communities and places	Being business like and commercial	Working for the system in partnership	Committed to continuous learning and improvement to achieve a better future and environment for everyone	Focused on modern, low carbon, automated and lean delivery

Performance

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

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

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

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

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

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

Section 2 – Medium Term Financial Strategy

Contents

1) Executive summary

This Strategy sets out the financial picture facing the Council over the coming five years, the resources available to the Council, and the Council's strategy for managing its resources effectively. The four year period of the 2015 Comprehensive Spending Review came to an end in 2019-20 and Government has yet to announce a new multi-year settlement. This has left Local Authorities facing considerable uncertainty around the level of resources available to them over the medium term. It is therefore essential that Councils continue to focus on delivering core services sustainably whilst maintaining the adaptability required to respond to changing levels of resources, ensuring that services deliver value for money.

In May 2019, the Council declared a Climate and Environment Emergency and in June 2019, the Government legislated for reaching net zero carbon emissions by 2050. Meeting this commitment will require a transformation of our procurement practices for a greener future and investment into low carbon technologies, services and infrastructure supported by innovative green investment models and an evolving skills base across the finance sector.

There is a great deal of uncertainty surrounding the UK's public finances not least due to uncertainty around our future relationship with the European Union following Brexit. Potential impacts on economic growth, migration policy, and the cost of goods and services may influence levels of resources available to local authorities. In addition to the international uncertainty, there are a number of Central Government consultations currently underway, most notably those on technical aspects of Fair Funding and the Business Rates Retention Scheme, which are expected to affect the Council's funding. Local Authorities had expected these funding reforms to take effect from 2020-21 however Government has confirmed that these will now be deferred until 2021-22. The outcomes of these consultations will be taken into account within the Business Plan as they become available.

The Fair Funding Review will affect how funding is allocated and redistributed between local authorities from 2021 onwards. It will reset business rate baselines which set out expected business rate receipts, funding baselines which determine relative need, and the tier split of business rates between County Councils and District Councils. The Government's preferred option is for a per-capita foundation formula with seven service-specific funding formulae and an Area cost Adjustment to reflect the differences in the cost in delivering services in different areas of the country. Damping is expected to play a significant role in limiting reallocations of funding between local authorities. It is also likely that reallocations will be phased in so no local authority will face a cliff edge cut to their funding or a step change increase in their funding. The future funding model for Local Government will need to support investment into mitigating and adapting to climate change and recognise that the scale of investment required to address this challenge will vary considerably across the country due to housing densities, rural transport, agriculture and other considerations. The Council will raise this issue as part of our response to the ongoing consultations on the new funding model for Local Government.

At Autumn Budget 2017 it was announced that business rates revaluations will take place every three years, rather than every five years, following the next revaluation. This increases the risk to local authorities of funding changes part way into the period of their medium term financial strategies making longer term planning more challenging. Spring Statement 2018 announced that the next revaluation, which was due in 2022, will be brought forward to 2021. This will further increase the potential risk of significant changes to local authority funding allocations when the new model of 75% business rates retention is introduced in 2021-22.

Local taxation models, including Council tax and business rates, have the potential to be adapted as a means of incentivising increased energy efficiency across existing domestic and on-domestic buildings. A number of pilot projects are currently underway which will aim to build evidence around the viability and appetite for introducing Council tax and/or business rates incentives as a means to stimulating the energy efficiency market and saving carbon.

The Council has developed a strategic approach to the creation of transformation and innovation proposals. This has helped to ensure that proposals and ideas are captured and turned from suggestions into realities. In order to support the continuation of this strategic approach The Council previously established a Transformation Fund currently held at around £20m ensuring that finance is not a barrier to transformation. This has supported Adult's and Children's services in particular to transform the current models of delivery and in doing so sustain higher levels of service than could have been afforded without the transformation funding. Moving forward, the scope of the Fund will be extended to contribute to delivering the Climate Change and Environment Strategy and to transform how we run our business and services to improve sustainability.

The Council has to make some bold reforms but we are pushing at all boundaries to ensure that we are still able to fulfil our statutory duties, protect the most vulnerable and respond to the climate and environment emergency.

Some service reductions are inevitable, these will be far less than otherwise would have been the case had the Council not embarked upon this journey, and we will always focus on transforming rather than cutting services within this approach. The Council will continue to seek to shape proposals so that the most vulnerable are the least affected. The Council has a statutory responsibility to set a balanced budget each financial year and the proposals that are already within the Business Plan for 2020-21 do contain some proposals, the delivery of which, will be challenging.
This strategy sets out the issues and challenges for the next five financial years and creates a framework within which the detailed budgets will be constructed.

Cambridgeshire has one of the fastest growing populations in the country and, as such, we are under particular pressure as the number of people accessing our services increases. The general population is also aging due to increasing life expectancies which is putting pressure on the ability of service users to contribute to the long term costs of their care. In addition to this background population growth the needs of those requiring care packages are becoming more complex and therefore costly. As a result, the Council will work increasingly across service, organisation, and sector boundaries to find ways in which the resources of the wider public sector and the community can be best used to achieve the outcomes we strive for in the context of a rapidly increasing number and need of local population. The same applies for addressing the climate emergency and transforming to a low carbon economy - joined up action and policy across the wider public sector, business and the communities is needed to achieve the Government's net zero carbon emissions target by 2050.

The key elements of this Strategy, on which basis the Business Plan is predicated, are set out below. A key point to note is that general Council tax is not expected to increase for the five years included in the Strategy, but the Adult Social Care precept is assumed to increase by 2% in all five years. As yet there is no confirmation the precept will be available beyond 2020-21.

- No increases in general council tax from 2020-21 until 2024-25 (a 1% increase in the Council tax generates £2.9m)
- An increase in the Adult Social Care Precept of 2% for all five years of the Strategy;
- The strategic approach to developing savings and transformation proposals that support the Business Plan continue to evolve through a focus on demand management, (this entails employing a place based approach that builds on communities natural resources) efficiency, accountability, partnership and co-production;
- For the financial year 2020-21 the base budget will use the budget allocations built into the existing Business Plan but any variations will be managed, where possible, through the transformation work-streams that will bring forward cross-Council and multi-agency proposals;
- Funding for invest to save schemes will continue to be made available via the Transformation Fund as part of the Business Planning process, or from the Council's General Reserve, subject to robust business cases and with a major drive to reduce the carbon footprint of the Council and more broadly for Cambridgeshire, in partnership with others;
- The Council will continue to adopt a more commercial focus in the use of its assets (both human and infrastructure) looking for opportunities to generate income in order to protect frontline services;
- The General Reserve will be held at (and if necessary restored to) approximately 3% of expenditure (excluding schools expenditure and Combined Authority levy);
- Staff pay inflation has been budgeted at 2% for 2020-21 and 2021-22
- Fees and charges will be reviewed annually in line with the Council's fees and charges policy;
- The capital programme will be developed in line with the framework set out in the Capital Strategy where prudential borrowing will be restricted and any additional net revenue borrowing costs would need Council approval;
- All savings proposals will be developed against the backdrop of the Council's outcome-based approach to Business Planning, recognising the need to embrace change and innovation;

- All opportunities for cross-sector and organisational working that drive end to end efficiencies and/or improvements in service delivery will be pursued;
- Business rates pooling will be fully explored with district councils and the Combined Authority where there is a mutual financial benefit to do so;
- The Council Tax assumption and forecasts are reviewed annually
- The Council will continue to lobby central government for fair funding leading into the national replacement of the current funding formula in 2021-22.

2) National and local context

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

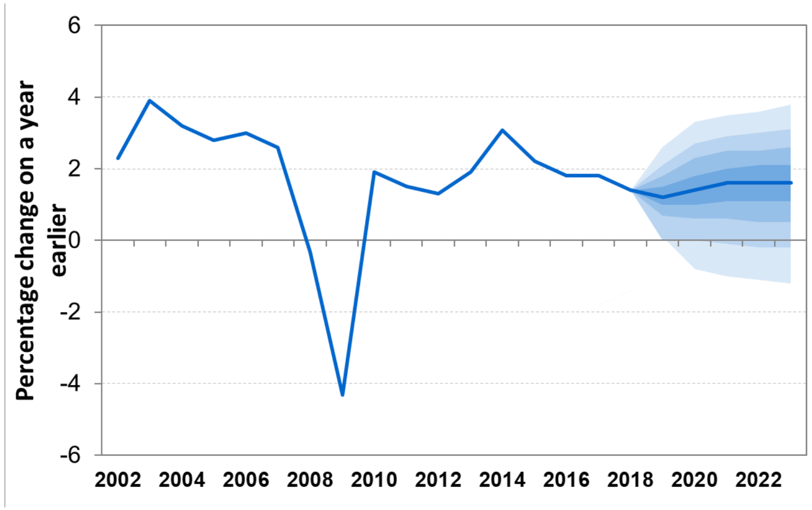
National economic outlook

UK GDP growth has fallen steadily for the past six years from 2.9% in 2014 to just 1.2% in 2019. In 2014 the UK economy was the fastest growing in the G7 and has since fallen to among the slowest growing. GDP growth is expected to remain relatively flat at around 1.5% over the next four years however this is subject to significant uncertainty due to the potential impact of Brexit on the UK economy. However, income tax receipts are performing above forecast levels and market interest rates are lower than projected, counteracting the impact of weak economic growth. These trends are expected to continue into the medium term, delivering a modest improvement in public finances.

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

Labour productivity remains a key weakness for the UK, with the International Monetary Fund warning that it is a key risk the UK's future economic health. The Office of Budget Responsibility is forecasting a gradual rise in productivity over the next four years as Brexit uncertainty begins to dissipate. However productivity is still 4.5 percentage points below the level in 2008 and growth is set to remain significantly lower than its pre-crisis rate. The ONS estimates that if productivity had continued to grow in line with the pre-crisis trend, average wages would have been over £5,000 higher in 2018 than were observed in reality.

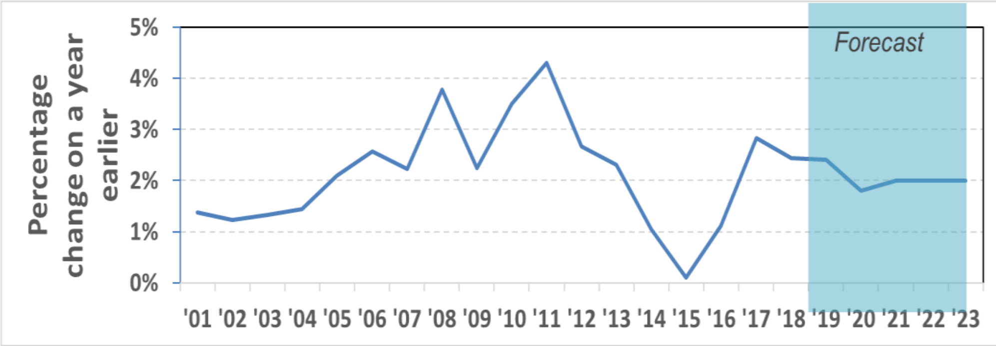
Figure 2.1: GDP Growth (Source: OBR, March 2019)



The downturn in the housing and property market after the credit crunch initially caused development to slow and land values have subsequently been struggling to recover. In previous years this has negatively affected the ability of the Council to fund capital investment through the sale of surplus land and buildings, or from contributions by developers. Although this situation still exists for the north of the County, recent indications continue to suggest that in south Cambridgeshire the market has recovered to pre-2008 levels. This is particularly true for the city of Cambridge, where values have risen over and above pre-credit crunch levels. This has led to increased viability of development once again and therefore greater developer contributions in these areas. With the net-zero carbon emissions by 2050 target, regulatory and financial incentives are expected to support the decarbonisation of transport and heat. The necessary changes to the ways we live and work will be facilitated by environmental-led reforms to planning processes, yielding a range of public benefits including greater uptake of electric vehicles, a shift overall to mass transit systems, and from 2025, no new connections to the gas network for homes and buildings. The Council continues to invest in the Cambridgeshire economy and has ambitious plans for local housing development, having set up a property development and investment company, 'This Land'.

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

Figure 2.2: CPI Inflation (Source: OBR, March 2019)



Unemployment has continued to fall, with the OBR revising the level of sustainable unemployment from 5% to 4.0% - the latest figures from the Office for National Statistics put the unemployment rate at 4.0%; with 1.36m people aged 16 to 64 not employed but seeking work. This figure is expected to rise marginally to 4.1% in 2019 as output falls below potential before falling back to the equilibrium rate of 4% by late 2022. As at November 2018, the number of people claiming Jobseekers Allowance was 0.99m. In total, 32.5m people were in employment (75.7% of the population aged 16-64).

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

75.7%
of people aged 16 to 64 were employed

0.99m
people were claiming Jobseeker's Allowance

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

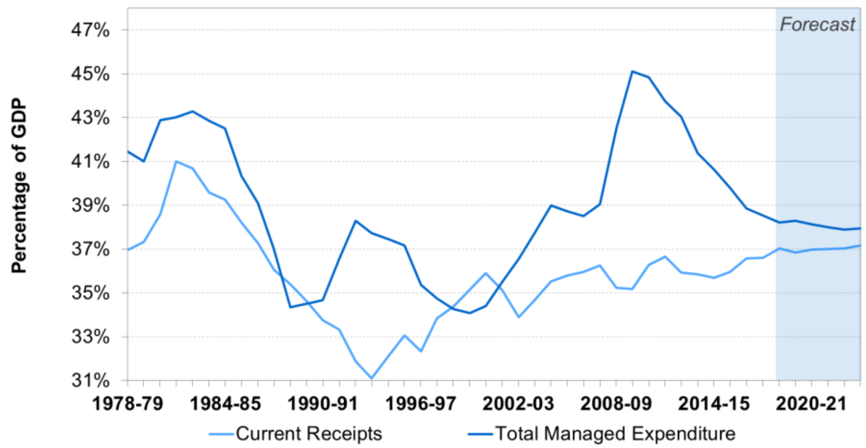
The continued sluggish growth in the Eurozone and the slowing-down of the Chinese economy may also have a significant impact on the UK's position.

Public Sector spending

The 2019 Conservative Manifesto proposed three new rules to govern Public Sector spending over the lifetime of the new parliament. Firstly, the current budget should be in balance by the third year of the forecast period. Broadly speaking this means that public spending, excluding investment spending, should be less than government revenues. Secondly, public sector net investment should be limited to an average of 3% of GDP. Finally, if debt interest payments exceed 6% of government revenues (from taxes and other receipts) the Government will reassess its plans for the public finances.

Public sector net debt peaked at 85.2% of GDP in 2016-17 but is expected to reduce to 73.0% by 2023-24. At its peak, debt will have increased by over 40% of GDP since 2007-08 – a figure that highlights the long-term challenge, facing this and future governments, of returning the UK's public finances to a sustainable position.

Figure 2.3: Total public sector spending and receipts (Source: OBR, March 2019)

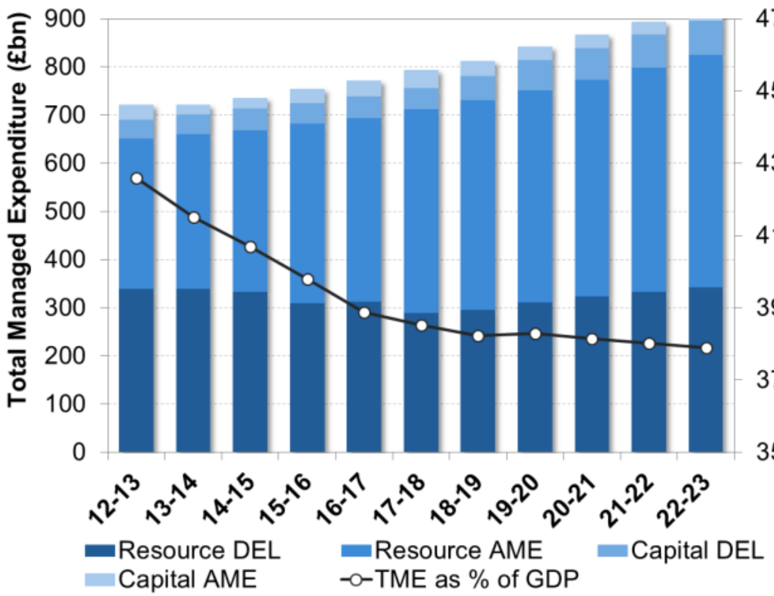


The government plans to eliminate the deficit by a mixture of spending and fiscal consolidation. Current estimates indicate that Total Managed Expenditure will be reduced from 38.2 % of GDP in 2019-10 to 37.8% of GDP by 2023-24.

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

HM Treasury's forecast for TME over the next five years, as shown in Figure 2.4, indicates a 3% year on year increase, in revenue Departmental Expenditure Limits until 2023-24 to match forecast long term inflation targets, alongside a similar increase in AME. These forecasts are subject to considerable uncertainty due to the ongoing Brexit process. Furthermore, the fiscal impact of the new spending pledges announced in the December 2019 Queens Speech have not yet been assessed and accounted for in the OBR forecasts.

Figure 2.4: Total Managed Expenditure (Source: OBR, March 2019)



Detailed government spending plans for individual departments were announced in the 2015 Spending Review, and departments will continue to deliver these plans. The latest spending review, in 2019, is for one financial year only, meaning that DELs have not been set beyond 2020-21.

By far the majority of the Ministry of Housing, Communities and Local Government's DEL is allocated to individual local authorities. The Government has launched a Fair Funding review which will set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources. The new model of funding could bring about significant changes in distribution of funding between Local Authorities from 2021-22.

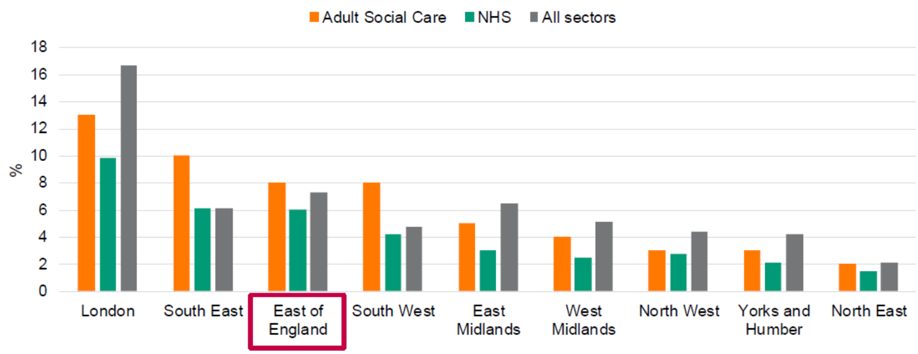
Our internal modelling is currently based on the existing system of 50% business rates retention with Government grants assumed to continue on a cash flat basis. During 2020/21 we will develop a revised model based on 75% local retention of business rates, incorporating new developments in methodology which will emerge as the consultation process progresses.

Local economic outlook

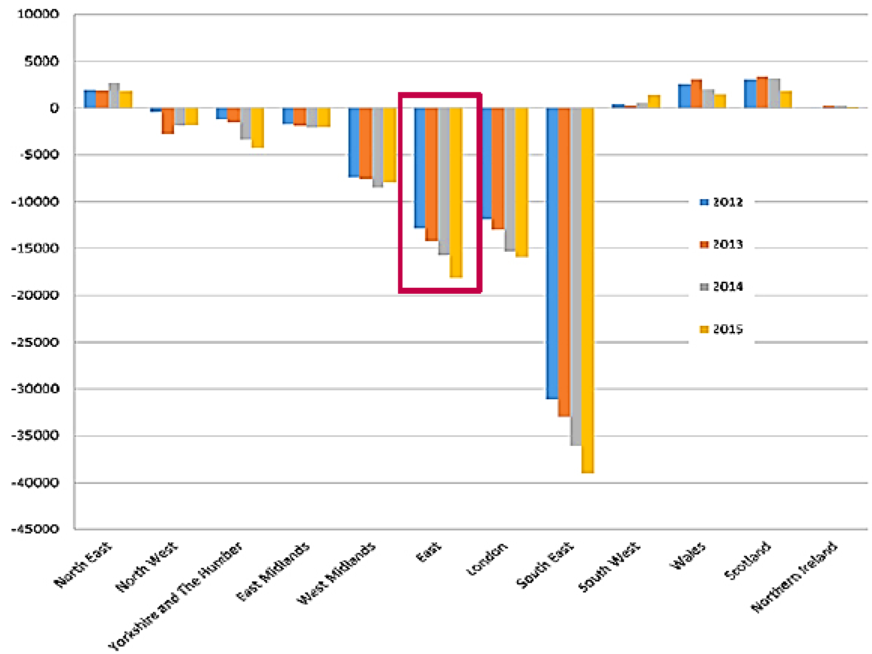
Economic growth in Cambridgeshire has outpaced both the East of England and UK over the last decade. This has been driven primarily by rapid business creation and growth in Cambridge and South Cambridgeshire. Innovation-rich Cambridgeshire businesses have attracted significant investment from overseas, promoting an entrepreneurial business environment which has seen Cambridge City producing the highest number of patent applications per head of population of any City in the country.

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

Proportion of EU workers by region and employment sector

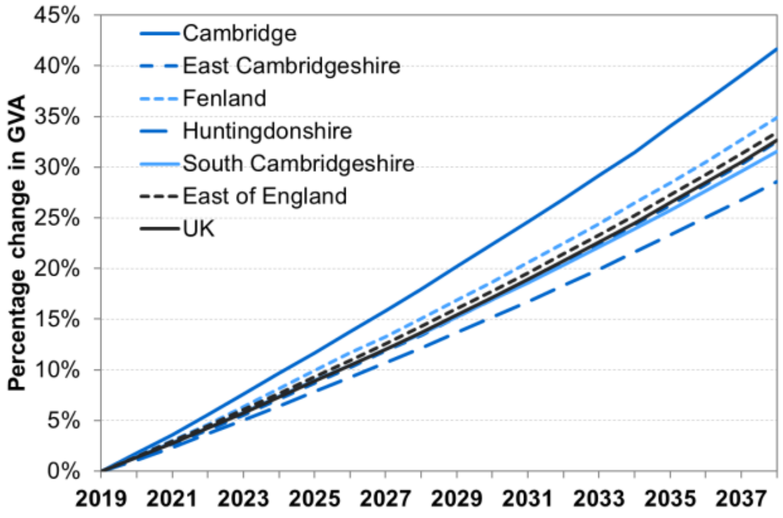


Trade balance with EU by region (£m, 2015 prices)



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

Figure 2.5: GVA growth forecasts for Cambridgeshire by district

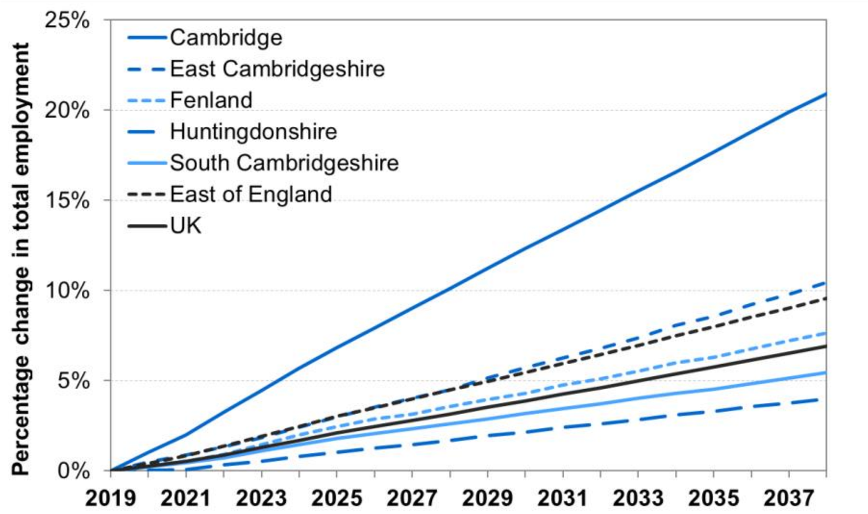


Source: East of England Forecasting Model 2017

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

Cambridgeshire's GVA is forecast to grow by 6.4% over the term of the MTFS, with the most significant increase in Cambridge City, where GVA is expected to increase by £460m. Enterprise births relative to population is still below the regional and national averages rates. Cambridgeshire as a whole saw an increase in the number of business start-ups in 2018 compared to 2017, following a fall in new start-ups between 2016 and 2017. Retail growth in most district town centres continues to provide an important source of employment to support the broader market town business base.

Figure 2.6: Employment growth forecasts for Cambridgeshire by district



Source: East of England Forecasting Model 2017

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

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

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

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

Reliance on ubiquitous, reliable and high speed digital connectivity continues to increase, driven by the rapid pace of technology change which now impacts across all areas of modern living, supporting economic growth and thriving communities. The Council's Connecting Cambridgeshire Programme continues to aggregate funding streams from multiple local, government and EU sources to deliver improvements to the mobile and fixed connectivity infrastructure across Cambridgeshire and Peterborough. This includes stimulating private sector telecommunications industry investment and facilitating faster, more efficient telecommunications rollout as well as providing public funding in the areas where the market will not invest. The Council is also spearheading a "dig once" fibre ducting policy to reduce costs and disruptions by incorporating fibre ducting in new transport and infrastructure schemes across the County.

Free public access Wi-fi supports digital inclusion across all sectors of the community and helps to promote dynamic retail environments, particularly in Cambridgeshire's market towns. New advances in mobile technology promote an "always connected" approach which is increasingly required by businesses, communities and to support public service delivery. Over the next two years the Connecting Cambridgeshire programme will continue to support the delivery of ubiquitous superfast broadband coverage as well as increasing the full fibre footprint and improving the 4G and 5G mobile coverage across the County. It will also focus on extending the availability of free public access Wi-fi to more locations and support the exploitation of digital connectivity with "smart" technology.

As part of the Greater Cambridge City Deal (now Greater Cambridge Partnership) signed with Government in 2014, it was agreed that Government would allocate £500m to Greater Cambridge infrastructure projects. The first tranche of funding was agreed on the basis of five yearly instalments and the second and third tranche is subject to two (2020 and 2025) Gateway Reviews. The purpose of the Deal is to deliver a step change in investment capability; an additional 44,000 jobs and 33,000 homes with benefits for the whole County as well as the wider area.

To date, £100m of the funding has been secured. We have been advised by Government that the outcome of the first Gateway review, which will unlock a further £200m of funding, should be known by the end of the current financial year (2019/2020).

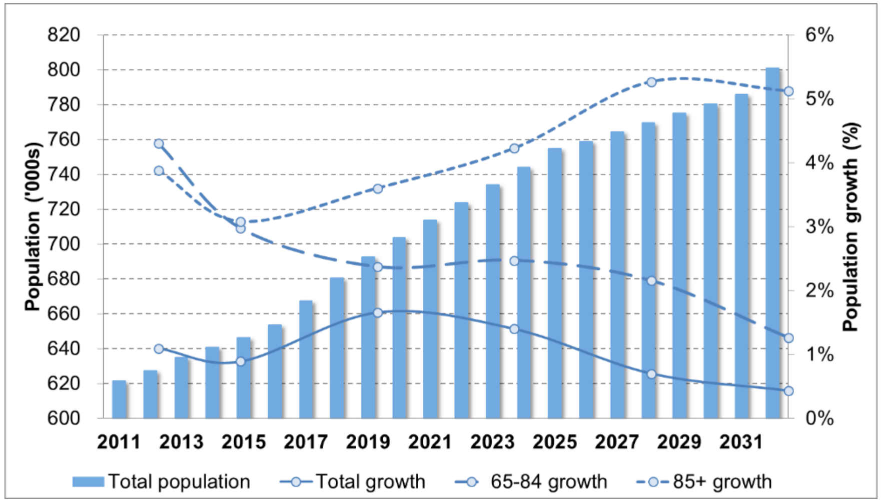
The deal has resulted in a changed set of governance arrangements for Greater Cambridge, allowing the County, Cambridge City Council and South Cambridgeshire District Council to pool funding, powers and decision making through a joint Executive Board. This structure is leading the joint delivery of a number of major transport schemes and has achieved a more joined-up and efficient approach to tackling the key economic issues facing this rapidly-growing city region.

Cambridgeshire's growing population

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

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

Figure 2.7: Population forecasts for Cambridgeshire



3) Transformation

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

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

The Transformation Programme is now integrated into the Business Planning process with our programme of investments and savings reflecting the transformational changes we are planning for 2020-21 and beyond.

The key principles driving our thinking are;

- **Working for the System in Partnership –** the boundaries between public sector partners are blurring as we move closer to a whole system focus on shared priorities, outcomes and cost efficiencies. By acting as 'one public service' with our partners in the public sector and forming new and deeper partnerships with communities, the voluntary sector and business we can make the whole system work most effectively together. This theme includes cost sharing between partners, joint commissioning, joint services and most importantly designing how it all fits together around people not the needs of individual organisations. Tackling the Climate and Environment Emergency will also need collective thinking and action as no single organisation or person can bring about the changes needed.

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

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

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

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

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

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

Transformation Fund

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

Flexible Use of Capital Receipts Strategy

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

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

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

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

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

Table 3.1: Effect of using Capital Receipts on Prudential Indicators

Prudential Indicator	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m
Capital Financing Requirement	+3.0	+6.9	+10.2	+13.4	+16.6
Operational Boundary (Total Borrowing)	899.3	984.6	1,058.0	1,128.7	1,117.3
Authorised Limit (Total Borrowing)	929.3	1,014.6	1,088.0	1,158.7	1,147.3

This is expected to create additional Financing costs in the revenue budget of £88 - £161k in each of 2017-18 to 2021-22.

The Council funded £2.9m of expenditure in 2017-18 using this direction, £3.9m in 2018-19 and £2.7m in 2019-20. It is intended to fund a further £3.2m in 2020-21. This expenditure will help to deliver the following savings (all savings are ongoing):

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

Scheme	Prior Years £k			2019-20 £k			2020-21 £k	
	ACTUAL COST	BUDGETED SAVING	ACTUAL SAVING	ACTUAL COST	BUDGETED SAVING	ACTUAL SAVING	BUDGETED COST	BUDGETED SAVING
Adult Social Care Transformation	1,070	-11,941	-10,359	1,258	-4,582	-4,582	909	-3,800
Learning Disability Transformation	112	-480	-393	-	-450	-450	-	-
Commissioning	240	-451	-269	-	-2,051	-2,051	1,369	-4,634
Children's Change Programme	832	-2,808	-2,472	202	-340	-340	197	-830
Children's Centres & Children's Health Services Transformation	74	-772	-772	-	-	-	-	-
Learning Transformation	525	-819	-719	91	-	-	539	-4,753
Communities	-	-	-	-	-60	-60	-	-
Public Health Transformation	-	-	-	-	-189	-189	-	-
Transport Transformation	65	-1,999	-1,823	-	-460	-460	6	-50
Assets / Facilities work stream / Property projects	526	-894	-756	528	-21	-21	90	-397
Automation	339	-397	-191	-	-	-	-	-
Organisational Structure Review	1,032	-1,793	-2,312	-	-	-	-	-
Commercialisation	1,456	-5,400	-2,000	567	-1,351	-351	107	-600
Waste Transformation	13	-1,025	-250	-	-60	-60	-	-
Libraries Transformation	213	-230	-230	-	-	-	-	-
Shared Services	157	-	-	99	-1,615	-537	-	-
To be confirmed	200	-	-	-	-	-	-	-
TOTAL	**6,855**	**-29,009**	**-22,546**	**2,745**	**-11,179**	**-9,101**	**3,218**	**-15,064**

These workstreams are focused on delivering the following outcomes:

Transformation Scheme	Activity
Adult Social Care Transformation	Through the Adults Positive Challenge Programme, the County Council has set out to design a new service model for Adult Social Care which will continue to improve outcomes whilst also being economically sustainable in the face of increasing demand and pressure on the sector. This work will focus on promoting independence and changing the conversation with staff and service-users to enable people to stay independent for longer, and has been in place has already had success in 2018/19 and 2019/20 and proposals are in place for 20/21 for Cambridgeshire and Peterborough. Following the implementation of Mosaic we will also look for opportunities to streamline reporting and information systems and release capacity of front line staff to work in an asset based and transformational way.
Learning Disability Transformation	Major programme to implement the revised model of care – meeting people's needs through a strengths-based approach to social care. Programme also includes delivery of strategic commissioning activity, including the development of new care capacity to allow service users to return to live in-county – and converting residential provision to supported living to promote independence for people with learning disabilities as well as providing cost savings to the Council.
Commissioning	Supporting a review of market interventions and market shaping activities to ensure efficient delivery of statutory service provision; incorporating the development of sustainable market capacity, which is cost efficient, outcomes focused and aligns to place based community needs. This includes commissioning across older people, working age adults with physical disabilities, mental health, learning disabilities and children.
Children's Change Programme	Identifying additional opportunities within the children's service to ensure services are targeted to those in greatest need. The programme has created a single front door for children's services, and development of a new residential model for children on the edge of care.
Children's Centres & Children's Health Service transformation	Best Start in Life is a 5 year strategy which aims to improve life chances of children (pre-birth to 5 years) by addressing inequalities, narrowing the gap in attainment and improving outcomes for all children, including disadvantaged children and families. The vision is that "Every child will be given the best start in life supported by families, communities and high quality integrated service.
Learning Transformation	Responding to the growing demand for our SEND services by working with families and schools to provide the right level of support and to promote independence for children and young people. This is being done through a number of areas including providing independent travel training, this enables young people to have the skills and confidence to travel more independently for their education but also gives them life skills for their future.

Transformation Scheme	Activity
Communities	A Review of required management and support functions within the team, depending on the outcome of funding bids.
Public Health Transformation	We have delivered efficiencies and shared good practice through creating a joint public health directorate across Cambridgeshire County Council and Peterborough City Council. We can now transform services and make efficiencies through joint commissioning of public health programmes across the Cambridgeshire and Peterborough area, working in partnership across both local authorities and local NHS commissioners.
Transport Transformation	Through the Total Transport transformation programme we are scrutinising contract services to ensure the Council delivers the most efficient special school transport services whilst ensuring all eligible pupils receive free transport in line with the Council's policy on journey times.
Assets / Facilities work stream / Property projects	Generating income through commercialising property assets and re-shaping the property portfolio to support business outcomes. Includes the Cambs 2020 programme which will see the Council move out of its current main base in Cambridge and adopt a Hub and Spokes model of office accommodation.
IT Strategy	• Provide systems and tools to enable staff to work effectively • Support joint working with an improved ability to collaborate and work seamlessly across the two councils • Be cost effective, minimising duplicate costs & rationalising systems • Support the delivery of savings elsewhere across the council
Commercialisation	Development of a Strategic Investments model for the authority and creation of a dedicated investment vehicle to deploy multi-million pound investments for a commercial return. Review of specific areas identified within the contract register to discover what potential there is for savings through more commercially minded renegotiation, re-consideration of service specifications and consideration of where smarter payment processes may assist in driving down costs.
Waste Transformation	Household Recycling Centre changes.
Shared Services	A joint working agreement is now in place with Peterborough City Council along with a growing number of shared posts.

4) Strategic financial framework

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

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

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

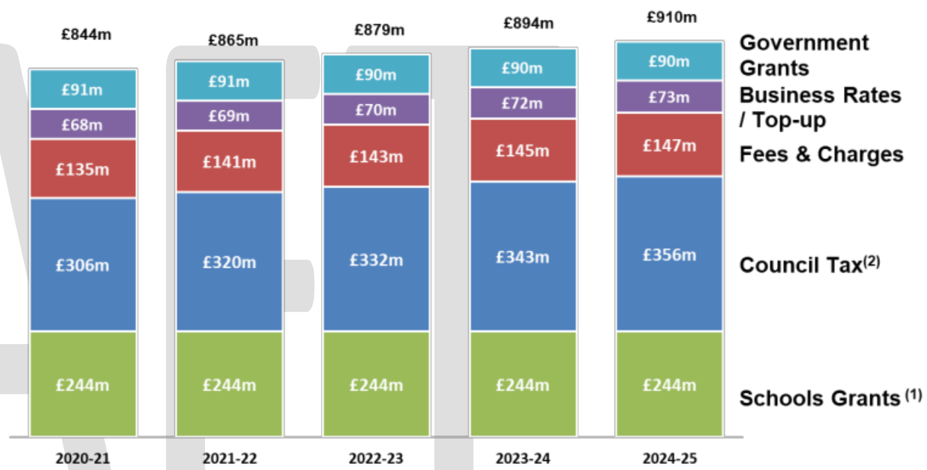
The Council's revenue spending is shaped by our Transformation Programme, influenced by levels of demand and the cost of service provision, and constrained by available funding.

Funding forecast

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

In 2020-21, Cambridgeshire is expected to receive £600m of funding excluding grants retained by its schools. The key sources of funding are Council Tax, for which an increase of 0% on the general council tax rate and 2% for the Adult Social Care precept has been assumed, and Central Government funding (excluding grants to schools).

Figure 4.1: Medium term funding forecast



(1) This includes Schedule 2 Dedicated Schools Grant, retained by the County Council under regulation to support schools and education functions, and grant funding used to purchase traded services from the County Council
(2) This includes Adult Social Care Precept funding with a provisional increase of 2% per year

As is evident from Figure 4.1, the Council will continue to face a challenging funding environment over the medium term. The Council will see an overall increase in funding (excluding schools grants) of 11.0% to 2024-25, primarily due to increases in Council tax. However inflationary pressures, population growth and increased demand for services are expected to result in additional budget pressures of 19.6% of gross budget over the same period. This leaves a residual unfunded pressure of £70m (see figure 4.2). The council will therefore seek to make further improvements to the efficiency of service provision in order to ensure long term financial sustainability.

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

Table 4.1: Parameters used in modelling future funding

Funding Source	Parameters
Business Rates	• Cambridgeshire Rateable Value (prudent assumption of zero real growth) • National CPI inflation (1.7% in 2020-21, rising to 2% by 2024-25, as per OBR forecasts)
Top-up	• National CPI inflation (1.7% in 2020-21, rising to 2% by 2024-25, as per OBR forecasts)
General Council Tax	• Level set by Council (0% in 20-21 and 21-22) • Occupied Cambridgeshire housing stock (1.5%-1.7% annual increase, as per District Council forecasts)
Adult Social Care Precept	• Level set by Council (2% assumed until 2024-25)
Other grants	• Grants allocated by individual government departments overall decrease of 0.5% by 2024-25)
Fees & charges	• Charges set by Council (8.4% increase over MTFS period)

Our analysis of revenue resources is subject to a significant degree of uncertainty due to as yet unknown implications of a number of government policies designed to shape the local authority funding environment. Income from government grants has fallen sharply for a number of years but has recently begun to stabilise, acknowledging the acute pressures faced by the social care system and reduction of the national budget deficit. We are therefore projecting a prudent 'cash-flat' grant position across the MTFS period. Despite the improving outlook for grant funding, the Council continues to place increasing reliance on locally generated forms of revenue such as council tax and fees & charges. The Revenue Support Grant, worth more than £50m a year as recently as 2015-16, is now no longer received by the council. Although additional funding for social care has recently been forthcoming, this will not fully replace the grant funding withdrawn from Local Government over the past decade.

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

In his April 2015 Budget, the former Chancellor announced a pilot scheme allowing a small number of authorities, including the Council, to retain 100% of additional growth in business rates. The scheme was intended to incentivise local authorities to encourage business growth and allowed County Councils to retain an additional 9% of any growth in business rates above an agreed “stretch target”.

As part of the provisional 2018-19 Local Government Finance Settlement, it was announced that the Government will implement a 75% (rather than 100%) model in 2020-21 alongside a new ‘Fair Funding’ formula. In order to ensure that the reforms are fiscally neutral, councils will gain new responsibilities, and some Whitehall grants will be phased out; to date the Revenue Support Grant and the Public Health Grant have been confirmed to be rolled in. The impact of these funding changes may be significant for the Council however we are awaiting further clarity from MHCLG before the changes can be included in the forecasts.

Revenue Support Grant has been a cornerstone of Council’s finances for a number of years. However with the overall need to rebalance the economy the grant has been reduced over a number of years since 2013/14. This has had an adverse effect on growing counties like Cambridgeshire, which as far as RSG allocations are concerned, had a population of 635,900 in 2018-19, rather than 680,500.

Additional one-off funding for social care was provided in 2018/19 and 2019/20 totalling £8.6m for Cambridgeshire. In the 2019 Spending Round, the Government confirmed that this funding would continue in 2019-20 and allocated a further £1bn in grant funding for social care of which Cambridgeshire will receive £6.1m. It is acknowledged that upper tier authorities face unsustainable pressures in the delivery of social care services, a key issue which is expected to be addressed in the 2021/22 Fair Funding Review.

The government limited the general increase in Council Tax in 2019-20 to 3% per year, but provided additional flexibility for local authorities with Adult Social Care responsibilities to raise Council Tax by an additional precept. In the 2019 Spending Review, the government confirmed that a 2% Adult Social Care precept will be made available again in 2020-21.

The availability of the Adult Social Care precept has not been confirmed beyond 2020-21, however the budget assumes the precept will be available beyond this point and will be levied at a rate of 2% in each year of the Business Plan.

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

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

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

Spending forecast

Forecasting the cost of providing current levels of Council services over the medium term is the second key aspect of our revenue strategy. This allows us to assess the sustainability of current service provision. Our cost forecasting takes account of pressures from inflation, demographic change, amendments to legislation and other factors, as well as any investments the Council has opted to make. Moving forward, our spend projections will take account of future carbon emissions liabilities, supported by analysis of the carbon costs of all activities the Council commissions or directly undertakes.

Inflationary pressures

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

There is not a direct link between the inflation we face and nationally published inflation indicators such as the Consumer Price Index (CPI) due to the more specific nature of the goods and services that we have to purchase. Estimates of inflation have been based on indices and trends, and include specific pressures such as inflationary increases built into contracts. Our medium term plans assume inflation will run at an average of around 1.5%, having taken account of the mix of goods and services we purchase. Staff pay inflation has been budgeted at 2% for 2020-21 and 2021-22. The table below shows expected overall inflation levels for the Council:

Table 4.2: Inflationary pressures

	2020-21	2021-22	2022-23	2023-24	2024-25
Inflationary cost increase (£000)	9,127	8,878	7,585	7,336	7,532
Inflationary cost increase (%)	1.8%	1.7%	1.4%	1.3%	1.3%

Demand pressures

Demand change can result from changes in population numbers and changes in population need. The underlying general population growth in Cambridgeshire is forecast to be around 1.8% per year in 2020-21 and 2021-22, falling to around 1.4% per year, for the remainder of the MTFS period. The demographic pressures set out in the table below relate to circumstances where;

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

Table 4.3: Demographic pressures

	2020-21	2021-22	2022-23	2023-24	2024-25
Total demographic cost increase (£000)	10,970	11,477	12,990	13,487	13,210
Total demographic cost increase (%)	2.1%	2.2%	2.4%	2.4%	2.3%

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

Other pressures

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

Investments

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

Financing of capital spend

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

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

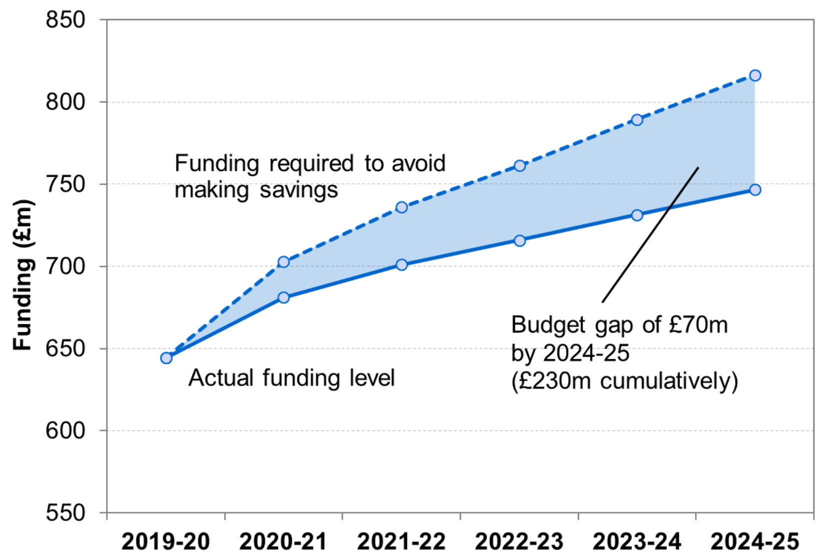
Once the service programmes have been refined, if the amalgamated level of borrowing and thus debt charges breaches the advisory limit, schemes will either be re-worked in order to reduce borrowing levels, or the number of schemes included will be limited according to the ranking of schemes within the prioritisation analysis. As part of the 2019-20 and 2020-21 business planning process, the Council has undertaken a more focused review of the Capital Programme in order to minimise the cost to the taxpayer of financing debt charges for capital schemes. The review has focused on re-prioritising and re-programming capital schemes according to need to ensure that the Council makes the best use of the capital funding available and minimises the revenue impact of capital projects. From 2020/21, Investment Appraisals will also account for the carbon costs of capital projects in order to ensure that the Council delivers on its commitment to net zero carbon emissions by 2050.

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

Allocating our resources to address the shortfall

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

Figure 4.2: Budget gap



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

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

Capital

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

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

To assist in delivering the Business Plan the Council needs to provide, maintain and update long term assets (often referred to as 'fixed assets'), which are defined as those that have an economic life of more than one year. Capital expenditure is financed using a combination of internal and external funding sources, including grants, contributions, capital receipts, revenue funding and borrowing.

Capital funding

In recent years, developer contributions have been affected by the level of uncertainty facing the market associated with Brexit, and the introduction of Community Infrastructure Levies (CIL). CIL is designed to create a more consistent charging mechanism but complicates the ability of the Council to fund the necessary infrastructure requirements created by new development due to the changes in process and the involvement of the city and district councils who have exclusive legal responsibility for determining expenditure. The Council also expects that a much lower proportion of the cost of infrastructure requirements will be met by CIL contributions.

Central Government and external capital grants have also been heavily impacted during the last few years, as the Government has strived to balance its income against its expenditure. However, the Government reconfirmed its commitment to prioritise capital investment over day-to-day spending for the next few years, in line with the policy of capital investment to aid the economic recovery by publishing the National Infrastructure Delivery Plan 2016-2021, which aims to spend £12 billion over the 5-year period. The Autumn Statement 2016 also announced a National Productivity Investment Fund, which will provide an additional £1.1 billion of funding by 2020-21 to relieve congestion and deliver upgrades on local roads and public transport networks.

The Autumn Budget 2017 announced a new £1.7bn Transforming Cities Fund that will target projects that drive productivity by improving connectivity, reducing congestion and utilising mobility services and technology. As such the Business Plan anticipates as a general principle that overall capital grant allocations will remain constant from 2020-21 onwards.

The Department for Education previously announced sufficient capital funding would be available to provide for increasing numbers of school-aged children to enable authorities to ensure that there are enough schools places available to meet current and future needs. Unfortunately, the new methodology used to distribute funding for schools places did not initially reflect the Government's commitment to supply sufficient funding and the allocation of £4.4m for 2015-16 and 2016-17 was £32m less than the Council had estimated to receive for those years according to our need.

Given the growth the County is facing, it was difficult to understand these allocations and as such, the Council has continued to lobby the Department for Education (DfE) for a fairer funding settlement that is more closely in line with the DfE's commitment to enable the Council to provide all of the new places required in the County.

In addition to lobbying the DfE, the Council has also sought in the meantime to maximise its Basic Need funding by establishing how the funding allocation model works and providing data to the DfE in such a way as to maximise our allocation. The allocations were £25.0m for 2018-19, £6.9m for 2019-20, and £20.6m for 2020-21. This goes some way to reduce the Council's shortfall, but still does not come close to covering the costs of all of the Council's Basic Need schemes. Due to the one-year Spending Review announced in September 2019 only focusing on 2020-21 funding allocations, no further allocations for Basic Need funding are being announced until the next multi-year spending review takes place in 2020. This obviously adds a level of uncertainty to the Council's capital planning.

The National Infrastructure Delivery Plan commits to investment of £23bn over the period 2016 to 2021 to deliver 500 new free schools, over 600,000 additional school places, rebuild and refurbish over 500 schools and address essential maintenance needs. To date, the Government has given approval to 8 new free schools in Cambridgeshire to pre-implementation stage. Not all of these, however, are in areas where the Council has an identified basic need requirement. The application process for the new Wave 13 closed in November 2018; there were a further 12 bids for Cambridgeshire, however there was much stricter criteria in place around this wave and none of the bids were successful. The application process for Wave 14 closed in November 2019; there were 2 bids for Cambridgeshire but the Council does not expect to hear whether these are successful until summer 2020.

The Council is committed to working with partners in the development of the County and the services within it. There are various mechanisms in place that provide opportunities to enhance the investment potential of the Council with support and contributions from other third parties and local strategic partners. One of the most significant partnerships is between the Council, Cambridgeshire's city and district councils, Peterborough City Council and the Greater Cambridge / Greater Peterborough Local Enterprise Partnership (LEP) – now relaunched as the Business Board – to set up a Combined Authority for Cambridgeshire and

Peterborough in order to deliver the region's devolution deal; this was agreed by all member authorities in November 2016. The proposal included;

- A new £20m annual fund for the next 30 years to support economic growth, development of local infrastructure and jobs,
- A £100m housing fund, and
- A new £70m fund to be used to build more council-rented homes in Cambridge.

Moving forward, the CPCA has taken on the responsibilities of the local transport authority and therefore the CPCA now receives DfT funding designated to the local transport authority, instead of the Council. The CPCA is continuing to commission the Council to carry out the required works on the transport network.

The Autumn Budget 2018 announced a further £420m of funding in 2018-19 for local authorities to tackle potholes, repair damaged roads, and invest in keeping bridges open and safe; the Council's share of this funding was £6.7m. The 2019 Conservative Manifesto committed to an additional £2bn of additional funding for pothole repair; £500m per annum from 2020/21. Allocations of this funding have not yet been provided by DfT but are expected in early 2020-21.

Capital expenditure

The Council operates a ten year rolling capital programme. The very nature of capital planning necessitates alteration and refinement to proposals and funding during the planning period; therefore whilst the early years of the Business Plan provide robust, detailed estimates of schemes, the later years only provide indicative forecasts of the likely infrastructure needs and revenue streams for the Council.

New schemes for inclusion in the Programme are developed by Services (in conjunction with Finance) in line with the priority outcomes outlined in the Corporate Strategy. At the same time, all schemes from previous planning periods are reviewed and updated as required. An Investment Appraisal of each capital scheme (excluding schemes with 100% ringfenced funding) is undertaken / revised, which allows the scheme to be scored against a weighted set of criteria such as strategic fit, business continuity, joint working, investment payback and resource use. This process will also need to be updated to include carbon emission reductions. The criteria allows schemes within and across all Services to be ranked and prioritised against each other, in light of the finite resources available to fund the overall Programme and in order to ensure the schemes included within the Programme are aligned to assist the Council with achieving its targeted priority outcomes.

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

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

5) Fees and charges policy

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

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

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

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

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

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

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

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

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

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

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

Overall, however, fees and charges income is both an invaluable contribution to the running costs of individual services and a tool for assisting the delivery of specific service objectives. Either way, it is important for the level of charges to be reviewed on an annual basis. This will not necessarily result in an increase but to not do so should be as result of a conscious decision rather than as an oversight. Detailed schedules of fees and charges have been reviewed by relevant services during 2019/20:

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

For business planning purposes the standard assumption is that all fees and charges will be increased in line with RPI (retail price index), which is around 3% for each of the years covered by the Business Plan. Therefore, if a decision is taken to not increase some fees and charges the budget shortfall that this creates will need to be bridged through other operational savings. Conversely, if charges are increased above inflation this can contribute to departmental savings targets.

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

6) Financial overview

Funding summary

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

Table 6.1: Total funding 2020-21 to 2024-25

	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000
Business Rates plus Top-up	68,371	69,034	70,488	71,973	73,489
Council Tax	306,123	320,020	331,538	343,469	355,629
Revenue Support Grant	0	0	0	0	0
Other Unringfenced Grants	23,207	49,095	48,877	48,804	48,791
Dedicated Schools Grant (DSG)	232,219	232,219	232,219	232,219	232,219
Other grants to schools	11,339	11,339	11,339	11,339	11,339
Better Care Funding	16,950	16,950	16,950	16,950	16,950
Other Ringfenced Grants	51,052	24,981	24,981	24,981	24,981
Fees & Charges	135,489	141,060	143,246	145,271	146,902
Total gross budget	**844,750**	**864,698**	**879,638**	**895,006**	**910,300**
Less grants to schools (1)	-243,558	-243,558	-243,558	-243,558	-243,558
Schedule 2 DSG plus income from schools for traded services to schools	79,933	79,933	79,933	79,933	79,933
Total gross budget excluding schools	**681,125**	**701,073**	**716,013**	**731,381**	**746,675**
Less Fees, Charges & Ringfenced Grants	-283,424	-262,924	-265,110	-267,135	-268,766
Total net budget	**397,701**	**438,149**	**450,903**	**464,246**	**477,909**

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

Local Government Finance Settlement

In September 2019 the Government announced a Spending Review covering 2020-21. The financial implications of the headline funding announcements for individual local authorities were set out in the provisional Local Government Finance Settlement published by the Government in December 2019.

In the provisional settlement, the Government confirmed that there would not be any further reductions to local authorities' settlement funding assessments in 2020-21, imposed in previous years through reductions in Revenue Support Grant. The New Homes Bonus grant, currently worth £3m to the Council, will continue for another year but will be phased out by 2023-24. The Council will receive an additional £8.4m Social Care grant in 2020-21 and the Social Care Support and Winter Pressures Grants totalling £6.3m for Cambridgeshire will also continue and will be de-ringfenced from 2020-21 onwards. Local Authorities will also be granted continued flexibility to levy the Adult Social Care Precept in 2020-21 however it has not been confirmed whether the precept will continue to be made available in future years.

The headline position for 2020-21, as confirmed by the 2020-21 Local Government Finance Settlement for Cambridgeshire County Council, is a 1.1% increase in the Settlement Funding Assessment per capita from government in 2020-21. The overall change in government funding when specific grants are included was an increase of 7.9%. This increase is due largely to the additional funding allocated for Adult Social Care and means that, in 2020/21, upper tier Local Authorities will see the largest increases in Government funding in a decade. Despite this, we anticipate that financial pressures within Adults and Older Peoples Services will exceed the additional grant funding allocated as set out in Section 4.

Table 6.2: Comparison of Cambridgeshire's overall Government funding 2015-16 – 2020-21

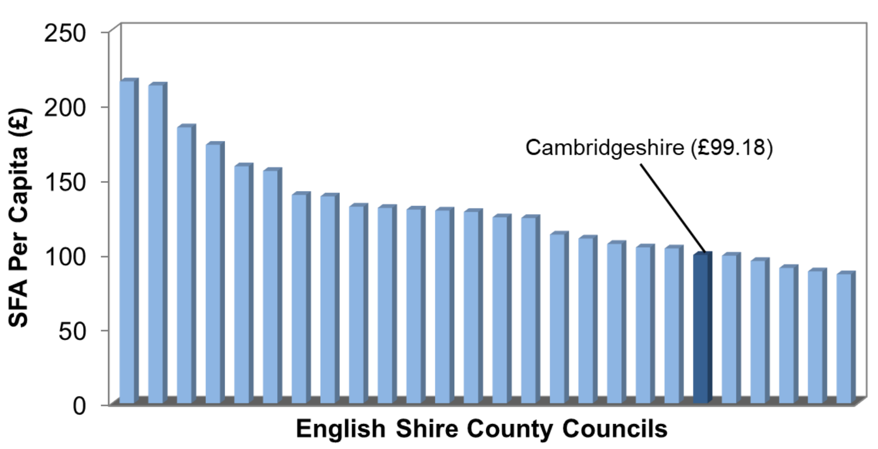
	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
Business Rates plus Top-up	58,705	60,190	62,133	65,732	67,234	68,370
Revenue Support Grant	53,669	33,347	15,312	3,915	0	0
Other Unringfenced Grants	11,770	11,214	8,380	11,305	14,645	23,207
Better Care Funding	13,148	13,148	21,487	24,744	27,854	31,675
Other Ringfenced Grants	44,693	42,947	40,208	38,312	38,140	36,327
Government Revenue Funding (excl. schools)	**181,985**	**160,846**	**147,520**	**144,008**	**147,873**	**159,579**
Difference	**-7,073**	**-21,139**	**-13,326**	**-3,512**	**+3,865**	**+11,706**
Percentage Increase	-3.0%	-11.6%	-8.3%	-2.4%	+2.7%	+7.9%

The Council's core government revenue funding is described as its Settlement Funding Assessment (SFA) and comprises Business Rates, Top-up grant and Revenue Support Grant received by the Council until 2019-20. **For 2020-21 Cambridgeshire's SFA award**

<u>per head of population will be the sixth lowest of all shire county councils, at only £99.18 compared to the average of £129.55.</u>

If Cambridgeshire's SFA allocation was based on local population estimates, which account for the impact of population growth more accurately than national estimates, and if Cambridgeshire received the average level of SFA per head of population, **<u>we would receive £26m more in Government grant funding for 2020/21.</u>**

Figure 6.2: County Council SFA per Capita 2020-21



Revenue Support Grant

The Revenue Support Grant (RSG), formally received by the Council as part of the Settlement Funding Assessment, has reduced from £86m in 2013-14 to zero in 2019-20 and 2020-21. The Government announced in the 2019/20 provisional settlement that Cambridgeshire's allocation of £7.2m negative RSG would be improved to zero grant instead. Negative RSG would have effectively required the Council to pay an additional £7.2m of locally generated business rates over to central Government. From 2021/22 onwards, RSG will be replaced by a new system of 75% business rates retention, allowing Local Authorities to retain a further 25% of local business rates as set out below.

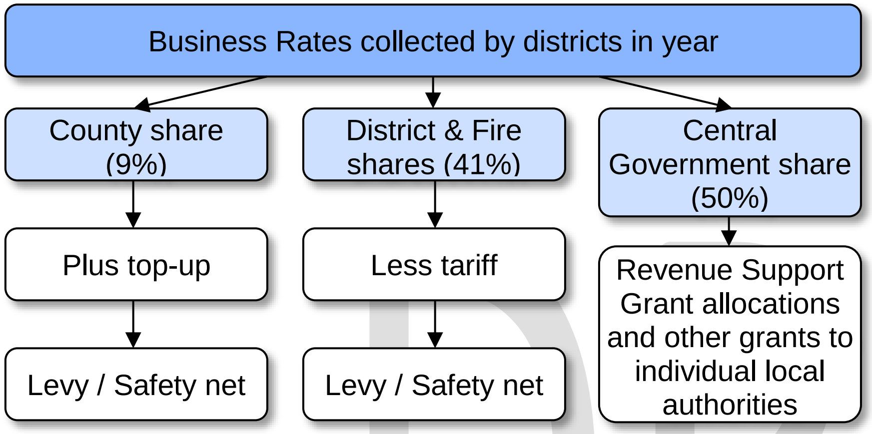
Business Rates Retention Scheme

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

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

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

Figure 6.3: Business Rates Retention Scheme



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

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

Fair Funding Model

The current tariffs and top-ups were set in 2013-14 based on the previous 'Four Block Model' distribution and increased annually by September CPI inflation. Cambridgeshire County Council has long been concerned about the use of the Four Block Model, particularly in reflecting accurately the costs and benefits of growth as well as the relative efficiency of local authorities and the pockets of deprivation in some areas of Cambridgeshire. The consultation regarding the replacement of the current funding model is currently open and will feed into the system which is due to be rolled out in 2021-22 – Cambridgeshire County Council Members have already initiated positive steps to ensure our voice is heard in this critical forum.

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

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

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

Council Tax

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

The referendum threshold for increases to basic Council tax has been confirmed as 1.99% for 2020-21, reverting back to the maximum increase permitted prior to 2018-19. The reduced threshold does not impact the current MTFS which assumes a 0% increase in basic Council tax. Cambridgeshire County Council starts the Business Planning Process with a Council Tax rate below the average for all counties. This follows increases in basic Council tax of 2.99% in 2018-19 and 2019-20, responding to the need to protect vital services and put the Council’s finances on a firm footing. Prior to 2018-19, Council tax had not been increased in three years.

Adult Social Care Precept

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

The 2017-18 settlement announcement extended the flexibility of the Adult Social Care precept, providing upper-tier authorities with the ability to increase the precept by a maximum of 6% over the three years to 2019-20 and by up to 3% per year.

The Council chose not to use this additional flexibility, levying a 2% precept for 2018-19 and 2019-20 and projecting this to continue for all five years of the Medium Term Strategy. It should be noted that the availability of the Adult Social Care precept beyond 2020-21 has not yet been confirmed by Government and this assumption will be revisited annually and updated as required.

Council Tax Requirement

The current Council Tax Requirement (and all other factors) gives rise to a 'Band D' Council Tax of £1,338.30. This is an increase of 2% on the actual 2019-20 level due to levying the Adult Social Care Precept. This figure reflects information from the districts on the final precept and collection fund.

Table 6.3: Build-up of recommended Council Tax Requirement and derivation of Council Tax precept 2020-21

	2020-21 £000	% Rev. Base
Revised base budget	**810,012**	
Inflation	9,127	1.1%
Demography	10,970	1.4%
Pressures	14,151	1.7%
Investments	7,602	0.9%
Savings	-16,357	-2.0%
Change in reserves/one-off items	9,245	1.1%
Total budget	**844,750**	**104.3%**
Less funding:		
Business Rates plus Top-up	68,371	8.4%
Revenue Support Grant	0	0.0%
Dedicated Schools Grant	232,219	28.7%
Unringfenced Grants (including schools)	34,546	4.3%
Ringfenced Grants	68,002	8.4%
Fees & Charges	135,489	16.7%
Surplus/deficit on collection fund	-2,927	-0.4%
Council Tax requirement	**309,050**	38.2%
District taxbase	230,928	
Band D	**1,338.30**	

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

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

Band	Ratio	Amount £	Increase on 2019-20 £
A	6/9	892.20	17.46
B	7/9	1,040.90	20.37
C	8/9	1,189.60	23.28
D	**9/9**	**1,338.30**	**26.19**
E	11/9	1,635.70	32.01
F	13/9	1,933.10	37.83
G	15/9	2,230.50	43.65
H	18/9	2,676.60	52.38

Unringfenced grants

The MTFS is currently predicated on the assumption that the Council will receive £23.207m in unringfenced grants in 2020-21, excluding school's grants, an increase of £8.562m on the total 2019-20 allocation of £14.645m. The majority of the anticipated increase in unringfenced grants is due to the announcement of an additional £1bn funding for social care in the Autumn 2019 budget of which Cambridgeshire will receive £8.453m. The Council also expects to receive larger allocations of some unringfenced schools and Education Services grants and Section 31 business rates compensation grants than projected for 2019-20.

The Public Health Grant will remain ringfenced until 2021-22, at which point it is expected to be rolled into the shift to 75% business rates retention. Planning collaboratively across directorates on an outcomes basis should enable the Council to reach a position where the presence or absence of the ringfence becomes less important. However there may be a risk that when the ringfence is removed, Public Health England will require achievement of performance and activity targets which require more funding to deliver than we are currently allocating.

Table 6.5: Unringfenced grants for Cambridgeshire 2020-21

	2020-21 £000
New Homes Bonus	2,927
Education Services Grant	1,699
Social Care Grant*	12,423
Other	6,159
Total unringfenced grants	**23,207**

*Includes the former Social Care Support Grant

Ringfenced grants

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

Major sources of ringfenced funding include the Better Care Fund. This pooled fund, worth £6.4bn nationally in 2019-20, took full effect in 2015-16, and is intended to allow health and social care services to work more closely in local areas. The improved Better Care Fund announced in the Spring 2017 budget, is worth £12.4m to Cambridgeshire in 2020-21. The £2.3m Winter Pressures Grant announced in the Autumn 2018 budget will be rolled into the improved Better Care Fund from 2020-21. All ringfenced grants are expected to continue at their 2020-21 levels for the duration of the MTFS period.

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

Fees and charges

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

Dedicated Schools Grant

The Council receives the Dedicated Schools Grant (DSG) from the Government and it is therefore included in our gross budget figures in table 6.1. However, this grant is ringfenced to pass directly on to schools, other education providers and services. This plan therefore uses the figure for "total budget excluding grants to schools".

The Council saw a total DSG overspend across SEND services of £8.7m in 2018-19 which, combined with underspends on other DSG budgets, led to a deficit of £7.2m carried forward into 2019-20. As a result of continuing increases in the numbers of pupils with Education Health & Care Plans, the Council anticipates a similar overspend in 2019-20, bringing the total DSG deficit carried forward into 2020-21 to £14m. Local Authorities are permitted to carry deficits in their DSG funding between financial years however this remains a serious issue for the Council. A deficit recovery plan has been submitted to the Department for Education and it is anticipated that this will significantly reduce the DSG deficit carried forward over the medium term.

In the 2019 Spending Round Government committed to a £7.1bn increase in funding for schools by 2022-23. For 2020-21, the government will ensure that per pupil funding will rise in line with inflation and the minimum per pupil amount will increase to £3,750 for primary schools and £5,000 for secondary schools, rising to £4,000 for primary schools in 2021-22. The additional schools funding includes an additional £700m across the country for the high needs block in 2020-21.

Capital programme spending

The 2020-21 ten year capital programme worth £639m is currently estimated to be funded through £554m of external grants and contributions, £45m of capital receipts and £40m of borrowing (Table 6.6). This is in addition to previous spend of £776m on some of these schemes creating a total Capital Programme value of £1.4 billion. The related revenue impact of prudential borrowing is due to increase from £29.3m in 2020-21, to £36.6m by 2024-25. However, this will in part be offset by the forecast income from the various Invest to Earn schemes.

Table 6.6: Funding the capital programme 2020-21 to 2029-30

	Prev. years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later years £000	Total £000
Grants	155,133	52,182	38,652	31,612	28,419	31,758	55,595	393,351
Contributions	66,421	19,672	43,774	54,689	55,147	39,568	103,290	382,561
General capital receipts	82,983	9,298	33,327	408	400	400	1,000	127,816
Prudential borrowing	343,682	63,226	43,249	18,144	25,294	15,222	2,264	511,081
Prudential borrowing (repayable)	127,352	17,665	-11,103	-5,421	-16,817	-24,560	-87,070	46
Total funding	**775,571**	**162,043**	**147,899**	**99,432**	**92,443**	**62,388**	**75,079**	**1,414,855**

Section 3 later in the Business Plan sets out the detail of the 2020-21 to 2029-30 capital schemes which are summarised in the tables below. Total expenditure on major new investments underway or planned includes:

Table 6.7 summarises schemes according to start date, whereas Table 6.8 summarises capital expenditure by service. These tables include schemes that were committed in previous years but are scheduled to complete from 2020-21 onwards.

- Providing for demographic pressures regarding new and improved schools and Child and Family centres (£564m)

- Commercial Investment Portfolio (£203m)
- Housing Provision (£158m)
- Major road maintenance (£79m)
- Rolling out superfast broadband (£41m)
- King's Dyke Crossing [redacted]
- A14 Upgrade (£25m)
- North Angle Solar Farm, Soham [redacted]
- Shire Hall Relocation (£18m)
- Transformation Activity (£16m)
- Integrated Community Equipment Service (£13m)
- Babraham Smart Energy Grid [redacted]
- Stanground Closed Landfill Energy Project [redacted]
- Waste Facilities – Cambridge Area [redacted]
- Trumpington Smart Energy Grid [redacted]
- Cambs 2020 Spokes Asset Review (£6m)
- Data Centre Relocation [redacted]

Table 6.7: Capital programme for 2020-21 to 2029-30

	Prev. years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later years £000	Total £000
Ongoing	245,314	7,588	45,419	13,026	14,968	18,283	39,369	**383,967**
Commitments	507,249	88,307	45,931	51,344	21,625	9,885	27,000	**751,341**
New starts:								
2018-19	1,580	33,935	8,159	6,652	-	-	-	**50,326**
2019-20	21,427	27,791	38,558	9,945	27,444	12,135	530	**137,830**
2020-21	-	4,422	9,012	3,480	186	-	-	**17,100**
2021-22	-	-	300	7,700	2,800	150	-	**10,950**
2022-23	1	-	520	6,685	9,270	6,735	4,130	**27,341**
2023-24	-	-	-	600	15,800	6,000	300	**22,700**
2024-25	-	-	-	-	350	9,200	3,750	**13,300**
2025-26	-	-	-	-	-	-	-	**-**
Total spend	**775,571**	**162,043**	**147,899**	**99,432**	**92,443**	**62,388**	**75,079**	**1,414,855**

Table 6.8: Services' capital programme for 2020-21 to 2029-30

Scheme	Prev. years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later years £000	Total £000
P&C	204,559	56,817	74,511	71,840	76,506	44,163	49,479	**577,875**
P&E	265,166	25,851	32,322	21,296	15,025	15,025	16,000	**390,685**
CS & Managed	11,285	8,006	3,002	112	112	-	-	**22,517**
C&I	294,561	71,369	38,064	6,184	800	3,200	9,600	**423,778**
LGSS	-	-	-	-	-	-	-	**-**
Total	**775,571**	**162,043**	**147,899**	**99,432**	**92,443**	**62,388**	**75,079**	**1,414,855**

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

Table 6.9: Invest to Save / Earn schemes for 2020-21 to 2029-30

Total Investment (£m)	Scheme	Total Net Return* (£m)
1.0	Energy Efficiency Fund	0.6
206.4	Commercial Investments	225.8
[redacted]	Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	2.0
	Babraham Smart Energy Grid	10.6
	Trumpington Smart Energy Grid	7.0
	Stanground Closed Landfill Energy Project	8.9
	Woodston Closed Landfill Energy Project	8.8
	North Angle Solar Farm, Soham	40.1
158.1	Housing schemes	126.6
3.0	County Farms investment (Viability)	7.4
18.3	Shire Hall Relocation	45.2
475.8	**TOTAL**	**462.3**

*The net return accounts for the cost of financing the capital expenditure and the ongoing revenue costs associated with the investment (therefore a zero net return indicates that the project has broken even).

Total investment figures have been redacted for some of the schemes listed above which have not yet been tendered as this information is commercially sensitive.

7) Balancing the budget

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

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

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

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

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

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

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

Detailed spending plans for 2020-21, and outline plans for later years, are set out within Section 3 of the Business Plan.

The Council adopts a set of nine guiding principles for the development of a balanced and sustainable budget across the MTFS period:

1. Utilising sustainable revenue streams to reduce reliance on one-off sources of funding
2. Ensuring that the potential longer term impact of emerging pressures and rising demands are recognised
3. Ensuring that the Council provides efficient and well managed services with benchmarked unit costs
4. Driving effective investment in services to enable long term evidence-led reform
5. Utilising the Council's assets to generate an ongoing return rather than short term capital receipts
6. Ensuring the MTFS includes realistic but prudent assumptions around central government funding
7. Ensuring that the Council is well prepared to manage partnership risks
8. Maintaining a multi-year focus on longer term strategic planning
9. Managing future carbon liabilities and risks from climate change

8) Reserves policy and position

Need for reserves

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

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

Reserve types

The Council maintains the following types of reserve:

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

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

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

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

- **Innovate & Cultivate Fund** – Initially worth £1 million, the fund is to help community organisations with big ideas for transformative preventative work that will make a positive impact on Council expenditure. Applications are invited for funding for projects which demonstrably make an impact on County Council priority outcomes – particularly in relation to working with vulnerable people, thereby diverting children and adults from needing high-cost Council services. The Council's General Purposes Committee approved an additional £1m investment in the Innovate & Cultivate Fund in January 2019.

Level of reserves

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

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

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

Table 8.1: Estimated level of reserves by type 2020-21 to 2024-25

Balance as at:	**31 March 2020 £m**	**31 March 2021 £m**	**31 March 2022 £m**	**31 March 2023 £m**	**31 March 2024 £m**	**31 March 2025 £m**
General reserve	16.6	18.2	18.8	19.3	19.7	20.2
Earmarked reserves	29.1	29.6	32.4	35.0	37.6	39.9
Schools reserves	-0.1	-3.1	-1.0	0	1	2
Transformation & Innovation Funds*	21.8	25	28.9	32.3	35.1	37.4
Total	**67.4**	**69.7**	**79.1**	**86.6**	**93.4**	**99.5**
General reserve as % of gross non-school budget	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%

*The Transformation and Innovation Funds have been created as a result of a revision to the calculation of the Council's minimum revenue provision (MRP) and only accounts for transformation bids approved by GPC. Whilst the balance appears to increase year on year, it is anticipated that as schemes come forward they are included in the strategy which will draw down funds once identified.

Adequacy of the general reserve

Greater uncertainties in the Local Government funding environment, such as arise from the Business Rates Retention Scheme and localisation of Council Tax Benefit, increase the levels of financial risk for the Council. As a result of these developments we reviewed the level of our **general reserve** and have set a target for the underlying balance of no less than 3% of gross non-school spending in 2020-21, this level will be maintained for the whole of the MTFS period.

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

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

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

Table 8.2: Target general reserve balance for 2020-21 to 2024-25

Risk	Source of risk	Value £m
Inflation	0.5% variation on Council inflation forecasts.	0.8
Demography	0.5% variation on Council demography forecasts.	0.8
Interest rate change	0.5% variation in the Bank of England Base Rate.	0.1
Council Tax	Inaccuracy in District tax base forecasts and collection levels.	4.6
Business Rates	Inaccuracy in District taxbase forecasts of County share of Business Rates to the value which triggers the Safety Net.	0.4
Business Rates payable	Impact of revaluation on Business Rates payable.	0.5
Unconfirmed specific grant allocations	Value of as yet unannounced specific grants different to budgeted figures.	1.4
Deliverability of savings against forecast timescales	Savings to deliver Business Plan not achieved.	2.5
Non-compliance with regulatory standards	E.g., Information Commissioner fines.	0.5
Major contract risk	E.g., contractor viability, mis-specification, non-delivery.	2.1
Unidentified risks	Unknown	4.5
Balance		**18.2**

9) Business Plan roles and responsibilities

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

Full Council

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

Council is responsible for:

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

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

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

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

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

General Purposes Committee

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

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

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

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

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

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

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

Service Committees

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

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

10) Risks

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

- **Containing inflation to funded levels** – we will achieve this by closely managing budgets and contracts, and further improving our control of the supply chain.
- **Managing service demand to funded levels** – we will achieve this through clearer modelling of service demand patterns using numerous datasets that are available to our internal Research Team and supplemented with service knowledge. A number of the proposals in the Business Plan are predicated on averting or suppressing the demand for services.
- **Delivering savings to planned levels** – we will achieve this through SMART (specific, measurable, achievable, relevant and timely) action plans and detailed review. All savings – efficiencies or service reductions – need to be recurrent. We have built savings requirements into the base budget and we monitor these monthly as part of budgetary control.
- **Containing the revenue consequences of capital schemes to planned levels** – capital investments sometimes have revenue implications, either operational or capital financing costs. We will manage these by ensuring capital projects do not start without a tested and approved business case, incorporating the cost of the whole life cycle.
- **Responding to the uncertainties of the UKs exit from the European Union** – we have fully reviewed our financial strategy in light of the most recent economic forecasts and continue to develop plans in response to emerging risks and opportunities presented as a result of Brexit.
- **Future funding changes** – our plans have been developed against the backcloth of continued uncertainty due to delays in the introduction of significant reforms to Local Government funding.
- **Managing future carbon liabilities** – the Council has committed to deliver net-zero carbon emissions by 2050 as part of its pledge to tackle the climate emergency. There is a risk that additional financial resources may be required to achieve this aim which have not been fully accounted for within the MTFS. The funding allocated to deliver the Climate Change and Environment Strategy will be reviewed annually in light of progress towards achieving the Council’s net-zero carbon commitment.

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

<u>Appendix 1</u> – Fees and Charges Best Practice Guidance

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

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

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

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

PURPOSE OF THE GUIDANCE

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

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

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

ASSESSMENT OF CHARGING LEVELS – THE STANDARD CHARGE

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

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

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

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

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

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

LEVEL OF SUBSIDY

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

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

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

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

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

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

CONCESSIONS

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

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

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

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

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

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

CHARGING EXEMPTIONS

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

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

PROCESSES AND FREQUENCIES

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

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

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

COLLECTION OF CHARGES AND OUTSTANDING DEBTS

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

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

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

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

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

APPROVALS

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

MONITORING AND IMPROVEMENT

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

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

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

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

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

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

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

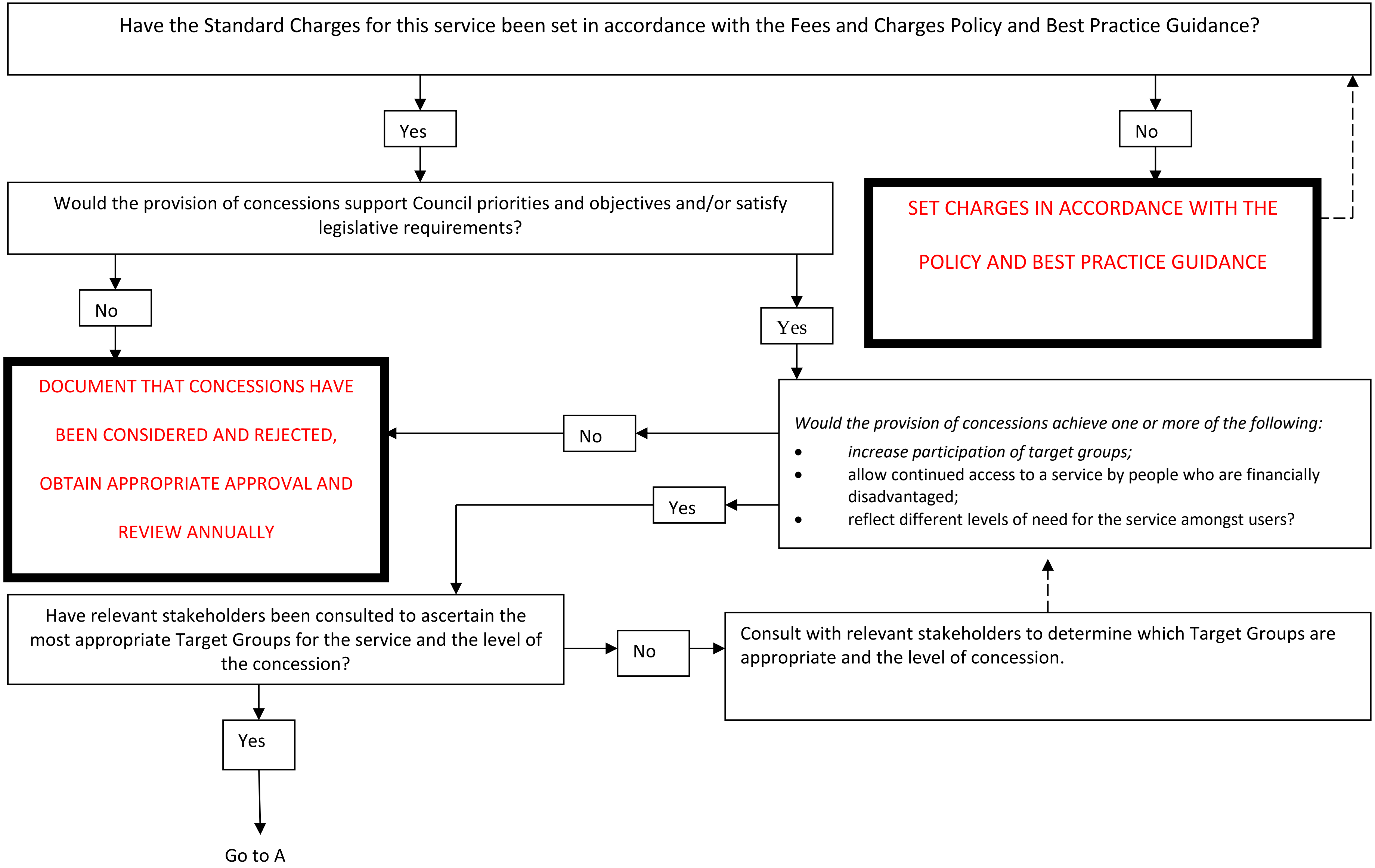
UNDER/OVERACHIEVEMENT OF FEES AND CHARGES.

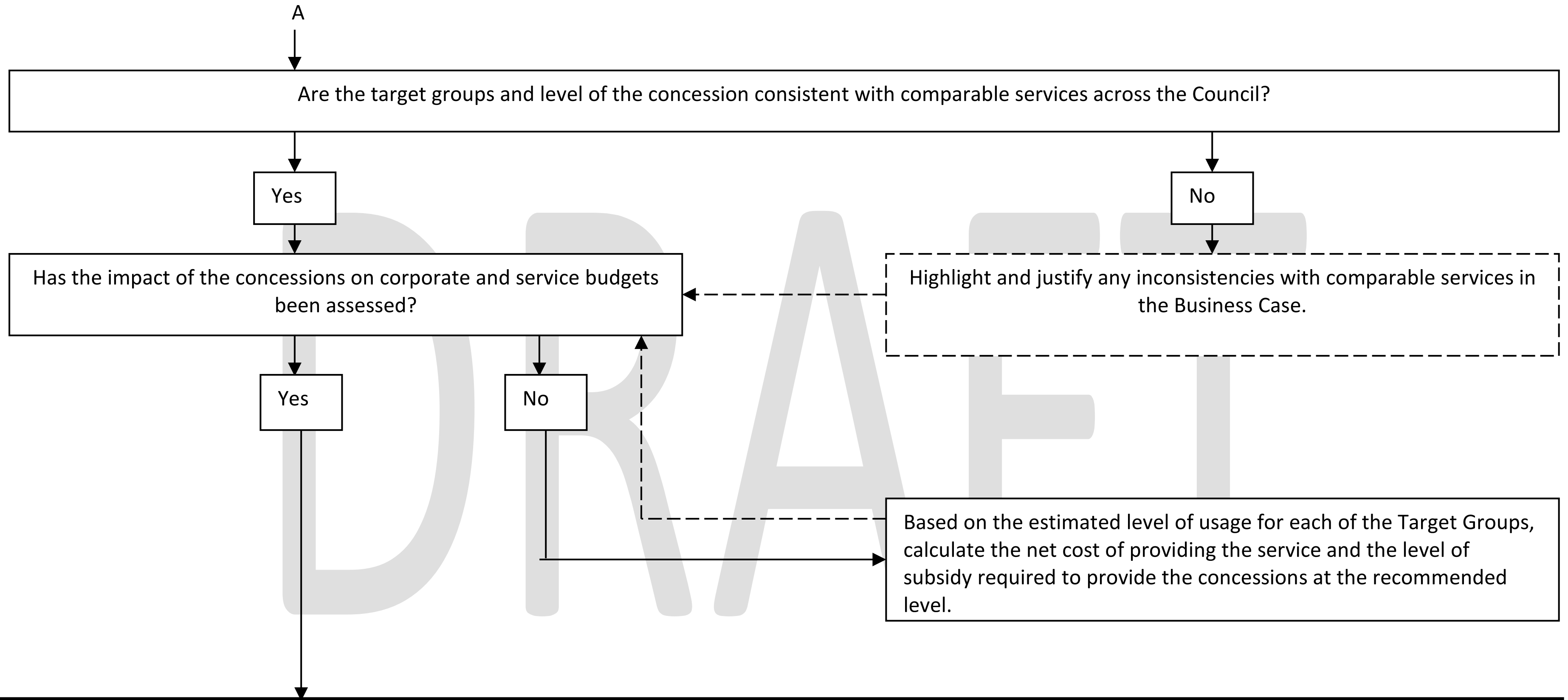
At a level deemed appropriate by the relevant service, a clear escalation process should be in place for the under or overachievement of charges.

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

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

FEES AND CHARGES: CONCESSIONS





- UPDATE DIRECTORY OF CHARGES
- OBTAIN APPROVAL FOR THE BUSINESS CASE WHICH DETAILS THE RATIONALE FOR DIRECTING THE PROPOSED LEVEL OF SUBSIDY TOWARDS A TARGET GROUP. THE BUSINESS CASE MUST BE EXPLICIT IN TERMS OF THE TARGET GROUPS THAT ARE RECOMMENDED TO RECEIVE THE CONCESSIONS AND THE LEVEL OF SUBSIDY THE COUNCIL IS PROVIDING TO FUND THE CONCESSIONS.
- MONITOR THE TAKE-UP OF CONCESSIONS AND IDENTIFY HOW WELL CONCESSION SCHEMES ARE PROMOTING ACCESS TO FACILITIES

Section 3 - A: People & Communities

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Director of Adults and Safeguarding							
-20,815	Strategic Management - Adults	-21,672	-2,698	-24,370	-23,137	-23,021	-23,021	-23,021
1,868	Transfers of Care	1,944	-43	1,901	1,901	1,901	1,901	1,901
8,837	Prevention & Early Intervention	9,482	-472	9,010	9,010	9,010	9,010	9,010
1,325	Principal Social Worker, Practice and Safeguarding	1,692	-345	1,347	1,415	1,415	1,415	1,415
1,015	Autism and Adult Support	1,139	-27	1,112	1,202	1,295	1,389	1,484
416	Carers	416	-	416	416	416	416	416
	Learning Disability Partnership							
5,781	Head of Service	6,389	-148	6,242	5,744	5,646	5,548	5,550
35,304	LD - City, South and East Localities	38,728	-1,626	37,102	38,594	40,209	41,780	43,346
28,298	LD - Hunts and Fenland Localities	31,329	-1,736	29,594	30,706	31,929	33,115	34,299
7,921	LD - Young Adults Team	9,344	-106	9,238	10,300	11,413	12,556	13,736
6,396	In House Provider Services	6,994	-402	6,592	6,592	6,592	6,592	6,592
-19,109	NHS Contribution to Pooled Budget	-1,104	-19,168	-20,272	-20,685	-21,158	-21,612	-22,066
	Older People and Physical Disability Services							
11,928	Physical Disabilities	14,699	-2,043	12,656	13,051	13,542	13,943	14,388
20,398	OP - City & South Locality	31,414	-7,172	24,242	25,992	28,188	30,585	32,710
6,315	OP - East Cambs Locality	11,408	-3,008	8,399	9,327	10,474	11,636	12,661
7,727	OP - Fenland Locality	13,832	-3,216	10,616	11,680	12,992	14,318	15,492
10,694	OP - Hunts Locality	19,543	-5,701	13,843	15,244	16,975	18,727	20,274
	Mental Health							
1,871	Mental Health Central	1,906	-20	1,886	1,886	1,886	1,886	1,886
5,361	Adult Mental Health Localities	5,923	-453	5,470	5,543	5,628	5,733	5,838
5,788	Older People Mental Health	7,423	-858	6,565	6,997	7,481	7,999	8,475
127,319	**Subtotal Director of Adults and Safeguarding**	**190,829**	**-49,242**	**141,587**	**151,776**	**162,811**	**173,914**	**184,384**
	Director of Commissioning							
510	Strategic Management - Commissioning	615	-100	515	515	515	515	515
1,795	Access to Resource & Quality	1,903	-83	1,820	1,820	1,820	1,820	1,820
300	Local Assistance Scheme	300	-	300	300	300	300	300
	Adults Commissioning							
10,773	Central Commissioning - Adults	40,888	-30,287	10,601	10,513	10,584	10,651	10,718
1,024	Integrated Community Equipment Service	5,919	-4,849	1,070	1,101	1,134	1,170	1,209
3,881	Mental Health Commissioning	4,074	-304	3,770	3,770	3,770	3,770	3,770
	Childrens Commissioning							
23,469	Children in Care Placements	21,703	-	21,703	20,117	22,691	25,473	28,480
245	Commissioning Services	245	-	245	245	245	245	245
41,997	**Subtotal Director of Commissioning**	**75,647**	**-35,623**	**40,023**	**38,380**	**41,058**	**43,943**	**47,056**

Section 3 - A: People & Communities

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Director of Community & Safety							
15	Strategic Management - Communities & Safety	54	-69	-15	-15	-15	-15	-15
1,102	Youth Offending Service	1,997	-870	1,127	1,127	1,127	1,127	1,127
386	Central Integrated Youth Support Services	1,595	-1,204	391	391	391	391	391
836	Safer Communities Partnership	1,583	-739	845	845	845	845	845
462	Strengthening Communities	573	-104	469	479	479	479	479
180	Cambridgeshire Skills	2,292	-2,292	-	-	-	-	-
694	Trading Standards	694	-	694	694	694	694	694
	Cultural & Community Services							
163	Strategic Management - Cultural & Community Services	166	-	166	166	166	166	166
3,409	Public Library Services	4,404	-960	3,445	3,494	3,494	3,494	3,494
107	Cultural Services	343	-234	109	109	109	109	109
440	Archives	481	-36	445	445	445	445	445
-516	Registration & Citizenship Services	1,037	-1,677	-641	-641	-641	-641	-641
1,117	Coroners	2,147	-614	1,533	1,516	1,536	1,556	1,576
8,397	**Subtotal Director of Community & Safety**	**17,366**	**-8,798**	**8,569**	**8,611**	**8,631**	**8,651**	**8,671**
	Director of Children & Safeguarding							
3,355	Strategic Management - Children & Safeguarding	3,456	-18	3,438	3,438	3,438	3,438	3,438
2,241	Safeguarding and Quality Assurance	2,420	-146	2,275	2,190	2,190	2,190	2,190
12,711	Children in Care	16,492	-3,037	13,456	14,087	14,769	15,506	16,303
1,974	Integrated Front Door	2,220	-208	2,012	2,012	2,012	2,012	2,012
6,590	Children's Disability Service	7,213	-585	6,628	6,578	6,478	6,378	6,378
-141	Children's Centres Strategy	29	-170	-141	29	29	29	29
56	Support to Parents	1,638	-1,577	61	61	61	61	61
5,772	Adoption	6,249	-	6,249	6,692	7,217	7,840	8,578
1,970	Legal Proceedings	2,009	-	2,009	2,009	2,009	2,009	2,009
	District Delivery Service							
3,710	Safeguarding Hunts and Fenland	3,763	-	3,763	3,763	3,763	3,763	3,763
4,247	Safeguarding East & South Cambs and Cambridge	4,344	-36	4,308	4,308	4,308	4,308	4,308
5,345	Early Help District Delivery Service - North	5,493	-59	5,434	5,434	5,434	5,434	5,434
4,616	Early Help District Delivery Service - South	3,976	-24	3,952	3,952	3,952	3,952	3,952
52,444	**Subtotal Director of Children & Safeguarding**	**59,303**	**-5,859**	**53,443**	**54,552**	**55,659**	**56,919**	**58,454**

Section 3 - A: People & Communities

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Director of Education							
593	Strategic Management - Education	3,420	-3,031	389	389	389	389	389
1,930	Early Years Service	2,246	-284	1,961	1,961	1,961	1,961	1,961
151	Schools Curriculum Service	469	-318	151	166	166	166	166
969	Schools Intervention Service	1,445	-458	987	987	987	987	987
537	Schools Partnership Service	1,969	-1,403	566	566	566	566	566
2,910	Redundancy & Teachers Pensions	3,385	-489	2,896	2,896	2,896	2,896	2,896
	SEND Specialist Services (0 - 25 years)							
9,582	SEND Specialist Services	10,804	-172	10,632	10,639	10,639	10,639	10,639
24,796	Funding to Special Schools and Units	24,796	-	24,796	24,796	24,796	24,796	24,796
19,428	High Needs Top Up Funding	19,428	-	19,428	19,428	19,428	19,428	19,428
9,973	SEN Placements	10,863	-891	9,973	9,973	9,973	9,973	9,973
1,519	Out of School Tuition	1,519	-	1,519	1,519	1,519	1,519	1,519
	0-19 Place Planning & Organisation Service							
4,060	0-19 Organisation & Planning	4,992	-922	4,070	4,070	4,070	4,070	4,070
94	Early Years Policy, Funding & Operations	96	-	96	96	96	96	96
178	Education Capital	277	-99	179	179	179	179	179
9,821	Home to School Transport - Special	11,970	-97	11,874	12,860	13,903	15,006	16,173
2,005	Children in Care Transport	1,785	-	1,785	1,918	2,061	2,214	2,379
9,189	Home to School/ College Transport - Mainstream	9,733	-182	9,551	9,833	10,154	10,393	10,599
97,734	**Subtotal Director of Education**	**109,198**	**-8,346**	**100,851**	**102,274**	**103,781**	**105,276**	**106,814**
	P&C Executive Director							
882	P&C Executive Director	2,728	-255	2,473	3,996	4,170	4,170	4,170
91	Central Financing	301	-	301	301	301	301	301
973	**Subtotal P&C Executive Director**	**3,028**	**-255**	**2,773**	**4,296**	**4,470**	**4,470**	**4,470**
-72,150	DSG Adjustment	-	-72,150	-72,150	-72,150	-72,150	-72,150	-72,150
	Future Years							
-	Inflation	-	-	-	5,406	9,710	13,710	17,790
-	Savings	-	-	-				
256,714	**P&C BUDGET TOTAL**	**455,370**	**-180,274**	**275,096**	**293,145**	**313,970**	**334,733**	**355,489**

Section 3 - A: People & Communities

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Director of Adults and Safeguarding							
Strategic Management - Adults	-20,815	65	-	350	-	-3,970	-24,370
Transfers of Care	1,868	33	-	-	-	-	1,901
Prevention & Early Intervention	8,837	172	-	-	-	-	9,010
Principal Social Worker, Practice and Safeguarding	1,325	22	-	-	-	-	1,347
Autism and Adult Support	1,015	8	75	14	-	-	1,112
Carers	416	-	-	-	-	-	416
Learning Disability Partnership							
Head of Service	5,781	6	-	780	-	-325	6,242
LD - City, South and East Localities	35,304	37	795	966	-	-	37,102
LD - Hunts and Fenland Localities	28,298	12	417	867	-	-	29,594
LD - Young Adults Team	7,921	6	1,181	130	-	-	9,238
In House Provider Services	6,396	197	-	-	-	-	6,592
NHS Contribution to Pooled Budget	-19,109	-59	-550	-629	-	75	-20,272
Older People and Physical Disability Services							
Physical Disabilities	12,328	23	514	191	-	-400	12,656
OP - City & South Locality	20,648	762	1,236	1,996	-	-400	24,242
OP - East Cambs Locality	6,565	397	621	1,067	-	-250	8,399
OP - Fenland Locality	7,977	383	690	1,816	-	-250	10,616
OP - Hunts Locality	10,944	499	928	1,722	-	-250	13,843
Mental Health							
Mental Health Central	1,871	14	-	-	-	-	1,886
Adult Mental Health Localities	5,361	28	5	100	-	-24	5,470
Older People Mental Health	5,788	366	278	133	-	-	6,565
Subtotal Director of Adults and Safeguarding	**128,719**	**2,968**	**6,190**	**9,503**	**-**	**-5,794**	**141,587**
Director of Commissioning							
Strategic Management - Commissioning	510	5	-	-	-	-	515
Access to Resource & Quality	1,795	25	-	-	-	-	1,820
Local Assistance Scheme	300	-	-	-	-	-	300
Adults Commissioning							
Central Commissioning - Adults	10,773	60	-	68	-	-300	10,601
Integrated Community Equipment Service	1,024	17	29	-	-	-	1,070
Mental Health Commissioning	3,881	9	-	-	-	-120	3,770
Childrens Commissioning							
Children in Care Placements	23,469	437	2,241	190	-	-4,634	21,703
Commissioning Services	245	-	-	-	-	-	245
Subtotal Director of Commissioning	**41,997**	**553**	**2,270**	**258**	**-**	**-5,054**	**40,023**

Section 3 - A: People & Communities

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Director of Community & Safety							
Strategic Management - Communities & Safety	15	0	-	-	-	-30	-15
Youth Offending Service	1,102	25	-	-	-	-	1,127
Central Integrated Youth Support Services	386	5	-	-	-	-	391
Safer Communities Partnership	836	9	-	-	-	-	845
Strengthening Communities	462	7	-	-	-	-	469
Cambridgeshire Skills	180	-	-	-	-	-180	-
Trading Standards	694	-	-	-	-	-	694
Cultural & Community Services							
Strategic Management - Cultural & Community Services	163	3	-	-	-	-	166
Public Library Services	3,409	36	-	-	-	-	3,445
Cultural Services	107	2	-	-	-	-	109
Archives	440	5	-	-	-	-	445
Registration & Citizenship Services	-516	15	-	-	-	-140	-641
Coroners	1,117	4	20	391	-	-	1,533
Subtotal Director of Community & Safety	**8,397**	**111**	**20**	**391**	**-**	**-350**	**8,569**
Director of Children & Safeguarding							
Strategic Management - Children & Safeguarding	3,355	83	-	-	-	-	3,438
Safeguarding and Quality Assurance	2,241	34	-	-	-	-	2,275
Children in Care	12,711	186	594	-35	-	-	13,456
Integrated Front Door	1,974	38	-	-	-	-	2,012
Children's Disability Service	6,590	89	-	-	-	-50	6,628
Children's Centres Strategy	-141	-	-	-	-	-	-141
Support to Parents	56	5	-	-	-	-	61
Adoption	5,772	99	377	-	-	-	6,249
Legal Proceedings	1,970	39	-	-	-	-	2,009
District Delivery Service							
Safeguarding Hunts and Fenland	3,710	53	-	-	-	-	3,763
Safeguarding East & South Cambs and Cambridge	4,247	61	-	-	-	-	4,308
Early Help District Delivery Service - North	5,345	89	-	-	-	-	5,434
Early Help District Delivery Service - South	4,616	86	-	-	-	-750	3,952
Subtotal Director of Children & Safeguarding	**52,444**	**863**	**971**	**-35**	**-**	**-800**	**53,443**

Section 3 - A: People & Communities

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Director of Education							
Strategic Management - Education	593	17	-	-	-	-221	389
Early Years Service	1,930	31	-	-	-	-	1,961
Schools Curriculum Service	151	0	-	-	-	-	151
Schools Intervention Service	969	18	-	-	-	-	987
Schools Partnership Service	537	29	-	-	-	-	566
Redundancy & Teachers Pensions	2,910	-14	-	-	-	-	2,896
SEND Specialist Services (0 - 25 years)							
SEND Specialist Services	9,582	49	-	501	500	-	10,632
Funding to Special Schools and Units	24,796	-	-	-	-	-	24,796
High Needs Top Up Funding	19,428	-	-	-	-	-	19,428
SEN Placements	9,973	-	-	-	-	-	9,973
Out of School Tuition	1,519	-	-	-	-	-	1,519
0-19 Place Planning & Organisation Service							
0-19 Organisation & Planning	4,060	11	-	-	-	-	4,070
Early Years Policy, Funding & Operations	94	2	-	-	-	-	96
Education Capital	178	1	-	-	-	-	179
Home to School Transport - Special	9,821	318	934	1,200	-	-400	11,874
Children in Care Transport	2,005	58	123	-400	-	-	1,785
Home to School/ College Transport - Mainstream	9,189	299	263	-	-	-200	9,551
Subtotal Director of Education	**97,734**	**817**	**1,320**	**1,301**	**500**	**-821**	**100,851**
P&C Executive Director							
P&C Executive Director	882	11	-	1,579	-	-	2,473
Central Financing	91	-	-	210	-	-	301
Subtotal P&C Executive Director	**973**	**11**	**-**	**1,789**	**-**	**-**	**2,773**
DSG Adjustment	-72,150	-	-	-	-		-72,150
P&C BUDGET TOTAL	**258,114**	**5,323**	**10,771**	**13,207**	**500**	**-12,819**	**275,096**

Section 3 - A: People and Communities

Table 3: Revenue - Overview

Budget Period: 2020-21 to 2024-25

Ref	Title	2020-21 £000 (Detailed Plans)	2021-22 £000 (Outline Plans)	2022-23 £000 (Outline Plans)	2023-24 £000 (Outline Plans)	2024-25 £000 (Outline Plans)	Description
1	**OPENING GROSS EXPENDITURE**	**415,630**	**455,370**	**473,514**	**494,717**	**515,863**	
A/R.1.001	Increase in expenditure funded from external sources	9,105	-	-	-	-	Increase in expenditure budgets (compared to published 2019-24 Business Plan) as advised during the budget preparation period and permanent in-year changes made during 2019-20.
A/R.1.002	Cultural & Community Services transferred from Place & Economy	8,763	-	-	-	-	Transfer of Cultural & Community Services from P&E to Communities & Safety within P&C.
A/R.1.003	Base Adjustment - High Needs Block DSG	4,304	-	-	-	-	Revised High Needs Block DSG (Dedicated Schools grant) baseline, following increases in funding and transfers from Schools Block in 2019/20.
A/R.1.004	Transferred Function - Independent Living Fund (ILF)	-36	-34	-	-	-	The ILF, a central government funded scheme supporting care needs, closed in 2015. Since then the local authority has been responsible for meeting eligible social care needs for former ILF clients. The government has told us that their grant will be based on a 5% reduction in the number of users accessing the service each year, with none remaining past 2021/22.
A/R.1.005	Improved Better Care Fund (IBCF)	-975	-	-	-	-	This adjustment represents the IBCF grant's contribution to meeting funding pressures in adult social care. These pressures are outlined in the sections below and are predominantly due to demand increases.
A/R.1.006	Social Care Support Grant	-1,650	-	-	-	-	The Social Care Support Grant is unringfenced - in 2019/20 a portion of it was allocated to P&C to mitigate in year pressures. For 2020/21 some of this is replaced by specific pressure funding in the sections below.
A/R.1.007	Better Care Fund (BCF)	1,175	-	-	-	-	BCF funding is expected to rise in line with NHS funding. The additional income is shown in section 7 below, with this line reflecting additional budget available to adults services to mitigate existing pressures.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**436,316**	**455,336**	**473,514**	**494,717**	**515,863**	
2	**INFLATION**						
A/R.2.001	Centrally funded inflation - Staff pay and employment costs	1,664	1,664	832	832	832	Forecast pressure from inflation relating to pay and employment costs. 2% pay inflation has been budgeted for years 1 and 2, with 1% for years 3-5.
A/R.2.002	Centrally funded inflation - Care Providers	2,565	2,528	2,241	1,908	1,957	Forecast pressure from general inflation relating to care providers, particularly on residential and nursing care for older people, which has seen around 7% of inflation through 2018/19 and 2019/20. Further pressure funding is provided below to enable the cost of the rising minimum wage to be factored into rates paid to providers. This line includes a challenging trajectory to bring care home inflation back to RPI by 2024/25.
A/R.2.003	Centrally funded inflation - Children in Care placements	591	626	639	651	664	Inflation is currently forecast at 1.8%.
A/R.2.004	Centrally funded inflation - Transport	669	419	427	436	445	Forecast pressure for inflation relating to transport. This is estimated at 3.3%.
A/R.2.005	Centrally funded inflation - Miscellaneous other budgets	216	557	543	556	570	Forecast pressure from inflation relating to miscellaneous other budgets, on average this is calculated at 0.2% increase.
2.999	**Subtotal Inflation**	**5,705**	**5,794**	**4,682**	**4,383**	**4,468**	

Section 3 - A: People and Communities

Table 3: Revenue - Overview

Budget Period: 2020-21 to 2024-25

Ref	Title	2020-21 £000 (Detailed Plans)	2021-22 £000 (Outline Plans)	2022-23 £000 (Outline Plans)	2023-24 £000 (Outline Plans)	2024-25 £000 (Outline Plans)	Description
3	**DEMOGRAPHY AND DEMAND**						
A/R.3.002	Funding for additional Physical Disabilities demand	514	254	290	208	252	The needs of people with physical disabilities are increasing and so care packages are becoming more complex. In particular, more hours of domiciliary care are being provided per person, and there is expected to be a rise in the number of residential placements in the short-term.
A/R.3.003	Additional funding for Autism and Adult Support demand	75	77	78	80	81	Additional funding to ensure we meet the rising level of needs amongst people with autism and other vulnerable people. It is expected that 10 people will enter this service in 2020/21 and so, based on the anticipated average cost, we are investing an additional £51k to ensure we give them the help they need. We are also investing an additional £24k to meet the increasing complexity in the needs of the people already cared for by the service. This brings the total demand funding requested to £75k for 2020/21.
A/R.3.004	Additional funding for Learning Disability Partnership (LDP) demand	1,843	1,868	1,895	1,924	1,954	Additional funding to ensure we meet the rising level of needs amongst people with learning disabilities - We need to invest an additional £910k in 2020/21 to provide care for a projected 60 new service users (primarily young people) who outnumber the number of people leaving services. We also need to invest £933k in the increasing needs of existing service users and the higher complexity we are seeing in adults over age 25. We're therefore allocating a total of £1,843k to ensure we provide the right care for people with learning disabilities.
A/R.3.005	Funding for Adult Mental Health Demand	70	70	51	51	51	Additional funding for a net increase of 5 care packages for 2020/21, in line with the trend of increasing prevalence of mental health needs and having some regard to district councils' housing plans. This represents an increase of around 1.4% each year.
A/R.3.006	Additional funding for Older People demand	3,475	3,830	4,859	5,002	4,236	Additional funding to ensure we meet the increased demand for care amongst older people, providing care at home as well as residential and nursing placements. Population growth in Cambridgeshire and the fact that people are living longer results in steeply increasing numbers of older people requiring care. We estimate that numbers will increase by around 2.7% each year and the current pattern of activity and expenditure is modelled forward to estimate the additional budget requirement for each age group and type of care. Account is then taken of increasing complexity of cases coming through the service. This work has supported the case for additional funding of £3,475k in 2020/21 to ensure we can continue to provide the care for people who need it.
A/R.3.007	Funding for Older People Mental Health Demand	213	245	297	337	295	Additional funding to ensure we meet the increased demand for care amongst older people with mental health needs, providing care at home as well as residential and nursing placements.The current pattern of activity and expenditure is modelled forward using population forecasts to estimate the additional budget requirement for each age group and type of care. We estimate that numbers will increase by about 2.7% each year. Some account is then taken of increasing complexity of cases coming through the service. This work has supported the case for additional funding of £213k in 2020/21 to ensure we can continue to provide the care for people who need it.
A/R.3.008	Home to school transport mainstream	263	282	321	239	206	Additional funding required to provide home to school transport for pupils attending mainstream schools. This additional funding is required due to the anticipated 2.99% increase in the number of pupils attending Cambridgeshire's schools in 2020/21.

Section 3 - A: People and Communities

Table 3: Revenue - Overview

Budget Period: 2020-21 to 2024-25

Ref	Title	2020-21 £000 (Detailed Plans)	2021-22 £000 (Outline Plans)	2022-23 £000 (Outline Plans)	2023-24 £000 (Outline Plans)	2024-25 £000 (Outline Plans)	Description
A/R.3.009	Home to school transport Children in Care	123	133	143	153	165	Additional funding required to provide home to school transport for Children in Care. This additional funding is required due to an anticipated 7.6% increase in the number of school-aged Children in Care in 2020/21
A/R.3.010	Funding for Home to School Special Transport demand	934	986	1,043	1,103	1,167	Additional funding required to provide transport to education provision for children and young people with special educational needs (SEN). The additional funding is needed as there are increasing numbers of children with SEN and there is a trend towards increasingly complex needs, often requiring bespoke transport solutions. The cost of transport is directly linked to the availability, and increasing number, of places at Special Schools.
A/R.3.011	Funding for rising Children in Care Numbers and need	2,835	3,013	3,256	3,519	3,804	Additional budget required to provide care for children who become looked after. As with many local authorities we have experienced a steady rise in the number of Children in Care in recent years, and an increase in the complexity of need and therefore the cost of suitable placements. The additional investment will ensure we can fully deliver our responsibilities as corporate parents and fund suitable foster, residential or other supported accommodation placements for all children entering care.
A/R.3.016	Funding for additional Special Guardianship Orders/Adoption demand costs	377	443	525	623	738	Additional funding required to cover the cost of placing children in care with adoptive parents or with extended family and other suitable guardians. As the numbers of children in care increase, we need to invest in adoptive and guardianship placements which provide stable, loving and permanent care for children who come into the care system.
A/R.3.017	Funding for additional demand for Community Equipment	29	31	33	36	39	Over the last five years, our social work strategy has been successful in supporting a higher proportion of older people and people with disabilities to live at home (rather than requiring residential care). Additional funding is required to maintain the proportion of service users supported to live independently, through the provision of community equipment and home adaptations. This requirement is patent in the context of a rising population and the increasing complexity of the needs of the people in question.
A/R.3.018	Coroner Service	20	20	20	20	20	Extra costs associated with an increasing population and thus a higher number of deaths.
3.999	**Subtotal Demography and Demand**	**10,771**	**11,252**	**12,811**	**13,295**	**13,008**	
4	**PRESSURES**						
A/R.4.009	Impact of National Living Wage (NLW) on Adult Social Care Contracts	3,993	3,572	3,935	3,668	3,668	Following announcements in December 2019, the NLW will rise by 51p to £8.72 per hour, and we project further steady rises in future years taking the wage to £10.44 by 2024/25. This will have an impact on the cost of purchasing care from external providers. Our analysis suggests it will have between a 1% and 4% impact on costs depending on the type of care being purchased.
A/R.4.010	Increase in Older People's placement costs in previous years	4,978	-	-	-	-	Care costs for older people rose much higher than expected in the second half of 2018/19 and in the first half of 2019/20, particular in residential and nursing care. This funding offsets the impact of that on budgets for 2020/21
A/R.4.011	Increased needs of working age adults with disabilities in previous years	600	-	-	-	-	The needs of adults with disabilities have increased in 2019/20 by more than expected when budgets for demand were set, resulting in a projected opening pressure if not addressed. Much of this increased demand is from young people transitioning into adulthood, an area which is a key focus of the Adults Positive Challenge Programme to manage in future years.
A/R.4.019	Home to School Transport - Special	1,410	-	-	-	-	A greater than anticipated increase in the number of pupils requiring SEND Home to School Transport has resulted in an ongoing pressure of £1,410k

Section 3 - A: People and Communities

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	2020-21 £000 (Detailed Plans)	2021-22 £000 (Outline Plans)	2022-23 £000	2023-24 £000	2024-25 £000	Description
A/R.4.020	SEND Specialist Services - loss of grant	300	-	-	-	-	Funding to offset the pressure caused by the loss of the SEN Reform Grant
A/R.4.021	SEND Specialist Services - underlying pressures	201	-	-	-	-	Historical unfunded pressures within the SEND service. Additional, permanent funding is required in order to fulfil our statutory duties.
A/R.4.022	Dedicated Schools Grant Contribution to Combined Budgets	1,579	1,500	-	-	-	Based on historic levels of spend, an element of the Dedicated Schools Grant (DSG) spend is retained centrally and contributes to the overall funding for the LA. Schools Forum is required to approve the spend on an annual basis and, following national changes, the expectation is that these historic commitments/arrangements will unwind over time. This pressure reflects the potential reduction in the contribution to combined budgets in future years, although is subject to a decision by Schools Forum, to be taken during the autumn term.
A/R.4.023	Libraries to serve new developments	-	49	-	-	-	Cost of running the Eddington Library in North West Cambridge to serve the new community.
A/R.4.027	Supervised contact	-35	-	-	-	-	Part-reversal of previous pressure funding for supervised contact.
A/R.4.028	Independent reviewing officers	-	-85	-	-	-	Reversal of temporary investment into additional Independent Review Officer (IRO) capacity.
A/R.4.029	Coroner Service	391	-37	-	-	-	Pressure funding for the Coroner Service, recognising historical and ongoing increases in demand, cost and complexity of cases.
A/R.4.030	Children in Care - Secure Accommodation	190	-	-	-	-	Pressure related to an increased number of Children in Care requiring placement in secure accommodation as a result of gang related crime.
A/R.4.033	Home to School Transport - Children in Care	-400	-	-	-	-	As a result of work around route optimisation, combined with decreasing numbers of Children in Care, budgets are being realigned to support the wider pressures on transport budgets within P&C.
4.999	**Subtotal Pressures**	**13,207**	**4,999**	**3,935**	**3,668**	**3,668**	
5	**INVESTMENTS**						
A/R.5.001	Permanent Funding for Investments into Social Work	-	1,000	-	-	-	As part of the Adults Positive Challenge Programme, a number of investments will be made from the Transformation Fund to deliver an ambitious package of demand management measures. This funding in 2021/22 is to provide a permanent basis for those investments that will need to continue, and will be allocated following a review of which investments worked and will continue to deliver benefit.
A/R.5.003	Flexible Shared Care Resource	-	-	174	-	-	Funding to bridge the gap between fostering and community support and residential provision has ended. Investment will be repaid over 5 years, at £174k pa from 17/18 to 21-22, from savings in placement costs.
A/R.5.004	SEND Specialist Services - additional capacity	500	-	-	-	-	Permanent funding to ensure that the Statutory Assessment Team has sufficient capacity to meet its statutory duties.
5.999	**Subtotal Investments**	**500**	**1,000**	**174**	**-**	**-**	
6	**SAVINGS**						
	Adults						
A/R.6.114	Learning Disabilities Commissioning	-250	-400	-	-	-	A programme of work commenced in Learning Disability Services in 2016/17 to ensure service-users had the appropriate level of care; some additional work remains, particularly focussing on high cost placements outside of Cambridgeshire and commissioning approaches, as well as the remaining part-year impact of savings made part-way through 2019/20.

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Table 3: Revenue - Overview

Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans 2020-21 £000	Outline Plans 2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
A/R.6.176	Adults Positive Challenge Programme	-3,800	-100	-100	-100	-	Through the Adults Positive Challenge Programme, the County Council has set out to design a new service model for Adult Social Care, which will continue to improve outcomes whilst also being economically sustainable in the face of the huge pressure on the sector. This is the second year of saving through demand management, building on work undertaken through 2019/20, focussing on promoting independence and changing the conversation with staff and service-users to enable people to stay independent for longer. The programme also has a focus of working collaboratively with partner organisations in 2020/21. In later years, the effect of the Preparing for Adulthood workstream will continue to have an effect by reducing the level of demand on services from young people transitioning into adulthood.
A/R.6.179	Mental Health Commissioning	-144	-24	-24	-	-	A retender of supported living contracts gives an opportunity to increase capacity and prevent escalation to higher cost services, over several years. In addition, a number of contract changes have taken place in 2019/20 that have enabled a saving to be taken.
A/R.6.180	Review of commissioning approaches for accommodation based care	-	-175	-175	-	-	We are exploring alternative models of delivery for residential and nursing care provision, including a tenancy based model that should deliver savings to the council.
A/R.6.181	Review of commissioned domiciliary care	-300	-	-	-	-	A review will be undertaken to ensure that the hours of domiciliary care we provide are required to meet people's needs, particularly ensuring that care is tailored to individuals' lifestyles. This should allow fewer hours to be commissioned, for example, where there are care calls that are not needed, and release some capacity to use elsewhere. This is associated with a transformation fund investment, providing capacity to undertake this work.
A/R.6.182	Improved Better Care Fund	-170	-	-	-	-	A review has been conducted of expenditure funded by ringfenced social care grants, particularly the IBCF. A number of areas of spend (those not achieving sufficient outcomes) are proposed to be discontinued, with funding redirected to meet demand pressures.
A/R.6.184	Revised commissioning approach for interim bed provision	-	-150	-	-	-	Provision of interim beds, particularly in older people's services, is being reviewed. A new approach to interim bed provision should reduce delayed discharges from hospital and improve the reablement of people on leaving hospital. Therefore, more people will be able to return home instead of needing permanent residential or nursing care.
	C&P						
A/R.6.201	Cambridgeshire Skills	-180	-	-	-	-	'Cambridgeshire Learning & Skills' is being transformed into 'Cambridgeshire Skills' a new stand-alone, self-financing service which aims to deliver more substantial, direct delivery of adult learning and skills, particularly targeted at those furthest away from learning and work to support their social and economic wellbeing.
	C&YP						
A/R.6.202	Youth Justice / Youth Support	-30	-	-	-	-	A reduction in staff capacity (£15k) and grants to external organisations (£15k) across the Youth Offending and Youth Support Services.
A/R.6.255	Children in Care - Placement composition and reduction in numbers	-3,134	-2,399	-	-	-	Through a mixture of continued recruitment of our own foster carers (thus reducing our use of Independent Foster Agencies) and a reduction in overall numbers of children in care, overall costs of looking after children and young people can be reduced in 2020/21.
A/R.6.257	Early Help offer within Children's services	-750	-	-	-	-	This saving will be achieved by ensuring that early help services are targeted in as effective and efficient a way possible.
A/R.6.266	Children in Care Stretch Target - Demand Management	-1,500	-1,569	-	-	-	Please see A/R.6.255 above.

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Table 3: Revenue - Overview

Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans 2020-21 £000	Outline Plans 2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
A/R.6.267	Children's Disability 0-25 Service	-50	-50	-100	-100	-	The Children's Disability 0-25 service has been restructured into teams (from units) to align with the structure in the rest of children's social care. This has released a £50k saving on staffing budgets. In future years, ways to reduce expenditure on providing services to children will be explored in order to bring our costs down to a level closer to that of our statistical neighbours.
A/R.6.268	Utilisation of Education Grants	-50	-	-	-	-	Contribution from the LAC Pupil Premium Grant to fund work with children in care
A/R.6.269	Review of Education support functions	-171	-	-	-	-	Review of Education support functions including business support.
A/R.6.270	Home to School Transport	-600	-	-	-	-	Review of Home to School Transport processes and provision to include procurement, shared services, demand management and supporting independence
6.999	**Subtotal Savings**	**-11,129**	**-4,867**	**-399**	**-200**	**-**	
	TOTAL GROSS EXPENDITURE	**455,370**	**473,514**	**494,717**	**515,863**	**537,007**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
A/R.7.001	Previous year's fees, charges & ring-fenced grants	-160,694	-180,274	-180,369	-180,747	-181,130	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
A/R.7.002	Changes to fees, charges and schools income compared to 2019-20	-11,707	-	-	-	-	Adjustment for permanent changes to income expectation from decisions made in 2019-20.
A/R.7.003	Fees and charges inflation	-382	-388	-378	-383	-388	Increase in external charges to reflect inflation pressures on the costs of services.
	Changes to fees & charges						
A/R.7.102	Registration Service - Certificate Income	-140	-	-	-	-	An increase in statutory charges for certificates has resulted in an increase in income collected by the Registration Service.
A/R.7.105	Income from utilisation of vacant block care provision by self-funders	-150	-	-	-	-	We currently have some vacancies in block purchased provision in care homes. Income can be generated to offset the vacancy cost by allowing people who pay for their own care to use these beds
A/R.7.106	Client Contributions Policy Change	-1,400	-	-	-	-	In January 2020, Adults Committee agreed a set of changes to the charging policy for adult social care service-user contributions. We expect this to generate new income of around £1.4m in 2020/21, and are modelling the full-year impact into 2021/22.
	Changes to ring-fenced grants						
A/R.7.201	Change in Public Health Grant	-	293	-	-	-	Change in ring-fenced Public Health grant to reflect treatment as a corporate grant from 2021-22, due to removal of ring-fence.
A/R.7.209	High Needs Block DSG funding	-4,304	-	-	-	-	Revised High Needs Block Dedicated schools grant (DSG) baseline, following increases in funding and transfers from Schools Block in 2019/20.
A/R.7.214	Better Care Fund	-1,497	-	-	-	-	Additional funding transfer expected due to the nationally set, annual uplift to the NHS contribution to local authorities, through the Better Care Fund.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-180,274**	**-180,369**	**-180,747**	**-181,130**	**-181,518**	
	TOTAL NET EXPENDITURE	**275,096**	**293,145**	**313,970**	**334,733**	**355,489**	

Section 3 - A: People and Communities

Table 3: Revenue - Overview

Budget Period: 2020-21 to 2024-25

Ref	Title	2020-21 £000 (Detailed Plans)	2021-22 £000 (Outline Plans)	2022-23 £000 (Outline Plans)	2023-24 £000 (Outline Plans)	2024-25 £000 (Outline Plans)	Description
FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
A/R.8.001	Budget Allocation	-275,096	-293,145	-313,970	-334,733	-355,489	Net spend funded from general grants, business rates and Council Tax.
A/R.8.002	Fees & Charges	-65,454	-65,842	-66,220	-66,603	-66,991	Fees and charges for the provision of services.
A/R.8.003	Expected income from Cambridgeshire Maintained Schools	-7,783	-7,783	-7,783	-7,783	-7,783	Expected income from Cambridgeshire maintained schools.
A/R.8.004	Dedicated Schools Grant (DSG)	-72,150	-72,150	-72,150	-72,150	-72,150	The DSG is directly managed by P&C.
A/R.8.005	Better Care Fund (BCF) Allocation for Social Care	-16,950	-16,950	-16,950	-16,950	-16,950	The NHS and County Council pool budgets through the Better Care Fund (BCF), promoting joint working. This line shows the revenue funding flowing from the BCF into Social Care.
A/R.8.007	Youth Justice Board Good Practice Grant	-500	-500	-500	-500	-500	Youth Justice Board Good Practice Grant.
A/R.8.009	Social Care in Prisons Grant	-339	-339	-339	-339	-339	Care Act New Burdens funding.
A/R.8.011	Improved Better Care Fund	-14,725	-14,725	-14,725	-14,725	-14,725	Improved Better Care Fund grant.
A/R.8.012	Education and Skills Funding Agency Grant	-2,080	-2,080	-2,080	-2,080	-2,080	Ring-fenced grant funding for the Adult Learning and Skills service.
A/R.8.401	Public Health Funding	-293	-	-	-	-	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-455,370**	**-473,514**	**-494,717**	**-515,863**	**-537,007**	

Section 3 - A: People and Communities
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
Ongoing	50,068	-	3,137	819	1,114	171	4,058	40,769
Committed Schemes	313,767	188,205	31,330	25,546	42,316	20,485	5,885	-
2019-2020 Starts	123,124	16,353	18,403	38,314	9,945	27,444	12,135	530
2020-2021 Starts	16,625	-	3,947	9,012	3,480	186	-	-
2021-2022 Starts	10,950	-	-	300	7,700	2,800	150	-
2022-2023 Starts	27,341	1	-	520	6,685	9,270	6,735	4,130
2023-2024 Starts	22,700	-	-	-	600	15,800	6,000	300
2024-2025 Starts	13,300	-	-	-	-	350	9,200	3,750
TOTAL BUDGET	**577,875**	**204,559**	**56,817**	**74,511**	**71,840**	**76,506**	**44,163**	**49,479**

Summary of Schemes by Category	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
Basic Need - Primary	182,102	59,563	28,582	21,471	22,831	26,186	19,419	4,050
Basic Need - Secondary	305,439	130,028	14,408	45,795	45,318	45,125	20,105	4,660
Basic Need - Early Years	7,119	6,338	269	211	301	-	-	-
Adaptations	351	1	-	-	35	300	15	-
Condition & Maintenance	24,000	1,500	2,500	2,500	2,500	2,500	2,500	10,000
Building Schools for the Future	-	-	-	-	-	-	-	-
Schools Managed Capital	8,130	-	813	813	813	813	813	4,065
Specialist Provision	19,520	5,667	4,450	3,814	1,600	3,989	-	-
Site Acquisition & Development	2,450	-	2,150	150	150	-	-	-
Temporary Accommodation	12,000	-	1,500	1,500	1,500	1,500	1,000	5,000
Children Support Services	2,550	-	275	275	250	250	250	1,250
Adult Social Care	57,400	-	6,998	6,882	5,440	5,440	5,440	27,200
Cultural & Community Services	2,362	1,462	900	-	-	-	-	-
Corporate Services	-45,548	-	-6,028	-8,900	-8,898	-9,597	-5,379	-6,746
Corporate Services	-	-	-	-	-	-	-	-
TOTAL BUDGET	**577,875**	**204,559**	**56,817**	**74,511**	**71,840**	**76,506**	**44,163**	**49,479**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
A/C.01	**Basic Need - Primary**											
A/C.01.021	North West Cambridge (NIAB site) primary	New 2 form entry school with 52 Early Years provision: £8,876k Basic Need requirement 420 places £1,700k Early Years Basic Need 52 places £1,200k Community facilities - Children's Centre		Committed	11,776	545		40	6,952	4,000	239	-

Section 3 - A: People and Communities
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
A/C.01.028	Fulbourn Primary Phase 2	Expansion of 4 classrooms: £6,951k Basic Need requirement 120 places		Committed	6,951	6,951		-	-	-	-	-
A/C.01.029	Sawtry New Primary	Expansion of provision in Sawtry Primary Basic Need requirement 420 places in 2 phases Early Years Basic Need 26 places		Committed	9,900	50	350	4,500	1,950	150	2,900	-
A/C.01.034	St Neots, Wintringham Park primary	New 3 form entry school with 78 Early Years provision: £11,310k Basic Need requirement 630 places £2,665k Early Years Basic Need 78 places		Committed	13,900	9,569	3,900	300	131	-	-	-
A/C.01.037	Chatteris New School	New 1 form of entry School with 26 Early Years places: £6,153k Basic Need requirement 210 places £ 825k Early Years		Committed	6,978	2,929	3,950	99	-	-	-	-
A/C.01.039	Wyton Primary	New replacement 1.5 form entry school: £9,100k Basic Need requirement 315 places		Committed	9,100	8,998	102	-	-	-	-	-
A/C.01.040	Confidential Scheme	Confidential Scheme		2019-20	3,350	7	45	1,798	1,300	200	-	-
A/C.01.041	Barrington Primary	Expansion to 1 form of entry: £2,580k Basic Need requirement		Committed	2,850	2,784	66	-	-	-	-	-
A/C.01.043	Confidential Scheme	Confidential Scheme		2020-21	5,565	-	189	3,570	1,680	126	-	-
A/C.01.044	Confidential Scheme	Confidential Scheme		2021-22	10,950	-		300	7,700	2,800	150	-
A/C.01.046	Sawston Primary	Extension of 4 classrooms to complete 1 form entry expansion: £2,020k Basic Need requirement 120 places		2019-20	2,020	1,995	25	-	-	-	-	-
A/C.01.048	Histon Additional Places	Expansion of 2 form entry primary and 2 form entry Early Years in the Histon area: £14,886k Basic Need requirement 210 places £2,000k Early Years Basic Need 52 places		Committed	16,886	10,014	6,735	137	-	-	-	-
A/C.01.049	Confidential Scheme	Confidential Scheme		2023-24	11,350	-		-	300	7,900	3,000	150
A/C.01.052	Confidential Scheme	Confidential Scheme		2024-25	13,300	-		-	-	350	9,200	3,750
A/C.01.056	Confidential Scheme	Confidential Scheme		2023-24	11,350	-		-	300	7,900	3,000	150
A/C.01.062	Waterbeach Primary School	Expansion of 1 form of entry due to in-catchment development: £6,766 Basic Need requirement 120 places		Committed	6,766	6,226	420	120	-	-	-	-
A/C.01.065	New Road Primary	Expansion to 2 form of entry: £6,608k Basic Need requirement		Committed	6,558	6,027	400	131	-	-	-	-
A/C.01.066	Bassingbourn Primary School	Expansion		2019-20	2,825	2,549	200	76	-	-	-	-
A/C.01.067	WING Development - Cambridge (new primary)	New 2 form entry school with 52 Early Years provision and community facilities: £8,590k Basic Need requirement 420 places £1,260k Early Years Basic Need 52 places		2019-20	10,250	496	6,600	2,900	254	-	-	-
A/C.01.068	St Philips Primary School	Expansion of 0.5 form of entry: £1,627k Basic Need requirement 60 places		Committed	1,627	87	900	600	40	-	-	-
A/C.01.069	Confidential Scheme	Confidential Scheme		Committed	3,890	10		100	150	2,700	930	-

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Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
A/C.01.070	St Ives, Eastfield / Westfield / Wheatfields primary	Expansion of 1 form of entry: £7,900k Basic Need requirement 210 places		Committed	7,900	326	4,500	2,800	274	-	-	-
A/C.01.071	Confidential Scheme	Confidential Scheme		2020-21	6,060	-	200	4,000	1,800	60	-	-
	Total - Basic Need - Primary				**182,102**	**59,563**	**28,582**	**21,471**	**22,831**	**26,186**	**19,419**	**4,050**
A/C.02	**Basic Need - Secondary**											
A/C.02.003	Littleport secondary and special	New 4 form entry school (with 5 form entry core facilities) with new SEN school and 52 Early Years provision: £29,482k Basic Need requirement 600 places £1,500k Early Years Basic Need 26 places £12,400k SEN 110 places		Committed	43,324	43,324		-	-	-	-	-
A/C.02.006	Northstowe secondary	New 4 form entry school (with 12 form entry core facilities) & 100 place SEN Provision: £49,361k Basic Need requirement 600 places		Committed	49,361	44,323	4,000	610	428	-	-	-
A/C.02.007	Confidential Scheme	Confidential Scheme		Committed	20,518	18	100	1,700	13,000	5,300	400	-
A/C.02.008	Cambridge City secondary	Additional capacity for Cambridge City: £18,200k Basic Need requirement 450 places		Committed	18,200	18,035	165	-	-	-	-	-
A/C.02.009	Confidential Scheme	Confidential Scheme		Committed	40,900	100	1,750	12,000	18,600	7,600	850	-
A/C.02.010	Cambourne Village College	Expansion to 7 form entry (Phase 2): £9,958k Basic Need requirement 300 places Follow on expansion to 9 form entry: £9,066k Basic Need requirement 300 places		Committed	18,834	18,591	243	-	-	-	-	-
A/C.02.011	New secondary capacity to serve Wisbech	New 4 form entry school with 8FE core and SEMH provision: £26,500k Basic Need requirement 750 places £12,300 SEMH Provision		2019-20	38,800	1,275	3,350	30,300	3,270	605	-	-
A/C.02.012	Cromwell Community College	Expansion from 7 to 8 form entry school: £9,012k Basic Need requirement 150 places		2019-20	9,012	4,348	4,550	114	-	-	-	-
A/C.02.013	Confidential Scheme	Confidential Scheme		2022-23	11,130	-		-	-	500	6,500	4,130
A/C.02.014	Confidential Scheme	Confidential Scheme		2022-23	11,860	-		520	6,500	4,620	220	-
A/C.02.015	Confidential Scheme	Confidential Scheme		2019-20	5,000	14		151	2,800	1,900	135	-
A/C.02.016	Cambourne West secondary	New 6 form entry school with 300 place sixth form provision: £38,500k Basic Need requirement 900 places		2019-20	38,500	-	250	400	720	24,600	12,000	530
	Total - Basic Need - Secondary				**305,439**	**130,028**	**14,408**	**45,795**	**45,318**	**45,125**	**20,105**	**4,660**

Section 3 - A: People and Communities
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
A/C.03	**Basic Need - Early Years**											
A/C.03.003	LA Early Years Provision	Funding which enables the Council to increase the number of free Early Years funded places to ensure the Council meets its statutory obligation. This includes providing one-off payments to external providers to help meet demand as well as increasing capacity attached to Cambridgeshire primary schools.		Committed	6,310	6,210	100	-	-	-	-	-
A/C.03.004	Cottenham Early Years	Full Day Nursery Provision - Cottenham		2019-20	809	128	169	211	301	-	-	-
	Total - Basic Need - Early Years				**7,119**	**6,338**	**269**	**211**	**301**	**-**	**-**	**-**
A/C.04	**Adaptations**											
A/C.04.007	William Westley Primary	Adaptation to existing classrooms to ensure they are in accordance with current Building Bulletin guidance.		2022-23	351	1		-	35	300	15	-
	Total - Adaptations				**351**	**1**	**-**	**-**	**35**	**300**	**15**	**-**
A/C.05	**Condition & Maintenance**											
A/C.05.001	School Condition, Maintenance & Suitability	Funding that enables the Council to undertake work that addresses condition and suitability needs identified in schools' asset management plans, ensuring places are sustainable and safe.		Ongoing	22,350	-	2,350	2,500	2,500	2,500	2,500	10,000
A/C.05.002	Kitchen Ventilation	Works to improve ventilation & gas safety in school kitchens (where gas is used for cooking) is required to comply with the Gas safety regulations BS 6173:2009.		Committed	1,650	1,500	150	-	-	-	-	-
	Total - Condition & Maintenance				**24,000**	**1,500**	**2,500**	**2,500**	**2,500**	**2,500**	**2,500**	**10,000**
A/C.07	**Schools Managed Capital**											
A/C.07.001	School Devolved Formula Capital	Funding is allocated directly to Cambridgeshire Maintained schools to enable them to undertake low level refurbishments and condition works.		Ongoing	8,130	-	813	813	813	813	813	4,065
	Total - Schools Managed Capital				**8,130**	**-**	**813**	**813**	**813**	**813**	**813**	**4,065**
A/C.08	**Specialist Provision**											
A/C.08.003	SEN Pupil Adaptations	This budget is to fund child specific adaptations to facilitate the placement of children with SEND in line with decisions taken by the County Resourcing Panel.		Ongoing	450	-	150	150	150	-	-	-
A/C.08.004	Confidential Scheme	Confidential Scheme		2022-23	4,000	-		-	150	3,850	-	-

Section 3 - A: People and Communities
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
A/C.08.005	Spring Common Special School	Replace mobile classrooms with permanent accommodation. Create specialist rooms to meet the needs of pupils with Special Education Needs, including therapy and hygiene rooms in accordance with government guidelines		Committed	3,000	200	1,500	1,300	-	-	-	-
A/C.08.006	Highfields Special School Phase 2	This scheme is provide essential ancillary facilities recommended for a school of this size and nature		2019-20	6,870	5,406	1,300	164	-	-	-	-
A/C.08.007	Confidential Scheme	Confidential Scheme		2019-20	5,200	61	1,500	2,200	1,300	139	-	-
	Total - Specialist Provision				**19,520**	**5,667**	**4,450**	**3,814**	**1,600**	**3,989**	**-**	**-**
A/C.09	**Site Acquisition & Development**											
A/C.09.001	Site Acquisition, Development, Analysis and Investigations	Funding which enables the Council to undertake investigations and feasibility studies into potential land acquisitions to determine their suitability for future school development sites.		Ongoing	450	-	150	150	150	-	-	-
A/C.09.002	St Ives Site Acquisition	Site acquisition in St Ives to accommodate anticipated pupil growth		2020-21	2,000	-	2,000	-	-	-	-	-
	Total - Site Acquisition & Development				**2,450**	**-**	**2,150**	**150**	**150**	**-**	**-**	**-**
A/C.10	**Temporary Accommodation**											
A/C.10.001	Temporary Accommodation	Funding which enables the Council to increase the number of school places provided through use of mobile accommodation. This scheme covers the cost of purchasing new mobiles and the transportation of provision across the county to meet demand.		Ongoing	12,000	-	1,500	1,500	1,500	1,500	1,000	5,000
	Total - Temporary Accommodation				**12,000**	**-**	**1,500**	**1,500**	**1,500**	**1,500**	**1,000**	**5,000**
A/C.11	**Children Support Services**											
A/C.11.001	Children's Minor Works and Adaptions	Funding which enables remedial and essential work to be undertaken, maintaining the Council's in-house LAC provision.		Ongoing	50	-	25	25	-	-	-	-
A/C.11.003	P&C Buildings & Capital Team Capitalisation	Salaries for the Buildings and Capital Team are to be capitalised on an ongoing basis. These are budgeted as one line, but are eventually capitalised against individual schemes.		Ongoing	2,500	-	250	250	250	250	250	1,250
	Total - Children Support Services				**2,550**	**-**	**275**	**275**	**250**	**250**	**250**	**1,250**

Section 3 - A: People and Communities
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
A/C.12	**Adult Social Care**											
A/C.12.004	Disabled Facilities Grant	Funding provided through the Better Care Fund, in partnership with local housing authorities. Disabled Facilities Grant enables accommodation adaptations so that people with disabilities can continue to live in their own homes.		Ongoing	41,400	-	4,140	4,140	4,140	4,140	4,140	20,700
A/C.12.005	Integrated Community Equipment Service	Funding to continue annual capital investment in community equipment, that helps people to sustain their independence. The Council contributes to a pooled budget purchasing community equipment for health and social care needs for people of all ages		Ongoing	13,000	-	1,300	1,300	1,300	1,300	1,300	6,500
A/C.12.006	Confidential Scheme	Confidential Scheme		2020-21	3,000	-	1,558	1,442	-	-	-	-
	Total - Adult Social Care				**57,400**	**-**	**6,998**	**6,882**	**5,440**	**5,440**	**5,440**	**27,200**
A/C.13	**Cultural & Community Services**											
A/C.13.001	New Community Hub / Library Service Provision Darwin Green	Contribution to the fit-out of new community hub / library facilities in areas of growth in the county.		2019-20	340	-	340	-	-	-	-	-
A/C.13.002	Library Service - Card payments in Libraries	Installation of cashless (Chip & PIN or contactless) option for library payments on the self-service machines (RFID) to reduce, and over time negate, the need for cash handling.		2019-20	148	74	74	-	-	-	-	-
A/C.13.003	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	1,874	1,388	486	-	-	-	-	-
	Total - Cultural & Community Services				**2,362**	**1,462**	**900**	**-**	**-**	**-**	**-**	**-**
A/C.14	**Corporate Services**											
A/C.14.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-50,262	-	-7,541	-10,009	-9,689	-10,332	-5,945	-6,746

Section 3 - A: People and Communities
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
A/C.14.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	4,714	-	1,513	1,109	791	735	566	-
	Total - Capital Programme Variation				**-45,548**	**-**	**-6,028**	**-8,900**	**-8,898**	**-9,597**	**-5,379**	**-6,746**
	TOTAL BUDGET				**577,875**	**204,559**	**56,817**	**74,511**	**71,840**	**76,506**	**44,163**	**49,479**

Funding	Total Funding £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
Government Approved Funding								
Basic Need	86,537	31,681	20,626	11,078	4,698	4,564	9,060	4,830
Capital Maintenance	32,662	4,518	3,877	3,693	3,977	3,877	2,720	10,000
Devolved Formula Capital	8,130	-	813	813	813	813	813	4,065
Specific Grants	48,781	2,689	7,473	5,499	4,140	4,140	4,140	20,700
Total - Government Approved Funding	**176,110**	**38,888**	**32,789**	**21,083**	**13,628**	**13,394**	**16,733**	**39,595**
Locally Generated Funding								
Agreed Developer Contributions	67,277	14,637	6,434	7,056	14,690	16,767	7,393	300
Anticipated Developer Contributions	89,521	902	1,600	17,343	36,761	21,889	7,475	3,551
Capital Receipts	1,039	39	1,000	-	-	-	-	-
Prudential Borrowing	230,355	117,334	13,798	38,473	12,182	25,782	15,822	6,964
Prudential Borrowing (Repayable)	46	20,840	-412	-9,444	-5,421	-1,326	-3,260	-931
Other Contributions	13,527	11,919	1,608	-	-	-	-	-
Total - Locally Generated Funding	**401,765**	**165,671**	**24,028**	**53,428**	**58,212**	**63,112**	**27,430**	**9,884**
TOTAL FUNDING	**577,875**	**204,559**	**56,817**	**74,511**	**71,840**	**76,506**	**44,163**	**49,479**

Section 3 - A: People and Communities
Table 5: Capital Programme - Funding
Budget Period: 2020-21 to 2029-30

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	50,068	76,276	-10,007	-	-	-16,201
Committed Schemes	313,767	58,793	89,058	12,319	1,039	152,558
2019-2020 Starts	123,124	15,711	33,873	1,208	-	72,332
2020-2021 Starts	16,625	8,298	4,329	-	-	3,998
2021-2022 Starts	10,950	1,504	-	-	-	9,446
2022-2023 Starts	27,341	12,203	7,300	-	-	7,838
2023-2024 Starts	22,700	-	22,700	-	-	-
2024-2025 Starts	13,300	3,325	9,545	-	-	430
TOTAL BUDGET	**577,875**	**176,110**	**156,798**	**13,527**	**1,039**	**230,401**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.01	**Basic Need - Primary**									
A/C.01.021	North West Cambridge (NIAB site) primary		-	Committed	11,776	90	7,317	-	-	4,369
A/C.01.028	Fulbourn Primary Phase 2		-	Committed	6,951	5,468	-	47	-	1,436
A/C.01.029	Sawtry New Primary		-	Committed	9,900	2,801	2,028	-	-	5,071
A/C.01.034	St Neots, Wintringham Park primary		-	Committed	13,900	-	9,222	-	-	4,678
A/C.01.037	Chatteris New School		-	Committed	6,978	3,800	-	-	-	3,178
A/C.01.039	Wyton Primary		-	Committed	9,100	1,468	-	-	-	7,632
A/C.01.040	Confidential Scheme		-	2019-20	3,350	-	3,350	-	-	-
A/C.01.041	Barrington Primary		-	Committed	2,850	1,049	1,000	-	-	801
A/C.01.043	Confidential Scheme		-	2020-21	5,565	5,017	-	-	-	548
A/C.01.044	Confidential Scheme		-	2021-22	10,950	1,504	-	-	-	9,446
A/C.01.046	Sawston Primary		-	2019-20	2,020	299	-	-	-	1,721
A/C.01.048	Histon Additional Places		-	Committed	16,886	7,932	-	-	-	8,954
A/C.01.049	Confidential Scheme		-	2023-24	11,350	-	11,350	-	-	-
A/C.01.052	Confidential Scheme		-	2024-25	13,300	3,325	9,545	-	-	430
A/C.01.056	Confidential Scheme		-	2023-24	11,350	-	11,350	-	-	-
A/C.01.062	Waterbeach Primary School		-	Committed	6,766	139	-	-	-	6,627
A/C.01.065	New Road Primary		-	Committed	6,558	-	2,197	-	-	4,361
A/C.01.066	Bassingbourn Primary School		-	2019-20	2,825	17	-	-	-	2,808
A/C.01.067	WING Development - Cambridge (new primary)		-	2019-20	10,250	-	9,042	1,208	-	-
A/C.01.068	St Philips Primary School		-	Committed	1,627	-	1,620	-	-	7
A/C.01.069	Confidential Scheme		-	Committed	3,890	2,037	280	-	-	1,573
A/C.01.070	St Ives, Eastfield / Westfield / Wheatfields primary		-	Committed	7,900	3,070	-	-	1,000	3,830
A/C.01.071	Confidential Scheme		-	2020-21	6,060	1,281	4,329	-	-	450
	Total - Basic Need - Primary		**-**		**182,102**	**39,297**	**72,630**	**1,255**	**1,000**	**67,920**

Section 3 - A: People and Communities
Table 5: Capital Programme - Funding
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.02	**Basic Need - Secondary**									
A/C.02.003	Littleport secondary and special		-	Committed	43,324	2,342	4,306	-	-	36,676
A/C.02.006	Northstowe secondary		-	Committed	49,361	11,376	11,309	10,400	-	16,276
A/C.02.007	Confidential Scheme		-	Committed	20,518	-	19,650	-	-	868
A/C.02.008	Cambridge City secondary		-	Committed	18,200	10,291	-	1,671	-	6,238
A/C.02.009	Confidential Scheme		-	Committed	40,900	1,849	23,400	-	-	15,651
A/C.02.010	Cambourne Village College		-	Committed	18,834	2,071	6,673	167	-	9,923
A/C.02.011	New secondary capacity to serve Wisbech		-	2019-20	38,800	5,952	-	-	-	32,848
A/C.02.012	Cromwell Community College		-	2019-20	9,012	3,649	3,259	-	-	2,104
A/C.02.013	Confidential Scheme		-	2022-23	11,130	10,430	-	-	-	700
A/C.02.014	Confidential Scheme		-	2022-23	11,860	1,773	7,300	-	-	2,787
A/C.02.015	Confidential Scheme		-	2019-20	5,000	2,696	2,304	-	-	-
A/C.02.016	Cambourne West secondary		-	2019-20	38,500	-	14,810	-	-	23,690
	Total - Basic Need - Secondary		**-**		**305,439**	**52,429**	**93,011**	**12,238**	**-**	**147,761**
A/C.03	**Basic Need - Early Years**									
A/C.03.003	LA Early Years Provision		-	Committed	6,310	1,600	56	34	-	4,620
A/C.03.004	Cottenham Early Years		-	2019-20	809	-	809	-	-	-
	Total - Basic Need - Early Years		**-**		**7,119**	**1,600**	**865**	**34**	**-**	**4,620**
A/C.04	**Adaptations**									
A/C.04.007	William Westley Primary		-	2022-23	351	-	-	-	-	351
	Total - Adaptations		**-**		**351**	**-**	**-**	**-**	**-**	**351**
A/C.05	**Condition & Maintenance**									
A/C.05.001	School Condition, Maintenance & Suitability		-	Ongoing	22,350	22,350	-	-	-	-
A/C.05.002	Kitchen Ventilation		-	Committed	1,650	1,410	-	-	-	240
	Total - Condition & Maintenance		**-**		**24,000**	**23,760**	**-**	**-**	**-**	**240**
A/C.07	**Schools Managed Capital**									
A/C.07.001	School Devolved Formula Capital		-	Ongoing	8,130	8,130	-	-	-	-
	Total - Schools Managed Capital		**-**		**8,130**	**8,130**	**-**	**-**	**-**	**-**
A/C.08	**Specialist Provision**									
A/C.08.003	SEN Pupil Adaptations		-	Ongoing	450	-	-	-	-	450
A/C.08.004	Confidential Scheme		-	2022-23	4,000	-	-	-	-	4,000

Section 3 - A: People and Communities
Table 5: Capital Programme - Funding
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.08.005	Spring Common Special School		-	Committed	3,000	-	-	-	-	3,000
A/C.08.006	Highfields Special School Phase 2		-	2019-20	6,870	1,189	-	-	-	5,681
A/C.08.007	Confidential Scheme		-	2019-20	5,200	1,909	-	-	-	3,291
	Total - Specialist Provision		**-**		**19,520**	**3,098**	**-**	**-**	**-**	**16,422**
A/C.09	**Site Acquisition & Development**									
A/C.09.001	Site Acquisition, Development, Analysis and Investigations		-	Ongoing	450	-	-	-	-	450
A/C.09.002	St Ives Site Acquisition		-	2020-21	2,000	-	-	-	-	2,000
	Total - Site Acquisition & Development		**-**		**2,450**	**-**	**-**	**-**	**-**	**2,450**
A/C.10	**Temporary Accommodation**									
A/C.10.001	Temporary Accommodation		-	Ongoing	12,000	4,396	-	-	-	7,604
	Total - Temporary Accommodation		**-**		**12,000**	**4,396**	**-**	**-**	**-**	**7,604**
A/C.11	**Children Support Services**									
A/C.11.001	Children's Minor Works and Adaptions		-	Ongoing	50	-	-	-	-	50
A/C.11.003	P&C Buildings & Capital Team Capitalisation		-	Ongoing	2,500	-	-	-	-	2,500
	Total - Children Support Services		**-**		**2,550**	**-**	**-**	**-**	**-**	**2,550**
A/C.12	**Adult Social Care**									
A/C.12.004	Disabled Facilities Grant		-	Ongoing	41,400	41,400	-	-	-	-
A/C.12.005	Integrated Community Equipment Service		-	Ongoing	13,000	-	-	-	-	13,000
A/C.12.006	Confidential Scheme		-	2020-21	3,000	2,000	-	-	-	1,000
	Total - Adult Social Care		**-**		**57,400**	**43,400**	**-**	**-**	**-**	**14,000**
A/C.13	**Cultural & Community Services**									
A/C.13.001	New Community Hub / Library Service Provision Darwin Green		-	2019-20	340	-	299	-	-	41
A/C.13.002	Library Service - Card payments in Libraries		-	2019-20	148	-	-	-	-	148
A/C.13.003	Community Hubs - Sawston			Committed	1,874	-	-	-	39	1,835
	Total - Cultural & Community Services		**-**		**2,362**	**-**	**299**	**-**	**39**	**2,024**

Section 3 - A: People and Communities
Table 5: Capital Programme - Funding
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.14	**Corporate Services**									
A/C.14.001	Variation Budget		-	Ongoing	-50,262	-	-10,007	-	-	-40,255
A/C.14.002	Capitalisation of Interest Costs		-	Committed	4,714	-	-	-	-	4,714
	Total - Capital Programme Variation		**-**		**-45,548**	**-**	**-10,007**	**-**	**-**	**-35,541**
	TOTAL BUDGET				**577,875**	**176,110**	**156,798**	**13,527**	**1,039**	**230,401**

Section 3 - B: Place & Economy

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Executive Director							
-8,316	Executive Director	1,264	-9,854	-8,590	-8,590	-8,590	-8,590	-8,590
-8,316	**Subtotal Executive Director**	**1,264**	**-9,854**	**-8,590**	**-8,590**	**-8,590**	**-8,590**	**-8,590**
	Highways							
157	Asst Dir - Highways	158	-	158	158	158	158	158
6,085	Local Infrastructure Maintenance and Improvement	9,540	-764	8,776	9,776	10,776	11,776	11,776
-95	Traffic Management	2,820	-2,935	-115	-115	-115	-115	-115
528	Road Safety	679	-192	487	607	607	607	607
6,142	Street Lighting	10,502	-4,144	6,358	6,360	6,364	6,364	6,364
407	Highways Asset Management	1,281	-872	409	409	409	409	409
-	Parking Enforcement	5,443	-5,443	-	-	-	-	-
2,125	Winter Maintenance	2,664	-	2,664	2,664	2,664	2,664	2,664
340	Bus Operations including Park & Ride	1,420	-1,413	7	7	7	7	7
15,690	**Subtotal Highways**	**34,507**	**-15,763**	**18,744**	**19,866**	**20,870**	**21,870**	**21,870**
	Passenger Transport							
2,311	Community Transport	2,955	-557	2,398	2,398	2,398	2,398	2,398
4,770	Concessionary Fares	4,934	-16	4,918	4,918	4,918	4,918	4,918
7,081	**Subtotal Passenger Transport**	**7,889**	**-573**	**7,316**	**7,316**	**7,316**	**7,316**	**7,316**
	Environment & Commercial Services							
425	County Planning, Minerals & Waste	646	-275	371	317	317	317	317
51	Historic Environment	1,087	-1,037	50	50	50	50	50
419	Flood Risk Management	525	-101	425	425	425	425	425
28	Energy Projects Director	227	-139	88	90	90	91	91
58	Energy Programme Manager	61	-2	60	60	60	60	60
34,620	Waste Management	39,632	-4,244	35,388	35,613	35,792	35,984	36,186
35,601	**Subtotal Environment & Commercial Services**	**42,178**	**-5,797**	**36,381**	**36,554**	**36,733**	**36,926**	**37,128**

Section 3 - B: Place & Economy

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Infrastructure & Growth							
160	Asst Dir - Infrastructure & Growth	162	-	162	162	162	162	162
1,300	Major Infrastructure Delivery	1,573	-273	1,300	-	-	-	-
33	Transport Strategy and Policy	45	-10	34	34	34	34	34
551	Growth & Development	898	-341	557	557	557	557	557
-	Highways Development Management	1,219	-1,219	-	-	-	-	-
2,044	**Subtotal Infrastructure & Growth**	**3,897**	**-1,843**	**2,054**	**754**	**754**	**754**	**754**
	Future Years							
-	Inflation	-	-	-	1,840	3,867	5,927	8,085
-	Savings	-	-	-				
52,101	**P&E BUDGET TOTAL**	**89,735**	**-33,831**	**55,904**	**57,739**	**60,949**	**64,202**	**66,562**

Section 3 - B: Place & Economy

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Executive Director							
Executive Director	-8,316	-273	-	-	-	-	-8,590
Subtotal Executive Director	**-8,316**	**-273**	**-**	**-**	**-**	**-**	**-8,590**
Highways							
Asst Dir - Highways	157	1	-	-	-	-	158
Local Infrastructure Maintenance and Improvement	6,085	341	-	-	3,000	-650	8,776
Traffic Management	-95	-20	-	-	-	-	-115
Road Safety	528	9	-	-	-	-50	487
Street Lighting	6,142	195	-	-	-	21	6,358
Highways Asset Management	407	2	-	-	-	-	409
Parking Enforcement	-	-	-	-	-	-	-
Winter Maintenance	2,125	76	-	463	-	-	2,664
Bus Operations including Park & Ride	340	7	-	-	-	-340	7
Subtotal Highways	**15,690**	**610**	**-**	**463**	**3,000**	**-1,019**	**18,744**
Passenger Transport							
Community Transport	2,311	87	-	-	-	-	2,398
Concessionary Fares	4,770	148	-	-	-	-	4,918
Subtotal Passenger Transport	**7,081**	**234**	**-**	**-**	**-**	**-**	**7,316**
Environment & Commercial Services							
County Planning, Minerals & Waste	425	-1	-	-54	-	-	371
Historic Environment	51	-1	-	-	-	-	50
Flood Risk Management	419	6	-	-	-	-	425
Energy Projects Director	28	1	-	-	59	-	88
Energy Programme Manager	58	1	-	-	-	-	60
Waste Management	34,620	969	199	-	-	-400	35,388
Subtotal Environment & Commercial Services	**35,601**	**975**	**199**	**-54**	**59**	**-400**	**36,381**

Section 3 - B: Place & Economy

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Infrastructure & Growth							
Asst Dir - Infrastructure & Growth	160	3	-	-	-	-	162
Major Infrastructure Delivery	1,300	-	-	-	-	-	1,300
Transport Strategy and Policy	33	1	-	-	-	-	34
Growth & Development	551	6	-	-	-	-	557
Highways Development Management	-	-	-	-	-	-	-
Subtotal Infrastructure & Growth	**2,044**	**9**	**-**	**-**	**-**	**-**	**2,054**
P&E BUDGET TOTAL	**52,101**	**1,555**	**199**	**409**	**3,059**	**-1,419**	**55,904**

Section 3 - B: Place and Economy

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans 2020-21 £000	Outline Plans 2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
1	**OPENING GROSS EXPENDITURE**	**92,125**	**89,735**	**91,743**	**95,246**	**98,800**	
B/R.1.001	Base adjustments	1,137	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2019-20.
B/R.1.002	Cultural & Community Services transferred to P&C	-8,763	-	-	-	-	Transfer of Cultural & Community Services from P&E to Communities & Safety within P&C.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**84,499**	**89,735**	**91,743**	**95,246**	**98,800**	
2	**INFLATION**						
B/R.2.001	Inflation	1,998	2,135	2,320	2,362	2,466	Some County Council services have higher rates of inflation than the national level. For example, this is due to factors such as increasing oil costs that feed through into services like road repairs. This overall figure comes from an assessment of likely inflation in all P&E services.
2.999	**Subtotal Inflation**	**1,998**	**2,135**	**2,320**	**2,362**	**2,466**	
3	**DEMOGRAPHY AND DEMAND**						
B/R.3.007	Waste Disposal	199	225	179	192	202	Extra cost of landfilling additional waste produced by an increasing population.
3.999	**Subtotal Demography and Demand**	**199**	**225**	**179**	**192**	**202**	
4	**PRESSURES**						
B/R.4.009	Cambridgeshire and Peterborough Minerals and Waste Local Plan	-54	-54	-	-	-	This is the removal of the short-term investment made in previous years. Work was undertaken on a new Minerals and Waste Plan with Peterborough City Council.
B/R.4.013	Guided Busway Defects	-	-1,300	-	-	-	This is the removal of the short-term investment made in previous years. The Council is in dispute with the contractor over defects in the busway construction. This was to fund repairs to defects and legal costs in support of the Council's legal action against the Contractor. The Council expects to recover these costs.
B/R.4.014	Winter Maintenance	463	-	-	-	-	Reflecting in-year pressure and results of current contractual setup
4.999	**Subtotal Pressures**	**409**	**-1,354**	**-**	**-**	**-**	
5	**INVESTMENTS**						
B/R.5.104	Investment in Highways Services	3,000	1,000	1,000	1,000	-	Investment in Highways Services to increase funding for proactive treatment and maintenance of roads, bridges and footpaths.
B/R.5.105	Investment in additional capacity to deliver the Climate Change and Environment Strategy	59	-	-	-	-	The investment will fund two additional posts to support delivery of the Climate Change and Environment Strategy Action Plan.
5.999	**Subtotal Investments**	**3,059**	**1,000**	**1,000**	**1,000**	**-**	

Section 3 - B: Place and Economy

Table 3: Revenue - Overview

Budget Period: 2020-21 to 2024-25

Ref	Title	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
		Detailed Plans	Outline Plans				
6	**SAVINGS**						
	H&I						
B/R.6.102	Waste	-400	-	-	-	-	Reduction in the amount of Waste being landfilled.
B/R.6.204	Road Safety	-50	-	-	-	-	H&CI committee members approved the implementation of a new transformative model for delivering all elements of road safety (education, engineering, school crossing patrols, safety cameras, audits etc). The approach is an integrated model with Peterborough, built around core and commercial activities. The £50k will be achieved through more efficient working practices (moving resource online and co-location)
B/R.6.214	Street Lighting - contract synergies	21	2	4	-	-	Every year the budget is changed to reflect the level of synergy savings which will be achieved from the joint contract. This will not lead to any reduction in street lighting provision.
6.999	**Subtotal Savings**	**-429**	**2**	**4**	**-**	**-**	
	TOTAL GROSS EXPENDITURE	**89,735**	**91,743**	**95,246**	**98,800**	**101,468**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
B/R.7.001	Previous year's fees, charges & ring-fenced grants	-34,621	-33,831	-34,004	-34,297	-34,598	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
B/R.7.002	Fees and charges inflation	-164	-117	-116	-120	-123	Additional income for increases to fees and charges in line with inflation, not including the effect of the Combined Authority Levy.
B/R.7.004	Inflation on Levy charged to the Combined Authority	-279	-176	-177	-181	-185	Inflation of the Combined Authority Levy - this is matched to the inflation in P&E expenditure for which the Combined Authority are billed.
B/R.7.006	Changes to fees, charges & ring-fenced grants	2,223	-	-	-	-	Adjustment for changes to fees, charges & ring-fenced grants reflecting decisions made in 2019-20.
	Changes to fees & charges						
B/R.7.119	Income from Bus Lane Enforcement	-650	-	-	-	-	Utilising additional bus lane enforcement income to fund highways and transport works, as allowed by current legislation.
B/R.7.120	Deployment of current surpluses in civil parking enforcement to transport activities	-340	-	-	-	-	Deployment of current surpluses in civil parking enforcement to transport activities, including a contribution to Park & Ride, as allowed by current legislation.
	Changes to ring-fenced grants						
B/R.7.202	Change in Public Health Grant	-	120	-	-	-	Change in ring-fenced Public Health grant to reflect change of function and treatment as a corporate grant from 2019-20 due to removal of ring-fence.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-33,831**	**-34,004**	**-34,297**	**-34,598**	**-34,906**	
	TOTAL NET EXPENDITURE	**55,904**	**57,739**	**60,949**	**64,202**	**66,562**	

Section 3 - B: Place and Economy

Table 3: Revenue - Overview

Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans	Outline Plans				
		2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
B/R.8.001	Budget Allocation	-55,904	-57,739	-60,949	-64,202	-66,562	Net spend funded from general grants, business rates and Council Tax.
B/R.8.002	Public Health Grant	-120	-	-	-	-	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
B/R.8.003	Fees & Charges	-27,156	-27,449	-27,742	-28,043	-28,351	Fees and charges for the provision of services.
B/R.8.004	PFI Grant - Street Lighting	-3,944	-3,944	-3,944	-3,944	-3,944	PFI Grant from DfT for the life of the project.
B/R.8.005	PFI Grant - Waste	-2,611	-2,611	-2,611	-2,611	-2,611	PFI Grant from DEFRA for the life of the project.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-89,735**	**-91,743**	**-95,246**	**-98,800**	**-101,468**	

Section 3 - B: Place and Economy
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
Ongoing	137,299	72,531	15,825	12,423	12,470	14,025	14,025	-4,000
Committed Schemes	253,386	192,635	10,026	19,899	8,826	1,000	1,000	20,000
TOTAL BUDGET	**390,685**	**265,166**	**25,851**	**32,322**	**21,296**	**15,025**	**15,025**	**16,000**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
B/C.01	**Integrated Transport**											
B/C.1.002	Air Quality Monitoring	Funding towards supporting air quality monitoring work in relation to the road network with local authority partners across the county.		Ongoing	115	-	23	23	23	23	23	-
B/C.1.009	Major Scheme Development & Delivery	Resources to support the development and delivery of major schemes.		Ongoing	1,000	-	200	200	200	200	200	-
B/C.1.011	Local Infrastructure improvements	Provision of the Local Highway Improvement Initiative across the county, providing accessibility works such as disabled parking bays and provision of improvements to the Public Rights of Way network.		Ongoing	3,410	-	682	682	682	682	682	-
B/C.1.012	Safety Schemes	Investment in road safety engineering work at locations where there is strong evidence of a significantly high risk of injury crashes.		Ongoing	2,970	-	594	594	594	594	594	-
B/C.1.015	Strategy and Scheme Development work	Resources to support Transport & Infrastructure strategy and related work across the county, including long term strategies and District and Market Town Transport Strategies, as well as funding towards scheme development work.		Ongoing	1,725	-	345	345	345	345	345	-
B/C.1.019	Delivering the Transport Strategy Aims	Supporting the delivery of Transport Strategies and Market Town Transport Strategies to help improve accessibility and mitigate the impacts of growth.		Ongoing	6,730	-	1,346	1,346	1,346	1,346	1,346	-
B/C.1.020	A14	Improvement of the A14 between Cambridge and Huntingdon. This is a scheme led by the Highways Agency but in order to secure delivery a local contribution to the total scheme cost, which is in excess of £1bn, is required. The Council element of this local contribution is £25m and it is proposed that it should be paid in equal instalments over a period of 25 years commencing in 2020. This is to be funded from within the Integrated Transport block, therefore a decision needs to be made as to which other schemes are reduced to fund this.		Committed	25,200	200	1,000	1,000	1,000	1,000	1,000	20,000
	Total - Integrated Transport				**41,150**	**200**	**4,190**	**4,190**	**4,190**	**4,190**	**4,190**	**20,000**

Section 3 - B: Place and Economy
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
B/C.02	**Operating the Network**											
B/C.2.001	Carriageway & Footway Maintenance including Cycle Paths	Allows the highway network throughout the county to be maintained. With the significant backlog of works to our highways well documented, this fund is crucial in ensuring that we are able to maintain our transport links.		Ongoing	53,360	-	10,672	10,672	10,672	10,672	10,672	-
B/C.2.002	Rights of Way	Allows improvements to our Rights of Way network which provides an important local link in our transport network for communities.		Ongoing	700	-	140	140	140	140	140	-
B/C.2.004	Bridge strengthening	Bridges form a vital part of the transport network. With many structures to maintain across the county it is important that we continue to ensure that the overall transport network can operate and our bridges are maintained.		Ongoing	12,820	-	2,564	2,564	2,564	2,564	2,564	-
B/C.2.005	Traffic Signal Replacement	Traffic signals are a vital part of managing traffic throughout the county. Many signals require to be upgraded to help improve traffic flow and ensure that all road users are able to safely use the transport network.		Ongoing	4,250	-	850	850	850	850	850	-
B/C.2.006	Smarter Travel Management - Integrated Highways Management Centre	The Integrated Highways Management Centre (IHMC) collects, processes and shares real time travel information to local residents, businesses and communities within Cambridgeshire. In emergency situations the IHMC provides information to ensure that the impact on our transport network is mitigated and managed.		Ongoing	1,000	-	200	200	200	200	200	-
B/C.2.007	Smarter Travel Management - Real Time Bus Information	Provision of real time passenger information for the bus network.		Ongoing	825	-	165	165	165	165	165	-
	Total - Operating the Network				**72,955**	**-**	**14,591**	**14,591**	**14,591**	**14,591**	**14,591**	**-**
B/C.03	**Highways**											
B/C.3.001	Highways Maintenance (carriageways only from 2015/16 onwards)	This fund allows the Council to increase its investment in the transport network throughout the county. With the significant backlog of works to our transport network well documented, this fund is crucial in ensuring that we reduce the rate of deterioration of our highways.		Ongoing	78,700	71,677	4,300	2,723	-	-	-	-
	Total - Highways				**78,700**	**71,677**	**4,300**	**2,723**	**-**	**-**	**-**	**-**
B/C.04	**Infrastructure & Growth**											
B/C.4.006	Guided Busway	Guided Busway construction contract retention payments.		Committed	149,791	145,612		4,179	-	-	-	-

Section 3 - B: Place and Economy
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
B/C.4.023	Confidential Scheme	Confidential Scheme		Committed	29,982	8,411	3,020	14,021	4,530	-	-	-
	Total - Infrastructure & Growth				**179,773**	**154,023**	**3,020**	**18,200**	**4,530**	**-**	**-**	**-**
B/C.05	**Environment & Commercial Services**											
B/C.5.012	Confidential Scheme	Confidential Scheme		Committed	6,829	426	2,763	395	3,245	-	-	-
B/C.5.029	Energy Efficiency Fund	Establish a funding stream (value £250k per year, for four years) for investment in energy and water efficiency improvement measures in Council buildings.	F/R.6.108	Ongoing	1,000	854	146	-	-	-	-	-
	Total - Environment & Commercial Services				**7,829**	**1,280**	**2,909**	**395**	**3,245**	**-**	**-**	**-**
B/C.06	**Other Schemes**											
B/C.6.001	Investment in Connecting Cambridgeshire	Connecting Cambridgeshire is working to ensure businesses, residents and public services can make the most of opportunities offered by a fast-changing digital world. Led by the Council, this ambitious partnership programme is improving Cambridgeshire's broadband, mobile and Wi-Fi coverage, whilst supporting online skills, business growth and technological innovation to meet future digital challenges.		Committed	41,290	37,986	3,000	304	-	-	-	-
	Total - Other Schemes				**41,290**	**37,986**	**3,000**	**304**	**-**	**-**	**-**	**-**
B/C.07	**Capital Programme Variation**											
B/C.7.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-31,306	-	-6,402	-8,081	-5,311	-3,756	-3,756	-4,000
B/C.7.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	294	-	243	-	51	-	-	-
	Total - Capital Programme Variation				**-31,012**	**-**	**-6,159**	**-8,081**	**-5,260**	**-3,756**	**-3,756**	**-4,000**
	TOTAL BUDGET				**390,685**	**265,166**	**25,851**	**32,322**	**21,296**	**15,025**	**15,025**	**16,000**

Section 3 - B: Place and Economy
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Funding	Total Funding £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
Government Approved Funding								
Department for Transport	199,023	99,599	17,821	17,569	17,984	15,025	15,025	16,000
Specific Grants	16,750	16,551	199	-	-	-	-	-
Total - Government Approved Funding	**215,773**	**116,150**	**18,020**	**17,569**	**17,984**	**15,025**	**15,025**	**16,000**
Locally Generated Funding								
Agreed Developer Contributions	14,897	14,549	348	-	-	-	-	-
Anticipated Developer Contributions	14,183	-	-	3,695	788	1,000	1,000	7,700
Prudential Borrowing	105,056	112,983	4,662	-2,963	74	-1,000	-1,000	-7,700
Other Contributions	40,776	21,484	2,821	14,021	2,450	-	-	-
Total - Locally Generated Funding	**174,912**	**149,016**	**7,831**	**14,753**	**3,312**	**-**	**-**	**-**
TOTAL FUNDING	**390,685**	**265,166**	**25,851**	**32,322**	**21,296**	**15,025**	**15,025**	**16,000**

Section 3 - B: Place and Economy
Table 5: Capital Programme - Funding
Budget Period: 2020-21 to 2029-30

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	137,299	79,356	-1,245	-	-	59,188
Committed Schemes	253,386	136,417	30,325	40,776	-	45,868
TOTAL BUDGET	**390,685**	**215,773**	**29,080**	**40,776**	**-**	**105,056**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
B/C.01	**Integrated Transport**									
B/C.1.002	Air Quality Monitoring		-	Ongoing	115	115	-	-	-	-
B/C.1.009	Major Scheme Development & Delivery		-	Ongoing	1,000	1,000	-	-	-	-
B/C.1.011	Local Infrastructure improvements		-	Ongoing	3,410	3,410	-	-	-	-
B/C.1.012	Safety Schemes		-	Ongoing	2,970	2,970	-	-	-	-
B/C.1.015	Strategy and Scheme Development work		-	Ongoing	1,725	1,725	-	-	-	-
B/C.1.019	Delivering the Transport Strategy Aims		-	Ongoing	6,730	6,730	-	-	-	-
B/C.1.020	A14		-	Committed	25,200	25,000	-	200	-	-
	Total - Integrated Transport		**-**		**41,150**	**40,950**	**-**	**200**	**-**	**-**
B/C.02	**Operating the Network**									
B/C.2.001	Carriageway & Footway Maintenance including Cycle Paths		-	Ongoing	53,360	53,360	-	-	-	-
B/C.2.002	Rights of Way		-	Ongoing	700	700	-	-	-	-
B/C.2.004	Bridge strengthening		-	Ongoing	12,820	12,820	-	-	-	-
B/C.2.005	Traffic Signal Replacement		-	Ongoing	4,250	4,250	-	-	-	-
B/C.2.006	Smarter Travel Management - Integrated Highways Management Centre		-	Ongoing	1,000	1,000	-	-	-	-
B/C.2.007	Smarter Travel Management - Real Time Bus Information		-	Ongoing	825	825	-	-	-	-
	Total - Operating the Network		**-**		**72,955**	**72,955**	**-**	**-**	**-**	**-**
B/C.03	**Highways**									
B/C.3.001	Highways Maintenance (carriageways only from 2015/16 onwards)		-	Ongoing	78,700	4,932	-	-	-	73,768
	Total - Highways		**-**		**78,700**	**4,932**	**-**	**-**	**-**	**73,768**
B/C.04	**Infrastructure & Growth**									
B/C.4.006	Guided Busway		-	Committed	149,791	94,667	29,488	9,282	-	16,354
B/C.4.023	Confidential Scheme		-	Committed	29,982	8,000	-	19,902	-	2,080
	Total - Infrastructure & Growth		**-**		**179,773**	**102,667**	**29,488**	**29,184**	**-**	**18,434**

Section 3 - B: Place and Economy
Table 5: Capital Programme - Funding
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
B/C.05	**Environment & Commercial Services**									
B/C.5.012	Confidential Scheme		-	Committed	6,829	-	837	-	-	5,992
B/C.5.029	Energy Efficiency Fund	F/R.6.108	-550	Ongoing	1,000	-	-	-	-	1,000
	Total - Environment & Commercial Services		**-550**		**7,829**	**-**	**837**	**-**	**-**	**6,992**
B/C.06	**Other Schemes**									
B/C.6.001	Investment in Connecting Cambridgeshire		-	Committed	41,290	8,750	-	11,392	-	21,148
	Total - Other Schemes		**-**		**41,290**	**8,750**	**-**	**11,392**	**-**	**21,148**
B/C.07	**Capital Programme Variation**									
B/C.7.001	Variation Budget		-	Ongoing	-31,306	-14,481	-1,245	-	-	-15,580
B/C.7.002	Capitalisation of Interest Costs		-	Committed	294	-	-	-	-	294
	Total - Capital Programme Variation		**-**		**-31,012**	**-14,481**	**-1,245**	**-**	**-**	**-15,286**
	TOTAL BUDGET				**390,685**	**215,773**	**29,080**	**40,776**	**-**	**105,056**

Section 3 - C: Corporate and Managed Services

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Corporate & Customer Services							
530	Director, Corporate and Customer Services	640	-101	539	640	640	640	640
127	Chief Executive	132	-3	129	129	129	129	129
735	Communication and Information	747	-	747	747	747	747	747
1,978	Customer Services	2,231	-218	2,013	2,013	2,013	2,013	2,013
523	Information Management	537	-5	532	532	532	532	532
2,083	IT & Digital Service	2,155	-60	2,095	2,095	2,095	2,095	2,095
165	Elections	165	-	165	165	165	165	165
856	Redundancy, Pensions & Injury	1,019	-173	846	846	846	846	846
6,997	**Subtotal Corporate & Customer Services**	**7,626**	**-560**	**7,066**	**7,167**	**7,167**	**7,167**	**7,167**
	Corporate Savings & Funding							
322	Demography Reserve	322	-	322	322	322	322	322
1,266	Central Services and Organisation-Wide Risks	2,465	-90	2,375	2,475	2,475	2,475	2,475
-	Investment in Social Care Capacity	2,600	-	2,600	2,600	1,300	1,300	1,300
-711	PCC Shared Services	-301	-	-301	-301	-301	-301	-301
-38	Automation	-38	-	-38	-38	-38	-38	-38
839	**Subtotal Corporate Savings & Funding**	**5,048**	**-90**	**4,958**	**5,058**	**3,758**	**3,758**	**3,758**
	Business Improvement & Development							
166	Transformation Team	272	-108	164	164	164	164	164
847	Business Intelligence	1,105	-242	863	863	863	863	863
1,013	**Subtotal Business Improvement & Development**	**1,377**	**-350**	**1,027**	**1,027**	**1,027**	**1,027**	**1,027**
	Resources Directorate							
335	Resources Directorate	425	-87	338	338	338	338	338
1,631	Professional Finance	1,660	-	1,660	1,660	1,660	1,660	1,660
1,966	**Subtotal Resources Directorate**	**2,085**	**-87**	**1,998**	**1,998**	**1,998**	**1,998**	**1,998**
	Legal & Governance							
102	Legal & Governance Services	103	-	103	103	103	103	103
385	Democratic & Member Services	454	-95	359	359	359	359	359
1,053	Members' Allowances	1,054	-	1,054	1,054	1,054	1,054	1,054
1,540	**Subtotal Legal & Governance**	**1,611**	**-95**	**1,516**	**1,516**	**1,516**	**1,516**	**1,516**

Section 3 - C: Corporate and Managed Services

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Managed Services							
90	External Audit	75	-	75	75	75	75	75
2,139	Insurance	2,207	-	2,207	2,207	2,207	2,207	2,207
4,371	IT Managed	4,568	-195	4,373	4,373	4,373	4,373	4,373
177	OWD Managed	190	-10	180	180	180	180	180
110	Subscriptions	110	-	110	110	110	110	110
48	Authority-wide Miscellaneous	166	-118	48	148	148	148	148
37	HR Managed	39	-	39	39	39	39	39
-	Corporate Redundancies	-	-	-	-	-	-	-
6,428	Transformation Fund	2,896	-	2,896	295	-	-	-
13,400	**Subtotal Managed Services**	**10,251**	**-323**	**9,928**	**7,427**	**7,132**	**7,132**	**7,132**
	Greater Cambridge Partnership							
602	City Deal with Greater Cambridge Partnership	3,042	-2,393	649	666	653	653	653
602	**Subtotal Greater Cambridge Partnership**	**3,042**	**-2,393**	**649**	**666**	**653**	**653**	**653**
-4,029	**UNIDENTIFIED SAVINGS TO BALANCE BUDGET**	**-4,029**	**-**	**-4,029**	**-8,865**	**-16,696**	**-27,606**	**-38,295**
	Future Years							
-	Inflation	-	-	-	350	453	557	660
	Savings	-	-	-				
22,328	**CS BUDGET TOTAL**	**27,011**	**-3,898**	**23,113**	**16,344**	**7,008**	**-3,798**	**-14,384**

Section 3 - C: Corporate and Managed Services

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Corporate & Customer Services							
Director, Corporate and Customer Services	530	9	-	-	-	-	539
Chief Executive	127	2	-	-	-	-	129
Communication and Information	735	12	-	-	-	-	747
Customer Services	1,978	35	-	-	-	-	2,013
Information Management	523	9	-	-	-	-	532
IT & Digital Service	2,083	12	-	-	-	-	2,095
Elections	165	-	-	-	-	-	165
Redundancy, Pensions & Injury	856	-	-	-	-	-10	846
Subtotal Corporate & Customer Services	**6,997**	**79**	**-**	**-**	**-**	**-10**	**7,066**
Corporate Savings & Funding							
Demography Reserve	322	-	-	-	-	-	322
Central Services and Organisation-Wide Risks	1,266	424	-	400	175	110	2,375
Investment in Social Care Capacity	-	-	-	-	2,600	-	2,600
PCC Shared Services	-711	-	-	-	-	410	-301
Automation	-38	-	-	-	-	-	-38
Subtotal Corporate Savings & Funding	**839**	**424**	**-**	**400**	**2,775**	**520**	**4,958**
Business Improvement & Development							
Transformation Team	166	-2	-	-	-	-	164
Business Intelligence	847	16	-	-	-	-	863
Subtotal Business Improvement & Development	**1,013**	**14**	**-**	**-**	**-**	**-**	**1,027**
Resources Directorate							
Resources Directorate	335	3	-	-	-	-	338
Professional Finance	1,631	29	-	-	-	-	1,660
Subtotal Resources Directorate	**1,966**	**32**	**-**	**-**	**-**	**-**	**1,998**
Legal & Governance							
Legal & Governance Services	102	1	-	-	-	-	103
Democratic & Member Services	385	4	-	-	-	-30	359
Members' Allowances	1,053	1	-	-	-	-	1,054
Subtotal Legal & Governance	**1,540**	**6**	**-**	**-**	**-**	**-30**	**1,516**

Section 3 - C: Corporate and Managed Services

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Managed Services							
External Audit	90	-	-	-	-	-15	75
Insurance	2,139	68	-	-	-	-	2,207
IT Managed	4,371	2	-	-	-	-	4,373
OWD Managed	177	3	-	-	-	-	180
Subscriptions	110	-	-	-	-	-	110
Authority-wide Miscellaneous	48	-	-	-	-	-	48
HR Managed	37	3	-	-	-	-	39
Corporate Redundancies	-	-	-	-	328	-	328
Transformation Fund	6,428	-	-	-	-3,860	-	2,568
Subtotal Managed Services	**13,400**	**76**	**-**	**-**	**-3,532**	**-15**	**9,928**
Greater Cambridge Partnership							
City Deal with Greater Cambridge Partnership	602	-	-	-	47	-	649
Subtotal Greater Cambridge Partnership	**602**	**-**	**-**	**-**	**47**	**-**	**649**
UNIDENTIFIED SAVINGS TO BALANCE BUDGET	**-4,029**	**-**	**-**	**-**	**-**	**-**	**-4,029**
CS BUDGET TOTAL	**22,328**	**630**	**-**	**400**	**-710**	**465**	**23,113**

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	2020-21 £000 (Detailed Plans)	2021-22 £000 (Outline Plans)	2022-23 £000 (Outline Plans)	2023-24 £000 (Outline Plans)	2024-25 £000 (Outline Plans)	Description
1	**OPENING GROSS EXPENDITURE**	**29,172**	**27,011**	**20,706**	**11,384**	**592**	
C/R.1.001	Base Adjustments	-930	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2019-20.
C/R.1.002	Transfer of Function: Repatriation of Professional Finance and Democratic Services	2,108	-	-	-	-	Repatriation of Professional Finance and Democratic Services from LGSS
1.999	**REVISED OPENING GROSS EXPENDITURE**	**30,350**	**27,011**	**20,706**	**11,384**	**592**	
2	**INFLATION**						
C/R.2.001	Inflation	221	191	117	118	117	Some services have higher rates of inflation than the national level. For example, this is due to factors such as increasing running costs of Council properties. This overall figure comes from an assessment of likely inflation in all Corporate services. Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures.
C/R.2.002	Provision for administrative staff pay award	424	174	-	-	-	A pay rise for Council staff was negotiated and awarded nationally for 2018-2020. Lower pay scales received inflationary uplifts in excess of 2%. A provision for additional inflationary increases for staff on lower pay scales has been added in light of recent pay awards across the public sector.
2.999	**Subtotal Inflation**	**645**	**365**	**117**	**118**	**117**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
C/R.4.001	Repatriation of LGSS services	400	750	-	-	-	Cost of services for which responsibility is to move out of LGSS and into Corporate Services.
4.999	**Subtotal Pressures**	**400**	**750**	**-**	**-**	**-**	
5	**INVESTMENTS**						
C/R.5.001	Cambridgeshire IT Service - Desktop and Application Support	175	-	-	-	-	Investment in the IT Service Desk and Desktop Support Service to support the implementation of new software systems, and roll out of laptops and mobile devices.
C/R.5.002	Demand risk in social care	2,600	-	-1,300	-	-	Demand is expected to increase for both adult and children's social care services over the medium term. There are some ambitious plans to mitigate this through the Adults Positive Challenge Programme and the Children in Care strategy, but there remains a risk that this does not work quickly enough. This line provides some further short-term mitigation should that be the case, to be offset as the demand management work delivers over a longer time period.
C/R.5.108	Financing the Energy Investment Unit	224	-	-224	-	-	A Transformation Fund investment to support the development of strategic energy policy, market shaping approaches and a growing portfolio of sustainable energy projects, helping the Council to deliver its target of net zero carbon emissions for Cambridgeshire by 2050.

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans 2020-21 £000	Outline Plans 2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
C/R.5.109	Financing the Commercial Team	257	-257	-	-	-	A Transformation Fund investment in establishing a Commercial Team to provide additional capacity and expertise to deliver the 2019 - 2021 Commercial Strategy.
C/R.5.110	Home to Schools and Adults Social Care Transport	129	-58	-71	-	-	A Transformation Fund investment in specialist capacity to support a review of transport policy, processes and procedures across services and to develop and embed an Independent Travel Training Programme.
C/R.5.111	Learning Disability Partnership Pooled Budget Review	300	-300	-	-	-	Dedicated capacity to review the level of health needs of people within the Learning Disability Partnership.
C/R.5.112	Developing a joint approach for preventing and addressing adolescent risk	28	-28	-	-	-	Developing a joint approach for preventing and addressing adolescent risk through a unique and innovative model that supports our most vulnerable children and young people with the intention of dramatically improving their life chances.
C/R.5.900	Reversal of 17-18 Transformation Fund Investments	-38	-	-	-	-	Transformation funded projects are provided with investments for 1-3 years in order to deliver ongoing savings. This is the reversal of the investment for schemes funded in 2017-18.
C/R.5.901	Reversal of 18-19 Transformation Fund Investments	-50	-	-	-	-	Transformation funded projects are provided with investments for 1-3 years in order to deliver ongoing savings. This is the reversal of the investment for schemes funded in 2018-19. It is anticipated that further transformation funds will come through for funding in 2019-20.
C/R.5.902	Removal of 19-20 Transformation Fund Investments	-4,382	-1,958	-	-	-	Transformation funded projects are provided with investments for 1-3 years in order to deliver ongoing savings. This is the reversal of the investment for schemes funded in 2019-20. It is anticipated that further transformation funds will come through for funding in 2020-21.
C/R.5.953	Greater Cambridge Partnership's Revenue Costs	47	17	-13	-	-	The Council's contribution to the Greater Cambridge Partnership's revenue costs funded by the growth in New Homes Bonus, revised following a reduction in the number of payment years.
5.999	**Subtotal Investments**	**-710**	**-2,584**	**-1,608**	**-**	**-**	
6	**SAVINGS**						
	GPC						
C/R.6.101	Sharing with other Councils	410	-	-	-	-	Reduction in the expected saving to be made from sharing with Peterborough City Council. The focus of the sharing arrangements has shifted from making direct savings to improving service provision and resilience across both councils.
C/R.6.103	External Auditor fee	-15	-	-	-	-	Saving to be achieved from reduction in expenditure on External Audit, as per fees set by Public Sector Audit Appointments
C/R.6.106	Reduction in costs on Redundancy, Pensions & Injury budget	-10	-	-	-	-	Reduction in costs on Redundancy, Pensions & Injury budget, held within Corporate Services.
C/R.6.108	Democratic Services	-30	-	-	-	-	Savings from efficiencies in the Democratic Services team and additional income from public sector partners.
6.999	**Subtotal Savings**	**355**	**-**	**-**	**-**	**-**	
	UNIDENTIFIED SAVINGS TO BALANCE BUDGET	**-4,029**	**-4,836**	**-7,831**	**-10,910**	**-10,689**	
	TOTAL GROSS EXPENDITURE	**27,011**	**20,706**	**11,384**	**592**	**-9,980**	

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans 2020-21 £000	Outline Plans 2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
7	**FEES, CHARGES & RING-FENCED GRANTS**						
C/R.7.001	Previous year's fees, charges & ring-fenced grants	-4,904	-3,898	-4,362	-4,376	-4,390	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
C/R.7.002	Changes to fees, charges & ring-fenced grants	1,003	-	-	-	-	Adjustment for changes to fees, charges & ring-fenced grants reflecting decisions made in 2019-20.
C/R.7.003	Fees and charges inflation	-15	-15	-14	-14	-14	Uplift in external charges to reflect inflation pressures on the costs of services.
C/R.7.004	Transfer of Function: Repatriation of Professional Finance and Democratic Services	-92	-	-	-	-	Repatriation of Professional Finance and Democratic Services from LGSS
	Changes to fees & charges						
C/R.7.101	Council Tax: Counter Fraud & Compliance	200	-650	-	-	-	We will seek to work with Cambridgeshire District Councils to develop a joint action plan to increase the Council tax collected in Cambridgeshire. We will invest in more effective identification of fraudulent or incorrectly claimed Council tax discounts and in compliance activity to ensure residents are paying the correct levels of Council tax. We will establish a gain sharing mechanism to ensure that extra income generated as a result of the scheme is shared fairly between District Councils and the County Council.
C/R.7.102	Business rates income from Alconbury Enterprise Zone	-90	-	-	-	-	Cambridgeshire County Council's shared of retained business rates income from the Alconbury Weald Enterprise Zone.
	Changes to ring-fenced grants						
C/R.7.201	Change in Public Health Grant	-	201	-	-	-	Change in ring-fenced Public Health grant to reflect treatment as a corporate grant from 2021-22 due to removal of ring-fence.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-3,898**	**-4,362**	**-4,376**	**-4,390**	**-4,404**	
	TOTAL NET EXPENDITURE	**23,113**	**16,344**	**7,008**	**-3,798**	**-14,384**	

FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
C/R.8.001	Budget Allocation	-23,113	-16,344	-7,008	3,798	14,384	Net spend funded from general grants, business rates and Council Tax.
C/R.8.002	Public Health Grant	-201	-	-	-	-	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
C/R.8.003	Fees & Charges	-3,697	-4,362	-4,376	-4,390	-4,404	Fees and charges for the provision of services.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-27,011**	**-20,706**	**-11,384**	**-592**	**9,980**	

Section 3 - C: Corporate and Managed Services
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
Ongoing	12,344	8,715	1,217	2,468	-28	-28	-	-
Committed Schemes	1,506	550	386	290	140	140	-	-
2019-2020 Starts	8,667	2,020	6,403	244	-	-	-	-
TOTAL BUDGET	**22,517**	**11,285**	**8,006**	**3,002**	**112**	**112**	**-**	**-**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
C/C.01	**Corporate Services**											
C/C.1.001	Essential CCC Business Systems Upgrade	Upgrades and replacements to key business systems that are at the end of life.		Committed	750	450	150	150	-	-	-	-
C/C.1.006	Confidential Scheme	Confidential Scheme		2019-20	5,408	400	4,764	244	-	-	-	-
C/C.1.007	IT Strategy	Implementation of the first phase of the IT Strategy to support sharing of services across Cambridgeshire and Peterborough. To include: - CRM and Digital - Shared Data - Shared Infrastructure - Office 365		2019-20	3,259	1,620	1,639	-	-	-	-	-
	Total - Corporate Services				**9,417**	**2,470**	**6,553**	**394**	**-**	**-**	**-**	**-**
C/C.02	**Managed Services**											
C/C.2.010	IT Infrastructure Refresh	Upgrades/refresh of the core CCC IT systems that underpin use of IT across the Council. This essential work will ensure that the critical IT Infrastructure continues to be fit for purpose and supports changes in technology and business requirements		Committed	660	100	140	140	140	140	-	-
	Total - Managed Services				**660**	**100**	**140**	**140**	**140**	**140**	**-**	**-**
C/C.03	**Transformation**											
C/C.3.001	Capitalisation of Transformation Team	Funding the Transformation team from capital instead of revenue, by using the flexibility of capital receipts direction.		Ongoing	9,064	4,700	2,182	2,182	-	-	-	-
C/C.3.002	Capitalisation of Redundancies	Funding the cost of redundancies from capital instead of revenue, using the flexibility of capital receipts direction.		Ongoing	6,087	4,015	1,036	1,036	-	-	-	-
	Total - Transformation				**15,151**	**8,715**	**3,218**	**3,218**	**-**	**-**	**-**	**-**

Section 3 - C: Corporate and Managed Services
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
C/C.10	**Capital Programme Variation**											
C/C.10.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-2,807	-	-2,001	-750	-28	-28	-	-
C/C.10.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	96	-	96	-	-	-	-	-
	Total - Capital Programme Variation				**-2,711**	**-**	**-1,905**	**-750**	**-28**	**-28**	**-**	**-**
	TOTAL BUDGET				**22,517**	**11,285**	**8,006**	**3,002**	**112**	**112**	**-**	**-**

Funding	Total Funding £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
Government Approved Funding								
Total - Government Approved Funding	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Locally Generated Funding								
Prudential Borrowing	8,529	2,570	5,448	287	112	112	-	-
Ring-Fenced Capital Receipts	13,988	8,715	2,558	2,715	-	-	-	-
Total - Locally Generated Funding	**22,517**	**11,285**	**8,006**	**3,002**	**112**	**112**	**-**	**-**
TOTAL FUNDING	**22,517**	**11,285**	**8,006**	**3,002**	**112**	**112**	**-**	**-**

Section 3 - C: Corporate and Managed Services

Table 5: Capital Programme - Funding

Budget Period: 2020-21 to 2029-30

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	12,344	-	-	-	13,988	-1,644
Committed Schemes	1,506	-	-	-	-	1,506
2019-2020 Starts	8,667	-	-	-	-	8,667
TOTAL BUDGET	**22,517**	**-**	**-**	**-**	**13,988**	**8,529**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
C/C.01	**Corporate Services**									
C/C.1.001	Essential CCC Business Systems Upgrade		-	Committed	750	-	-	-	-	750
C/C.1.006	Confidential Scheme		-	2019-20	5,408	-	-	-	-	5,408
C/C.1.007	IT Strategy		-	2019-20	3,259	-	-	-	-	3,259
	Total - Corporate Services		**-**		**9,417**	**-**	**-**	**-**	**-**	**9,417**
C/C.02	**Managed Services**									
C/C.2.010	IT Infrastructure Refresh		-	Committed	660	-	-	-	-	660
	Total - Managed Services		**-**		**660**	**-**	**-**	**-**	**-**	**660**
C/C.03	**Transformation**									
C/C.3.001	Capitalisation of Transformation Team		-	Ongoing	9,064	-	-	-	9,064	-
C/C.3.002	Capitalisation of Redundancies		-	Ongoing	6,087	-	-	-	6,087	-
	Total - Transformation		**-**		**15,151**	**-**	**-**	**-**	**15,151**	**-**
C/C.10	**Capital Programme Variation**									
C/C.10.001	Variation Budget		-	Ongoing	-2,807	-	-	-	-1,163	-1,644
C/C.10.002	Capitalisation of Interest Costs			Committed	96	-	-	-	-	96
	Total - Capital Programme Variation		**-**		**-2,711**	**-**	**-**	**-**	**-1,163**	**-1,548**
	TOTAL BUDGET				**22,517**	**-**	**-**	**-**	**13,988**	**8,529**

Section 3 - C: Corporate and Managed Services

Table 6: Revenue - Financing Debt Charges Overview

Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans 2020-21 £000	Outline Plans 2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
1	**OPENING GROSS EXPENDITURE**	**28,161**	**29,260**	**33,697**	**32,910**	**34,207**	
1.999	**REVISED OPENING GROSS EXPENDITURE**	**28,161**	**29,260**	**33,697**	**32,910**	**34,207**	
2	**INFLATION**						
2.999	**Subtotal Inflation**	**-**	**-**	**-**	**-**	**-**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
4.999	**Subtotal Pressures**	**-**	**-**	**-**	**-**	**-**	
5	**INVESTMENTS**						
G/R.5.001	Revenue impact of Capital decisions	781	2,162	42	1,128	2,184	Change in borrowing costs as a result of changes to levels of prudential borrowing in the capital programme.
5.999	**Subtotal Investments**	**781**	**2,162**	**42**	**1,128**	**2,184**	
6	**SAVINGS**						
	GPC						
G/R.6.003	MRP: Accountable Body	367	934	-1,039	-	-	As Accountable Body the Council incurs certain administrative costs in undertaking this role. However it also holds the cash on an interim basis pending utilisation by those parties. The Council maximises the use of these resources whilst not detrimentally affecting those resources. This is only possible where the body or partnership does not use the funds that have been awarded in the financial year in which they are provided. This is an adverse effect, it is the reversal of savings made in previous years as the cash received in prior years is utilised by the parties for whom we hold the funds and can no longer be used to offset borrowing requirements
G/R.6.004	Capitalisation of interest on borrowing	-49	1,341	210	169	169	Through a change in the Council's accounting policy in 2017-18, the cost of borrowing within all schemes will be capitalised. This will help to better reflect the cost of assets when they actually become operational.
6.999	**Subtotal Savings**	**318**	**2,275**	**-829**	**169**	**169**	
	TOTAL GROSS EXPENDITURE	**29,260**	**33,697**	**32,910**	**34,207**	**36,560**	

Section 3 - C: Corporate and Managed Services

Table 6: Revenue - Financing Debt Charges Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans 2020-21 £000	Outline Plans 2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
7	**FEES, CHARGES & RING-FENCED GRANTS**						
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-**	**-**	**-**	**-**	**-**	
	TOTAL NET EXPENDITURE	**29,260**	**33,697**	**32,910**	**34,207**	**36,560**	

FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
G/R.8.101	Budget Allocation	-29,260	-33,697	-32,910	-34,207	-36,560	Net spend funded from general grants, business rates and Council Tax.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-29,260**	**-33,697**	**-32,910**	**-34,207**	**-36,560**	

Section 3 - D: LGSS - Cambridge Office

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Finance Services							
231	Procurement & Insurance	321	-84	237	237	237	237	237
232	Audit and Risk Management	633	-398	235	235	235	235	235
1,379	Finance Operations	1,449	-50	1,399	1,399	1,399	1,399	1,399
-	Pensions Operations	802	-802	-	-	-	-	-
277	Debt Service	307	-16	291	291	291	291	291
2,119	**Subtotal Finance Services**	**3,512**	**-1,350**	**2,162**	**2,162**	**2,162**	**2,162**	**2,162**
	Human Resources							
1,400	Learning & Development	1,826	-415	1,411	1,411	1,411	1,411	1,411
275	Workforce Policy & Strategy	357	-79	278	278	278	278	278
1,096	HR Advisory	1,115	-	1,115	1,115	1,115	1,115	1,115
-38	Payroll & HR Transactions	71	-109	-38	-38	-38	-38	-38
2,733	**Subtotal Human Resources**	**3,369**	**-603**	**2,766**	**2,766**	**2,766**	**2,766**	**2,766**
	Information Technology							
2,265	IT Services	2,339	-	2,339	2,339	2,339	2,339	2,339
1,022	LGSS Business Systems, Projects & Change Management	1,044	-	1,044	1,044	1,044	1,044	1,044
3,287	**Subtotal Information Technology**	**3,383**	**-**	**3,383**	**3,383**	**3,383**	**3,383**	**3,383**
	Managing Director & Support							
8	Customer Engagement	8	-	8	8	8	8	8
150	LGSS Business Planning & Finance	153	-	153	153	153	153	153
158	**Subtotal Managing Director & Support**	**161**	**-**	**161**	**161**	**161**	**161**	**161**
	Central Management							
-2,193	Trading	3,635	-5,821	-2,186	-1,966	-1,966	-1,966	-1,966
-2,193	**Subtotal Central Management**	**3,635**	**-5,821**	**-2,186**	**-1,966**	**-1,966**	**-1,966**	**-1,966**
	Future Years							
-	Inflation	-	-	-	183	276	369	462
-	Savings	-	-	-				
6,103	**LGSS - CAMBRIDGE OFFICE BUDGET TOTAL**	**14,060**	**-7,774**	**6,286**	**6,689**	**6,782**	**6,875**	**6,968**

Section 3 - D: LGSS - Cambridge Office

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Finance Services							
Procurement & Insurance	231	6	-	-	-	-	237
Audit and Risk Management	232	3	-	-	-	-	235
Finance Operations	1,379	20	-	-	-	-	1,399
Pensions Operations	-	-	-	-	-	-	-
Debt Service	277	14	-	-	-	-	291
Subtotal Finance Services	**2,119**	**43**	**-**	**-**	**-**	**-**	**2,162**
Human Resources							
Learning & Development	1,400	11	-	-	-	-	1,411
Workforce Policy & Strategy	275	3	-	-	-	-	278
HR Advisory	1,096	19	-	-	-	-	1,115
Payroll & HR Transactions	-38	-	-	-	-	-	-38
Subtotal Human Resources	**2,733**	**33**	**-**	**-**	**-**	**-**	**2,766**
Information Technology							
IT Services	2,265	74	-	-	-	-	2,339
LGSS Business Systems, Projects & Change Management	1,022	22	-	-	-	-	1,044
Subtotal Information Technology	**3,287**	**96**	**-**	**-**	**-**	**-**	**3,383**
Managing Director & Support							
Customer Engagement	8	-	-	-	-	-	8
LGSS Business Planning & Finance	150	3	-	-	-	-	153
Subtotal Managing Director & Support	**158**	**3**	**-**	**-**	**-**	**-**	**161**
Central Management							
Trading	-2,193	7	-	-	-	-	-2,186
Subtotal Central Management	**-2,193**	**7**	**-**	**-**	**-**	**-**	**-2,186**
LGSS - CAMBRIDGE OFFICE BUDGET TOTAL	**6,103**	**183**	**-**	**-**	**-**	**-**	**6,286**

Section 3 - D: LGSS - Cambridge Office

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	2020-21 £000 (Detailed Plans)	2021-22 £000 (Outline Plans)	2022-23 £000 (Outline Plans)	2023-24 £000 (Outline Plans)	2024-25 £000 (Outline Plans)	Description
1	**OPENING GROSS EXPENDITURE**	**15,660**	**14,060**	**14,259**	**14,364**	**14,470**	
D/R.1.001	Base Adjustments	309	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2019-20.
D/R.1.002	Transfer of Function: Repatriation of Professional Finance and Democratic Services	-2,108	-	-	-	-	Repatriation of Professional Finance and Democratic Services to Cambridgeshire County Council
1.999	**REVISED OPENING GROSS EXPENDITURE**	**13,861**	**14,060**	**14,259**	**14,364**	**14,470**	
2	**INFLATION**						
D/R.2.001	Inflation	199	199	105	106	106	Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures.
2.999	**Subtotal Inflation**	**199**	**199**	**105**	**106**	**106**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
4.999	**Subtotal Pressures**	**-**	**-**	**-**	**-**	**-**	
5	**INVESTMENTS**						
5.999	**Subtotal Investments**	**-**	**-**	**-**	**-**	**-**	
6	**SAVINGS**						
6.999	**Subtotal Savings**	**-**	**-**	**-**	**-**	**-**	
	TOTAL GROSS EXPENDITURE	**14,060**	**14,259**	**14,364**	**14,470**	**14,576**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
D/R.7.001	Previous year's fees, charges & ring-fenced grants	-7,499	-7,774	-7,570	-7,582	-7,595	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
D/R.7.002	Fees and charges inflation	-16	-16	-12	-13	-13	Uplift in external charges to reflect inflation pressures on the costs of services.
D/R.7.003	Changes to fees and charges in 2019-20	-351	-	-	-	-	Changes to fees and charges as a result of decisions in 2019-20.
D/R.7.004	Transfer of Function: Repatriation of Professional Finance and Democratic Services	-92	-	-	-	-	Repatriation of Professional Finance and Democratic Services to Cambridgeshire County Council

Section 3 - D: LGSS - Cambridge Office

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
		Detailed Plans	Outline Plans				
	Changes to fees & charges						
D/R.7.201	Change in Public Health Grant	-	220	-	-	-	Change in ring-fenced Public Health grant to reflect treatment as a corporate grant from 2021-22 due to removal of ring-fence.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-7,958**	**-7,570**	**-7,582**	**-7,595**	**-7,608**	
	TOTAL NET EXPENDITURE	**6,102**	**6,689**	**6,782**	**6,875**	**6,968**	

Ref	Title	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
D/R.8.001	Budget Allocation	-6,286	-6,689	-6,782	-6,875	-6,968	Net spend funded from general grants, business rates and Council Tax.
D/R.8.003	Fees & Charges	-7,554	-7,570	-7,582	-7,595	-7,608	Fees and charges for the provision of services.
D/R.8.004	Public Health Grant	-220	-	-	-	-	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-14,060**	**-14,259**	**-14,364**	**-14,470**	**-14,576**	

Section 3 - E: Public Health

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Children Health							
6,907	Children 0-5 PH Programme	6,907	-	6,907	6,907	6,907	6,907	6,907
1,622	Children 5-19 PH Programme - Non Prescribed	1,622	-	1,622	1,622	1,622	1,622	1,622
270	Children Mental Health	270	-	270	270	270	270	270
8,799	**Subtotal Children Health**	**8,799**	**-**	**8,799**	**8,799**	**8,799**	**8,799**	**8,799**
	Drugs & Alcohol							
5,463	Drug & Alcohol Misuse	5,469	-134	5,335	5,272	5,272	5,272	5,272
5,463	**Subtotal Drugs & Alcohol**	**5,469**	**-134**	**5,335**	**5,272**	**5,272**	**5,272**	**5,272**
	Sexual Health & Contraception							
3,829	SH STI testing & treatment - Prescribed	3,764	-	3,764	3,764	3,764	3,764	3,764
1,116	SH Contraception - Prescribed	1,116	-	1,116	1,116	1,116	1,116	1,116
152	SH Services Advice Prevn Promtn - Non-Prescribed	152	-	152	152	152	152	152
5,097	**Subtotal Sexual Health & Contraception**	**5,032**	**-**	**5,032**	**5,032**	**5,032**	**5,032**	**5,032**
	Behaviour Change / Preventing Long Term Conditions							
1,984	Integrated Lifestyle Services	1,934	-	1,934	1,934	1,934	1,934	1,934
408	Other Health Improvement	518	-110	408	408	408	408	408
703	Smoking Cessation GP & Pharmacy	703	-	703	703	703	703	703
625	NHS Health Checks Prog - Prescribed	625	-	625	625	625	625	625
3,720	**Subtotal Behaviour Change / Preventing Long Term Conditions**	**3,780**	**-110**	**3,670**	**3,670**	**3,670**	**3,670**	**3,670**
	Falls Prevention							
80	Falls Prevention	80	-	80	80	80	80	80
80	**Subtotal Falls Prevention**	**80**	**-**	**80**	**80**	**80**	**80**	**80**
	General Prevention Activities							
13	General Prevention, Traveller Health	13	-	13	13	13	13	13
13	**Subtotal General Prevention Activities**	**13**	**-**	**13**	**13**	**13**	**13**	**13**
	Adult Mental Health & Community Safety							
256	Adult Mental Health & Community Safety	256	-	256	256	256	256	256
256	**Subtotal Adult Mental Health & Community Safety**	**256**	**-**	**256**	**256**	**256**	**256**	**256**

Section 3 - E: Public Health

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Public Health Directorate							
2,008	Public Health - Admin & Salaries	2,236	-184	2,052	2,052	2,052	2,052	2,052
2,008	**Subtotal Public Health Directorate**	**2,236**	**-184**	**2,052**	**2,052**	**2,052**	**2,052**	**2,052**
	Public Health Grant		-25,237	-25,237	-	-	-	-
	Future Years							
-	Savings	-	-	-				
-	Future years' inflation				43	64	85	106
25,436	**PUBLIC HEALTH TOTAL**	**25,665**	**-25,665**	**-**	**25,217**	**25,238**	**25,259**	**25,280**

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

In addition to the above budgets, we expect around £700k of additional budget to be available through the use of earmarked public health reserve for agreed programmes. These include the Healthy Fenland Fund, Lets Get Moving community led physical activity programme, and a new three year enhanced falls prevention pilot programme.

Section 3 - E: Public Health

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Children Health							
Children 0-5 PH Programme	6,907	-	-	-	-	-	6,907
Children 5-19 PH Programme - Non Prescribed	1,622	-	-	-	-	-	1,622
Children Mental Health	270	-	-	-	-	-	270
Subtotal Children Health	**8,799**	**-**	**-**	**-**	**-**	**-**	**8,799**
Drugs & Alcohol							
Drug & Alcohol Misuse	5,463	-1	-	-	-	-127	5,335
Subtotal Drugs & Alcohol	**5,463**	**-1**	**-**	**-**	**-**	**-127**	**5,335**
Sexual Health & Contraception							
SH STI testing & treatment - Prescribed	3,829	-	-	-	-	-65	3,764
SH Contraception - Prescribed	1,116	-	-	-	-	-	1,116
SH Services Advice Prevn Promtn - Non-Prescribed	152	-	-	-	-	-	152
Subtotal Sexual Health & Contraception	**5,097**	**-**	**-**	**-**	**-**	**-65**	**5,032**
Behaviour Change / Preventing Long Term Conditions							
Integrated Lifestyle Services	1,984	-	-	-	-	-50	1,934
Other Health Improvement	408	-	-	-	-	-	408
Smoking Cessation GP & Pharmacy	703	-	-	-	-	-	703
NHS Health Checks Prog - Prescribed	625	-	-	-	-	-	625
Subtotal Behaviour Change / Preventing Long Term Conditions	**3,720**	**-**	**-**	**-**	**-**	**-50**	**3,670**
Falls Prevention							
Falls Prevention	80	-	-	-	-	-	80
Subtotal Falls Prevention	**80**	**-**	**-**	**-**	**-**	**-**	**80**
General Prevention Activities							
General Prevention, Traveller Health	13	-	-	-	-	-	13
Subtotal General Prevention Activities	**13**	**-**	**-**	**-**	**-**	**-**	**13**
Adult Mental Health & Community Safety							
Adult Mental Health & Community Safety	256	-	-	-	-	-	256
Subtotal Adult Mental Health & Community Safety	**256**	**-**	**-**	**-**	**-**	**-**	**256**

Section 3 - E: Public Health

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Public Health Directorate							
Public Health - Admin & Salaries	2,008	44	-	-	-	-	2,052
Subtotal Public Health Directorate	**2,008**	**44**	**-**	**-**	**-**	**-**	**2,052**
Public Health Grant	-25,237			-			-25,237
PUBLIC HEALTH TOTAL	**199**	**43**	**-**	**-**	**-**	**-242**	**-**

Section 3 - E: Public Health

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans 2020-21 £000	Outline Plans 2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
1	**OPENING GROSS EXPENDITURE**	**25,492**	**25,666**	**25,648**	**25,671**	**25,694**	
E/R.1.001	Base Adjustments	51	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2019-20.
E/R.1.002	Assumed new Public Health burdens	320	-	-	-	-	It is assumed that the expected increase in Public Health grant will come with a number of new burdens that will need to be paid by the council
1.999	**REVISED OPENING GROSS EXPENDITURE**	**25,863**	**25,666**	**25,648**	**25,671**	**25,694**	
2	**INFLATION**						
E/R.2.001	Inflation	45	45	23	23	23	Forecast pressure from inflation in the Public Health Directorate, excluding inflation on any costs linked to the standard rate of inflation where the inflation rate is assumed to be 0%. Inflation appears low due to the majority of public health spend being committed to external contracts. Providers are expected to meet inflationary and demographic pressures within the agreed contract envelope.
2.999	**Subtotal Inflation**	**45**	**45**	**23**	**23**	**23**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
4.999	**Subtotal Pressures**	**-**	**-**	**-**	**-**	**-**	
5	**INVESTMENTS**						
5.999	**Subtotal Investments**	**-**	**-**	**-**	**-**	**-**	
6	**SAVINGS**						
	Health						
E/R.6.033	Drug & Alcohol service - funding reduction built in to new service contract	-127	-63	-	-	-	This saving has been built into the contract for Adult Drug and Alcohol Treatment Services which was awarded to Change Grow Live (CGL) and implemented in October 2018. The savings are being achieved through a new service model with strengthened recovery services using cost effective peer support models to avoid readmission, different staffing models, and a mobile outreach service.
E/R.6.034	Recommissioning of the Integrated Contraception and Sexual Health (iCASH) Service contract	-15	-	-	-	-	This saving has been deferred from 2019/20 into 2020/21 and refers to the recommissioning of integrated sexual and reproductive health services described under saving E/R.6.042

Section 3 - E: Public Health

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans 2020-21 £000	Outline Plans 2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
E/R.6.042	Joint re-procurement of Sexual Health Services	-50	-	-	-	-	The re-commissioning of Integrated Sexual and Reproductive Health Services (SRH) for one service across Cambridgeshire and Peterborough. Peterborough City Council will delegate authority to Cambridgeshire County Council to commission, contract and performance manage the successful bidder on its behalf. Service efficiencies and transformational changes will secure the planned savings.
E/R.6.043	Joint re-procurement of Integrated Lifestyle Services	-50	-	-	-	-	Re-commissioning of the integrated lifestyle services as one service across Cambridgeshire and Peterborough. Peterborough City Council will delegate authority to Cambridgeshire County Council to commission, contract and performance manage the new provider.
6.999	**Subtotal Savings**	**-242**	**-63**	**-**	**-**	**-**	
	TOTAL GROSS EXPENDITURE	**25,666**	**25,648**	**25,671**	**25,694**	**25,717**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
E/R.7.001	Previous year's fees, charges & ring-fenced grants	-25,102	-25,666	-431	-433	-435	Fees and charges expected to be received for services provided and Public Health ring-fenced grant from Government.
E/R.7.002	Changes to 2019-20 Fees and Charges	-51	-	-	-	-	Changes to fees and charges as a result of decisions in 2019-20.
E/R.7.003	Fees and Charges Inflation	-2	-2	-2	-2	-2	Inflation on external income.
	Changes to fees & charges						
E/R.7.201	Change in Public Health Grant	-511	25,237	-	-	-	It is assumed following recent announcements that the Public Health Grant will increase by 2% in 2020/21, and that the ring-fence will be removed in 2021/22
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-25,666**	**-431**	**-433**	**-435**	**-437**	
	TOTAL NET EXPENDITURE	**-**	**25,217**	**25,238**	**25,259**	**25,280**	

FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
E/R.8.001	Budget Allocation	-	-25,217	-25,238	-25,259	-25,280	Net spend funded from general grants, business rates and Council Tax.
E/R.8.101	Public Health Grant	-25,237	-	-	-	-	Direct expenditure funded from Public Health grant. As the ring-fence is assumed to be removed in 2021/22, the grant will be treated corporately and replaced with budget allocation for Public Health services
E/R.8.102	Fees & Charges	-429	-431	-433	-435	-437	Income generation (various sources).
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-25,666**	**-25,648**	**-25,671**	**-25,694**	**-25,717**	

Section 3 - F: Commercial & Investments

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	Commercial Activity							
-4,700	Property Investments	3,960	-8,765	-4,805	-4,848	-4,890	-4,933	-4,976
-206	Shareholder Company Dividends	96	-552	-456	-456	-456	-552	-552
-5,850	Housing Investment (This Land Company)	2,196	-7,992	-5,796	-6,063	-6,063	-6,063	-6,063
-449	Contract Efficiencies & Other Income	-249	-200	-449	-949	-1,449	-2,199	-2,949
-	CCLA Managed Investment	-	-420	-420	-420	-420	-420	-420
-874	Renewable Energy Investments	805	-1,099	-294	-746	-892	-1,024	-1,179
-12,079	**Subtotal Commercial Activity**	**6,808**	**-19,028**	**-12,220**	**-13,482**	**-14,170**	**-15,191**	**-16,139**
	Property Services							
5,375	Facilities Management	7,929	-2,156	5,772	4,881	4,883	4,883	4,883
655	Property Services	665	-	665	665	665	665	665
205	Property Compliance	250	-44	206	206	206	206	206
6,235	**Subtotal Property Services**	**8,844**	**-2,201**	**6,643**	**5,752**	**5,754**	**5,754**	**5,754**
	Strategic Assets							
-4,114	County Farms	736	-4,918	-4,182	-4,432	-4,607	-4,607	-4,607
813	Strategic Assets	824	0	824	824	824	824	824
-3,301	**Subtotal Strategic Assets**	**1,560**	**-4,917**	**-3,358**	**-3,608**	**-3,783**	**-3,783**	**-3,783**
	Traded Services							
-200	ICT Service (Education)	1,741	-1,941	-200	-200	-200	-200	-200
-71	Professional Development Centres	55	-126	-71	-71	-71	-71	-71
5	Cambridgeshire Music	1,778	-1,773	5	5	5	5	5
-77	Outdoor Education (includes Grafham Water)	1,892	-1,969	-77	-77	-77	-77	-77
-343	**Subtotal Traded Services**	**5,466**	**-5,809**	**-343**	**-343**	**-343**	**-343**	**-343**
	Future Years							
-	Inflation	-	-	-	140	274	411	550
-	Savings	-	-	-				
-9,487	**COMMERCIAL & INVESTMENTS TOTAL**	**22,678**	**-31,955**	**-9,277**	**-11,540**	**-12,267**	**-13,151**	**-13,960**

Section 3 - F: Commercial & Investments

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Commercial Activity							
Property Investments	-4,700	-	-	15	3,945	-4,065	-4,805
Shareholder Company Dividends	-206	-	-	-	-	-250	-456
Housing Investment (This Land Company)	-5,850	-	-	-	-517	571	-5,796
Contract Efficiencies & Other Income	-449	-	-	-	-	-	-449
CCLA Managed Investment	-	-	-	-	-	-420	-420
Renewable Energy Investments	-874	-	-	4	594	-18	-294
Subtotal Commercial Activity	**-12,079**	**-**	**-**	**19**	**4,022**	**-4,182**	**-12,220**
Property Services							
Facilities Management	5,375	202	-	636	-	-441	5,772
Property Services	655	9	-	-	-	-	665
Property Compliance	205	1	-	-	-	-	206
Subtotal Property Services	**6,235**	**213**	**-**	**636**	**-**	**-441**	**6,643**
Strategic Assets							
County Farms	-4,114	7	-	-	-	-75	-4,182
Strategic Assets	813	11	-	-	-	-	824
Subtotal Strategic Assets	**-3,301**	**18**	**-**	**-**	**-**	**-75**	**-3,358**
Traded Services							
ICT Service (Education)	-200	-	-	-	-	-	-200
Professional Development Centres	-71	-	-	-	-	-	-71
Cambridgeshire Music	5	-	-	-	-	-	5
Outdoor Education (includes Grafham Water)	-77	-	-	-	-	-	-77
Subtotal Traded Services	**-343**	**-**	**-**	**-**	**-**	**-**	**-343**
COMMERCIAL & INVESTMENTS TOTAL	**-9,487**	**231**	**-**	**655**	**4,022**	**-4,698**	**-9,277**

Section 3 - F: Commercial and Investments

Table 3: Revenue - Overview

Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans	Outline Plans				Description
		2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	
1	**OPENING GROSS EXPENDITURE**	**17,735**	**22,678**	**24,622**	**25,382**	**25,810**	
F/R.1.001	Base adjustments	431	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2019-20.
F/R.1.003	Commercial Team	-	258	-	-	-	Establishment of a dedicated commercial resource to deliver the Council's Commercial Strategy; the Commercial Team will be base funded from 2021-22.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**18,166**	**22,936**	**24,622**	**25,382**	**25,810**	
2	**INFLATION**						
F/R.2.001	Inflation	240	149	143	146	148	Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures.
2.999	**Subtotal Inflation**	**240**	**149**	**143**	**146**	**148**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
F/R.4.001	East Barnwell Community Centre	-	100	-	-	-	Operating costs for the proposed new community centre in East Barnwell, Cambridge.
F/R.4.007	LGSS Law dividend expectation	-	-	-	-96	-	LGSS Law Ltd was in deficit in 2017-18 and 2018-19, and the company has retained losses as result. Following significant changes including improvements in fee earner utilisation and in management and direction, the company is profitable again during 2019-20, however this line reflects that a dividend is unlikely to be payable from the company before 2024. The primary financial purpose of the company is to provide cost effective services, which is achieved through fees, rather than the delivery of dividend.
F/R.4.008	Spokes buildings operating costs	395	-	-	-	-	The acquisition, development and change of use of spokes buildings will lead to an increase in the operating costs of those buildings. This will be offset by the savings from the Cambs 2020 programme in 2021-22.
F/R.4.009	Milton Road Library	51	-	-	-	-	Rent payable for the new library at Milton Road, Cambridge.
F/R.4.010	St Ives Smart Energy Grid - operating costs	-	39	1	1	1	The Council is building a Smart Energy Grid at the St Ives Park & Ride site, capital project reference F/C.2.118. These are the expected operating costs.
F/R.4.011	Babraham Smart Energy Grid - operating costs	-	-	45	2	3	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. These are the expected operating costs.
F/R.4.012	Trumpington Smart Energy Grid - operating costs	-	-	-	63	2	The Council is building a Smart Energy Grid at the Trumpington Park & Ride site, capital project reference F/C.2.120. These are the expected operating costs.
F/R.4.013	Stanground Closed Landfill Site - operating costs	-	120	3	3	3	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. These are the expected operating costs.
F/R.4.014	Woodston Closed Landfill Site - operating costs	-	-	48	1	2	The Council is installing a solar park facility and battery storage system at the Woodston closed landfill site, capital project reference F/C.2.122. These are the expected operating costs.
F/R.4.015	North Angle Solar Farm, Soham - operating costs	-	499	14	15	15	The Council is installing a solar park facility at North Angle Farm, Soham, capital project reference F/C.2.123. These are the expected operating costs.

Section 3 - F: Commercial and Investments

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans	Outline Plans				Description
Ref	Title	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
F/R.4.016	Commercial Investments - operating costs	15	-	-	-	-	The Council is developing a portfolio of commercial property investments, capital project reference F/C.1.117. These are the expected operating costs.
F/R.4.017	Babbage House dilapidation costs	190	-190	-	-	-	One-off repair and reinstatement costs associated with restoring Babbage House to its original pre-let state following the end of the Council's tenancy.
F/R.4.903	Renewable Energy - Soham	4	5	40	6	6	Operating costs associated with the capital investment in Renewable Energy, at the Soham Solar Farm. Links to capital proposal C/C.2.102 in BP 2016-17.
4.999	**Subtotal Pressures**	**655**	**573**	**151**	**-5**	**32**	
5	**INVESTMENTS**						
F/R.5.001	Invest to Save Housing Schemes - Interest Costs	-517	-79	-	-	-	Revenue costs associated with the development of the Cambridge Housing and Investment Company in order to generate long-term income streams.
F/R.5.002	St Ives Smart Energy Grid - Interest Costs	-	24	72	-1	-1	The Council is building a Smart Energy Grid at St Ives Park & Ride site, capital project reference F/C.2.118. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
F/R.5.003	Babraham Smart Energy Grid - Interest Costs	-	-	331	-3	-4	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
F/R.5.004	Trumpington Smart Energy Grid - Interest Costs	-	-	-	366	-4	The Council is building a Smart Energy Grid at the Trumpington & Ride site, capital project reference F/C.2.120. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
F/R.5.005	Stanground Closed Landfill Site - Interest Costs	-	434	-4	-5	-4	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy and provision of grid services.
F/R.5.006	Woodston Closed Landfill Site - Interest Costs	-	-	133	-2	-1	The Council is installing a solar park facility and battery storage system at the Woodston closed landfill site, capital project reference F/C.2.122. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy and provision of grid services.
F/R.5.007	North Angle Solar Farm, Soham - Interest Costs	-	1,438	-16	-16	-16	The Council is installing a solar park facility at North Angle Farm, Soham, capital project reference F/C.2.123. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
F/R.5.008	Renewable Energy Soham - Interest Costs	594	-9	-10	-9	-10	The Council has invested in building a solar park at Triangle Farm, Soham. These are the borrowing costs associated with the scheme to be repaid using income from the sale of energy.
F/R.5.009	Commercial Investments - Interest Costs	3,945	-43	-42	-43	-43	The Council is developing a portfolio of commercial property investments. These are the associated borrowing costs to be repaid using rental income generated from the leases of these properties.
5.999	**Subtotal Investments**	**4,022**	**1,765**	**464**	**287**	**-83**	

Section 3 - F: Commercial and Investments

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	2020-21 £000 (Detailed Plans)	2021-22 £000 (Outline Plans)	2022-23 £000 (Outline Plans)	2023-24 £000 (Outline Plans)	2024-25 £000 (Outline Plans)	Description
6	**SAVINGS**						
	C&I						
F/R.6.003	Babbage House closure	-397	-198	-	-	-	The lease on Babbage House is due to end in 2020-21, and will not be renewed.
F/R.6.108	Energy Efficiency Fund - Repayment of Financing Costs	-8	2	2	-	-	Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal B/C.5.029
F/R.6.109	Cambs 2020 Operational Savings	-	-605	-	-	-	Savings to the running costs of corporate buildings as a result of the Cambs 2020 programme.
6.999	**Subtotal Savings**	**-405**	**-801**	**2**	**-**	**-**	
	TOTAL GROSS EXPENDITURE	**22,678**	**24,622**	**25,382**	**25,810**	**25,907**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
F/R.7.001	Previous year's fees, charges & ring-fenced grants	-27,237	-31,955	-36,162	-37,649	-38,961	Previous year's fees and charges for the provision of services and ring-fenced grant funded rolled forward.
F/R.7.002	Increase in fees, charges & ring-fenced grants	-416	-	-	-	-	Adjustment for changes to fees, charges & ring-fenced grants reflecting decisions made in 2019209.
F/R.7.003	Fees and charges inflation	-9	-9	-9	-9	-9	Uplift in external charges to reflect inflation pressures on the cost of services.
	Changes to fees & charges						
F/R.7.103	County Farms Investment (Viability) - Surplus to Repayment of Financing Costs	-4	-	-	-	-	Increase in County Farms rental income resulting from capital investment. Element surplus to repaying financing costs.
F/R.7.104	County Farms Investment (Viability) - Repayment of Financing Costs	4	-	-	-	-	Increase in County Farms rental income resulting from capital investment. Links to capital proposal F/C.2.101.
F/R.7.105	Renewable Energy Soham - Income Generation	-18	-13	-13	-14	-13	Income generation resulting from capital investment in solar farm at Soham. Links to capital proposal C/C.2.102 in BP 2016-17.
F/R.7.106	Utilisation/commercialisation of physical assets	-36	-	-	-	-	One Public Estate Asset plan Maximise the income generated from parking Venue request tool
F/R.7.110	Return on Commercial Property Investments	-4,065	-	-	-	-	The Council is developing a portfolio of commercial property investments. This is the rental income generated from the leases of these properties.
F/R.7.113	Invest to Save Housing Schemes - Income Generation	571	-188	-	-	-	The Council is a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This will require CCC to move from being a seller of sites to being a developer of sites, through a Housing Company. In the future, CCC will operate to make best use of sites with development potential in a co-ordinated and planned manner to develop them for a range of development options, generating capital receipts to support site development and significant revenue and capital income to support services and communities.
F/R.7.114	St Ives Smart Energy Grid - Income Generation	-	-117	-5	-6	-6	The Council is building a Smart Energy Grid at St Ives Park & Ride site, capital project reference F/C.2.118. This is the expected income to be generated from the sale of energy.
F/R.7.116	Babraham Smart Energy Grid - Income Generation	-	-	-304	-16	-18	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. This is the expected income to be generated from the sale of energy.
F/R.7.118	Trumpington Smart Energy Grid - Income Generation	-	-	-	-463	-15	The Council is building a Smart Energy Grid at the Trumpington Park & Ride site, capital project reference F/C.2.120. This is the expected income to be generated from the sale of energy.

Section 3 - F: Commercial and Investments

Table 3: Revenue - Overview
Budget Period: 2020-21 to 2024-25

Ref	Title	Detailed Plans	Outline Plans				
Ref	Title	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description
F/R.7.120	Stanground Closed Landfill Site - Income Generation	-	-510	-23	-24	-25	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. This is the expected income to be generated from the sale of energy and provision of grid services.
F/R.7.122	Woodston Closed Landfill Site - Income Generation	-	-	-380	50	12	The Council is installing a solar park facility and battery storage system at the Woodston closed landfill site, capital project reference F/C.2.122. This is the expected income to be generated from the sale of energy and provision of grid services.
F/R.7.125	North Angle Solar Farm, Soham - Income Generation	-	-2,362	-78	-80	-82	The Council is installing a solar park facility at North Angle Farm, Soham, capital project reference F/C.2.123. This is the expected income to be generated from the sale of energy.
F/R.7.127	County Farms - Commercial uses	-75	-250	-175	-	-	Conversion of barns on the County Farms Estate for non-agricultural commercial uses, including storage and distribution.
F/R.7.129	Pooled Property Fund Investment (CCLA)	-420	-	-	-	-	In accordance with the Council's treasury management strategy, the Commercial & Investment Committee has supported a pooled property fund investment. The Local Authorities' Pooled Property Fund, managed by CCLA, has over £1.1bn invested spread across property classes throughout the UK. The Council has funds available to invest with a long-term horizon and the expected net returns are shown on this line.
F/R.7.130	Increase in ESPO dividend	-250	-	-	-	-	Increase in ESPO dividend
F/R.7.131	Commercial Income	-	-758	-500	-750	-750	Commercial return from the Council's Commercial Strategy, to be generated by the newly developed Commercial Team.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-31,955**	**-36,162**	**-37,649**	**-38,961**	**-39,867**	
	TOTAL NET EXPENDITURE	**-9,277**	**-11,540**	**-12,267**	**-13,151**	**-13,960**	

FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
F/R.8.001	Budget Surplus	9,277	11,540	12,267	13,151	13,960	Net surplus from Commercial and Investment activities contributed to funding other Services.
F/R.8.003	Fees & Charges	-31,173	-35,380	-36,867	-38,179	-39,085	Fees and charges for the provision of services.
F/R.8.004	Arts Council Funding	-782	-782	-782	-782	-782	Ring-fenced grant from the Arts Council to part-fund Cambridgeshire Music
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-22,678**	**-24,622**	**-25,382**	**-25,810**	**-25,907**	

Section 3 - F: Commercial and Investments
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
Ongoing	184,256	164,068	-12,591	29,709	-530	800	200	2,600
Committed Schemes	182,682	125,859	46,565	196	62	-	3,000	7,000
2018-2019 Starts	50,326	1,580	33,935	8,159	6,652	-	-	-
2019-2020 Starts	6,039	3,054	2,985	-	-	-	-	-
2020-2021 Starts	475	-	475	-	-	-	-	-
TOTAL BUDGET	**423,778**	**294,561**	**71,369**	**38,064**	**6,184**	**800**	**3,200**	**9,600**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
F/C.01	**Commercial Activity**											
F/C.1.117	Commercial Investments	Development of a portfolio of strategic investments which are able to provide an income return. This will be developed through commercial research into options available, appropriate balance of portfolio and the extent of risk.	F/R.7.110	Ongoing	206,393	164,068	4,101	38,224	-	-	-	-
F/C.1.118	Confidential Scheme	Confidential Scheme		Committed	3,645	339	3,306	-	-	-	-	-
F/C.1.119	Confidential Scheme	Confidential Scheme		2018-19	6,306	344	563	5,399	-	-	-	-
F/C.1.120	Confidential Scheme	Confidential Scheme		2018-19	6,969	3		314	6,652	-	-	-
F/C.1.121	Confidential Scheme	Confidential Scheme		2018-19	8,267	240	8,027	-	-	-	-	-
F/C.1.122	Confidential Scheme	Confidential Scheme		2018-19	2,526	80		2,446	-	-	-	-
F/C.1.123	Confidential Scheme	Confidential Scheme		2018-19	26,258	913	25,345	-	-	-	-	-
F/C.1.240	Housing schemes	The Council is in a position of continuing to be a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This will require CCC to move from being a seller of sites to being a developer of sites, through a Housing Company. In the future, CCC will operate to make best use of sites with development potential in a co-ordinated and planned manner to develop them for a range of development options, generating capital receipts to support site development and significant revenue and capital income to support services and communities.	F/R.7.113	Committed	158,061	116,011	32,050	-	-	-	3,000	7,000
F/C.1.241	Light Blue Fibre	Equity share capital investment in the Council's joint venture company with Cambridge University to develop and market fibre assets on a commercial basis.		2019-20	40	20	20	-	-	-	-	-
F/C.1.242	LGSS Law Equity	Equity share capital investment in LGSS Law.		2020-21	475	-	475	-	-	-	-	-
	Total - Commercial Activity				**418,940**	**282,018**	**73,887**	**46,383**	**6,652**	**-**	**3,000**	**7,000**

Section 3 - F: Commercial and Investments
Table 4: Capital Programme
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
F/C.02	**Property Services**											
F/C.2.112	Building Maintenance	This budget is used to carry out replacement of failed elements and maintenance refurbishments.		Ongoing	6,000	-	600	600	600	600	600	3,000
	Total - Property Services				**6,000**	**-**	**600**	**600**	**600**	**600**	**600**	**3,000**
F/C.03	**Strategic Assets**											
F/C.3.101	County Farms investment (Viability)	To invest in projects which protect and improve the County Farms Estate's revenue potential, asset value and long term viability.	F/R.7.103	Ongoing	3,000	-	300	300	300	300	300	1,500
F/C.3.103	Local Plans - representations	Making representations to Local Plans and where appropriate following through to planning applications with a view to adding value to County Farms and other Council land, whilst meeting Council objectives through the use / development of such land.		Ongoing	1,000	-	100	100	100	100	100	500
F/C.3.109	Confidential Scheme	Confidential Scheme		Committed	1,981	1,096	885	-	-	-	-	-
F/C.3.116	Shire Hall Relocation	As part of the Cambs 2020 vision, the Council plans to vacate Shire Hall and relocate to outside of Cambridge.	TBC	Committed	18,326	8,413	9,721	192	-	-	-	-
F/C.3.119	Cambs 2020 Spokes Asset Review	The Cambs 2020 Programme will see the current Shire Hall site will be disposed, moving to a 'Hub and Spokes' model with a central purpose built Hub in Alconbury Weald and Spokes sites across the County. This was an opportunity to review our asset portfolio based on organisational needs. This project includes: - acquisition of a new freehold asset - disposal of properties surplus to requirements - major refurbishment works - minor refurbishment works - move related costs (i.e. staff relocation allowance)		2019-20	5,999	3,034	2,965	-	-	-	-	-
	Total - Strategic Assets				**30,306**	**12,543**	**13,971**	**592**	**400**	**400**	**400**	**2,000**
F/C.04	**Capital Programme Variation**											
F/C.4.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-32,137	-	-17,692	-9,515	-1,530	-200	-800	-2,400

Section 3 - F: Commercial and Investments

Table 4: Capital Programme

Budget Period: 2020-21 to 2029-30

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
F/C.4.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	669	-	603	4	62	-	-	-
	Total - Capital Programme Variation				**-31,468**	**-**	**-17,089**	**-9,511**	**-1,468**	**-200**	**-800**	**-2,400**
	TOTAL BUDGET				**423,778**	**294,561**	**71,369**	**38,064**	**6,184**	**800**	**3,200**	**9,600**

Funding	Total Funding £000	Previous Years £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Later Years £000
Government Approved Funding								
Specific Grants	1,468	95	1,373	-	-	-	-	-
Total - Government Approved Funding	**1,468**	**95**	**1,373**	**-**	**-**	**-**	**-**	**-**
Locally Generated Funding								
Agreed Developer Contributions	260	130	130	-	-	-	-	-
Capital Receipts	112,789	74,229	5,740	30,612	408	400	400	1,000
Prudential Borrowing	167,141	110,795	39,318	7,452	5,776	400	400	3,000
Prudential Borrowing (Repayable)	-	106,512	18,077	-1,659	-	-15,491	-21,300	-86,139
Other Contributions	142,120	2,800	6,731	1,659	-	15,491	23,700	91,739
Total - Locally Generated Funding	**422,310**	**294,466**	**69,996**	**38,064**	**6,184**	**800**	**3,200**	**9,600**
TOTAL FUNDING	**423,778**	**294,561**	**71,369**	**38,064**	**6,184**	**800**	**3,200**	**9,600**

Section 3 - F: Commercial and Investments
Table 5: Capital Programme - Funding
Budget Period: 2020-21 to 2029-30

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	184,256	-354	-	-8,192	107,749	85,053
Committed Schemes	182,682	1,822	260	150,312	5,040	25,248
2018-2019 Starts	50,326	-	-	-	-	50,326
2019-2020 Starts	6,039	-	-	-	-	6,039
2020-2021 Starts	475	-	-	-	-	475
TOTAL BUDGET	**423,778**	**1,468**	**260**	**142,120**	**112,789**	**167,141**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
F/C.01	**Commercial Activity**									
F/C.1.117	Commercial Investments	F/R.7.110	-225,791	Ongoing	206,393	-	-	-	112,564	93,829
F/C.1.118	Confidential Scheme		-2,022	Committed	3,645	1,822	-	-	-	1,823
F/C.1.119	Confidential Scheme		-10,571	2018-19	6,306	-	-	-	-	6,306
F/C.1.120	Confidential Scheme		-7,001	2018-19	6,969	-	-	-	-	6,969
F/C.1.121	Confidential Scheme		-8,898	2018-19	8,267	-	-	-	-	8,267
F/C.1.122	Confidential Scheme		-8,816	2018-19	2,526	-	-	-	-	2,526
F/C.1.123	Confidential Scheme		-40,112	2018-19	26,258	-	-	-	-	26,258
F/C.1.240	Housing schemes	F/R.7.113	-126,591	Committed	158,061	-	-	150,312	5,009	2,740
F/C.1.241	Light Blue Fibre		-	2019-20	40	-	-	-	-	40
F/C.1.242	LGSS Law Equity			2020-21	475	-	-	-	-	475
	Total - Commercial Activity		**-429,802**		**418,940**	**1,822**	**-**	**150,312**	**117,573**	**149,233**
F/C.02	**Property Services**									
F/C.2.112	Building Maintenance		-	Ongoing	6,000	-	-	-	-	6,000
	Total - Property Services		**-**		**6,000**	**-**	**-**	**-**	**-**	**6,000**
F/C.03	**Strategic Assets**									
F/C.3.101	County Farms investment (Viability)	F/R.7.103	-7,400	Ongoing	3,000	-	-	-	-	3,000
F/C.3.103	Local Plans - representations		-	Ongoing	1,000	-	-	-	-	1,000
F/C.3.109	Confidential Scheme		-	Committed	1,981	-	260	-	31	1,690
F/C.3.116	Shire Hall Relocation	TBC	-45,200	Committed	18,326	-	-	-	-	18,326
F/C.3.119	Cambs 2020 Spokes Asset Review		-	2019-20	5,999	-	-	-	-	5,999
	Total - Strategic Assets		**-52,600**		**30,306**	**-**	**260**	**-**	**31**	**30,015**
F/C.04	**Capital Programme Variation**									
F/C.4.001	Variation Budget		-	Ongoing	-32,137	-354	-	-8,192	-9,819	-13,772

Section 3 - F: Commercial and Investments
Table 5: Capital Programme - Funding
Budget Period: 2020-21 to 2029-30

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
F/C.4.002	Capitalisation of Interest Costs		-	Committed	669	-	-	-	-	669
	Total - Capital Programme Variation		**-**		**-31,468**	**-354**	**-**	**-8,192**	**-9,819**	**-13,103**
F/C.9.001	Excess Corporate Services capital receipts used to reduce total prudential borrowing			Ongoing					5,004	-5,004
	TOTAL BUDGET				**423,778**	**1,468**	**260**	**142,120**	**112,789**	**167,141**

Business Case

B/R.7.120 - Deployment of current surpluses in civil parking enforcement to transport activities

Project Overview			
Project Title	B/R.7.120 - Deployment of current surpluses in civil parking enforcement to transport activities		
Savings for 2020-21	-£340k	**Business Planning Reference**	B/R.7.120
Business Planning Brief Description	Simplifying tariff structure and some changes to the charges of on-street car parking. This is following a review for the purpose of more effective traffic management.		
Senior Responsible Officer	Richard Lumley		

Project Approach

Background

Why do we need to undertake this project?

There is a committee agreement in place to carry out a review of parking charges every two years to assist in effective traffic management.

What would happen if we did not complete this project?

Less effective traffic management.

Approach

Aims / Objectives

Following the review, make any required changes to parking charges to maximise traffic management.

Project Overview - What are we doing

We will analyse and propose the best method of adjusting charges to support the traffic management objectives. This will require staff time and advertising costs for the required changes. A simplified tariff structure will make it easier for people to understand and it could also minimise overstaying. Any parking surplus will be reinvested in line with legal restrictions.

What assumptions have you made?

Ongoing congestion and traffic issues in Cambridge.
Changing demands of public and businesses.

What constraints does the project face?

Legislation for setting charges on-street: Road Traffic Regulation Act 1984

Delivery Options

Has an options and feasibility study been undertaken?

Other options included

- no action
- no variation on days
- different tariffs

Scope / Interdependencies

Scope

What is within scope?

On-street parking charges, days and times of charges,

What is outside of scope?

City Council owned off street car parks
Park and Ride car parks

Project Dependencies

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

- Traffic management
- controlling vehicle movement
- supporting public transport
- improved air quality
- reduced congestion

Title

Risks

Title

Public perception

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

The general public using off street parking in Cambridge

What positive impacts are anticipated from this proposal?

- Cleaner air

- Better traffic management
- Support of public transport

What negative impacts are anticipated from this proposal?

- Increased cost and increase in days and times of charging.
- Financial impact to individuals using the parking

Are there other impacts which are more neutral?

Blue Badge Holders will still be able to park as they currently do

Disproportionate impacts on specific groups with protected characteristics

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

No disproportionate impacts on protected characteristics identified.

Business Case

B/R.7.119 - Income from bus lane enforcement

Project Overview			
Project Title	B/R.7.119 - Income from bus lane enforcement		
Savings for 2020-21	-£650k	**Business Planning Reference**	B/R.7.119
Business Planning Brief Description	Replacement of bollard restriction at Worts Causeway with DFT approved device camera enforcement. Primary aim to enforce restriction to limit private vehicle access and prioritise public transport. Funding to be provided from internal On street account or GCP. Project group established with objectives and timescales identified. Prepare site, completed signs and lines review and implementation. Install cameras and complete full comms operation.		
Senior Responsible Officer	Sonia Hansen		

Project Approach

Background

Why do we need to undertake this project?

The Primary aim is to ensure the priority of public transport in order to support the overarching transport strategy.

What would happen if we did not complete this project?

There would be continued delays to public transport and excessive private vehicle activity in central Cambridge.

Approach

Aims / Objectives

To support public transport by enforcing the restrictions on private vehicle access in central Cambridge

Project Overview - What are we doing

- Meeting the Authority's strategy to control traffic movement in Cambridge.
- Replacing costly restriction infrastructure and installing effective controls which are not a financial burden on the Authority.

Schedule:

- Feasibility and liaison with Development regarding Worts Causeway by August 2019. Response has indicated developments will not materially impact on the project.
- Scheme design and request target cost by September 2019.
- Target costs from Skanska to be agreed/implemented with Skanska by December 2019
- Scheme implementation by Skanska by March 2020
- Go live April 2020

What assumptions have you made?

Motorists will be sufficiently dissuaded, in order to improve traffic movements in the key areas.

What constraints does the project face?

Legislation, negative media and public perceptions.
Development activities in the area.

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

Worts Causeway bus gate

What is outside of scope?

other bus lane sites

Project Dependencies

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

- Improved vehicular movement
- limited congestion
- faster public transport
- improved air quality

Title

Risks

Title: Limited compliance

Replacement of bollards with DfT approved camera devices could make it less obvious that the road should not be used and cause potential for limited compliance.

- There will be advance warning and signage in line with DfT guidance to warn motorists about bus gates.

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

Public, public transport, Local Authority

What positive impacts are anticipated from this proposal?

Compliance with restriction supporting Authority Transport strategy with sufficient income to cover costs and operation.

What negative impacts are anticipated from this proposal?

Public perception of enforcement can be seen as negative and critical of the Authority.

Are there other impacts which are more neutral?

NA

Disproportionate impacts on specific groups with protected characteristics

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

No specific risks identified

Business Case

E/R.6.042 - Joint re-procurement of Sexual Health Services including digital delivery

Project Overview			
Project Title	E/R.6.042 - Joint re-procurement of Sexual Health Services including digital delivery		
Savings for 2020-21	-50k	**Business Planning Reference**	E/R.6.042
Business Planning Brief Description	This business case is for the re-commissioning of Integrated Sexual and Reproductive Health Services (SRH) for one service across Cambridgeshire and Peterborough. Peterborough City Council will delegate authority to Cambridgeshire County Council to commission, contract and performance manage the successful bidder on its behalf. Service efficiencies and transformational changes will secure the planned savings.		
Senior Responsible Officer	Val Thomas		

Project Approach

Background

Why do we need to undertake this project?

Cash reductions in the Public Health Grant and financial pressures upon the Local Authority require efficiencies and cost-effective innovative approaches to delivering commissioned services. The re-commissioning of this service across Cambridgeshire County Council and Peterborough City Council will bring efficiencies and there will be further development of the transformational service redesign and efficiencies that have been taking place during the past three years in both areas.
In addition, Cambridgeshire and Peterborough were selected as one of two sites in the country by Public Health England to pilot collaborative commissioning with other commissioners of Sexual and Reproductive Health (SRH) services in the NHS. This is providing the opportunity to improve pathways and the patient experience.

What would happen if we did not complete this project?

If these services were not provided there would be the following consequences

- The Sexual and Reproductive Health (SRH) current contract ends on the 31st March 2020. It has already been extended and any further extensions are not possible.
- People with Sexually Transmitted Infections (STIs) would not be treated if the current Service contract ends and there is a very high risk that this would lead to outbreaks of STIs in the population.

Approach

Aims / Objectives

The aim to is recommission Sexual and Reproductive Health (SRH) Services for Cambridgeshire and Peterborough
Specific objectives are:

- to provide access to all SRH services across the county providing easy and acceptable access to high risk population groups to avoid increases in sexually transmitted infections and unplanned pregnancies
- to ensure there are robust pathways to related services
- to introduce efficiencies and transformational changes in service delivery that provide cost efficiencies and savings

Project Overview - What are we doing

Background
Cambridgeshire County Council and Peterborough City Council commission Integrated Sexual Health and Reproductive Health Services from Cambridgeshire Community Services. The clinics offer testing, treatment and contact tracing for people at risk of sexually transmitted infections along with the full range of contraception services. Services are 'open access' – i.e. people can refer themselves and are entitled to be seen.

They are a mandated local authority public health service under the Health and Social Care Act (2013). The Integrated Service was commissioned in 2014 and it brought together sexual health and contraception into the integrated service. The Service is delivered through a Hub and Spoke model whereby there are three hubs that offer the full range of clinical services and are Consultant led (Wisbech, Cambridge City and Huntingdon). In addition there are nurse led spoke clinics that provide less complex sexual health and contraception services.

It was commissioned to integrate sexual health and contraception services so that patients are able to address all their sexual health and contraception needs in one service and location and address the health inequalities and inequities of service provision between the north and south of the county. A key theme was the requirement to modernise the service to ensure that it is efficient and cost effective.

Current position
Over the past three years the Cambridgeshire Service has introduced a number of innovative approaches which includes using new technologies. In addition it has made savings and has streamlined the service but this has always been undertaken in areas where demand for service is low. The re-commission will have one contract for both Cambridgeshire and Peterborough. It is intended that the new contract will be awarded for commencement in April 2020. Efficiencies are anticipated from having a single contract. These are currently in development but they are anticipated to reflect the merging of managerial and administrative functions. In addition, the Service has introduced an on-line service for asymptomatic patients that is still being developed. There is the potential to explore other digital options for managing demand.

Collaborative Commissioning
Cambridgeshire and Peterborough were selected as one of two sites in the country by Public Health England to pilot collaborative commissioning with other commissioners of Sexual and Reproductive Health (SRH) services in the NHS. This was in response to the identified fragmentation of the commissioning of connected SRH services since 2013.This is providing the opportunity to improve pathways and the patient experience. The re-commission will include cervical screening and HIV treatment services on behalf of NHS England. Under discussion is the inclusion of early termination of pregnancy and minor gynaecological services with the Clinical Commissioning Group.

What assumptions have you made?

Providing services across both Cambridgeshire and Peterborough requires efficient management and administrative systems to ensure patient safety. Any savings would not compromise these areas.

What constraints does the project face?

The procurement must be completed by March 31st 2020 when the current contract ends. These services are one of the local authority mandated services and there is statutory requirement to ensure that they are commissioned and provided in the area.

Delivery Options

Has an options and feasibility study been undertaken?

Procurement options

The options were discussed with procurement and because of it's value the full competitive option was chosen in view of the legal and procurement regulations.

Delivery model and costing options

Combining delivery model and cost to realise the best value service offer for our citizens, options being considered are:

1. Developments in clinics. This takes two forms;

1.
    i. the greater integration, through collaborative commissioning, of services in the field of sexual & reproductive health and HIV where the commissioning responsibility sits with another healthcare authority such as NHS England and the local NHS CCG. Such an approach supports service users, who will experience a ‘one-stop-shop’ style clinic, but also our local service by offering an opportunity to gain additional income. Services being discussed include Cervical Screening; HPV Vaccination for MSM; HIV Care & Treatment and early medical abortion services.

    ii. improving sign-posting for service users and triage, to educate those needing our services of the optimal route to receive the care that they need. In reality this would see those who are without symptoms; are not vulnerable; nor within higher and highest risk groups; and are seeking a standard set of tests and/ or advice directed towards our online offer.

2. Expansion of an ‘eService’, to include a wider range of testing-kit models; the potential of postal treatment for non-complex Chlamydia; the ability for women to be counselled on their choice of contraception online (leading to fewer clinic attendances to gain their method of choice); development of partner notification; and support and management in cases of people presenting with a safeguarding issue.

3. Development of a sustainable costing/ pricing model that will see funds ‘following the patient’ whilst delivering a dependable savings plan for the taxpayer. In reality, this would allow funds to be drawn out of physical delivery; then utilised to provide (i) a material investment into the eService and (ii) a cash saving in support of local government commissioning.

Scope / Interdependencies

Scope

What is within scope?

Community sexual health and reproductive services that are one of the Local Authority's mandated responsibilities.

What is outside of scope?

Contraception services (Long Acting Reversible Contraception - LARC) commissioned by the Local Authorities from GP practices.

Project Dependencies

Title

Please detail any further interdependencies

- These services are critical for ensuring that sexually transmitted infections (STIs) are treated before they are transmitted in the population and also to ensure easy access to contraception, especially to high risk groups, to avoid unplanned pregnancies.
- Unplanned pregnancies especially in younger age groups can create demand for both social care and health services.
- Untreated STIs can cause complex conditions that can require social and health care.

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Community Integrated Sexual and Reproductive Health (iSRH) services provide easy access to contraception for high risk vulnerable groups who would not attend their GP practice for contraception. Young people who have unplanned pregnancies have a higher risk of complex health and social issues affecting the mother and child. Often they will require above average use of health and social care services. Teenage pregnancies are also associated with poorer longer term health, educational and employment outcomes with high risks of poverty.

SRH services based in the community provide easy access to treatment for Sexually Transmitted Infections (STIs) especially for vulnerable groups such as the homeless, drug and alcohol users and sex workers. That is groups who are associated with non-compliance of treatment and poorer outcomes without easy access to services. Non-treatment increases the Public Health risk of increased spread of STIs in the population.

Easy access to HIV treatment services supports people seeking diagnosis following possible exposure to HIV infection.This is an issue for both Cambridgeshire and Peterborough as statistics show that both local authorities have rates of late diagnosis that are significantly higher than the national average. Early diagnosis and treatment can mean a normal life expectancy and very few health and social care needs. Late diagnosis can lead to ongoing use of health and social care services with poorer health outcomes.

Risks

Title: Re-commissioning Sexual and Reproductive Health Services

Sexual and Reproductive Health (SRH) services are mandated for the local authority as they contribute to safeguarding the public from the spread of sexually transmitted infections (STIs). There is open access and patients may self-refer. Consequently demand management is challenging if there is an increase in STIs in the population. The increase may be in the event of an STI outbreak emergency or a sustained increase in demand due to decreases in prevention activities.

- There have been many developments in the management of sexually transmitted infections with the introduction of digital services and nursing staff assuming an increasing number of medical roles. Some of these have been implemented as part of the transformation of services. These changes are ongoing as alternative approaches to service delivery are identified.
- However the combined projected costs, of physical and online based services, is above the available cash envelope in any one or more of the five contracting years in question. A multi-tool approach is being taken including (i) close benchmarking of costs across both services to ensure a robust baseline is found; (ii) contract level expectations of the value to be drawn-out of the physical service in each financial year; (iii) contract terms in the eService that cap the maximum additional funds available in each of the future financial years; and (iv) a procurement model that will exclude providers who submit a bid in breach of the financial limits.

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

All residents of Cambridgeshire

What positive impacts are anticipated from this proposal?

The re-commission of the Sexual and Reproductive Health (SRH) services will bring the following positive impacts:

- The Service is a county wide and will provide clinics throughout the county ensuring that the more rural residents in the north of the county are able to access the services.
- It will make sure that high risk groups such as young people, homeless, sex workers, men who have sex with men, those misusing drugs and alcohol know of the services and are able to access them easily.
- There will be bespoke services for young people.

What negative impacts are anticipated from this proposal?

No negative impacts anticipated as the service will seek to ensure that all those with protected characteristics receive information about the service and that the service is accessible and sensitive to any particular needs.

Are there other impacts which are more neutral?

None

Disproportionate impacts on specific groups with protected characteristics

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

- **Age:** Young people are at a higher risk of acquiring a sexually transmitted infection or an unwanted

pregnancy. There will be bespoke clinics for young people.
- **Sexual orientation:** Rates of sexually transmitted infections are higher in men who have sex with men. The Service will be promoted with these groups to encourage and support them to seek testing and treatment if they are at risk of acquiring a sexually transmitted infection.
- **Pregnancy and maternities:** The easy access to contraception provided by the Service will be promoted especially in groups at risk of unplanned pregnancies.
- **Rurality:** Services will be provided in the more rural areas in the north of the county.
- **Deprivation:** Services will be provided in the deprived areas in the north of the county.

Any efficiencies in the new service will not compromise the targeting and access to services for these groups. In addition the Prevention of Sexual Ill Health Service, which is also being re-commissioned, will promote these services with relevant groups.

Business Case

E/R.6.043 - Joint re-procurement of Integrated Lifestyle Services

Project Overview

Project Title	E/R.6.043 - Joint re-procurement of Integrated Lifestyle Services		
Savings for 2020-21	-50k	**Business Planning Reference**	E/R.6.043
Business Planning Brief Description	Re-commissioning of the integrated lifestyle services as one service across Cambridgeshire and Peterborough. Peterborough City Council will delegate authority to Cambridgeshire County Council to commission, contract and performance manage the new provider. Savings will be sought through efficiencies and transformational changes.		
Senior Responsible Officer	Val Thomas		

Project Approach

Background

Why do we need to undertake this project?

Cost-effective, innovative approaches to delivering commissioned services is of fundamental importance in a context of increasing financial pressure on local government and cash reductions in the Public Health Grant.

The re-commissioning of this service across Cambridgeshire County Council and Peterborough City Council will bring efficiencies, and there will also be further development of the transformational service redesign and efficiencies that have been taking place during the past three years in both areas.

What would happen if we did not complete this project?

The Integrated Lifestyle Service provides a range of services that aim to improve lifestyles and avoid ill health. In particular those conditions that create ongoing demand for health and social care services. Supporting lifestyle change amongst the population reduces the risk of associated conditions such as diabetes, cardio-vascular disease, respiratory disease, mental health conditions and obesity. The service also undertakes the National Child Weight Measurement Programme which is a mandated function of the Local Authority.

The contracts in both Cambridgeshire County Council and Peterborough City Council expire in March 2020 and cannot be further extended; if a new service is not commissioned these vital prevention services will not be provided.

Approach

Aims / Objectives

The overall aim of the procurement is to secure a lifestyle service that will provide residents with information, support and interventions that will enable them to make lifestyle choices that reduce the risk of and prevent ill prevent ill health and foster well being.

Specific objectives for the new service are:

- Provide a health trainer service that supports behaviour change at population and targeted level. This will include Fall Prevention, Mental Health, Alcohol misuse and other areas to be defined following completion of the evidence review
- Provide weight management services for adults and children
- Undertake the annual National Child Weight Management Programme
- Provide outreach NHS Health Checks

Procurement Objectives

- Completion of the Procurement in line with the schedule
- Successful implementation of the service
- Value for money service commissioned that provides cost efficiencies and delivers the identified savings

Project Overview - What are we doing

Re-commissioning the Integrated Lifestyle Service as one service across Cambridgeshire and Peterborough. Peterborough City Council will delegate authority to Cambridgeshire County Council to commission, contract and performance manage the service on its behalf. The service will include a range of health trainer behaviour change services, weight management services, outreach NHS Health Checks and the National Child Weight Management Programme.

What assumptions have you made?

That there is robust market for a competitive tender for the delivery of lifestyle services with bidders who want to make innovative changes to the Service.

What constraints does the project face?

Transformational changes are necessary but there is a limited evidence base for some of the proposed areas for development.

Delivery Options

Has an options and feasibility study been undertaken?

As there are no further contract extensions available beyond the contract expiration date of May 2020, some form of procurement is necessary. Due to the contract value the option of a competitive tender is the preferred route.

Scope / Interdependencies

Scope

What is within scope?

To re-commission the Integrated Lifestyle Services which includes the following:

- Health Trainer Behaviour Change Service that includes health trainers that work with targeted groups
- Adult and Child weight management
- Outreach NHS health Checks
- National Child Weight Management Programme

What is outside of scope?

The re-commissioning of any other Public Health Services.

Project Dependencies

Or please detail any further interdependencies

Lifestyle Services Services have number of interdependencies:

- Referring organisations: A range of organisations refer to Lifestyle Services; these identify individuals at risk of ill health associated with lifestyle behaviours and refer to lifestyle services for support with behaviours. Referring organisations include GPs, community pharmacists, NHS trusts and social care, and individuals may also self-refer.
- Demand for services: Improving lifestyle behaviours is associated with improved health and longer term health outcomes; this impacts on the demand for a range of health and social care services.
- Partnerships and collaboration: Changing health related behaviours often depends on collaboration with a range of non-health and social care providers such as District Councils which provide facilities that clients may access to improve their lifestyles; these are important resources for the lifestyle service in terms of referring their clients.

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Title

Lifestyle Services Specialist Carers Health Trainer

Risks

Title: Integrated Lifestyle Services

The funding for this service has been decreased by £50,000 in the re-commission of the service. The risk is that this could impact upon service delivery.

- This saving has been identified in the tender of the service and will be a joint commission with Peterborough City Council. This will mean that there will be one service across Cambridgeshire and Peterborough with the associated savings in management costs only, so service delivery will not be affected.

Project Impact
Equality Impact Assessment
Who will be affected by this proposal?
All Cambridgeshire residents.
What positive impacts are anticipated from this proposal?
The aim of the Lifestyle Service is to identify and make behavioural change intervention with members of the population at risk of lifestyle associated ill health. The Service also promotes healthy lifestyle messages with the whole population though different media. There are areas and certain populations groups that have poorer health outcomes. These are targeted by the service to ensure that they have increased access and appropriate services to meet their health improvement needs. These include those experiencing the following: • deprivation • rurality • older people at risk of falling • people with long term conditions such as diabetes and mental ill health • carers • people who misuse alcohol Learning from the current services has led to transformational developmental changes being undertaken especially in relation to weight management services. Very poor uptake of structured weight management services targeting obese seven to eleven year olds has led to the development of more universal approaches that avoid stigmatism. Children can still access bespoke support outside of group activities and parents can still be involved. This has improved uptake and will be further developed in the new service to engage more children experiencing or at risk of developing obesity.
What negative impacts are anticipated from this proposal?
There are no negative impacts anticipated as a result of this proposal. The service focuses upon supporting individuals and communities to make lifestyle changes. It includes supporting the development of community assets, leaders and volunteers who will develop and support lifestyle change in their communities.
Are there other impacts which are more neutral?
Supporting the Think Community initiative and community cohesion is central to how the Lifestyle service is delivered. The service focuses upon supporting individuals and communities to make lifestyle changes. It includes supporting the development of community assets, leaders and volunteers who will develop and support lifestyle change in their communities.

Disproportionate impacts on specific groups with protected characteristics
Details of Disproportionate Impacts on protected characteristics and how these will be addressed
Age: Certain age groups experience poorer health outcomes that are related to their health behaviours. These groups are targeted with specific programmes that focus on helping them address factors that are affecting

their health.

- older people - falls prevention
- older people living with long term conditions e.g. diabetes
- young children - obesity

Disability: People living with disabilities have a higher risk of poorer outcomes. The new service will develop a behaviour change package specifically for people with a disability that will help them adopt healthier lifestyle that is suitable for them.

Pregnancy and maternity: Pregnant women will be supported to effectively manage their weight during their pregnancies through realistic lifestyle behaviours. Excessive weight gain during pregnancy is high risk for poorer outcomes for the mother and child.

Rural isolation: People living in rural isolation are often more deprived and have less access to opportunities that support a healthy lifestyle. The lifestyle services will be accessible in all the more rural areas of the county and shaped to suit the local needs of communities, for example locations and venues for activities.

Deprivation: People and communities that are more deprived experience poorer health outcomes. Lifestyle services will be weighted in these areas to target deprived individuals and communities at a scale, within resources, for meeting their higher level of need and behavioural change support requirements.

Community cohesion: Central to the lifestyle service will be to support individuals and communities to work together to develop their assets, leaders and volunteers to develop programmes in their own communities.

Business Case

A/R.6.255 Children in Care - Placement composition and reduction in numbers & A/R.6.266 Children in care stretch target - Demand Management

Project Overview			
Project Title	A/R.6.255 Children in Care - Placement composition and reduction in numbers & A/R.6.266 Children in care stretch target - Demand Management		
Savings for 2020-21	-£4,634k	**Business Planning Reference**	A/R.6.255
Business Planning Brief Description	This business case describes how by a mixture of continued recruitment of our own foster carers and a projected reduction in overall numbers of children in care, overall costs associated with looking after children and young people in Cambridgeshire can be reduced in 2020/21 by a net amount of £2m compared with the budget for 2019/20. This is savings target in cash terms once allowances have been made for demography and other growth elements to the budget.		
Senior Responsible Officer	Lou Williams: Service Director Children & Safeguarding		

Project Approach

Background

Why do we need to undertake this project?

There are two main reasons for this project being required:

- **Outcomes for Children:** There are significantly higher numbers of children in care in Cambridgeshire than our statistical neighbour average. There are currently around 780 children and young people in care in Cambridgeshire. If we were looking after a similar number as the average of our statistical neighbours, we would have closer to 630 in care. Councils should only look after children for whom there is no safe alternative, and should identify permanency outside the care system for all children who come into care as quickly as possible. Permanency options include safe return to parents or extended family, possibly under an order such as a Special Guardianship Order, or through adoption. Our high numbers suggest that we are not delivering the best possible outcomes in these areas. Higher numbers in care were a consequence of the previous structure within children's social care. A comprehensive restructure was completed in November 2018 and this will result in a reducing population of children in care, but this will take some time to take effect.
- **Placement Mix:** When children need to be looked after, they are best placed with foster carers. There are two main sources of foster carers – those we recruit ourselves, and those recruited by Independent Fostering Agencies [IFAs]. Those we recruit ourselves are more likely to be local than those recruited by IFAs, and we know our carers better, meaning that we can place children with those who we are confident will 'fit' well within their family. Both are important factors since a more local carer means less disruption to family, friends and school networks for the child or young person, while improved matching means that there is less likelihood that a placement comes to an unplanned end, disrupting the lives of the children concerned.

- **Financial:** Looking after children is very expensive and our current looked after numbers are placing a considerable financial pressure on the Council. If this continues, the likelihood is that we will need to find savings from prevention and early help or other areas of the service, which will mean reduced levels of support available to vulnerable children and young people in the community, eventually risking higher numbers requiring support by specialist services. Placement mix also has a significant financial impact; foster care placements provided by an IFA are around twice the average cost of an in-house alternative and, given that they can be further away, may also result in higher costs in other areas including those associated with contact with birth families, to and from school and similar.

What would happen if we did not complete this project?

As implied by the above section, the Council will continue to experience significant financial pressures risking the delivery of important community-based services for vulnerable children and young people, while those in care are likely to experience poorer outcomes.

Approach

Aims / Objectives

Reduce overall numbers in care through improved permanency planning, the steady implementation of Family Safeguarding in Cambridgeshire by March 2020, and continued focused activity on recruitment and retention of foster carers in line with the targets set out in the tables below. (See 'assumptions, constraints and communications' section).

Limited investment in a finance officer role to be located within corporate parenting service to assist in controlling expenditure on placement related issues, including in respect of oversight of legal order and connected carer payments.

Project Overview - What are we doing

There are three main strands to achieving the savings:

- Implementation of Family Safeguarding;
- Focused recruitment of our own foster carers;
- Continued focus on securing permanency for children in care outside of the care system.

Implementation of Family Safeguarding

Cambridgeshire County Council has been awarded funding from the DfE (Department of Education) to establish this model. It already operates in Peterborough. The model brings adult-facing practitioners into children's teams. These practitioners are experienced in working with mental and emotional ill health, domestic abuse and substance and alcohol misuse. These factors, known as the 'toxic trio' are the most common ones that adults in families are struggling with where children are subject to child protection or children in need plans. Locating these adult practitioners in children's teams means that the adults in the family are much more likely to receive effective multi-disciplinary support for the challenges they face. Very often, for example, community based mental health services would not work with these parents as they would not meet eligibility thresholds. Adults struggling with substance and alcohol misuse can find travelling to clinics challenging, but are much more easily able to access services if they at least initially come to them.

Family Safeguarding resulted in around an 8% reduction in numbers in care in Hertfordshire. In Peterborough, there has not been a clear reduction in overall numbers, but the rate of children in care in Peterborough has remained constant over the last two years, while those within the statistical neighbour group have grown significantly. Peterborough has around 370 children and young people in care; it would have 430 if its rate per 10,000 was in line with its statistical neighbour group.

Given that Cambridgeshire will begin Family Safeguarding with higher than expected numbers in the care system, it is reasonable to expect that the introduction of the model will bring a reduction in numbers coming into the care system as it becomes established. The model will be implemented by March 2020, and should become embedded during 2020/21.

Placement Mix: Continued focus on recruitment of our own foster carers

Cambridgeshire has a strong focus on recruiting our own foster carers through an on-going programme of campaigns and publicity. The target for the current financial year is a net increase of 24 households, which should result in a net increase of around 35 new fostering placements. The nature of fostering means that some carers will leave over the course of a year, meaning that securing a net increase of 24 households will mean over recruitment. The target for 2020/21 is also for a net increase in fostering households of 24.

There is a long lead in time in recruitment since carers have to be trained and assessed before they can be approved – a process that typically takes around six months. Numbers in the pipeline would indicate that the above target should be achievable, however, with an additional 23 fostering placements with in-house carers from the start of 2020 compared with the position as of July 2019. This would mean that numbers in in-house foster placements should increase from 207 to 230.

Continued focus on securing permanency for children in care outside of the care system

A system that is working well should offer the right focused support to the most vulnerable families so that issues are addressed and children can remain safely at home. This is a core expectation of the new Family Safeguarding approach. Where it appears not to be safe for children to remain at home, decisions should be made quickly. This is so that we reduce the likelihood of children suffering avoidable harm, and that we intervene when they are still young. It is easier to identify adopters for younger children and long term outcomes are better the younger that children are placed for adoption. Adoptions can and are successful for older children up to the age of 10, but judicial attitudes and availability of adopters combine to make it much more difficult in practice for adoption to be commonly progressed for children aged 5 and over.

Children coming into care at aged 8 and above are much more likely to remain in care for much or all of their childhoods. This is why it is important to make decisions about vulnerable children at the earliest age possible. Of course, families with older children move into the county, or serious challenges and difficulties may only become apparent as children become older, but our aim should be to offer the best support to families in order to maintain family relationships, while acting assertively in the best long term interest of children where there is clear evidence that their families are unable or unwilling to make the changes required.

Once children are in care, we need to balance the need for them to feel safe and secure in their placement with an openness of mind that families can make changes and, particularly as the child becomes older, this may mean that children can return home. However good we are as corporate parents, their birth family will always remain so and for a child in a long term foster placement, once they have left care, their longer term relationships may well remain with their birth family. This is an area that can challenge those working with children in care, and is one that we will continue to address to ensure that where it is safe and appropriate for them to do so, children and young people in care can return home even if the original plan was for them to remain in care until age 18.

Impact

The impact of the interplay of these factors are the ones that will drive forward a reduction in overall costs by a target of £2m during 2020/21. This follows a savings target in 2019/20 of £2m, against which the current projected £650k overspend needs to be viewed.

What assumptions have you made?

The most significant assumption is that the overall placement budget for 2019/20 comes in on line. There are some challenging aspects to this assumption; the budget has a £2m savings target and the projected overspend as of the end of July 2019 is £650k. This overspend is associated with the fact that numbers in care have remained stubbornly difficult to reduce, while spontaneous arrivals of unaccompanied asylum seeking young people offer an additional challenge, with 12 coming into our care from mid-June to mid-July. In addition, a serious incident in Cambridge at the start of the year has resulted in a number of high cost placements for a group of adolescents with a projected cost in excess of £600k, partly offset by a reserves contribution to date of £350k.

At the same time, the independent fostering market is showing every sign of being overwhelmed by growing numbers in care across the country. The number in care nationally began rising rapidly in 2017/18, a process that accelerated in 2018/19. Figures for 2019/20 will be available in the autumn, and there is every indication from market indications that the growth in numbers has continued. This means that it is more difficult to find foster placements, meaning that children and young people for whom a foster placement would have been available last year are now more likely to be placed within residential provision. This has significant cost implications since an IFA placement is around £850 per week, while residential placements start at over £3,000 per week.

While the budget is under pressure, it is committed at current placement costs; and as new in-house carers come on stream there will be some mitigation to costs, while any success in reducing numbers will also help to ease pressures.

The original expectation was that numbers in care should fall to the average of our statistical neighbours by the end of the 2020/21 financial year. Based on current numbers and that these have not reduced as expected to date this financial year, this target would appear to be very challenging to achieve in 18 months. Projections below are therefore modelled on different outcomes.

Cost avoidance associated with reductions in numbers in care are assumed to be based on the typical IFA rate of £850 per week. Increased availability of an in-house foster placements are assumed to result in a cost avoided of £400 per week based on the same IFA typical rate. In-house recruitment is assumed to be taking place at an even rate across the year and to result in 30 additional foster placements by year end, allowing for some slippage from the usual assumption of 1.6-1.8 placements per household, but assuming the net increase of 24 households is achieved. In year reductions in numbers in care are modelled at three different rates in the examples below.

Table 1: Illustrating the impact on cost-avoidance through increased in-house carer recruitment

Compared with the position as of July 2019, 23 additional in-house fostering placements contribute a full year cost avoidance of £478,400 from the start of April 2020. Additional cost avoided based on a steady increase by 2.5 in-house fostering households is as set out in the table below:

Month	Additional in-House Placements	Cost avoided based on remainder of 2020/21 year
Additional Placements from 2019/20	23	478400
End April 2020	2.5	48000
May 2020	2.5	44000
June 2020	2.5	39000
July 2020	2.5	35000
August 2020	2.5	30000
September 2020	2.5	26000
October 2020	2.5	22000
November 2020	2.5	17000
December 2020	2.5	13000
January 2021	2.5	9000
February 2021	2.5	5000
March 2021	2.5	0
Total cost avoidance for Year		**766400**

Clearly, if in-house recruitment does not achieve the targets in the current year, then there is a significant risk to the potential cost avoidance in 20/21 since we lose the full-year impact of every additional in-house placement that is not achieved.

Reducing overall numbers of children in care

There are three potential scenarios illustrated below, each modelled over the full year, based on an assumption that reductions in placement numbers are reduced at the weekly IFA typical rate of £850 per week. Clearly, reductions in numbers made at the beginning of the year create a larger cost avoidance than those made towards the end of the year.

	Number in Care			Cost Avoided		
Month	Low Optimism	Middle Optimism	High Optimism	Low Optimism	Middle Optimism	High Optimism
Beginning of year	780	780	780			
End April 2020	775	770	780	204000	408000	408000
May 2020	770	765	770	187000	187000	448800
June 2020	765	755	760	165750	331500	331500
July 2020	760	750	750	148750	148750	297500
August 2020	755	740	740	127500	255000	255000
Sept 2020	750	730	730	110500	221000	331500
Oct 2020	745	720	715	93500	187000	280500
Nov 2020	740	715	700	72250	72250	216750
Dec 2020	735	710	685	55250	55250	165750
Jan 2021	730	705	670	38250	38250	76500
Feb 2021	725	695	660	21250	42500	42500
March 2021	720	680	650	0	0	0
Total cost avoid for year: Reducing Numbers in Care				1224000	1946500	2854300
Total Cost Avoided: Placement Mix [See Table 1]				766400	766400	766400
Total Cost Avoided Placement Mix and Reduced Numbers				**1990400**	**2712900**	**3620700**

This assumes that numbers in care do not reduce further over the current financial year, and only begin to do so as Family Safeguarding becomes fully established from March 2020. Should overall numbers decline as the current financial year continues, then the starting point for 2020/21 will clearly be easier.

It is important to note that predicting placement numbers and mix is a very difficult challenge; and we are in a position where maintaining numbers at present levels is undermined annually by a rapidly increasing population of children in the County. We will also not know the extent to which numbers among our statistical neighbours have increased in 2018/19 until the autumn; it may well be the case that we need to adjust our expected performance accordingly if the next round of national statistics continues to show a general picture of increased numbers in care.

Taking all this into account, what the table above shows is that through a combination of increased in-house carers and some reduction in numbers in care, a savings target of around £2M should be achievable, even if there is some slippage in placement mix or overall numbers. The 'High Optimism' column is just that – achieving this is very unlikely but it does illustrate how relatively small changes in overall numbers in care have a big impact on levels of spend.

From a risk perspective, given the volatility of this budget and the needs that are reflected within it, only relatively small rises in overall numbers can have an equally significant impact in the adverse direction.

There will be a need to slightly over-achieve savings in order to fund the proposed finance officer role within the corporate parenting service. The expectation is that this role will essentially more than pay for itself through enhanced scrutiny of legal order and connected carer payments, among other duties.

What constraints does the project face?

Constraints are limited to the highly unpredictable nature of the care population. A continued influx of spontaneous unaccompanied asylum seeking young people would, for example, increase the risk that reductions in overall numbers are delayed.

Delivery Options

Has an options and feasibility study been undertaken?

N/A

Scope / Interdependencies

Scope

What is within scope?

External Placement Budgets and in-house fostering services

What is outside of scope?

Project Dependencies

Title

Volatility of children in care numbers and growing child population

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

As discussed above, we should only look after the right children for the right length of time if we are to enable them to achieve the best long term outcomes. While much of this paper covers financial aspects, it remains the case that the primary driver for these changes is to improve outcomes for children. This is to be achieved by ensuring that as many as possible are safely able to remain within their birth families through Family safeguarding, and those who do need to come into care are placed with well-matched local foster carers.

Risks

Title: Volatility of needs

The biggest risks relate to the volatility of the needs that drive these budgets, as described above. There are also risks associated with any increase in the use of the highest cost placements, which can result from factors largely outside of our control. Criminal activity in Cambridge has, for example, resulted in an additional commitment of £600k in placement costs in 2019/20. A secure placement is typically around £8,000 per week, and move on placements from secure are often between £7,000 and £8,000 per week.

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

Children in care

What positive impacts are anticipated from this proposal?

Fewer children come into care, with more remaining safely at home with their birth families, who have been enabled to make the changes needed in order to provide good care for their children. This avoids harmful disruption to family ties. Where children do come into care, they are more likely to be placed with local in-house foster carers, minimizing disruption to family and friendship relationships, reducing the likelihood of placement disruptions and making it easier to reunite families successfully once parents have made the changes they need to make.

What negative impacts are anticipated from this proposal?

None

Are there other impacts which are more neutral?

None

Disproportionate impacts on specific groups with protected characteristics

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

N/A as there are no negative impacts anticipated

Business Case

A/R.6.257 Early Help Proposed Savings

Project Overview			
Project Title	Early Help: Savings Proposal		
Savings for 2020-21	-£750k	**Business Planning Reference**	A/R.6.257
Business Planning Brief Description	This business case describes proposals for achieving efficiencies within Early Help services of £750K against the original proposed budget for 2020/21. This is made up by a combination of not re-investing a proportion of the savings achieved through ending the contract for provision of Multi-Systemic Therapy [MST] and as a result of the realignment of management arrangements following an earlier decision to re-organise delivery of some areas of early help services. These proposals will not have a direct impact on front-line delivery.		
Senior Responsible Officer	Lou Williams: Service Director Children & Safeguarding		

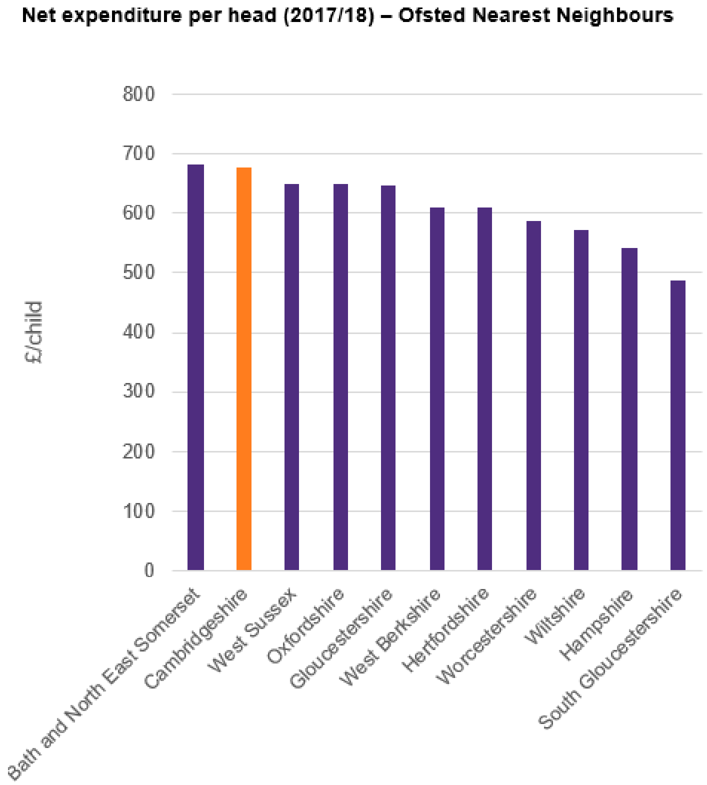
Project Approach

Background

Why do we need to undertake this project?

There are three main reasons for this project being required:

- **Outcomes for Children:** Cambridgeshire is a relatively high spender on children's services overall and invests significant resources into early help services. Analysis of available data suggests that there is likely to be a culture of over-intervention, particularly in some parts of the County at all levels of support for children, including within children's social care. Over-intervention in the lives of children is not associated with good outcomes. We are proposing to undertake a system-wide review of early help services as provided by not only the Council but importantly, by our key partners. This review will use best practice and evidence to ensure that the combined early help offer from schools, community health and mental health services and our own services is most likely to offer effective early support to vulnerable children and their families. Given the immediacy of this work, it is unwise to invest additional resources into the service area at the current time.
- **Financial:** The unit cost of providing children's services in Cambridgeshire is high relative to our statistical neighbours, as illustrated by the chart below for 2017/18:



- **Service Efficiency:** Some services that have been delivered and managed through our early help services have transferred to education services, including a range of school-facing services. It makes sense for these to be managed as part of the broader suite of school facing support services, and there is the potential for other roles to transfer in the near future. This change also means that fewer managers are required within the early help service, enabling savings to be made through increasing efficiency.

What would happen if we did not complete this project?

The Council has a responsibility to ensure that it uses public funding efficiently. Where opportunities to make savings without affecting front line delivery are not taken, this may have an impact on longer term sustainability.

Approach

Aims / Objectives

There is no proposal to reduce the number of front-line practitioners in our early help services. There is an opportunity to review line management arrangements because some services that were previously line managed within early help have already transferred to education, including those associated with school attendance and inclusion, without the transfer of management posts from early help. This change has already resulted in a decision not to recruit to the associated line management roles within early help as these become vacant.

There is the potential for a further group of largely school-facing workers to move to the education service. This is not only likely to be more efficient in terms of management costs, but would also mean that they would be likely to have greater impact, since they would be working more closely with the attendance and inclusion posts that have already transferred to the education service.

This proposal also includes a recommendation not to re-invest a proportion of the savings made by discontinuing the MST approach in Cambridgeshire. Of the total £316K originally planned for re-investment, £100K will continue to be invested in supporting community development initiatives. Subject to agreement by the Council, the remaining £216K would now be considered as contributing to the proposed £750K savings included within this business case.

As noted above, Cambridgeshire is a high spending authority when it comes to delivery of children's services, compared with our statistical neighbours. Making an additional investment at this time in preventative and early help services does not appear prudent, particularly when we are about to embark on a broader review of early help services across the system as a whole.

Project Overview - What are we doing

The £750K savings that are proposed through this business case will be achieved through two main means:

- Not re-investing all of the savings from ending the contract with Family Psychology Mutual to deliver MST;
- Reviewing the operation of early help services to ensure that they are delivered as efficiently as possible.

Savings associated with ending the MST contract: £216K

In February 2019, the Council made the decision to end the contract with Family Psychology Mutual to deliver Multi-Systemic Therapy. This decision was taken following national research that identified that outcomes for young people accessing MST were not statistically different from those accessing more traditional early help services. Part of this proposal was for half of the funding for the MST contract to be re-invested in early help services, a figure equivalent to £316K. Of this, £100K has been earmarked to support community development initiatives, with match funding from the Clinical Commissioning Group, leaving £216K.

Given that the available evidence indicates that Cambridgeshire is already a relatively high spending children's authority, and that we are proposing to undertake a system wide review of our early help offer to include our key partners, it would not be sensible to undertake additional investment at this stage. In the event that this review identifies a need for additional funding for specific areas within early help services, this funding could be identified through the usual business planning process.

Delivering greater efficiency in Early Help Services

As noted above, changes in the way that a number of school-facing services are managed has resulted in an over-capacity of management within the early help service. Reducing the number of line managers would therefore result in a considerable saving without impact on front line service delivery.

Impact

These proposals will result in officers being placed at risk of redundancy, although we will do all we can to ensure that suitable alternative roles are identified. There is therefore a clear risk of personal impact on any members of our staff for whom redundancy is unavoidable.

What assumptions have you made?

Following the transfer of a number of roles from early help to the education service, there is an over capacity at management level within the service. This will increase further in the event that more staff make the transfer. It is therefore possible to reduce the number of management roles within the service while allowing all post-holders to manage a manageable number of direct reports.

Under the proposals, the existing two Head of Service and seven Early Help District Manager posts would remain. The number of Early Help Assistant Manager roles would, however, reduce from the current establishment of 29 FTE to 16 FTE posts, subject to the outcome of appropriate consultation processes.

Because all Early Help Assistant Managers are currently working to a common job description, this would require that all who are in post at the time of the consultation [of which there were 24FTE as of the beginning of December] being placed at risk of redundancy. We will do all we can to avoid actual redundancies and suitable roles will be ring-fenced to those at risk as a result of any consultation, in accordance with our usual processes.

This reduction would enable us to exceed the £750K savings target proposed as part of this business case. This allows for some transfer of funding to education to support any additional line management costs that might be associated with the further transfer of staff to the education service should this be required.

What constraints does the project face?

There are constraints that relate to ensuring that the necessary HR and associated policies are adopted, including the requirement to undertake a full consultation and assess any adverse community impact. These processes will need to be concluded in advance of the beginning of the 2020/21 financial year if full year savings are to be achieved in that year.

Delivery Options

Has an options and feasibility study been undertaken?

N/A

Scope / Interdependencies

Scope

What is within scope?

Early Help Services across the County.

What is outside of scope?

Project Dependencies

Volatility children in care numbers and growing child population

As noted above, the indications are that there is a culture of over intervention at every level of the children's system including children's social care. As the Family safeguarding model becomes established, this may lead to a decrease in the number of children supported by children's social care services. While this is the right thing, we will need to monitor whether this results on the ability of early help services to meet demand, and take action accordingly.

Cost and Savings

See accompanying financial report

Non Financial Benefits

Non Financial Benefits Summary

Over-intervention in the lives of children and their families is not a good thing. It can result in families feeling unfairly stigmatised and/or reluctant to re-engage with support services at a later date when accessing support might be beneficial. Beginning to critically reassess our services as part of business planning processes enables us to assure ourselves that we are intervening with the right children at the right time and at the right level of service. We may find that the pattern is not even across the authority, and that some communities or areas require additional resources, while others need less. This will enable us to be confident that we deliver an evidence-based and equitable service across the County as a whole.

Risks

Title: Peaks in demand for services

As noted above, there is a risk that as we review the way we engage with vulnerable children and families at all levels in the system, there may be some peaks in demand for services while the system resets.

- We will need to keep this under review in order to ensure that services do not face temporary peaks in demand which they struggle to meet.

Project Impact

Community Impact Assessment

Who will be affected by this proposal?

Around 24 FTE members of staff would be placed at risk of redundancy as a result of these proposals; there would be 16 FTE roles available within the new structure.

What positive impacts are anticipated from this proposal?

Making savings that are only likely to have a limited impact on front-line delivery is an important factor in enabling the Council to meet challenging financial constraints while continuing to support

What negative impacts are anticipated from this proposal?

Limited/minimal for users of our services

Are there other impacts which are more neutral?

Limited/minimal for users of our services

Disproportionate impacts on specific groups with protected characteristics

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

None

Business Case

A/R.6.267 Children's Disability 0 - 25 Service

Project Overview			
Project Title	A/R.6.267 Children's Disability 0 - 25 Service		
Savings for 2020-21	-£50k	**Business Planning Reference**	A/R.6.267
Business Planning Brief Description	This business case describes how we can bring forward £50k of the planned £100k saving for 2021/22 to the 2020/21 financial year.		
Senior Responsible Officer	Lou Williams: Service Director Children & Safeguarding		

Project Approach

Background

Why do we need to undertake this project?

There are two main reasons for this project being required:

- **Outcomes for Children:** We have recently completed a restructure within the 0-25 service, which aligns this with the structure in the rest of children's social care – i.e. away from the unit model to one based on teams. There are clear benefits in doing this. The restructure has identified a £50k saving against budgeted staffing costs under the previous model.
- **Financial:** The unit cost of providing children's services in Cambridgeshire is high, in relative to our statistical neighbours, as illustrated by the chart below for 2017/18 [and it should be remembered that there was further investment in the Cambridgeshire service in 2018/19, meaning that our position may have moved further to the left since 2017/18]. There is a pressing need to identify ways in which we can reduce expenditure and particularly in areas where the impact is likely to be limited.

What would happen if we did not complete this project?

The Council will face increasing financial challenge unless we can bring our levels of expenditure down, and particularly in those areas where the evidence demonstrates that relative to similar authorities, expenditure is higher than would be expected, as is the case in children's services

Approach

Aims / Objectives

The restructure completed in 2019/20 has resulted in a £50k saving against staffing costs compared with the previous structure, as well as bringing the 0-25 service in line structure-wise with the rest of children's social care.

Project Overview - What are we doing

The £50k saving opportunity has arisen through a re-structure process and enables us to bring forward £50k of planned £100k savings from 2021/2 into the 2020/21 financial year.

Impact

There is no adverse impact from these changes.

What assumptions have you made?

None

What constraints does the project face?

None

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

0-25 services

What is outside of scope?

Project Dependencies

Title

Volatility of children in care numbers and growing child population

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

The new structure based on specialist teams is already improving management oversight.

Title

Risks

N/A:

The saving has already been made and results from a minor re-organisation that will not impact on service delivery.

Project Impact
Equality Impact Assessment
Who will be affected by this proposal?
N/A
What positive impacts are anticipated from this proposal?
The team structure is a more effective one than the previous unit model
What negative impacts are anticipated from this proposal?
No negative impacts have been identified
Are there other impacts which are more neutral?
None

Disproportionate impacts on specific groups with protected characteristics
Details of Disproportionate Impacts on protected characteristics and how these will be addressed
None

Business Case

A/R.6.269 Review of Education Support Functions

Project Overview			
Project Title	A/R.6.269 Review of Education Support Functions		
Savings for 2020-21	-£171k	**Business Planning Reference**	A/R.6.269
Business Planning Brief Description	A review of the support functions across the Education Directorate, including Education Business Support		
Senior Responsible Officer	Jonathan Lewis		

Project Approach

Background

Why do we need to undertake this project?

- To improve the efficiency and effectiveness of Business Support as part of the Education Directorate
- To bring all aspects of Education Business Support together, following recent changes in structure within People and Communities.
- To embed the People and Communities working practices, currently employed by other directorates within People and Communities.
- To identify other possible efficiencies across the Education Directorate in order to release savings

What would happen if we did not complete this project?

If this project were not completed then required savings would not be made and areas of inefficiency across the Education Directorate would remain.

Approach

Aims / Objectives

- To improve the efficiency and effectiveness of Business Support as part of the Education Directorate
- To bring all aspects of Education Business Support together, following recent changes in structure within People and Communities.
- To embed the People and Communities working practices, currently employed by other directorates within People and Communities.
- To identify other possible efficiencies across the Education Directorate in order to release savings

Project Overview - What are we doing

Last year, the People and Communities (P&C) Departmental Management Team (DMT) agreed to undertake a P&C Business Support review to create greater flexibility across services and ensure business support is more aligned to business need.

The review included establishing some guiding principles for business support; changing the generic job descriptions outside of the Admin Job Families framework to better reflect the business requirements of business support services now and in the future and to ensure a workforce development plan to meet the emerging learning and development needs of staff is in place.

Using the principles of the overall review, the Education directorate will assess the work currently undertaken by Business Support and identify areas where efficiencies can be made, as well as areas where current resource is not adequate, resulting in a Business Support function more aligned to the directorate's needs.

A wider review of the Education directorate will be undertaken to assess the functions currently being provided and identify areas where services can be streamlined or reduced.

What assumptions have you made?

None identified at this stage.

What constraints does the project face?

None identified at this stage.

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

Education support functions, including Education Business Support, SAT Business Support, SEND Business Support, and other related functions across Education.

What is outside of scope?

Education savings discussed in other business cases, or savings related to other directorates

Project Dependencies

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Title

Efficiency and ease of use

Risks

Title: Loss of expertise

If redundancies are offered, or staff members are lost during the course of the restructure, there is a risk that valuable expertise and experience might disappear from the workforce.

- Minimise the risk of losing staff by being sparing with redundancies and offering incentives for staff to continue.

Title: Loss of efficiency

Attempts to streamline processes result in short term disruption and loss of efficiency.

- If necessary, changes will be phased in rather than introduced simultaneously.

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

At this stage of the business planning process, proposals have not been fully developed. Equality Impact Assessments will be conducted in full at the appropriate time to assess the impact the changes will have on citizens and staff.

What positive impacts are anticipated from this proposal?

What negative impacts are anticipated from this proposal?

Are there other impacts which are more neutral?

Disproportionate impacts on specific groups with protected characteristics

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

Business Case

A/R.6.202 - Youth Justice / Youth Support

Project Overview			
Project Title	A/R.6.202 - Youth Justice / Youth Support		
Savings for 2020-21	-£30k	**Business Planning Reference**	A/R.6.202
Business Planning Brief Description	Three identified areas to reduce spending in the youth offending service and youth support services with limited impact on service delivery.		
Senior Responsible Officer	Anna Jack		

Project Approach

Background

Why do we need to undertake this project?

The Youth Justice and Youth Support Service contribution towards the Council's business plan. Savings identified fall across three areas, one element of the proposal calls closure to an historic funding arrangement for a local youth project.

What would happen if we did not complete this project?

The Council would need to find savings from other service areas.

Approach

Aims / Objectives

To achieve a saving of £30k for 2020/21

Project Overview - What are we doing

1. Reducing the youth offending officer capacity of the Youth Offending Service by 0.3 - 0.5 FTE (exact amount to be confirmed) amounting to £15k saving
2. Reduce the Youth Support Service Community Reach fund by £9k, leaving a residual £25,475.
3. End grant to Gauntlet Auto Project of £6k (now a registered charity).

What assumptions have you made?

The case-load of the Youth Offending Service can be managed with reduced Youth Offending Officer time, being absorbed into business as usual.

Reducing the Community Reach Fund won't make a significant difference to the capacity of the Youth and Community Coordinators to develop and initiate local projects working alongside young people and communities.

The Gauntlet project will move to becoming self-sustaining

What constraints does the project face?

The potential for additional burden to be placed on the Youth Offending Service with reduced capacity.

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

Youth Offending Service and Youth Support Service

What is outside of scope?

Any other aspects of the service

Project Dependencies

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Ending of an historical arrangement (25 yrs) with one grant funded organisation, which is anomalous.

Risks

Title: Challenge from partners

Challenge from partners in Youth Justice Management Board that the County Council is taking savings from its core YOS budget. They may choose to do the same which could heighten the impact of budget reduction in the service and damage partner relationships.

- To evidence to the youth justice management board the continued risk that the Local Authority has carried for reductions to YJB grants (that have been covered by the LA).

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

Young Offenders and community groups/ organisations

What positive impacts are anticipated from this proposal?

- Contribution towards the Council's business plan

- Ending of an historical grant agreement with a project which is now anomalous

What negative impacts are anticipated from this proposal?

- Reduced offer to young offenders through reduced capacity of the YOS
- Reduced capacity to invest in community and youth focused initiatives
- Ending of funding to Gauntlet could impact on the viability of the project

Are there other impacts which are more neutral?

None

Disproportionate impacts on specific groups with protected characteristics

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

Young people aged 10 – 17 who are the beneficiaries of the YOS and youth support services

The Gauntlet project will continue to run as registered charity.

Business Case

A/R.6.270 Review of Home to School Transport

Project Overview			
Project Title	A/R.6.270 Review of Home to School Transport		
Savings for 2020-21	-£600k	**Business Planning Reference**	A/R.6.270
Business Planning Brief Description	Review of Home to School Transport processes and provision to include procurement, shared services, demand management and supporting independence.		
Senior Responsible Officer	Jonathan Lewis, Service Director (Education), People and Communities		

Project Approach

Background

Why do we need to undertake this project?

Local Authorities have a statutory duty to provide free transport for pupils of compulsory school age where they meet certain eligibility criteria. The nationally recognised trend of escalating financial pressures from reducing budgets and increasing costs, in a time where complexity of need is also increasing, is placing significant pressures on the authority in fulfilling the statutory responsibilities for providing transport to and from educational establishments. In addition to the national trends reflected within the county, Cambridgeshire faces additional transport challenges associated with its rural nature which creates longer and more complex journey routes, a restricted market offering a limited number of operators supporting specialist vehicles and the additional challenges with recruiting passenger assistants and escorts. All combined, this creates complex challenges which must be reviewed across home to school transport provision, and beyond, in order to realise opportunities now and in the long term.

Since 2015/16, the costs associated with transport provision has increased from £18.3m to £21.2m in Cambridgeshire, and from £3.9m to £4.5m in Peterborough bringing the total service expenditure across both authorities to £25.7m in 2018/19. This increase has been particularly significant in SEND Home to School Transport with an increase in expenditure between 2017/18 and 2018/19 in Cambridgeshire of £1.3m, or 16%, and an increase of above 10% expected between 2018/19 and 2019/20.

This project will review the provision of home to school transport and the broader interdependencies across transport provision. This will include opportunities within adult and children social care transport provision, the role of schools and parents and explore opportunities to join up processes and procurement opportunities with Peterborough City Council with a view to meet demand, whilst reducing the financial pressures the authority faces.

What would happen if we did not complete this project?

The overspend will continue each year creating pressures on the service

Approach

Aims / Objectives

Following on from early investigative work undertaken, an investment of up to £410k from the Transformation Fund will be drawn down in tranches to explore the following areas, all underpinned by policy; Operational efficiency (route optimisation), contracted service costs, and demand for the service. Service demand will be framed around supporting independence in support of achieving positive family outcomes. Enablers will be to ensure the policy promotes positive outcomes through policy enforcement, and working closely with families and schools to explore more flexible transport options (such as greater uptake of personal transport budgets and independent travel training).

The anticipated work streams of the project are:

- Policy; changing behaviours and operational practice
- Route optimisation
- Transport procurement
- Reducing demand and increasing independence

The above will be in support of achieving a financially sustainable service, through independent travel wherever possible.

Where required, the work streams will be realised by resourcing specialist capacity to review transport policy, processes and procedures across services and with schools and parents, enabling the authority to fully consider options for centralising teams, joint procurement with Peterborough City Council where appropriate, and to increase the embedding of demand management and independence into the transport services we provide.

The investment will be drawn down in tranches and delegated responsibility for the draw down within the £410k will be given to the Chief Finance Officer, in consultation with the Chairman of General Purposes Committee and the Chairman of Children and Young People Committee.

Project Overview - What are we doing

An initial scoping exercise identified good potential for savings to Cambridgeshire County Council through increased operational efficiencies, policy reviews, exploring joint procurement, demand management and supporting independence. Anticipated savings of £600k have been identified across these different areas for 2020/21.

Preliminary research suggests the following could be achieved:

- Assess the scope to create further reductions in the cost of transport provision
- Reduce the overall cost of transport provided through the external framework
- Reduce opportunities for variance in cost of transport provided through the external framework
- Increase operational efficiencies and reduce the duplication of cost experienced through ‘being in business’ twice;
- Introduce universal independent travel training assessments to reduce demand and promote independence
- Limit customer expectation through refined policy guidance and adjustments to the referral and assessment pathway

In addition to identifying the opportunities for change, the project will embed the delivery of a programme of Independent Travel Training, initially focused on post-16 students, and consider the wider role this approach has across other cohorts eligible for local authority supported transport.

What assumptions have you made?

As of June 2019 there were 183 SEN pupils travelling to school in individual taxis, with greater numbers travelling in low occupancy vehicles, sometimes with passenger assistants. The programme of Independent Travel Training aims to give pupils the skills to transition from these high-cost low-occupancy vehicles and travel independently, whether this be walking, travelling on a public bus or travelling on an existing, shared home to school transport route.

What constraints does the project face?

Should the review not offer significant improvements or substantial savings, a contingency will be to insert a break clause within the specialist resource contract issued if the return on investment does not represent value for money.

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

What is outside of scope?

Project Dependencies

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Home to school transport provision for those eligible is centered on enabling and ensuring people can attend education, in support of providing a best start in life. A key element of the project is centered on independence, creating opportunities to embed independence when offering transport provision to those who have the ability to be independent, but require support in doing so. This long term view will involve changing the conversation with schools, parents and families, in order to offer a mechanism towards independence and positive life outcomes.

Risks

Title: Systems

Changes could be difficult to implement without improvements to the systems that the CCC and potentially PCC team use.

- System processes are being explored as part of the review through process mapping. If opportunities for savings can only be made through linking or changing systems, this will be flagged as a high need consideration.

Title: Identification of improvements

It could prove difficult to identify significant improvements and resultant savings that have not yet been implemented (particularly in the face of rapidly rising demand)

- Case reviews are being carried out to provide insight into what is realistic and achievable. This will be considered in conjunction with outcomes

Title: Lack of capacity

Changes could be difficult to identify and implement due to lack of capacity constraints amongst the services involved, particularly at key times of school year – CCC teams are currently under-resourced and have had problems recruiting staff.

- A time line of restrictions and constraints will be compiled to ensure any changes will complement and work with, not against, constraints that are out of our control.

Title: Securing buy-in

Could be difficult to secure buy-in from teams that have undergone a change of directorate and a number of reviews and audits in recent years

- A time line of restrictions and constraints will be compiled to ensure any changes will complement and work with, not against, constraints that are out of control.

Title: Implementation

Changes could prove difficult to implement if they don't have the support of other key stakeholders, such as schools, social workers, children and their families.

- Engagement and conversations are being had with stakeholders and partners with influence, with a view to co-produce changes

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

All pupils who meet the statutory requirement to be provided transport to and from home and educational establishments.

What positive impacts are anticipated from this proposal?

The statutory requirement to provide educational transport to those eligible will be embedded within independence and community demand. The long term aim will be to meet the increasing transport demands, whilst embedding positive outcomes for pupils and families through promoting independence.

What negative impacts are anticipated from this proposal?

At this stage no negative impacts have been identified. As a significant part of the project will review the opportunities for savings and change, it is anticipated that equality impact assessment(s) will be carried out at the points where major change is identified and implemented.

Are there other impacts which are more neutral?

Disproportionate impacts on specific groups with protected characteristics

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

The above impacts relate specifically to age, disability and income, and added to that, the challenges faced in transporting pupils across a rural county. The statutory requirement will ensure the authority continues to provide transport for those eligible. The expectation will be to increase independence and therefore future positive outcomes for those in which the review may impact.

Business Case

A/R.6.176 Adults Positive Challenge Programme (2020-21)

Project Overview			
Project Title	A/R.6.176 Demand management savings in adult services (Adults Positive Challenge Programme)		
Savings for 2020-21	£3,800k	**Business Planning Reference**	A/R.6.176
Business Planning Brief Description	This document sets out the business case for the second year of the Adults Positive Challenge Programme (APCP). Driven by the vision that better outcomes cost less, APCP is using a demand management approach to deliver the win-win of improved independence for people, and financial sustainability in adult social care. The programme supports both the delivery of the CCC corporate strategy and maximising the potential of the Care Act.		
Senior Responsible Officer	Charlotte Black		

Project Approach

Background

Why do we need to undertake this project?

The programme is entering its second year having delivered significant financial benefits during 2019/20, and is projecting to have delivered the full delivery of the £7.6m target in 2020/21. By 2023 local people will drive the delivery of care, health and wellbeing in their neighbourhoods.

Through investment from the Council's Transformation Fund, in Autumn 2017 a consortium of Capgemini and iMPOWER was appointed to support an opportunity assessment and business case for a financial sustainable adult social care service. This work included a baseline analysis, development of a new vision and identification of opportunities for improvement, efficiency and further transformation.

This work evidenced that the Cambridgeshire adult social care system is already broadly efficient and effective. The quality of outcomes for service users in Cambridgeshire was found to be in line with the national average, despite a lower than average level of expenditure. The analysis also found that the Transforming Lives Programme had made progress in encouraging a proactive, preventative and personalised approach to care and highlighted that a larger proportion of service users in Cambridgeshire are supported to live independently at home, rather than in residential or 24 hour care settings.

There are however, several key challenges that are driving the need for a new approach – specifically:

- a substantial supply capacity challenge in the current care workforce;
- continuing increases in demand from a growing and ageing population;
- a combination of demand growth and inflationary pressure leading to a substantial budget deficit in the coming years;
- limited digital tools and inadequate use of data causing productivity losses in staff time and impacting on the frequency and quality of case reviews

In response, Cambridgeshire County Council (CCC) has started to design and create financially sustainable services that continue to enable residents to live fulfilled lives, to build on people's strengths, and to support people in a way that works for them. If left unchecked, financial pressure could lead to a budget deficit of £27m for CCC Adult Services by 2023.

There is evidence that over 30% of social care cases include people whose needs could have been prevented, delayed or reduced. CCC must make use of technology; change working practices and adopt a more community-centered approach to improve better outcomes for residents and to reduce costs.

The APCP was designed with a focus on delivering the demand management opportunities identified through the work set out above. Launched with a Fast Forward project that rapidly delivered proof of concept for demand management, and tangible demand impact, the full APCP was formed in August 2018, with an investment case for the initial phase of the programme developed through the 2019/20 business planning cycle.

The first year of the APCP has been a success, with £1.867m of financial benefit delivered during the first two quarters of the 2019/20 financial year, with improved outcomes and savings identified across the programme.

Conservatively, it is currently forecast that the programme will deliver £3.1m of benefit in year, with the programme focus for the coming period on ensuring the year end position is as close as possible to the £3.8m target. The forecast shortfall is the product of challenges in confidently being able to measure some of the impact delivered as well as a later improvement in outcomes, for some interventions, than expected. This means it is likely the real benefit delivered is greater than we can measure, and that for the remainder of 2019/20 a larger proportion of savings will carry over into 2020/21 than initially expected. This benefit is built on positive system change shifts in demand, outcomes and independence. Cambridgeshire residents have been supported to maximise their independence through using the latest assistive technology, flexible support planning, better carers support and high-quality outcomes from reablement.

The first phase of the programme gives confidence that the APCP will continue to deliver throughout the remainder of 2019/20 and 2020/21.

What would happen if we did not complete this project?

This project is already underway and is delivering improved outcomes and financial benefits.

If the project were stopped, it is likely that several of the current opportunities would not be sustained, regressing to previous ways of working. This risks a slowdown and reduction in programme financial benefits, which risks an adult social care a budget deficit of £27m by 2023. This would put at risk the council's ability to undertake its statutory requirements.

Approach

Aims / Objectives

The fundamental principle of the strategic change is an adult social care model which is based on *putting choice and independence directly into the hands of individuals and communities*. The new model is driven by the neighbourhood or place based approach, and success will mean that citizens have greater independence and better outcomes with reduced state intervention by:

- addressing citizens' needs early on to prevent them from escalating - working in partnership with communities and health partners to share information, act as one care workforce and be proactive;
- empowering individuals to do more for themselves - providing them with the resources, tools and local support network to make it a reality; and
- building self-sufficient and resilient communities - devolving more preventative care and support resources at a neighbourhood level and enabling individuals to spend their long term care budget within their community.

By 2023 local people will drive the delivery of care, health and well-being in their neighbourhoods.

Project Overview - What are we doing

The work undertaken in the first year of the programme indicates that demand management led change is sustainable, and could result in savings to the Council of approximately £17m over the next five years.

The APCP is focused on taking forward the service demand management opportunities identified through the Outline Business Case (OBC) and subsequent work, and aims to deliver £3.8m in 2020/21.

During the 2019/20 financial year APCP has activity is aligned to eight key work streams:

1) Changing the conversation – outcome and independence focused conversations at every step of the customer journey

2) Expanding the use of Technology Enabled Care (TEC)

3) Commissioning for outcomes

4) Preparing for adulthood (Previously known as Learning disability enablement) – maximizing independence for young people moving into adult services

5) Neighbourhood based operating model

6) Increasing access to Carers support

7) Targeted Reablement

8) Panels

Programme delivery plans for 2020/21 are well advanced. It is anticipated that whilst some key workstreams (changing the conversation, TEC, reablement) will continue into the next financial year, others (Panels, Neighbourhoods, Commissioning for outcomes) will be delivered outside the programme either as business as usual or under separate governance arrangements.

In 2020/21 the vision for the APC programme 'broaden its horizons looking to influence the approach taken by colleagues, partners and providers; as well as developing a targeted approach that works for all individuals, both adults and young people, to ensure all aspects of Adult Services are independence, community and neighbourhoods focused'

A range of new opportunities are currently being scoped into the delivery plan for 2020/21, these will be incorporated in the programme within current or new workstreams. These opportunities include:

- A focus on the Tier 1 and Tier 2 offer to ensure we are enabling people to help themselves and access short-term help when they need it, This work will align closely to Think Communities and reflect the learning and good practice delivered through the Neighbourhood Cares work
- Preparing for Adulthood delivery,
- Broadening the remit of Changing the Conversation beyond the internal ASC teams, and
- Focusing TEC on specific client groups and horizon scanning for new TEC opportunities.

In 2020/21 it is anticipated that the programme will be aligned to three tiers of activity – embedding existing workstreams, expanding the scope of existing workstreams, and pushing ambition into new delivery areas as set out in the diagram below;

Adults opportunities will deliver at three levels in 2020/21

The current planning assumption is that the target programme benefit of an additional £3.8m in 2020/21, will be delivered through the top two tiers of activity, with additional opportunity and potential benefit coming from the new ambition areas.

There are several factors that give the APC programme confidence in this delivery assumption;

- Sustaining the delivery of 2019/20 interventions is forecast to realise £4m of benefit
- Benefits delivered into 2020/21 from activity completed in 2019/20 is expected to be around £1.4m
- Total Mobile reablement solution being in place to deliver benefit in 2020/21
- Changing the Conversation and TEC focus on Learning Disability and Mental Health support – this represents 48% of ASC client spend in CCC and has not been a programme focus in 2019/20
- New workstreams focusing on Tier 1 (community support to help you to help yourself) and Tier 2 (time limited support), will have a positive impact on incoming demand both in terms of cost and volume of new packages, together will helping to flexibly meet increasing needs from current clients

What assumptions have you made?

- There will not be any changes in legislation with regards to adult social care.
- Projections of population growth in Cambridgeshire over the next five years are accurate, particularly with regards to the 65-85 age group.
- Needs can be prevented, delayed or reduced sufficiently across the adult social care cohort to achieve the demand management savings set out in this business case.
- The demand management savings take account of where multiple work streams are working together to reduce demands for the same cohort. The financial savings are not counted multiple times.

What constraints does the project face?

- Adult Social Care services must continue to meet the requirements of the Care Act.
- There are financial constraints that the programme must work within.
- During 2018/19 CCC experienced significant cost pressures from the ASC provider market. Addressing these is not currently in the programme scope but their impact may mask programme benefit.

Delivery Options

Has an options and feasibility study been undertaken?

Yes

Scope / Interdependencies

Scope

What is within scope?

Demand management savings resulting from APCP interventions
Cashable benefits resulting from APCP interventions

What is outside of scope?

Project Dependencies

Title

Support from Enablers

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

The overarching benefits for the programme include:

- Addressing needs early on to prevent them escalating
- People receive the right package of care and support which targets what they want to achieve
- Peoples' quality of life, mental and physical health and well-being, is improved
- Maximising independence by empowering individuals to do more for themselves
- Building self-sufficient and resilient communities
- Staff have the appropriate knowledge, skills and tools

Title

Risks

Title: Ability to drive the behavioural changes needed in the Council's workforce and approach

This programme requires a different mindset in the way it offers social care support, focusing on building on strengths and avoiding a traditional sense of both entitlement by citizens and paternalistic care model.

- Workshops have already begun with adult teams, as well as the wider council. This uses external expertise, as well as internal skills and local knowledge, to best tailor workshops to meet the needs of individuals, whilst using best practice techniques to ensure maximum impact. There will also be ongoing support and training delivered through the programme and measures will be benchmarked to monitor progress.

Title: Ability to grow neighbourhood-based support models

Mitigating avoidable demand requires the development of 'circles of support'. Without an investment in growing the formal and informal care workforce, this model will not succeed.

- However, investment has been written into the plans. Further, there are lessons learnt from the neighbourhood models already being practiced across the county which will be used in the development of this programme.

Title: Ability to embed a 'strengths-based' approach across providers

Providers are currently struggling to be viable in the current 'input-based' approach to defining support plans. This also sustains current levels of demand.

- Working closely with colleagues Commissioning and Brokerage, ensuring they understand the approach, defining what it means for providers and through the year 2 delivery working directly with providers to embed a 'strengths-based' approach

Title: Ability to drive self-management & digital adoption

This approach only works if both citizens and providers are incentivised to adopt a new way of engaging.

- A refresh of all ASC communications, ensuring they align to the new ways of working, are consistent and support individuals to be independent.
- Using performance indicators to track the impact of new communications and to set priorities.

Title: Ability to increase the size of the care workforce

Care workforce is the number one factor driving the capacity issues, with a huge turnover and difficulties in recruitment.

- This has already received investment in both resource and investment, using internal and external expertise. There will be ongoing monitoring to understand the success of this campaign and ongoing recruitment and retention resource/investment has been written into the business case.

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

The Adults Positive Challenge (APC) Programme is across Cambridgeshire and Peterborough, but also includes service users who may be placed out of county.

The APC Programme affects adults in Cambridgeshire and Peterborough with care and support needs primarily, but work will also link with teams working with young adults, embedding the approach as service users transition to Adult Services. There will also be implications for the staff supporting these service users.

Service users including:
- People with learning disabilities with eligible social care needs receiving a funded care package
- Informal Carers
- People with care and support needs not eligible for Council funded support, including self-funders
- Providers (existing and future)
- Voluntary and Community Sector
- Members
- Partners (existing and future)
- Staff directly or indirectly employed

As a result, there is evidence that has been and will be a disproportionate impact on the following protected groups:

Age: The majority of recipients of social care services, and people with care and support needs are older people, in particular those over the age of 65. As a result this group will be disproportionately impacted by the proposals.

Disability: Adult Social Care services are delivered for individuals with disabilities and therefore this protected group will be disproportionately affected by the changes.

Sex: The majority of social care staff are female and therefore this group will be disproportionately affected by the proposals.

Rural Isolation: Some workstreams will have a positive impact on reducing rural isolation, such as through providing opportunities for using technology to enhance social networks, and introducing social care micro-enterprises (organisations that have local people (staff or volunteers) delivering support for other local people).

Deprivation: People from deprived communities are more likely to develop care and support needs earlier in life and are more likely to be users of statutory care and support. They are therefore likely to be disproportionately impacted by proposals.

What positive impacts are anticipated from this proposal?

The Adults Positive Challenge Programme is supporting the need to shift social care practice away from long-term support towards more preventative support and advice, which will support people to live healthier and more independent lives.

Service Users

An overall positive impact for people with care and support needs has been demonstrated as a result of preventing escalation of need and opportunities to keep people independent and in their own homes. On a programme level, the following positive impacts are starting to materialise:

1. The support people receive will build on their current strengths
2. People are supported in the community, by the community
3. People receive the right package of care and support which targets what they want to achieve and maximises their independence
4. People are not waiting to receive care and support
5. Better evidenced decision making, with local people consistently informing commissioning decisions
6. Carers experience stability, are able to look after themselves, get the right support and have good well-being
7. People are supported with the correct information, advice and guidance.

Staff

The programme is starting to see an overall positive impact for staff in their confidence to support clients in a strengths-based way:

- Staff feel empowered and supported in their role
- Increase in staff satisfaction and retention, and decrease in sickness absences
- More stable social care workforce

What negative impacts are anticipated from this proposal?

At this point in time, there is no evidence of negative impacts anticipated from the APC Programme. However, individual workstreams will continue to assess the equality impact of particular activity within individual workstreams where appropriate.

Are there other impacts which are more neutral?

The programme supports a shift away from long-term support and statutory services towards more preventative support in the community. Therefore the needs of citizens will continue to be met, but in different ways to how they have been met in the past.

Disproportionate impacts on specific groups with protected characteristics

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

This document captures at a programme level, specific groups with protected characteristics that are likely to be disproportionately impacted by the Adults Positive Challenge Programme. Due to the breadth of activities within the programme, it is not possible to produce a comprehensive impact assessment of all programme activities at this stage. Where applicable, detailed impact assessments will be produced at a workstream level at appropriate times during the programme and will be reported to the Adults Committee.

It is understood that there has been and will continue to be a disproportionate impact on the following groups with protected characteristics: Age, Disability, Sex, Rural Isolation and Deprivation. Evidence suggests that the impacts on these groups will be predominantly positive and therefore mitigations will not be required.

Age: The majority of the recipients of Adult Social Care services are older people and as a result, the impact on this group will be disproportionate. The impacts are anticipated to be positive and neutral as a number of the workstreams are looking to support individuals to stay in their own homes and to be more independent. A number of the changes planned for services might mean that an individual’s needs are met in a different way but it is anticipated that the impact will be neutral, if not positive.

Disability: A significant proportion of recipients of Adult Social Care services have a disability and as a result, the impact of the programme on individuals with a disability will be disproportionate. The impacts of the programme are anticipated to be positive and neutral as a number of the workstreams are looking to support individuals to stay in their own homes and to be more independent. A number of the changes planned for services might mean that an individual’s needs are met in a different way but it is anticipated that the impact will be neutral, if not positive.

Sex: A majority of Cambridgeshire County Council’s care workforce are female and as a result, the impact of the Adults Positive Challenge Programme on the workforce will be disproportionate to this group. It is considered that the impacts on this group will be positive or neutral.

Rural Isolation: A number of the workstreams will have a positive impact on reducing rural isolation, such as through providing opportunities for using technology to enhance social networks, and introducing social care micro-enterprises (organisations that have local people (staff or volunteers) delivering support for other local people).

Deprivation – The likelihood of developing care support needs earlier in life is greater in deprived communities and the ability to self-fund care is limited for those experiencing deprivation. As a result, the impact on this group will be disproportionate. The impacts are anticipated to be positive and neutral as a number of the workstreams are looking to support individuals to stay in their own homes and to be more independent. A number of the changes planned for services might mean that an individual’s needs are met in a different way but it is anticipated that the impact will be neutral, if not positive.

Business Case

A/R.6.114 BP 20-21: Learning Disabilities Commissioning

Project Overview			
Project Title	A/R.6.114 BP 20-21: Increasing independence and resilience when meeting the needs of people with learning disabilities		
Savings for 2020-21	-£250k	**Business Planning Reference**	A/R.6.114
Business Planning Brief Description	An extension to an expiring three-year programme of work undertaken in Learning Disability Services from 2016/17 to ensure service-users had the appropriate level of care. This £250k saving is the newly scoped level for 2020/21		
Senior Responsible Officer	Fiona Adley / Tracy Gurney		

Project Approach

Background

Why do we need to undertake this project?

Following the final year of a programme of reassessment work for all people open to the Learning Disability Partnership (LDP) undertaken by the Project Assessment Team (PAT) 2016-18, the focus in 2019/20, was on continuing to develop independence and resilience of individuals and their networks through the Transforming Lives approach and the application of policy lines approved by Adults Committee in 2016.

The PAT had achieved savings using a combination of social work and specialised brokerage analysis and negotiations. The methodology that they used has been shared with the LDP locality teams and the commissioning directorate. This approach will be applied again to achieve further savings from the remaining cases which have not yet been reviewed. A review or these cases has identified that there is scope to save a further £250k.

What would happen if we did not complete this project?

Some people with learning disabilities may be over-supported and/or not fully utilise community resources, inhibiting their level of independence. Some people with learning disabilities may not achieve the level of independence of which they are capable, and community and care resources may not be used to their full potential, reducing the Council's ability to provide the best support possible to those who require it and putting pressure on Council budgets.

Approach

Aims / Objectives

To ensure that all support packages for people with learning disabilities meet the needs of the people with learning disabilities whilst supporting aspirations to live as independently as possible and offer value for money for the Council.

Project Overview - What are we doing

The existing programme of service user care reassessments which requires each person's care needs to be reassessed in line with the Transforming Lives model and within the revised policy framework, with a view to identifying ways to meet their needs at reduced overall cost and giving a stronger focus on promoting independence and a strengths based approach in line with the Adults Positive challenge. Packages will also be reviewed to take account of the consequence of service users living together so that the support provided overall is optimized, maximizing any core funding and minimizing any shared costs associated with vacant places.

Savings will be delivered through the remaining effect of care costs that have been reduced in 2019/20. Where savings are made in-year, the remaining part of the 12 month effect is seen in the following financial year. Savings achieved are monitored as part of the monthly process of monitoring package changes that social work teams engage in.

What assumptions have you made?

1. The saving is based on a set of assumptions about the phasing of the reassessment work - this is being monitored and may be subject to change.
2. The primary levers used to drive savings may not work in cases and consequently a standard saving per case is not predicted.
3. Implementation of changes will add more risk into care and support packages.

What constraints does the project face?

The main constraint continues to relate to the capacity of the team delivering the reassessment work. A continuation of a small dedicated resources improves the team's focus and consequently mitigates any risk of scope creep.

Delivery Options

Has an options and feasibility study been undertaken?

This proposal is based on the experience of the last three years. Therefore, the approach is tried and tested. However, within the LD caseload as a whole and within each case, the scope for savings is much reduced as these are the cases which were not previously prioritised because it was thought that there was less scope for efficiencies or the reviews and work to effect the changes would take time to follow through.

Scope / Interdependencies

Scope

What is within scope?

75 highest cost packages of support for people with learning disabilities. Packages of support for people living in the same setting as those with high cost packages. Packages of support may be out of the county.

What is outside of scope?

Packages of support for other people with learning disabilities. Packages of support that have already been reassessed by the LDP locality teams in the previous 24 months.

Project Dependencies

Title
Transforming Lives
Adult Positive Challenge

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Benefits to Service Users

1. Increasing levels of independence.
2. Increased choice and control within support levels.
3. Assessed and eligible needs under the Care Act will still be met.

Benefits to LDP commissioning team

1. Minimises' under-utilised market capacity.
2. Supports delivery of efficiencies required.

Title

Risks

Title: Challenge by external providers and families

If external providers or families challenge the essence of the change then the project will stop and savings will be delayed.

- Voice of the family is already part of the review and decision making process. The legislative duty to meet assessed needs remains.
- Work will be carried out collaboratively with providers with CCC retaining overall decision making authority.

Title: Unit costs

If the unit cost is wrong then savings will be overstated.

- Unit cost has been tested with the finance team and is considered accurate.

Title: Incorrect care & support plans

IF the care and support plan is wrong then support levels will be incorrectly stated.

- Work will be carried out during the initial meetings with the service user, provider and family/advocate to understand the current provision.

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

People with learning disabilities with eligible social care needs receiving a funded care package.

What positive impacts are anticipated from this proposal?

The intention is to meet people's care needs whilst maximising their independence. The care model focusses on building on people's existing strengths, their natural support networks, the use of technology and new care models to meet needs.

Reducing the overall cost of care packages will also produce a financial benefit for people who contribute to the cost of their own care (in full or in part). Social care costs can be substantial for families and so making care more cost effective can produce very significant financial benefits for families. Council resources will be targeted at those with the highest needs.

What negative impacts are anticipated from this proposal?

This proposal does not include any change in care thresholds or reduction in the commitment to meet eligible needs. However it does include the intention to make demand management savings by working with people in a way which supports them to be more independent of care services. It might therefore represent a less risk-averse model than potentially could be pursued, reducing the level of efficiencies possible. Decisions about the best care setting for an individual will always be made in the best interests of service users with social workers acting to identify the most appropriate care plan and making judgements about the level of independence and support required.

Are there other impacts which are more neutral?

No neutral impacts have been identified at this time

Disproportionate impacts on specific groups with protected characteristics

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

The project is focused on people with a learning disability with an eligible care need, therefore they are likely to be disproportionately affected by this proposal.

Business Case

A/R.6.114 BP 21-22: Learning Disabilities Commissioning

Project Overview			
Project Title	A/R.6.114 BP 20-21: Delivering more outcomes when meeting the needs of people with learning disabilities		
Savings for 2020-21	2020-21 £0 / 21-22 -£400k	**Business Planning Reference**	A/R.6.114
Business Planning Brief Description	Work will take place to refine how service users' assessed needs are translated into care and support plan outcomes and then achieved. This will be approached on a case-by-case basis and will involve close working with families and providers in addition to the person we support. The result will improve the benefits delivered for the person we support at a lower cost. The forecast 2020/21 saving is £NIL, and 2021/22 savings is £400k.		
Senior Responsible Officer	Fiona Adley / Tracy Gurney		

Project Approach

Background

Why do we need to undertake this project?

Anecdotal evidence suggests outcomes based commissioning in a learning disability environment is expected to deliver significant benefits to service users and the Council. This type of commissioning has been implemented across the country to differing levels. Although outcomes based commissioning is strongly advocated within national policy, Initial desktop research did not provide unequivocal evidence that outcomes based commissioning delivers significant financial or qualitative benefits. This is corroborated with advice from IMPOWER.

All of the 1,600 care and support plans managed by the Learning Disabilities Partnership specify high level outcomes. It is unclear when the outcomes are fully met which leads to resource levels being maintained.

A small proportion of care and support plans specify some short term outcomes that are specific and measurable. Consequently the resources required are controllable and can be reduced when the outcome is met. Increasing the number of care and support plans with short term outcomes which are specific, attainable and measurable will lead to the delivery of more outcomes. This improves the likelihood of reducing resources when the outcomes are met. It is necessary to determine what changes are required to deliver these benefits.

All adults with a learning disability should have care and support in place where this is an assessed and eligible need that promotes their skills and therefore their independence. It is noted, however, that not all of those in receipt of LD commissioned care would be able to achieve outcomes that result in a reduction in Care and Support. The intention of this work is to initially focus on individuals with Care and Support plans where commissioning against short term outcomes would reduce care and support needs e.g. independent travel training or cooking skills.

What would happen if we did not complete this project?

Some people with learning disabilities may not develop as fast as they would want to. Care resources may not be used to their full potential, and some people with learning disabilities may be less independent than they could be.

Approach

Aims / Objectives

To ensure that all support packages for people with learning disabilities are appropriate to meet the needs of the people with learning disabilities with a focus on SMART outcomes and offer value for money for the Council.

Project Overview - What are we doing

The work required will be grouped into phases as follows:

1: Discovery phase – to quantify the benefits potential more accurately

This will carry out a detailed desk top analysis to generate a savings hypothesis and possible quick wins and identify risks. Work will be necessary to search the evidence base. Benchmarking should include at least four county councils and three other organisations. It will determine whether should include alliance of providers in initial phase. Consequently this will lead to the design of a pilot phase and a best practice report.

2: Pilot phase – to determine the design characteristics of a scaled solution

Work will take place with a small group comprising of one social worker, eight to twelve service users, one to two providers, one commissioner and one project manager. The focus will be in one county district. All parts of a target operating model which includes people, organisations, technology and information flows will be considered. The pathway will start from a referral to the service to confirming the benefits after service delivery. This should lead to some quick wins and a scaled solution design.

3. Roll out phase – to realise the benefits

Based on the findings from the pilot phase and a best practice report, a fully scaled roll out will be designed

What assumptions have you made?

1. The saving is based on a set of assumptions about the phasing of the reassessment work - this is being monitored and may be subject to change.
2. Work will take place at scheduled annual review dates.
3. We only expect a proportion of care plans to change. This is because not all needs require new solutions.

What constraints does the project face?

The main constraint continues to relate to the capacity of the team delivering the reassessment work. A train the trainer approach will be used to disseminate best practice rapidly. Human factors, including the fact that the intended outcomes are dependent on individuals achieving goals within care plans, albeit it with support, will have a significant impact on project outcomes. There may be issues relating to capacity in commissioning and operations to complete data analysis. In this case, business support/business intelligence support or the Transformation Team support already allocated will be accessed.

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

1,600 Learning Disabilities Partnership care and support plans

What is outside of scope?

Packages of support for other people without learning disabilities. Packages of support that have already been reassessed by the LDP locality teams in the previous 6 months.

Project Dependencies

Title

Transforming Lives

Adult Positive Challenge

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Benefits to Service Users

1. Increasing levels of independence.
2. Increased choice and control in support levels.

Benefits to Service Carers:

1. Increasing levels of independence for their loved one.
2. Increased choice and control in support levels for their loved one.
3. Reduced demands/pressure from caring roles.

Benefits to LDP commissioning team

1. Better utilization of provider resources
2. Delivery of identified efficiencies
3. Potential to share lessons learnt to OP/PD/MH teams
4. A step change which will enable providers to differentiate capabilities.

Title

Risks

Title: Challenge by external providers and families

If external providers or families challenge the essence of the change then the project will stop and savings will be delayed.

- Voice of the family is already part of the review and decision making process. The legislative duty to meet assessed needs remains.
- Work will be carried out collaboratively with providers with CCC retaining overall decision making authority.

Title: Unit costs

If the unit cost is wrong then savings will be overstated.

- Unit cost has been tested with the finance team and is considered accurate.

Title: Incorrect care & support plans

IF the care and support plan is wrong then support levels will be incorrectly stated.

- Work will be carried out during the initial meetings with the service user, provider and family/advocate to understand the current provision.

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

People with learning disabilities with eligible social care needs receiving a funded care package.

What positive impacts are anticipated from this proposal?

The intention is to meet people's care needs whilst maximising their independence by focusing on outcomes. The care model builds on people's existing strengths, their natural support networks, and the provider's resources. Reducing the overall cost of care packages (where this is possible) will also produce a financial benefit for people who contribute to the cost of their own care (in full or in part). Social care costs can be substantial for families and so making care more cost effective can produce very significant financial benefits for families.

What negative impacts are anticipated from this proposal?

This proposal does not include any change in care thresholds or reduction in the commitment to meet eligible needs. However it does include the intention to make changes more frequently when outcomes are met. It might therefore represent a less risk-averse model than potentially could be pursued, reducing the level of efficiencies possible. Decisions about the best review period for an individual will always be made in the best interests of service users with social workers acting to identify the most appropriate care plan and making judgements about the level of independence and support required.

Are there other impacts which are more neutral?

No neutral impacts have been identified at this time

Disproportionate impacts on specific groups with protected characteristics

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

The project is focused on people with a learning disability with an eligible care need, therefore they are likely to be disproportionately affected by this proposal.

Business Case

A/R.6.178 Improved Better Care Fund

Project Overview			
Project Title	A/R.6.178 Improved Better Care Fund		
Savings for 2020-21	-£170k	**Business Planning Reference**	A/R.6.178
Business Planning Brief Description	The Better Care Fund (BCF) is our joint plan with health partners aimed at providing better and more joined up health and care provision and easing financial and demand pressures in the system.		
Senior Responsible Officer	Caroline Townsend		

Project Approach

Background

Why do we need to undertake this project?

The Better Care Fund (BCF) is our joint plan with health partners aimed at providing better and more joined up health and care provision and easing financial and demand pressures in the system. Priority areas of focus are protecting frontline services, preventing avoidable admissions to hospital and ensuring people can leave hospital safely when their medical needs have been met.

The Cambridgeshire BCF plan provides vital support to mainstream services, and also funds a range of new schemes in areas including: preventing falls, increasing independence, investment in suitable housing for vulnerable people and enhanced intermediate care, reablement and homecare for people leaving hospital.

The Better Care Fund includes an element of funding intended to protect Adult Social Care Services, as the revenue support grant has decreased and demand continues to increase. On this basis a proportion of the overall BCF spend is proposed to be taken as savings, in order to protect services and avoid the need for any service reductions in Adult Social Care Services.

Cambridgeshire and Peterborough's full BCF plan is contained within the papers for the Health and Wellbeing Board, available here

What would happen if we did not complete this project?

If we did not use the BCF to adequately protect social care services there is a significant risk that adult social care services would become unsustainable, creating safeguarding risks to adult social care service users.

Approach

Aims / Objectives

The aim of Cambridgeshire's BCF is to move to a system in which health and social care help people to help themselves, and the majority of people's needs are met through family and community support where appropriate. This support will focus on returning people to independence as far as possible with more intensive and longer term support available to those that need it.

This shift means moving money away from acute health services, typically provided in hospital, and from ongoing social care support. This cannot be achieved immediately – such services are usually funded on a demand-led basis and provided as they are needed in order to avoid people being left untreated or unsupported when they have had a crisis. Therefore reducing spending is only possible if fewer people have crises. However, this is required if services are to be sustainable in the medium and long term.

Project Overview - What are we doing

The BCF creates a pooled budget between health, social care and housing services in each Health and Wellbeing Board area. Cambridgeshire has a single Health and Wellbeing Board. Plans are developed and agreed by local authorities and NHS commissioners, and signed off by the Health and Wellbeing Board.

BCF contains elements of funding that:
- provide mainstream health, social care and housing services.
- supports the development and delivery of transformation projects that will support a shift away from acute health care and long term social care towards care that is more preventative and personalised and focused on keeping people well.
- supports the sustainability of the care market and protects social care services from reductions.

It is proposed that the current Improved Better Care Fund investment in supporting Delayed Transfers of Care (DTOCS) of £2,417k is reviewed with a view to reducing investment in this area to release additional savings from the BCF which can be repurposed to address adult pressures. This will be dependent on negotiations with the CCG, wider system partners and approvals by NHS England and will enable £170k of savings to be made in 2020/21.

What assumptions have you made?

We have made the assumption that BCF plans will be fully approved by NHS England.

What constraints does the project face?

Better Care Fund plans, including this proposed saving, must be agreed by a range of partners through the Health and Wellbeing Board; and signed off by NHS England and the Department for Communities and Local Government.

Delivery Options

Has an options and feasibility study been undertaken?

Yes – an evaluation of IBCF investments has been undertaken to inform recommendations.

Scope / Interdependencies

Scope

What is within scope?

Social care services for adults; health services for older people and adults with long-term conditions

What is outside of scope?

Social care and health services for children 0-18

Project Dependencies

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Title

Risks

Title: Approval of IBCF expenditure plans

It is a national requirement that IBCF plans are agreed with local NHS Partners at then at a national level by NHS England. Delivery of this saving will be dependent on these approvals with partners.

- Early discussions are underway with local system partners to ensure that agreement to financial expenditure is not delayed as a result of NHSE national guidance delays.
- Proposed expenditure plans represent minimal change to current investment levels and therefore will not have a detrimental impact.

Title: Overspend of IBCF

If other areas of IBCF investment overspend, then this may impact on the level of savings that can be delivered.

- Ongoing close monitoring of IBCF spend to ensure potential overspends are mitigated.
- Expenditure plan incorporates learning from previous years, and incorporates any planned budgetary changes, so overspends are minimised.
- Ongoing evaluation of funded schemes, to identify areas to reduce/stop if not delivering impacts.

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

Patients and social care service users

What positive impacts are anticipated from this proposal?

Better coordinated care and more sustainable care market promoting better outcomes for service users and patients

What negative impacts are anticipated from this proposal?

Are there other impacts which are more neutral?

This proposal does not include any change in care thresholds or reduction in the commitment to meet eligible needs. However the Better Care Fund is predicated on shifting demand by working with people in a way which supports them to be more independent of care services. It might therefore represent a less risk-averse model. The evidence suggests that service users living within the community and semi-independently supports better outcomes - with the community focus supporting effective recovery and a greater chance of them returning to good mental health sustained over the longer term. However living more independently does by definition mean that intensive help is not available as readily as it would be in a 24 hour setting for example. Decisions about the best care setting for an individual will of course always be made in the best interests of service users with social workers acting to identify the most appropriate care plan and making judgements about the level of independence and support required.

Disproportionate impacts on specific groups with protected characteristics
Details of Disproportionate Impacts on protected characteristics and how these will be addressed
Each protected characteristics / group of people have been considered and no foreseeable risks of them being disproportionately impacted by implications of this proposal have been identified.

Business Case

A/R.6.179 Mental Health Commissioning.

Project Overview			
Project Title	A/R.6.179 Mental Health Commissioning.		
Savings for 2020-21	-£24k	**Business Planning Reference**	A/R.6.179
Business Planning Brief Description	Establishment of a Mental Health and Autism Accommodation Framework: A retender of supported living contracts gives an opportunity to increase capacity and prevent escalation to higher cost services, over several years. In addition, a number of contract changes have taken place in 2019/20 that have enabled a saving to be taken.		
Senior Responsible Officer	Fiona Adley Sarah Bye		

Project Approach

Background

Why do we need to undertake this project?

Through 2018/19 Commissioners have been reviewing the current arrangements for mental health accommodation providers. As part of this work, it was identified that there was a need to also review the arrangements for accommodation based services for adults with autism. The current situation (which applies to both service areas) is outlined below:

- Differing and inconsistent arrangements between providers
- Limited ways to contract with new providers to the market
- Historic arrangements with no common monitoring or performance oversight
- Difficult to track spend and forecast need
- Placements are being made in Out of County services
- No long term strategic approach to accommodation services and development of capacity and models
- No opportunity to link up Cambridgeshire County Council and Peterborough City Council contracting arrangements
- The current Learning Disability accommodation frameworks and associated service specifications do not include a provision for Mental Health/Autism placements.

What would happen if we did not complete this project?

The current situation outlined above would continue under current contracting arrangements with gaps within provision and no ability to strategically manage the market and associated costs.

Approach

Aims / Objectives

Procurement of a Mental Health and Autism Framework will allow Cambridgeshire County Council and

Peterborough City Council to develop a more robust contracting mechanism for provision which provides accommodation and support for the specific cohorts. The proposed procurement will also address the following gaps identified through the initial development phase:

1. Availability of Supported Accommodation which will meet the needs of complex, high-risk service users including those presenting with dual diagnosis, co-occurring mental health and substance misuse needs, histories of evictions from other settings, forensic histories, complex risk histories and those on the Transforming Care Pathway.
2. Developing the geographical range of services – the current geographical spread of Mental Health Supported and Residential services does not provide adequate coverage reducing choice for service users from less resourced parts of the county to remain near their families and local connections.
3. Developing the offer of services that can meet the needs of Adults with Autism (who do not also have a Learning Disability) ensuring the providers have the specialist expertise in supporting this cohort. There are service users currently being supported by the Adults with Autism team who have a diagnosis of Autism and/or are not currently engaged with mental health services but who have Care Act needs and are being supported by the AAT team. Although a small number of placements are provided through this team, the needs are often complex and placements are often sought out of county due to the lack of expertise within the current arrangements to support these individuals

Project Overview - What are we doing

Carrying out a procurement exercise for a Mental Health and Autism Accommodation Framework for Adults. The aim of the procurement is to meet the current and future needs of people with mental health problems who require supported accommodation or residential services. In addition the procurement will provide additional provision to the current offer for Adults with Autism and individuals with complex needs, increase geographic equity and improve Service User choice. The Framework will also provide:

- Consistent contract arrangements
- Clear pricing structure
- Additional completion to the market
- New level of support for people with complex needs

What assumptions have you made?

As part of the procurement a cumulative saving of £96,000 has been identified across the first three years of the contract. This has been modelled through the introduction of the Complex Needs Supported Accommodation. This will enable more people to be placed in a lower cost but appropriate setting rather than in a higher cost residential service. Commissioners for Autism anticipate that there will be further cost avoidance benefit through building capacity and expertise within county rather than seeking costly out of county placements in the future.

Based on current activity into Mental Health residential settings it is assumed that of the four new placements per year, two of these placements will be diverted away from residential setting into Complex Supported Living. The commissioning approach of hourly rate for support will provide a more cost-effective and outcome focused approach to support rather than a higher, weekly fee for residential services.

By introducing a Complex Supported Living lot to the procurement and provider market the Council should be able to realise a saving from mental health budgets of £24,000 in 20/21.

The modelling of this is outlined below based on the assumptions that two mental health placements per year will be diverted away from residential setting into Complex Supported Living

Savings calculation:	Annual	Cumulative
Year 1 (part year)	24,000	24,000
Year 2 (Yr 1 FYE + Yr 2 part year)	48,000	72,000
Year 3 (Yr 2 FYE)	24,000	96,000

What constraints does the project face?

The possibility that there is insufficient interest from providers in the Complex Supported Living lot.

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

The scope of the review, strategy and procurement will be for Adults with Autism and Adult with Mental Health needs (18-65), comprising of Residential and Supported Accommodation services across Cambridgeshire and Peterborough.

What is outside of scope?

Excluded from the scope of the project are:

- Nursing and care home - these are included under current contracting mechanisms and works streams across Cambridgeshire and Peterborough.
- Historic arrangements – this includes current placements and the Cambridgeshire Supported Accommodation contract which has been commissioned as a block contract. The current contract term ends on the 20th September 2020 with an option for 1 further year. Following the introduction of the Framework this service will be reviewed to establish whether this will move onto the Framework from 2021 onwards

Project Dependencies

Details

The project is not dependent on any other processes, although delivery is dependent on adherence to the defined procurement timeline.

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

- Improved contracting mechanism for accommodation and support for the specific cohorts will improve access and therefore outcomes.

- Increased choice for service users living in parts of the county that have to travel further to access suitable accommodation, enabling them to remain near their families and local connections.
- Needs of service users will be better met with improved outcomes including for those presenting with dual diagnosis, co-occurring mental health and substance misuse needs, histories of evictions from other settings, forensic histories, complex risk histories and those on the Transforming Care Pathway.
- Significantly improved access to providers who have specialist expertise in supporting this cohort for adults with autism who do not have a learning disability.

Title

Risks

Title: Effectiveness of contract monitoring

Effectiveness of contract monitoring early in the contract

- Ensure engagement and early involvement of contracts team

Title: TUPE Timescales

Risk that TUPE will impact timescales for mobilization

- LGSS and Peterborough legal teams consulted.
- Advisory letter sent to providers in advance

Title: CPF Process

Clarity of CPF Process at mobilization

- CPFT involvement in developing the service specification to ensure operational input

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

Adults with Mental Health needs

Adults with Autism

What positive impacts are anticipated from this proposal?

- More appropriate levels of support
- More appropriate accommodation
- More responsive/timely access to accommodation and support
- More local/community based response
- Consistent contracting arrangements
- Improved oversight of providers and associated spend
- Increased geographical spread of accommodation based services

What negative impacts are anticipated from this proposal?

Increased number of providers to manage/monitor but no negative impacts anticipated for service users.

Are there other impacts which are more neutral?

None identified at this stage

Disproportionate impacts on specific groups with protected characteristics
Details of Disproportionate Impacts on protected characteristics and how these will be addressed
The impact on protected characteristics is not disproportionate - the services concerned can be accessed by anyone who has mental health with this level of need or autism.

Business Case

A/R.6.181 Review of commissioned domiciliary care

Project Overview			
Project Title	A/R.6.181 Review of commissioned domiciliary care		
Savings for 2020-21	-£300k	**Business Planning Reference**	A/R.6.181
Business Planning Brief Description	Learning from the success of a review that was carried out in Peterborough, this project will review the domiciliary care provision across Cambridgeshire to improve the quality of the domiciliary care provided by ensuring a more fluid transition to permanent care, which will result in reduced costs and better outcomes for users. A project team is necessary to deliver this project and a drawdown of £305k of Transformation Funding is required.		
Senior Responsible Officer	Leesa Murray		

Project Approach

Background

Why do we need to undertake this project?

Across Cambridgeshire, there are around 2,400 users a week receiving Domiciliary Care via services that are either directly commissioned by the County Council or through direct payments. Total expenditure for Domiciliary Care in Cambridgeshire is around £20m.

There is a waiting list for long term domiciliary care in Cambridgeshire, which means that some people who need a long-term package are spending longer than they need to in a temporary arrangement. This arrangement varies from inappropriate settings such as an acute or community hospital, reablement bridging, short term block arrangements including interim beds and support from families which is unsustainable in the longer term.

Whilst interim care is a necessary step in providing long-term solutions for users of domiciliary care, time spent within interim care should be reduced as it is typically a minimum of £2/hour more expensive for private providers, and for reablement bridging, a minimum of £10 per hour more than the cost of providing long-term. Reablement should be accessible to those people who will benefit from a period of reablement. Furthermore, in order to manage the market for domiciliary care it is essential that the flow of people transitioning to long-term care is managed effectively and that we prioritise identification of market capacity

What would happen if we did not complete this project?

Unless we can release capacity of our domiciliary care, people who need a long-term care package will spend longer than they need to in temporary arrangements, which is more expensive to provide and is not a permanent solution for service users (which creates challenges when a reliance and relationship with the temporary care needs to come to an end).

Approach

Aims / Objectives

- To improve the quality of the domiciliary care provided by ensuring a more fluid transition to

permanent care
- To reduce the cost of providing domiciliary care through reducing the need to provide more expensive, interim care solutions
- To identify savings through reviewing existing arrangements

Project Overview - What are we doing

Domiciliary care is brokered for individuals as the need arises. Providers bid for care packages based on their capacity at that specific time. Care needs and capacity changes over time and this can mean that care rounds are not optimal, for example travel between calls increases thereby decreasing carers direct contact time. We have identified that several providers are delivering care in the same area, often the same street. Using a mapping tool called power B.I, we are able to illustrate each service user by care provider and identify opportunities to optimise direct contact time.

Forecasting using evidence from the review carried out in Peterborough and adjusting to take into account different local contexts, it is expected this project will:

- Identify clients who need assessments to be prioritised to facilitate capacity release
- Identify provider capacity that can be used to support placement of those people waiting for care. This will also support further improvements in Delayed Transfer of Care (DToC)
- Support conversations with providers where operational opportunities are identified thus improving provider relationships, support to increase sustainability where issues with call coordination are identified, and prepare for development of place based commissioning
- Identify opportunities where providers can rationalise care calls by reviewing care provision geographically across all providers and re allocating care across to optimise care rounds.

We know that in Cambridgeshire, there are issues with the availability of domiciliary care which means that people spend longer in inappropriate settings than necessary. Preliminary investigations have already taken place which has identified additional capacity could be released as well as savings through auditing existing care transactions.

The brokerage team in Cambridgeshire has insufficient capacity to deliver this review. Consideration has been given to the review being delivered entirely or in part by external consultants, however is was decided that the best approach would be used utilising the existing team in Peterborough as, not only was this the lowest cost option, this team is familiar with the tasks required and has a proven track record of delivery.

The project team in Peterborough are resourced from the Peterborough Care Placement Team with leadership from the Senior Quality Improvement resource. However, resourcing from the Care Placement (brokerage) team is not sustainable. The proposal would be to second the Senior Quality Improvement Officer who has managed the Peterborough project to lead the Cambridgeshire project with fixed term employment for 1 member of staff who has been delivering the project from an agency and then to ask for expressions of interest within CCC. Additionally we are proposing to use the project as an opportunity to up-skill our internal contracts team and include this process as part of the ongoing contract management process.

Forecasting using evidence from the review carried out in Peterborough, it is expected this project will deliver savings of £600k per annum with a stretch target of £1.1mllion. These figures are based on the reconciliation of the ECM and the Care Notes data. Sampling has been carried out within Cambridgeshire, which has indicated that there are savings to be achieved through this work. The project will also be looking at [add any additional work], which may result in additional savings in future years.

It is proposed that resources of £305k are funded from Cambridgeshire's Transformation Fund in order to pay for a team to deliver this work.

What assumptions have you made?

We have assumed that the approach taken by the project in Peterborough will be transferable to Cambridgeshire and will yield similar benefits. However, we have undertaken sampling within the brokerage team of some domiciliary care providers and evidence suggest that the objectives of the project can be achieved.

What constraints does the project face?

The resources to deliver this work are specialist and being able to secure the key individual from the team that delivered the work in Peterborough will be important to the projects success. As such, it is important that this work is not delayed.

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

What is outside of scope?

Project Dependencies

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

- Users of domicilliary care will spend less time in temporary arrangements
- There will be a better match of the care being received and the care required
- Expertise from the review carried out in PCC will be shared with CCC and staff upskilled

Title

Risks

Title

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

All people who are in receipt of domiciliary care and eligible for social care support.
All providers who deliver domiciliary care to people eligible for social care support.

What positive impacts are anticipated from this proposal?

- Capacity for domiciliary care will be released and available to those people who are waiting for care
- People whose needs have changed will have a prioritised review and where applicable have reduced client contributions

What negative impacts are anticipated from this proposal?

There are no negative impacts anticipated for people who are in receipt of domiciliary care and eligible for social care support.
Provider relationships will need to be managed to ensure that any released capacity is utilised.
Increased or re prioritisation of care and support reviews will impact on social workers planning.

Are there other impacts which are more neutral?

Disproportionate impacts on specific groups with protected characteristics

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

Business Case

A/R.7.215 Income from utilisation of vacant block care provision by self-funders.

Project Overview			
Project Title	A/R.7.215 Income from utilisation of vacant block care provision by self-funders.		
Savings for 2020-21	-£150k	**Business Planning Reference**	A/R.7.215
Business Planning Brief Description	Activation of the agreement to place self-funders in commissioned block beds. The model ceases local authority payment of the block bed and includes an agreed percentage income from the self-funder contribution.		
Senior Responsible Officer	Leesa Murray		

Project Approach

Background

Why do we need to undertake this project?

We currently pay for a number of block beds when they are empty, we need to maintain flexibility of our block bed base as it does support budget management and forecasting. However, we have varied our block bed contracts to allow the voids to be filled with self-funders. This would cease our block bed payment and also allow us to receive a percentage of the payment providers receive from self-funders over and above our block bed price. Analysis tells us that we could deploy this contract variation for some of our residential beds without compromising access and flow into placements.

We are currently changing our approach to the brokerage of self-funders following concerns that have been raised about current processes which are managed by a private brokerage service. This change will allow us to ensure that self-funders have the widest choice of placements including our block bed provision.

We have seen a reduction in referrals of self-funders to social care teams and cannot be fully assured that capacity and best interest assessments are being undertaken.

The current self-funder brokerage provider may not be determining the point where service users will reach threshold and be eligible for funded care and in that advising service users which homes will not accept LA funded placements. This means that when they reach threshold, we need to move them to another placement

What would happen if we did not complete this project?

We would continue to pay for voided block beds

Approach

Aims / Objectives

To reduce expenditure on block bed voids and create an income stream

Project Overview - What are we doing

We will activate the self-funder option through our brokerage service and monitor through routine contract management meetings

What assumptions have you made?

We have assumed how much each home could charge self-funders based on location, facilities and some intelligence of self-funder charges (see financial analysis document)

What constraints does the project face?

Self-funders can choose which homes they would like to commission. Some of our block beds are located in ex local authority homes which do not have and cannot upgrade the provision en suite facilities in all rooms. This can reduce the attractiveness for self-funders

We are not accountable for the brokering of self-funders, so they can choose to source their own placements.

Delivery Options

Has an options and feasibility study been undertaken?

No

Scope / Interdependencies

Scope

What is within scope?

Residential block beds that are not occupied and not in areas of known regular demand

What is outside of scope?

Nursing and residential dementia beds due to high utilisation and regular demand

Project Dependencies

Title
Brokerage capacity to support Self Funders from acute and community settings
Assessment support from social workers to determine service users have capacity
Notification of self-funders from health partners

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Increased choice for self-funders

Self-funders will not need to move to another home when they become eligible for social care funded placement

Referrals of self-funders will be through social work teams which ensures that capacity is assessed and best interest decisions are consistently made

Title

Risks

Title

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

People who require self-funded placements

What positive impacts are anticipated from this proposal?

Increased choice for self-funders

Referrals of self-funders will be through social work teams which ensures that capacity is assessed and best interest decisions are consistently made

What negative impacts are anticipated from this proposal?

No negative impacts identified

Are there other impacts which are more neutral?

No neutral impacts identified

Disproportionate impacts on specific groups with protected characteristics

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

No disproportionate impacts identified.

Business Case

A/R.6.201 - Cambridgeshire Skills

Project Overview			
Project Title	A/R.6.201 - Cambridgeshire Skills		
Savings 2020-21	-£180k	**Business Planning Reference**	A/R.6.201
Business Planning Brief Description	Transforming 'Cambridgeshire Learning & Skills' into 'Cambridgeshire Skills' a new stand-alone, self-financing service to deliver more substantial, direct delivery of adult learning and skills, targeted at those furthest away from learning and work to support their social & economic wellbeing.		
Senior Responsible Officer	Pat Carrington		

Project Approach

Background

Why do we need to undertake this project?

The Cambridgeshire Learning and Skills Service has operated under the Adult Education Budget (AEB). Historically funding for the AEB service has come through the Department for Education (DfE), coupled with CCC core funding (an allocation of 180K).

As part of the Cambridgeshire and Peterborough Devolution deal and through an act of Parliament; from 1st August 2019 the Adult Education Budget will be devolved to the Cambridgeshire and Peterborough Combined Authority and funding from the DfE redirected. The Combined Authority will, (based on an agreed profile and priority model) fund the service for the delivery of adult learning and skills.

This has offered opportunity to transform the Cambridgeshire Learning and Skills Service. Historically the service has subcontracted out most of its DfE contract for leisure & pleasure learning, and has further been supported by a core fund of £180k allocated from CCC. The comprehensive service review that took place identified that, if the Service were to be operating on national norms, it would also be able to provide additional activity and support services to targeted learners - those furthest away from learning and work - to support their social & economic well-being.

What would happen if we did not complete this project?

The grant funding may be reduced or removed

Approach

Aims / Objectives

Within this new service 'Cambridgeshire Skills', there will no longer be a need to receive the annual £180k grant from CCC. The new service aims to :-

- Transform the Cambridgeshire Learning and Skills Service into 'Cambridgeshire skills'
- Target those furthest away from learning and work to support their social and economic well-being
- Move 'Cambridgeshire skills' into a stand-alone, self-financing service

Project Overview - What are we doing

What assumptions have you made?

The continuation of grant funding from the Combined Authority

What constraints does the project face?

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

The Adult Learning & Skills department

What is outside of scope?

Project Dependencies

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

A more targeted adult learning provision that will support those most in need and farthest away from learning and / or work

Title

Risks

Title / details

Please note that the subcontracting has now already ceased as the new contract with the Combined Authority commenced in August 2019.

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

Local residents

What positive impacts are anticipated from this proposal?

There will be targeted intervention of those most in need - Local residents with low skill in the areas of highest need will benefit

What negative impacts are anticipated from this proposal?

The service had subsidised learning for leisure & pleasure, but is no longer able to offer that going forward. That was delivered by sub-contractors who will no longer receive a contract from CCC to do this work (not fundable though the funding guidance). Some of those sub-contracted providers may continue to deliver as usual but with full fees to all customers rather than subsidised, and some will not.

Are there other impacts which are more neutral?

Disproportionate impacts on specific groups with protected characteristics

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

As described above, the change to the funding arrangements may result in some sub-contracted delivery ceasing. Where, as a result of the detailed community impact assessment, it is found that individuals or groups with protected characteristics are adversely affected by this, the service will seek ways to mitigate the impact. For example, this may be via seeking alternative funding sources to re-provide the learning, or to work with local providers or voluntary and community sector organisations who may be able to step in.

January 2020 update to details above - contracts have already now been issued by the Combined Authority and they are prescriptive in the areas it will fund. There is now significantly more provision being delivered to the low skilled, in rural areas, than prior and we have met with the old sub-contractors to support them to deliver the old areas should they wish to continue.

Business Case

F/R.7.129 - Pooled property fund investment (CCLA)

Project Overview

Project Title	F/R.7.129 - Pooled property fund investment (CCLA)		
Savings for 2020-21	-£420k	**Business Planning Reference**	F/R.7.129
Business Planning Brief Description	Investment in the CCLA Local Authorities Property Fund to generate a revenue return.		
Senior Responsible Officer	Tom Kelly, Head of Finance		

Project Approach

Background

Why do we need to undertake this project?

The Council has ambitious targets for income from commercial property investments. Investment in this pooled property fund offers important diversity in investment, a proven track record of yield and return to other local government bodies as well as accounting advantages.

What would happen if we did not complete this project?

We would not benefit from the return on this investment

Approach

Aims / Objectives

Return on investment

Project Overview - What are we doing

Investment in a pooled property fund through CCLA

What assumptions have you made?

What constraints does the project face?

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

Medium to long term investment.

What is outside of scope?

Short term investment

Project Dependencies

Further interdependencies

- Obtaining vacant possession of the sites; potential investment in replacement modern buildings for tenants; obtaining planning permission.
- CCC requirements for a new integrated Highways Depot on the site.

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

None

Title

Return on investment

Risks

Title

Fund doesn't make expected return

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

No direct impact on residents/ service user groups

What positive impacts are anticipated from this proposal?

Return on investment

What negative impacts are anticipated from this proposal?

Opportunity cost of not using this funding for other investments

Are there other impacts which are more neutral?

None

Disproportionate impacts on specific groups with protected characteristics

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

No direct impact on residents/ service user groups

Business Case

F/R.7.127 County Farms - Commercial uses

Project Overview

Project Title	F/R.7.127 County Farms - Commercial uses		
Savings for 2020-21	-£75k	**Business Planning Reference**	F/R.7.127
Business Planning Brief Description	To assess the potential viability for converting buildings to non-agricultural uses to create additional revenue from the CFE (County Farms Estate) or, where revenue is deemed not viable, capital receipts from these sites where they do not fit within the CFE's wider strategic management. To assess the potential viability for a new distribution hub on CFE land adjoining the A14.		
Senior Responsible Officer	Hugo Mallaby		

Project Approach

Background

Why do we need to undertake this project?

To maximise commercial opportunities from the CFE and create a more diverse revenue producing portfolio where viable. It will also help provide increased resilience to tenants (where development ties in with diversification ideas) to protect the overall income from the estate.

What would happen if we did not complete this project?

The CFE's total revenue may come under greater pressure, given the current uncertainties in the agricultural sector.

Approach

Aims / Objectives

- To understand better where the potential opportunities lie on the estate to increase diversified revenue streams – either by working with tenants to create suitable on-farm diversifications or, where appropriate, to let directly to the market. The approach will be determined by each site's potential, the desire for on-farm diversification by tenants and the Council's requirements for income generation, based on a managed risk approach.

- To create a new distribution hub on CFE land adjoining the A14 near Swavesey.

Project Overview - What are we doing

We have instructed external consultants to complete a desktop analysis of all farm buildings and to present a list of those sites most suitable for development. The report is due in December 2020 and will determine the next steps, including financial planning, in detail.

The Distribution Hub is at the inception stage at present, and may well depend on the dependencies shown below.

What assumptions have you made?

The sites must be potentially viable from a planning and finance perspective

What constraints does the project face?

Potential planning issues – particularly re highways in some parts of the County and for the distribution hub particularly as the site adjoins the A14.

Delivery Options

Has an options and feasibility study been undertaken?

The first stage of this has been instructed through external consultants.

Scope / Interdependencies

Scope

What is within scope?

All farm buildings on the CFE currently used for agriculture.
CFE land at Swavesey adjoining the A14

What is outside of scope?

Existing buildings currently used for commercial non-agricultural uses and CFE farmhouses.

Project Dependencies

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Reducing length of commute; providing alternative sites for businesses outside Cambridge, so helping to reduce traffic in Cambridge; facilitating growth of SMEs (Small or Medium sized Enterprises) and, potentially, start-up businesses throughout the County.

Retain traditional farm buildings in a rural setting which are otherwise at risk of becoming derelict.

Title

Risks

Title

Changes to planning policy by the District Councils

Trying to obtain any planning consent always has an element of risk in it

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

The level of impact on communities will vary on a site by site basis, but it is anticipated that businesses and residents near sites for conversion could be affected. Landscaping of sites could also improve the visual amenity.
Distribution hub - Minimal impact: the site adjoins the A14 and Buckingway Business Park.

What positive impacts are anticipated from this proposal?

Local businesses may see more trade from converted sites; potentially staff/occupiers could move to the area and help rural schools and businesses survive/thrive; potential for greater age diversity in rural areas.
Potential additional employment opportunities

What negative impacts are anticipated from this proposal?

Some additional traffic movements to and from the sites.
Additional traffic movements to and from the A14.

Are there other impacts which are more neutral?

Potential investment in alternative agricultural buildings to facilitate conversion of existing buildings.

Disproportionate impacts on specific groups with protected characteristics

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

Any possible disproportionate impacts are not known at this stage.

Business Case

C/R.7.101 - Council Tax: Counter Fraud & Compliance

Project Overview			
Project Title	C/R.7.101 - Council Tax: Counter Fraud & Compliance		
Savings	-£450k	**Business Planning Reference**	C/R.7.101
Business Planning Brief Description	A project delivered in collaboration with Cambridgeshire Billing Authorities to invest in counter fraud and compliance activity to increase Council tax income.		
Senior Responsible Officer	Chris Malyon		

Project Approach

Background

Why do we need to undertake this project?

Council tax income is the most significant source of revenue funding for the Council comprising around 78% of the total net budget. Collection rates in Cambridgeshire are above the national average, averaging in excess of 98% across the County. However, we believe there is scope to improve collection rates further by investing in counter fraud and compliance activity. A modest improvement in collection rates would generate a significant level of additional income for Local Authorities in Cambridgeshire, helping to support front-line services.

What would happen if we did not complete this project?

Council tax collection rates would likely remain at current levels as Cambridgeshire Billing Authorities would not have the necessary resources to implement additional counter fraud and compliance measures.

Approach

Aims / Objectives

Aim: To further increase the Council tax collection rates achieved by Cambridgeshire Billing Authorities. The Council tax collected in Cambridgeshire is split approximately 80/20 between the County Council and District Councils respectively in its allocation.

Objectives:
- To ensure that fewer Cambridgeshire residents are paying less Council tax than they should be.
- To make it easier for people who genuinely cannot pay their Council tax to be able to do so.

Project Overview - What are we doing

- Working with Cambridgeshire Billing Authorities to develop a joint action plan to increase the Council tax collected in Cambridgeshire.
- Investing in more effective identification of fraudulent or incorrectly claimed Council tax discounts and in compliance activity to ensure residents are paying the correct levels of Council tax.
- Establishing of a gain sharing mechanism to ensure that extra income generated as a result of the scheme is shared fairly between Billing Authorities and the County Council.

What assumptions have you made?

- We have assumed that there is potential for further activity to effectively identify, contact and seek funding from residents who may not be paying the correct amount of Council Tax.
- We assume that we will be able to find a delivery mechanism for this work in collaboration with Billing Authorities.

What constraints does the project face?

Delivery Options

Has an options and feasibility study been undertaken?

We are engaging with Billing Authorities to assess the suitability of a range of potential approaches taking into account the resource requirements and probability of success based on local circumstances in each District. The Council intends to establish a joint investment and gain sharing agreement based on a model which has been successfully implemented by Local Authorities in Essex.

Potential areas for investment are expected to include:
- Implementation of a software solution to enable cross-county data sharing and matching to identify potential cases of fraudulently or incorrectly claimed Council tax discounts and exemptions
- Providing additional resources for compliance activity undertaken by Billing Authorities
- Introduce a publicity campaign to remind people to report changes in circumstances and emphasise the Council's zero tolerance approach to Council tax fraud
- Establishment of a gain sharing mechanism whereby Billing Authorities receive an additional share of the extra income generated as a result of the project to support continued investment in collection activity as well as supporting front line service delivery

Scope / Interdependencies

Scope

What is within scope?

Residents either not paying their Council Tax or not paying the correct levels of tax e.g. claiming discounts to which they are not entitled.

What is outside of scope?

Residents already paying their Council Tax at the correct rate.

Project Dependencies

Title
Reliance on the availability and accessibility of information to enable Billing Authorities to identify residents who may not be paying the correct amounts of Council tax
Reliance on co-investment in additional resources to enable Billing Authorities to increase Council tax collection rates

Cost and Savings

See accompanying financial information in Table 3

Non Financial Benefits

Non Financial Benefits Summary

Residents will be less likely to claim discounts fraudulently or otherwise avoid paying Council tax.
Increased partnership working between Local Authorities across Cambridgeshire.

Title

Increase in Council tax yield

Risks

Title: Counter fraud and compliance activity is less effective than anticipated

Activity undertaken by District Authorities to maximise Council tax yields may not raise as much additional income as anticipated.

- Billing Authorities will use their knowledge of the Cambridgeshire tax base to assess the potential to increase income and to allow the Council to target additional resources effectively. The County Council will use quarterly data extracts provided by Districts to monitor progress against the business case to ensure value for money is obtained.

Title: Counter fraud and compliance activity is less effective than anticipated

Estimates of the additional Council tax revenue which may be raised as a result this work are subject to significant uncertainty as a project of this type has not previously been undertaken in Cambridgeshire. Up-front investment will be required to increase the capacity of District Revenues and Benefits Teams and there is a risk that this investment might not be recovered if work to increase Council tax yields is unsuccessful.

- It is proposed that the Council will enter into a gain sharing agreement with District Authorities which will include joint investment in staffing and software required to deliver the project, sharing some of the risk between the participating Authorities. The agreement will be based upon a highly successful model established by a neighbouring county which has yielded significant benefits to date.

Title: Project does not become self-funding due to underachievement of income targets

Estimates of the additional Council tax revenue which may be raised as a result this work are subject to significant uncertainty as a project of this type has not previously been undertaken in Cambridgeshire. Up-front investment will be required to increase the capacity of District Revenues and Benefits Teams and there is a risk that this investment might not be recovered if work to increase Council tax yields is unsuccessful.

- It is proposed that the Council will enter into a gain sharing agreement with District Authorities which will include joint investment in staffing and software required to deliver the project, sharing some of the risk between the participating Authorities. The agreement will be based upon a highly successful model established by a neighbouring county which has yielded significant benefits to date.

Title: Limited data available for analysis due to data protection restrictions

Data sharing and analysis software will be used to identify high risk Council tax cases for further investigation. This is dependent on the availability of data held by the County and District Councils which may be subject to usage restrictions under data protection legislation. Should insufficient data be available for analysis, the reliability and effectiveness of identification of potential cases of Council tax fraud or non-compliance will be reduced.

- A data protection specialist will be consulted to ensure that data usage complies with all relevant legislation. Data Protection Impact Assessments and Data Sharing Agreements will be completed where required.

Project Impact

Equality Impact Assessment

Who will be affected by this proposal?

Cambridgeshire residents who do not pay the correct amount of Council Tax.

What positive impacts are anticipated from this proposal?

Cambridgeshire Local Authorities will receive additional Council tax contributions as a result of reducing the number of fraudulently or incorrectly claimed Council tax discounts, providing additional funding for local services.

The proposal will have no adverse impact on residents who are not paying their Council tax contributions due to issues of debt or poverty and will reduce the likelihood of residents claiming discounts fraudulently through more effective detection and enforcement activity.

What negative impacts are anticipated from this proposal?

Residents who are either intentionally or unintentionally paying the wrong levels of Council Tax will have their bills adjusted so that they pay the correct amount of Council tax based on their circumstances.

Are there other impacts which are more neutral?

The impact to residents who are paying the correct amount of Council Tax is neutral

Disproportionate impacts on specific groups with protected characteristics

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

The impacts of the proposal on groups of people with protected characteristics have been considered and no foreseeable risks of negative impacts have been identified.

Business Plan Consultation

Cambridgeshire County Council

Draft report v3

January 2019

Contents Page

Project details and acknowledgements

Title	Business Plan Consultation
Client	Cambridgeshire County Council
Project number	19107
Authors	Sam Jones & Sophi Ducie
Research Manager	Sophi Ducie
Reviewed by	David Chong Ping

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2019 BUDGET CONSULTATION

EXECUTIVE SUMMARY

Cambridgeshire County Council

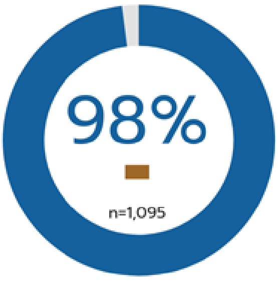
Like all councils, Cambridgeshire County Council faces the major challenge of shrinking budgets along with rising costs and increased demand on services. This means that the Council has to do a lot more with less money. To better understand residents' views on services and to inform the Council's transformation plans, Cambridgeshire County Council commissioned M·E·L Research to undertake a public survey on their behalf.

A doorstep survey was carried out with residents which was representative by district, age group and gender to the county as a whole. The fieldwork took place between October and November 2019 and 1,106 residents responded to the survey. The section presents the key findings of the research and shows any changes since 2018.

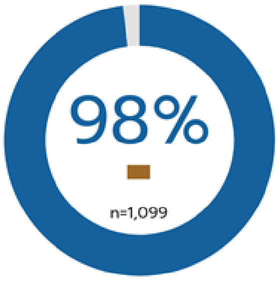
Increase since 2018 | No change since 2018 | Decrease since 2018

LEVEL OF SUPPORT FOR PROPOSALS

(% fully support/support)

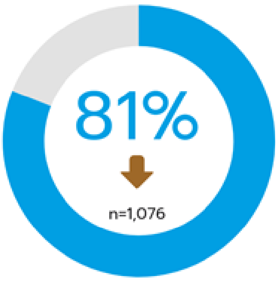


Increasing the number of Cambridgeshire foster carers to improve the lives of children in care

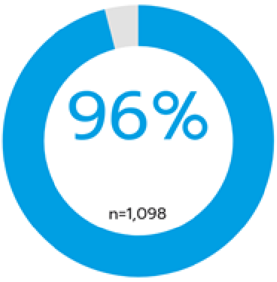


Focus on stable placements for children in care, so that they can build longer term relationships and the cost of change is reduced

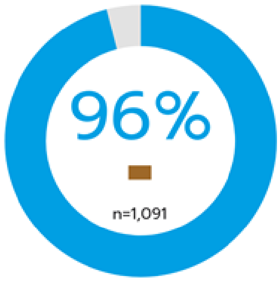
Continue to develop a variety of services (health, schools etc.) alongside our communities to support and improve opportunities for all children, specifically the very young, disadvantaged and most vulnerable



Continue to explore ways of merging and sharing services with partners, particularly Peterborough City Council, to improve services and deliver efficiencies



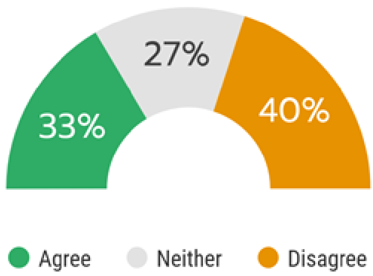
Supporting people to live independently for longer by working alongside individuals and communities



Continue to invest to generate income which will support the delivery of public services

n=1,076-1,102

ADULT SOCIAL CARE

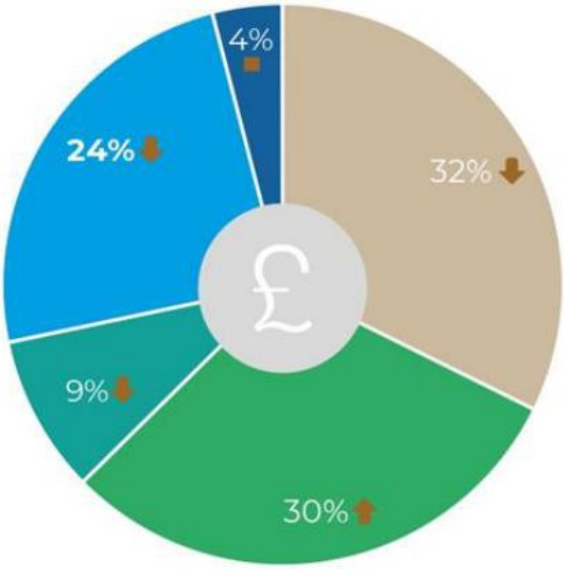


33%

Agree that the Council should look into charging a fee to cover the cost of arranging & managing care packages

n=1,101

COUNCIL TAX



- Option 1 - Not increasing Council Tax.
- Option 2 - Only raising the Adult Social Care Precept by 2%.
- Option 3 - Only having a general increase in Council Tax of 2% & not raising the ASCP.
- Option 4 - Raising both the ASCP & having a general increase in Council Tax. A total increase of 4%.
- Option 5 - Increasing council tax by more than 4%.

68% in support of a Council Tax increase

n=1,106

KEY AREAS OF FOCUS FOR THE COUNCIL

(top 4 options)

n=1,106

ADDITIONAL ACTIONS TO SUPPORT THE COMMUNITY

(% very/somewhat likely)

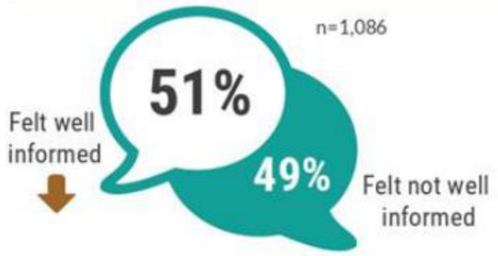
70% Support local groups working on environmentally friendly schemes

69% Support vulnerable or isolated people in the local area

68% Support others to be healthier and more active

n=1,102-1,105

BEING KEPT INFORMED AND QUALITY OF LIFE



Most important to the quality of life: (mean score out of 10)

9.57 Having access to health services

9.55 Feeling safe in the local area

9.34 The quality of the local environment

n=1,103-1,104

Background

Context

Like all Councils across the country Cambridgeshire County Council are facing a major financial challenge. Their budget is reducing at a time when costs are rising sharply. A large increase in the demand for services, coupled with the pressures of inflation, means that they have to do a lot more with less money.

As part of the Council's Business Planning process it consults with the public to gain insight into residents' views on priorities, what the levels of council tax should be and their views on future budget proposals. To better understand residents' views on services and to inform the Council's plans, Cambridgeshire County Council commissioned M·E·L Research to undertake a public survey on their behalf. The main aims of this research were to:

- Explore the quality of life in the County and what the County should focus on to help residents to support their local community and the services the County delivers.
- Seek residents' views and the extent of support on savings and income generation approaches the County can take.
- Establish the level of support for increasing council tax.
- Understand how well-informed residents feel the County keeps them.

Methodology

A 10-minute, face-to-face (doorstep) survey was carried out by trained interviewers using a Computer Aided Personal Interview (CAPI) approach with a broad cross-section of residents between October and November 2019.

A stratified random sampling approach was used: a sample of residents' starting addresses were drawn randomly from Royal Mail's Postcode Address File, stratified by Cambridgeshire's four Districts and Cambridge City. From each starting address, interviewers aimed to achieve a cluster of approximately 6 interviews from adjacent and nearby properties. Quota targets were set for age groups, gender and a required number of interviews by District/City. Interviews were conducted in both urban and rural areas, reflecting the split across the County. In total, 1,106 residents participated in the survey.

Response rates and statistical significance

The achieved confidence interval gives an indication of the precision of results. With 1,106 residents having completed the survey, this returns a confidence interval of ±2.9 % for a 50% statistic at the 95% confidence level. This simply means that if 50% of residents indicated they agreed with a certain aspect, the true figure could in reality lie within the range of 47.1% to 52.9% and that these results would be achieved 95 times out of 100.

The table below shows the confidence intervals for differing response results (sample tolerance).

Size of sample	Approximate sampling tolerances*		
	50%	30% or 70%	10% or 90%
	±	±	±
1,106 surveys	2.9	2.7	1.8

** Based on a 95% confidence level*

Analysis and reporting

Cross-tabulations were generated for key variables including district, age group and gender to represent the broad demographic profile of the County.

It should be noted that upon completion of fieldwork, the County Council identified a factual error in the information that had been provided to the public on the charging policy for Adult Social Care services outlined in question 7. This misrepresentation invalidates the response to this question and therefore, the results have been removed from the report.

For some questions, residents were asked to rate the importance of various aspects on a scale of 0 to 10, with 0 being 'not important' and 10 being 'very important'. Mean scores have been computed for these questions to allow comparability/ranking across the various aspects.

Differences in views of sub-groups of the population were compared using z-tests and statistically significant results (at the 95% level) are indicated in the text. Statistical significance means that a result is unlikely due to chance (i.e. It is a real difference in the population).

In addition, analysis for agreement/level of support questions are reported for valid responses only, excluding residents who were unable to rate their level of agreement – 'don't know' was therefore classified as non-valid response.

Comparisons to the 2018 survey period have also been included, where applicable. It has been noted where there has been an increase since 2018 (↑), a decrease (↓) or no change (–).

Within the main body of the report, where percentages do not sum to 100 per cent, this is due to computer rounding or multiple-choice answers. Where figures do not appear in a chart or graph, these are 3% or less. The ‘n’ figure referred to in each chart is the total number of residents responding to the question.

Icon glossary

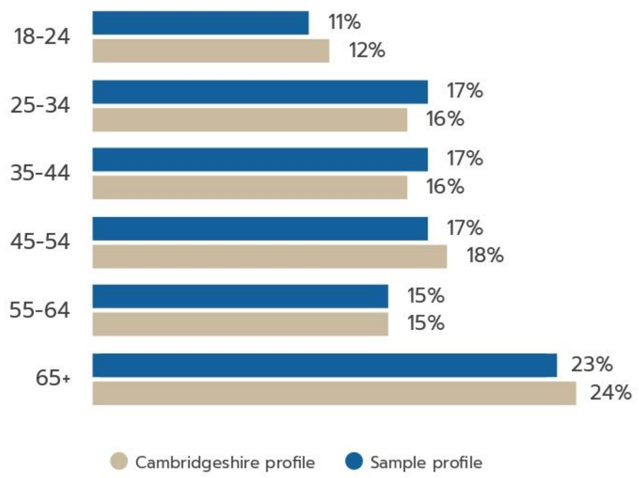
- District
- Age group
- Gender

Who we spoke to

The sample was broadly representative by gender, age group and District/City when compared to Cambridgeshire as a whole.

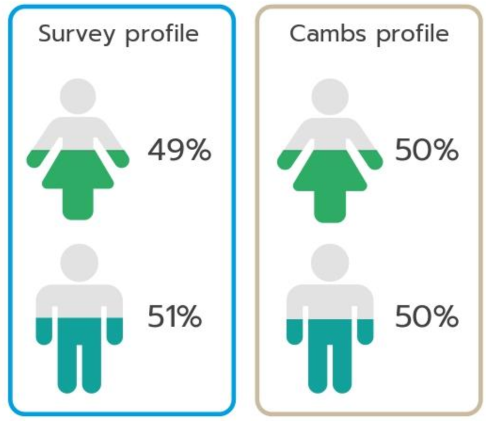
Age group

n=1,105



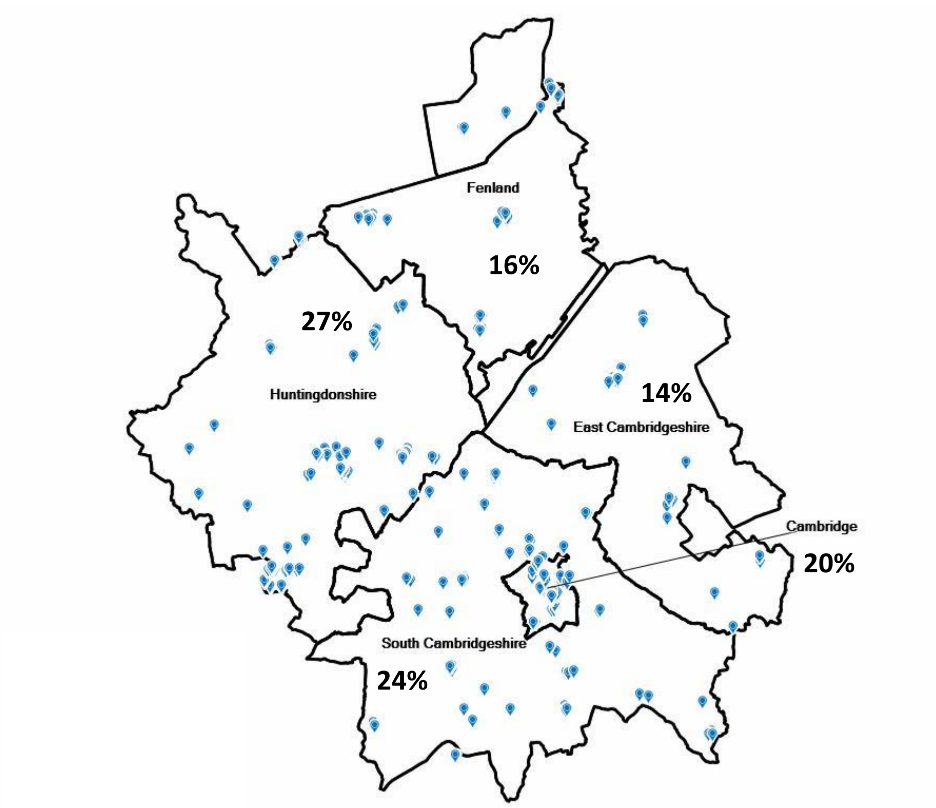
Gender

n=1,106



District

n=1,106



Results

Section 1: The local area

Quality of life in the County

To better understand what is important to residents and their families, residents were asked to rate the importance of various aspects on a scale of 0 to 10. With 0 being 'not important' and 10 being 'very important'. Mean scores were calculated for each statement, with a score closest to 10 being of greatest importance:

- Having access to health services, feeling safe in the local area and the quality of the local environment scored the highest, with all achieving a mean score over 9.0.
- By comparison, getting further training or adult education and opportunities to get involved in local decision making scored the lowest, achieving mean scores lower than 7.5.

Figure 1: How important are the following statements to the quality of life for you and your family?
Base: 1,103-1,106

↑

↓

↑

↓

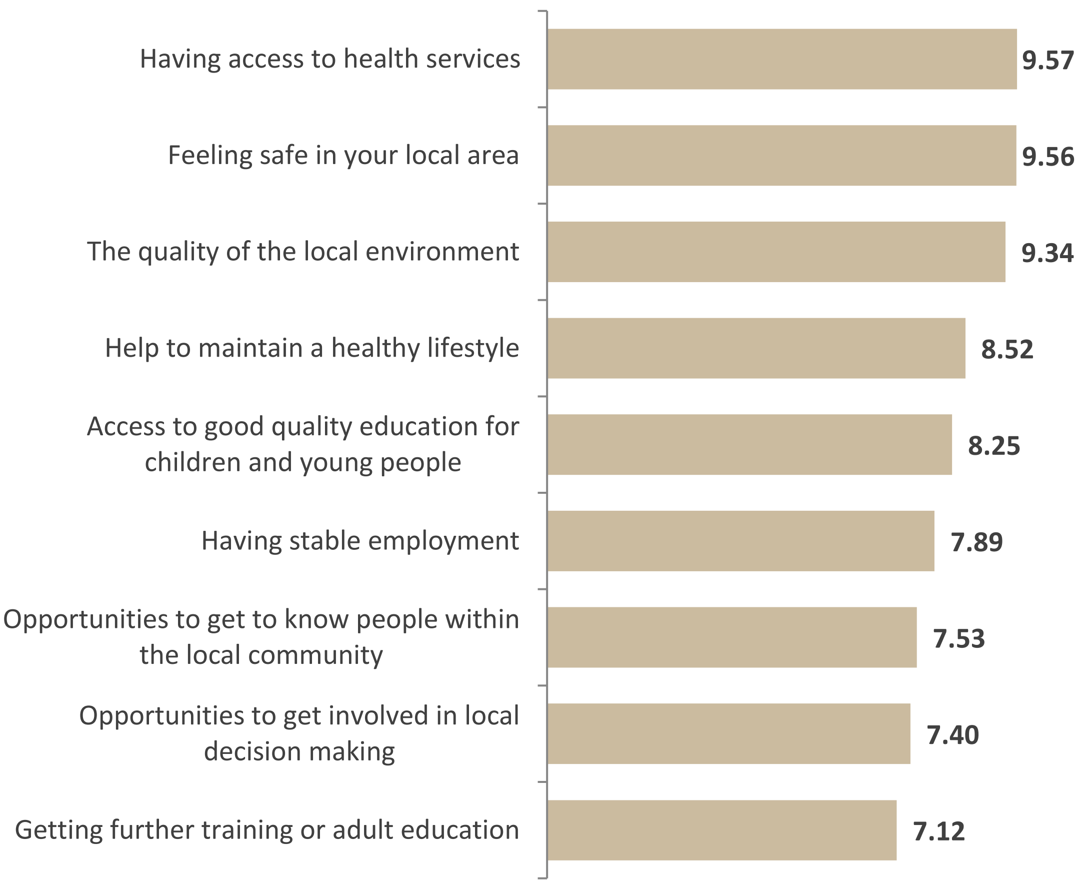
↓

↓

↑

↑

↓


Having access to health services
9.57
Feeling safe in your local area
9.56
The quality of the local environment
9.34
Help to maintain a healthy lifestyle
8.52
Access to good quality education for children and young people
8.25
Having stable employment
7.89
Opportunities to get to know people within the local community
7.53
Opportunities to get involved in local decision making
7.40
Getting further training or adult education
7.12

There were no variations by sub-groups.

Supporting the community

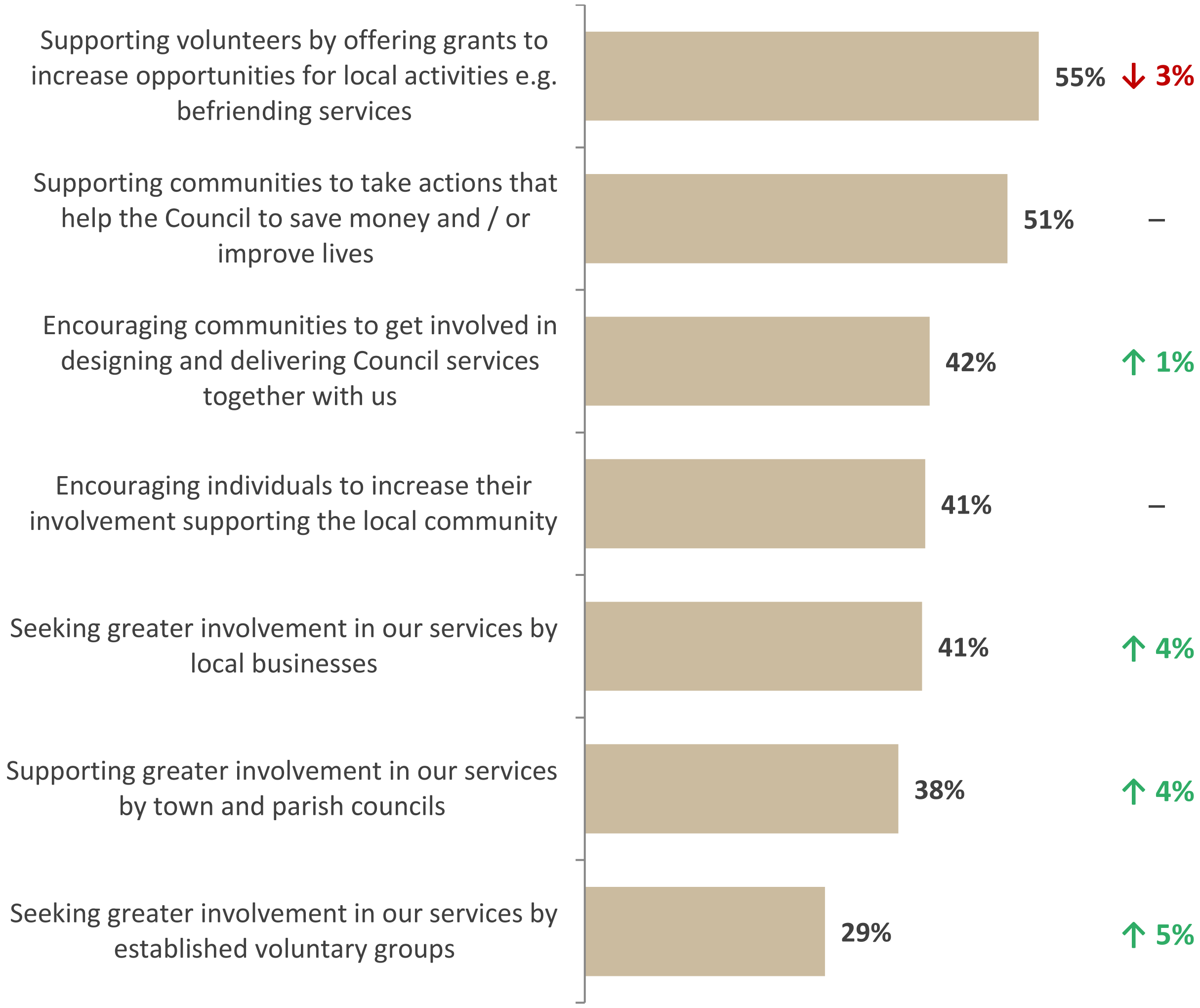
Residents were then asked what the County Council should focus on to help support communities in improving their local area. Residents felt that the key areas that the County Council should focus on are:

- **55%** of residents felt the council should focus on **supporting volunteers by offering grants to increase opportunities for local activities** e.g. befriending services for older people or exercise clubs to improve health.

- **51%** of residents felt the council should focus on **supporting communities to take actions that help the Council to save money and / or improve lives.**

- **42%** of residents felt the council should focus on **encouraging communities to get involved in designing and delivering Council services together with us**.

Figure 2: What top 3 things should the council focus on to support communities to improve their local area?
Base: 1,106



When comparing these priorities by District/City, residents in all five areas felt that supporting volunteers by offering grants to increase opportunities for local activities should be a key focus for the council. Residents in most areas (Cambridge City being the exception) also felt supporting communities to take actions that help the Council to save money and / or improve lives was a top focus.

Half of residents in Cambridge City (50%) felt that encouraging individuals to increase their involvement in supporting the local community should be a key focus, whilst residents in Fenland and Huntingdonshire felt that seeking greater involvement in services by local business should be a focus moving forward.

Table 1: Top 3 focus areas by District/City

	Cambridge City (n=219)	East Cambridgeshire (n=151)	Fenland (n=173)	Huntingdonshire (n=301)	South Cambridgeshire (n=-262)	Overall position
Supporting volunteers by offering grants to increase opportunities for local activities e.g. befriending services	56%	52%	49%	58%	56%	**1st**
Supporting communities to take actions that help the Council to save money and / or improve lives		53%	57%	55%	50%	**2nd**
Encouraging communities to get involved in designing and delivering Council services together with us	46%				48%	**3rd**
Encouraging individuals to increase their involvement supporting the local community	50%					**4th**
Seeking greater involvement in our services by local businesses			45%	41%		**5th**
Supporting greater involvement in our services by town and parish councils		44%		41%		**6th**

Sub-group analysis shows that there were some significant differences by the top area of focus - *'Supporting volunteers by offering grants to increase opportunities for local activities'* – by District/City, age group and gender:

	Significantly more residents in Huntingdonshire (58%) thought the County should focus on this, compared to those in Fenland (49%).
	Residents aged 25-34 (58%) and 65+ (61%) were also more likely to think the County should focus on this, compared to those aged 45-54 (47%).
	Significantly more women (58%) felt that the County should focus this compared to men (52%).

Communities supporting their local area and services

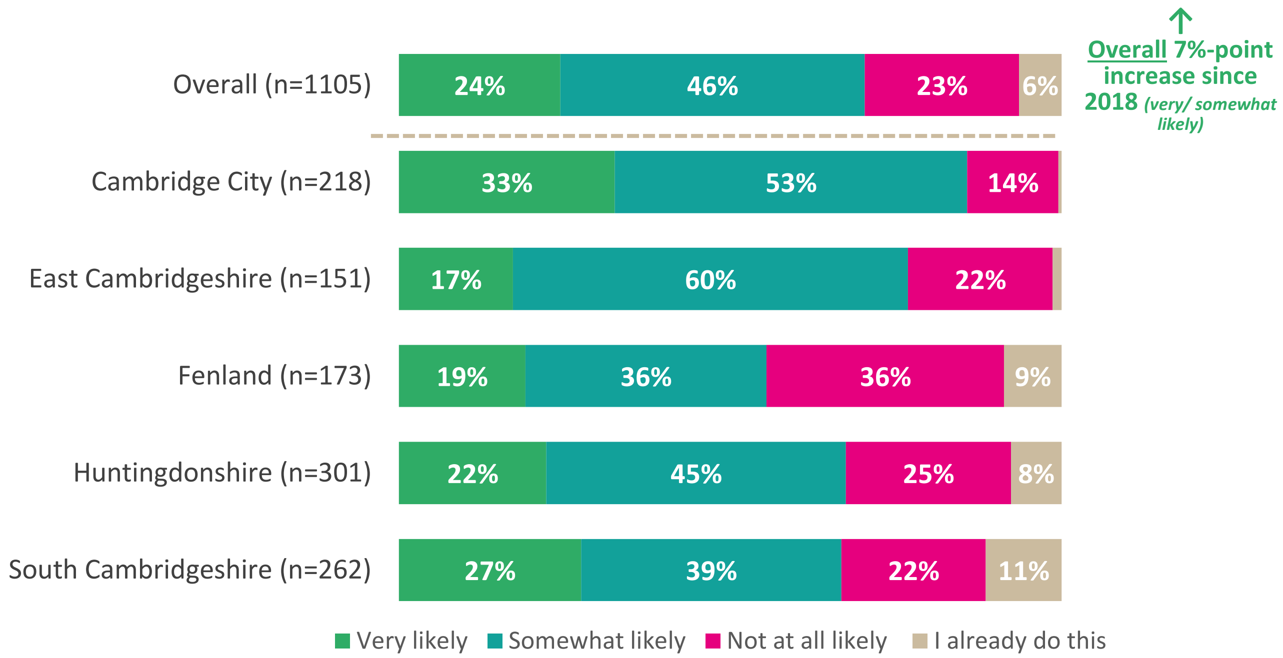
The County Council are aware that many people already volunteer to support their local communities. The County therefore wanted to understand the likelihood of residents taking on additional actions to support their local community and local services:

1. Supporting local groups working on environmental schemes

- Overall **70%** were either 'very' (24%) or 'somewhat' (46%) likely to **support local groups working on environmentally friendly schemes**. 6% said they already do this and 23% said it was not at all likely they would do this.

Comparison by District/City shows that residents in Cambridge City and East Cambridgeshire were more likely to take on this additional action, whilst those in Fenland were least likely.

Figure 3: Likelihood of residents supporting local groups working on environmental schemes overall and by District/City



Sub-group analysis shows that there were some significant differences by District/City and age group:

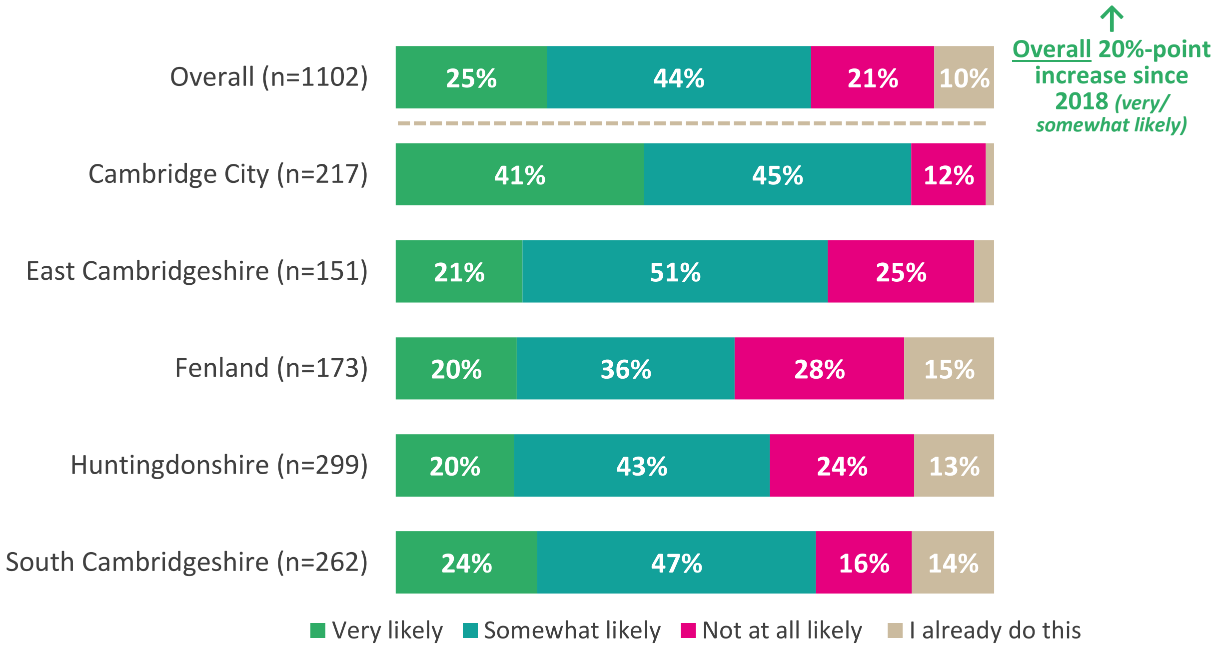
	Residents in Cambridge City (86%) and East Cambridgeshire (77%) were significantly more likely to take on this action compared to those in Fenland (55%), Huntingdonshire (67%) and South Cambridgeshire (67%).
	The older age group, aged 65+ were significantly less likely to say they would take on this actional action (84%) compared to the other age groups (58-76%).

2. Volunteering to support vulnerable people

- Overall **69%** were either 'very' (25%) or 'somewhat' (44%) likely to **volunteer to support vulnerable or isolated people in their local area**. 10% said they already do this and 21% said it was not at all likely they would do this.

Comparison by District/City shows residents in Cambridge City and East Cambridgeshire were more likely to take on this additional action compared to residents in Fenland and Huntingdonshire whilst greater proportions of residents in Fenland, Huntingdonshire and South Cambridgeshire reported that they already do this (13-15%).

Figure 4: Likelihood of residents volunteering to support vulnerable or isolated people overall and by District/City



Sub-group analysis shows that there were some significant differences by District/City and age group:

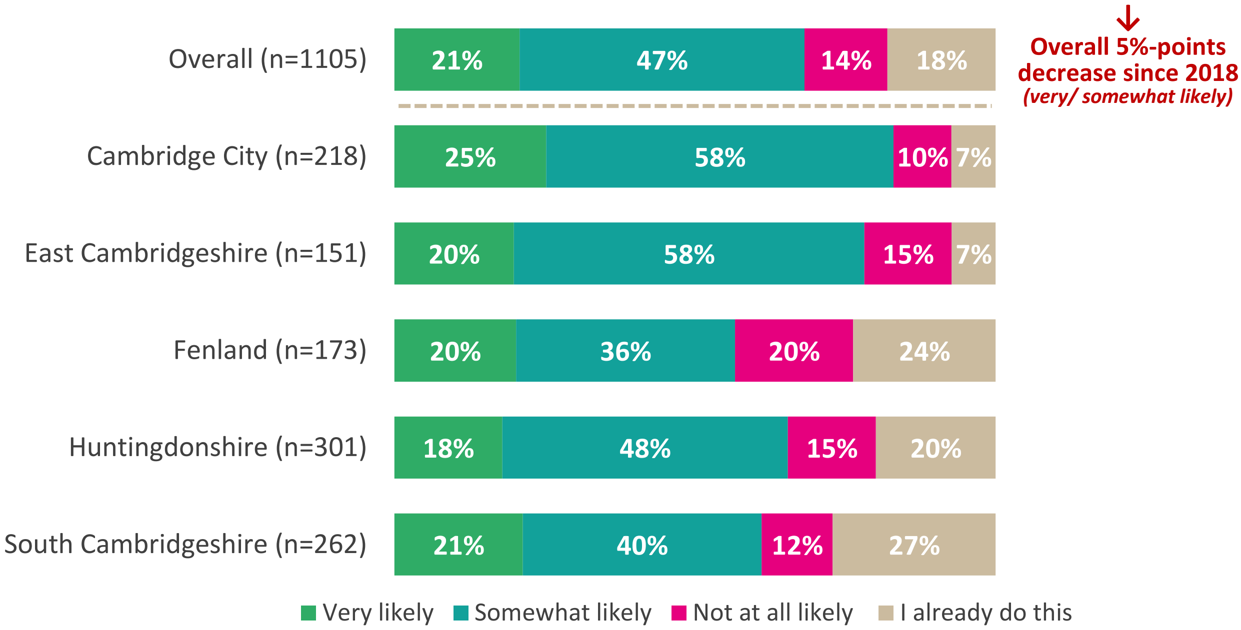
	Residents in Cambridge City (86%), East Cambridgeshire (72%) and South Cambridgeshire (70%) were significantly more likely to take on this action compared to those in Fenland (57%).
	Younger residents aged 18-24 were significantly more likely to take on this action (81%) compared to those aged 35+ (60-70%).

3. Supporting others to be healthier and more active

- Overall **68%** were either 'very' (21%) or 'somewhat' (47%) likely to take actions to **support others to be healthier and more active**. 18% said they already do this and 14% said it was not at all likely they would do this.

Comparison by District/City shows that residents in Cambridge City and East Cambridgeshire were more likely to take up this action compared to residents in Fenland and South Cambridgeshire who were more likely to say that they already do this (20-27%).

Figure 5: Likelihood of residents supporting other to be healthier and more active overall and by District/City



Sub-group analysis shows that there were some significant differences with residents supporting others to be healthier and more active by District/City and age group:

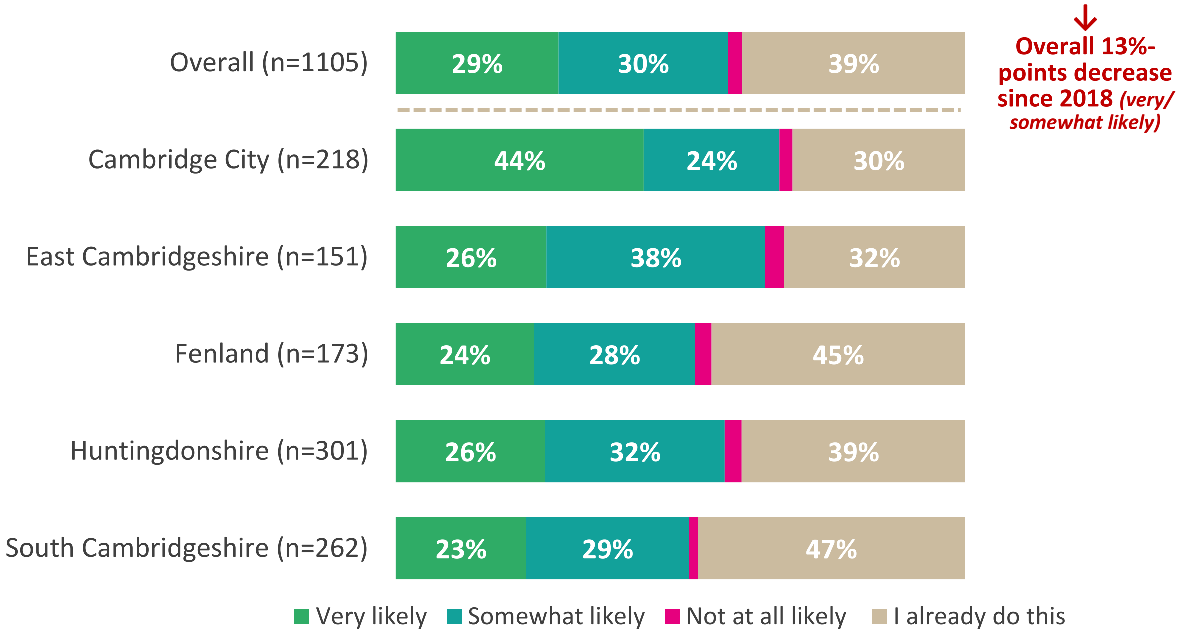
	Residents in Cambridge City (83%) and East Cambridgeshire (78%) were significantly more likely to take on this action compared to those in the other Districts (57-65%).
	Residents aged 18-34 (74-80%) were significantly more likely to take on this action compared to those aged 45-54 (61%) and 65+ (64%).

4. Being healthier and more active

- Overall **58%** claim they were either ‘very’ (29%) or ‘somewhat’ (30%) likely to take actions that **help themselves to be healthier and more active**; 39% said they already do this. Just 3% said it was not at all likely they would do this.

When comparing by District/City, residents in Cambridge City and East Cambridgeshire were more likely to claim to take on this additional action, whilst residents in Fenland, Huntingdonshire and South Cambridgeshire were more likely to claim that they already do this action. Almost half (47%) of residents in South Cambridgeshire claimed to already do this.

Figure 6: Likelihood of residents being healthier and more active overall and by District/City



Further sub-group analysis shows that there were some statistically significant differences with residents willing to be healthier and more active by District/City and age group:

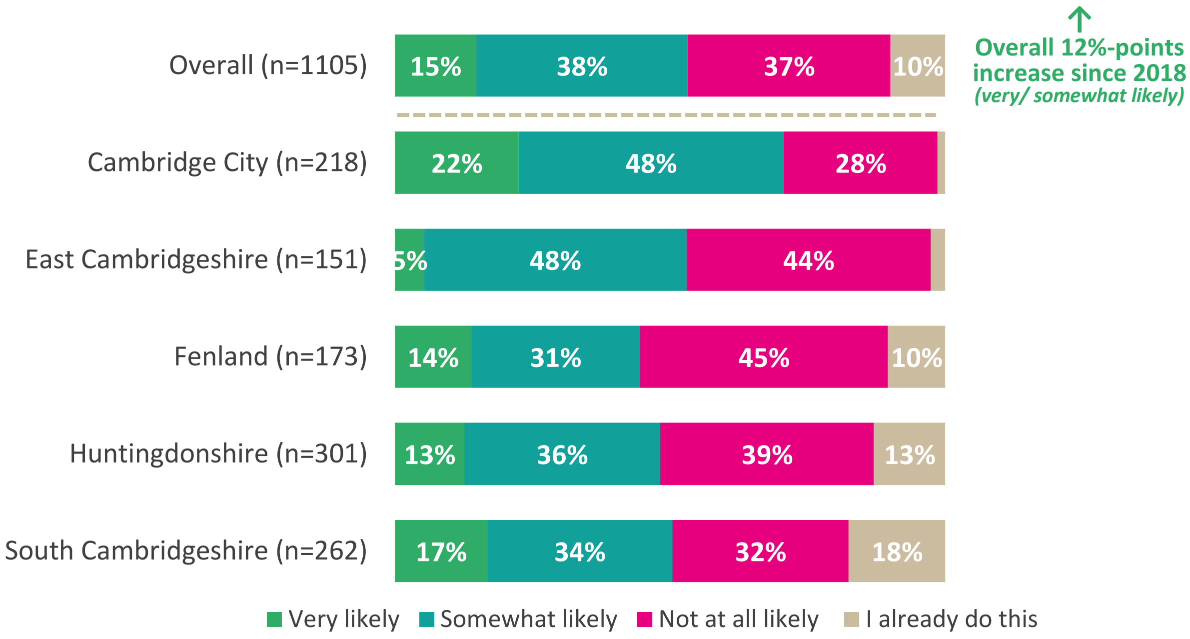
	Residents in Cambridge City (67%) were significantly more likely to take on this action compared to those in Fenland (53%), Huntingdonshire (58%) and South Cambridgeshire (52%); residents in these Districts were significantly more likely to claim they already do this action.
	Residents aged 25-34 were significantly more likely to take on this action (64%) compared to those aged 45-54 (53%).

5. Volunteering for local community bodies

- Overall **53%** were either 'very' (15%) or 'somewhat' (38%) likely to **volunteer at a local community centre, library or other local facility**. 10% said they already do this and 37% said it was not at all likely they would do this.

When compared by District/City, residents in Cambridge City were more likely to take on this additional action, with large proportions of residents in Fenland and East Cambridgeshire claiming they were not at all likely.

Figure 7: Likelihood of residents volunteering for local community bodies e.g. library overall and by District/City



Sub-group analysis shows that there were some significant differences by District/City, age group and gender:

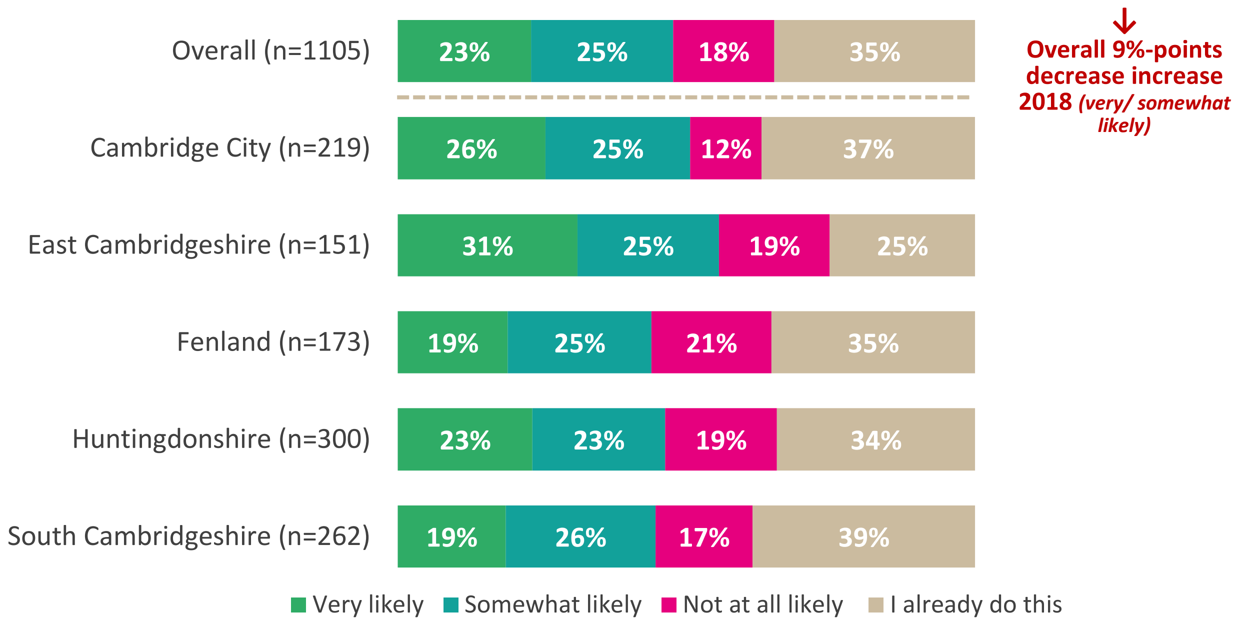
	Residents in Cambridge City (71%) were significantly more likely to take on this actional action compared to those in any other District (45-53%).
	Residents aged 25-34 were significantly more likely to take on this action (68%) compared to those aged 35+ (40-55%).
	Men were significantly more likely to claim that they are *not at all likely* to do this (41%) compared to women (33%).

6. Interacting with services online

- Overall **48%** were either 'very' (23%) or 'somewhat' (25%) likely to **interact with local services online rather than face-to-face**. 35% said they already do this and 18% said it was not at all likely they would do this.

Comparison by District/City shows that between 25-39% of residents claimed to already interact with services online. Residents in Cambridgeshire City were most likely to claim they already do this, whilst residents in East Cambridgeshire were least likely to; however, residents in East Cambridgeshire were most likely to take up this action.

Figure 8: Likelihood of residents interacting with services online overall and by District/City



Sub-group analysis shows that there were some significant differences by District/City and age group:

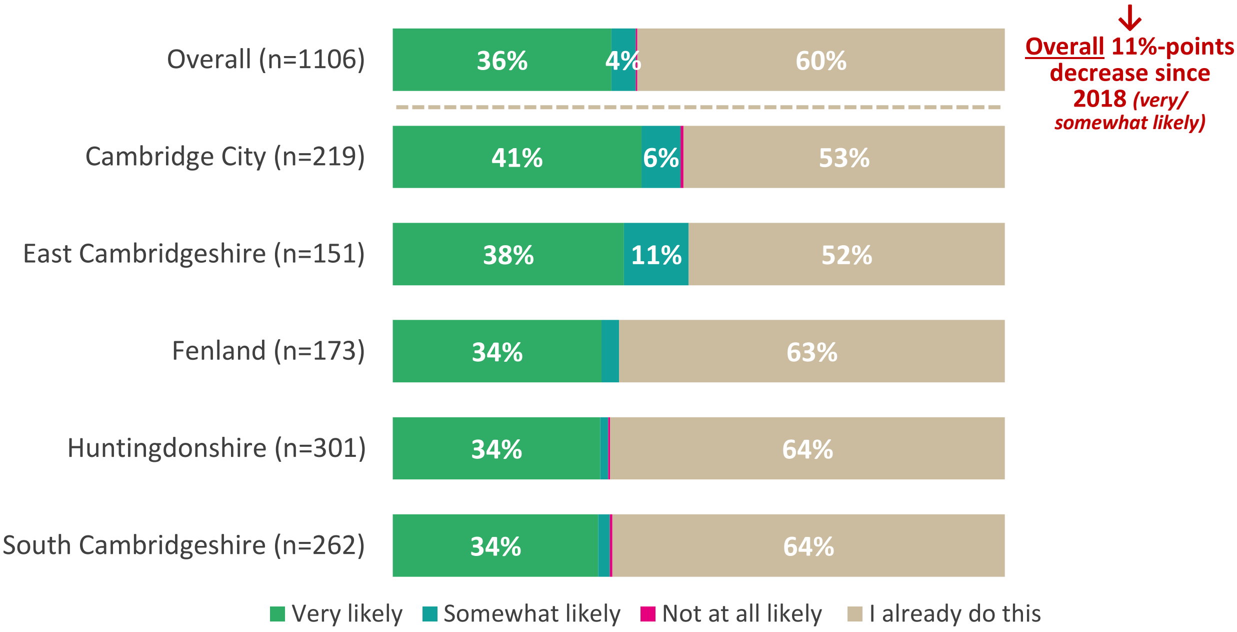
	Residents in East Cambridgeshire were significantly more likely to take on this actional action (56%) compared to residents in Fenland (44%) and South Cambridgeshire (45%).
	As age increases, the likelihood that residents will take on this actional action decreases. For example, 69% of residents aged 18-24 would be willing to do this, compared to just 29% of those aged 65+.

7. Increase recycling at home

- Overall **40%** were either 'very' (36%) or 'somewhat' (4%) likely to **recycle as much household waste as they can**. The other 60% felt that they already to this.

When compared by District/City, just over half of residents in East Cambridgeshire and Cambridge City felt that they were already recycling as much of their household waste as they can, with residents in East Cambridgeshire more likely to begin increase their recycling.

Figure 9: Likelihood of residents recycling as much households' waste as they can overall and by District/City



Sub-group analysis shows that there were some significant differences by District/City and age group:

	Residents in Cambridge City (47%) and East Cambridgeshire (48%) were significantly more likely to take on this actional action. Although, residents in the other districts; Fenland (63%), Huntingdonshire (64%) and South Cambridgeshire (64%), were significantly more likely to already recycle as much household waste as they can.
	The older age groups were significantly more likely to have stated they already recycle as much as they can. For example, 69% of residents aged 65+ felt they already recycled as much as they can, compared to 51% of 18-24 year olds.

Section 2: Budget planning

For the County Council to respond to increasing demand within its limited resources they are considering several business plan proposals for 2020. These approaches focus on the following:

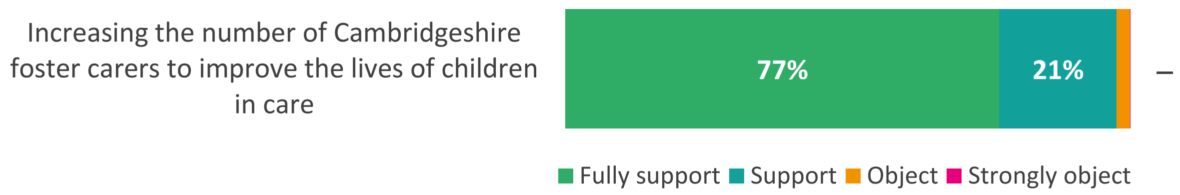
- Increasing the number of Cambridgeshire foster carers to improve the lives of children in care;
- Focus on stable placements for children in care, so that they can build longer term relationships and the cost of change is reduced;
- Continue to develop a variety of services (health, schools etc.) alongside our communities to support and improve opportunities for all children, specifically the very young, disadvantaged and most vulnerable;
- Continue to explore ways of merging and sharing services with partners, particularly Peterborough City Council, to improve services and deliver efficiencies;
- Supporting people to live independently for longer by working alongside individuals and communities;
- Continue to invest to generate income which will support the delivery of public service.

Residents were provided with a showcard which listed the above approaches the council is considering and were asked how strongly they supported each of them.

1. Increasing foster carers in Cambridgeshire

The majority (98%) of residents either 'fully supported' (77%) or 'supported' (21%) the proposal that the County could increase the number of foster cares in Cambridgeshire. Only 2% objected to this proposal. There were no variations by District/City.

Figure 3: Level of support
Base: 1,095



Sub-group analysis shows that there were some significant differences by age group:

The younger age group (18-24) were more likely to support this proposal (100%) compared to those aged 55 or older (96-97%).

2. Build stable placements for children in care

The majority (98%) of residents either 'fully supported' (76%) or 'supported' (22%) the proposal that the County could focus on providing stable placements to children in care so that they can build better relationships. Only 2% objected to this proposal.

Figure 41: Level of support
Base: 1,099

Sub-group analysis shows that there were some significant differences by District/City:

Residents in South Cambridgeshire were more likely to support this proposal (100%) compared to those in East Cambridgeshire (97%).

3. Develop a variety of services to improve opportunities for children

Almost all residents (99%) either 'fully supported' (75%) or 'supported' (24%) the proposal that the County could continue to develop a variety of services to support and improve opportunities for children (specifically the very young, disadvantaged and most vulnerable). Only 1% objected to this proposal.

Figure 12: Level of support
Base: 1,102

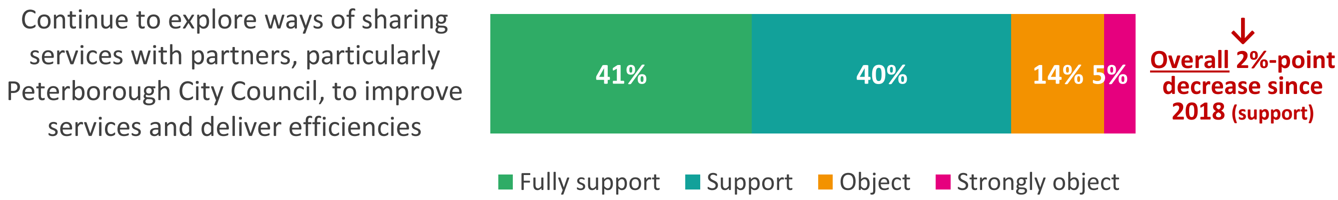
Sub-group analysis shows that there were some significant differences by District/City:

	Residents in South Cambridgeshire were more likely to support this proposal (100%) compared to those in East Cambridgeshire (98%) and Huntingdonshire (98%).

4. Merging and sharing services

Just over eight in ten (81%) residents either 'fully supported' (41%) or 'supported' (40%) the proposal that the County should continue to explore ways of merging and sharing services with partners. Just under a fifth (19%) objected to this proposal, with 5% objecting strongly.

Figure 13: Level of support
Base: 1,076



Sub-group analysis shows that there were some significant differences by District/City and age group:

	Residents in Cambridge City (85%), Fenland (82%) and Huntingdonshire (83%) were more likely to support this proposal compared to those in South Cambridgeshire (73%).
	The younger age groups (18-34) were more likely to support this proposal (86-92%) compared to those aged 45 or older (72-79%).

5. Support people to live independently

The majority (96%) of residents either 'fully supported' (67%) or 'supported' (29%) the proposal that the County should support people to live independently by working alongside individuals and communities. Just 4% objected to this proposal.

Figure 145: Level of support
Base: 1,098

Sub-group analysis shows that there were some significant differences by District/City and gender:

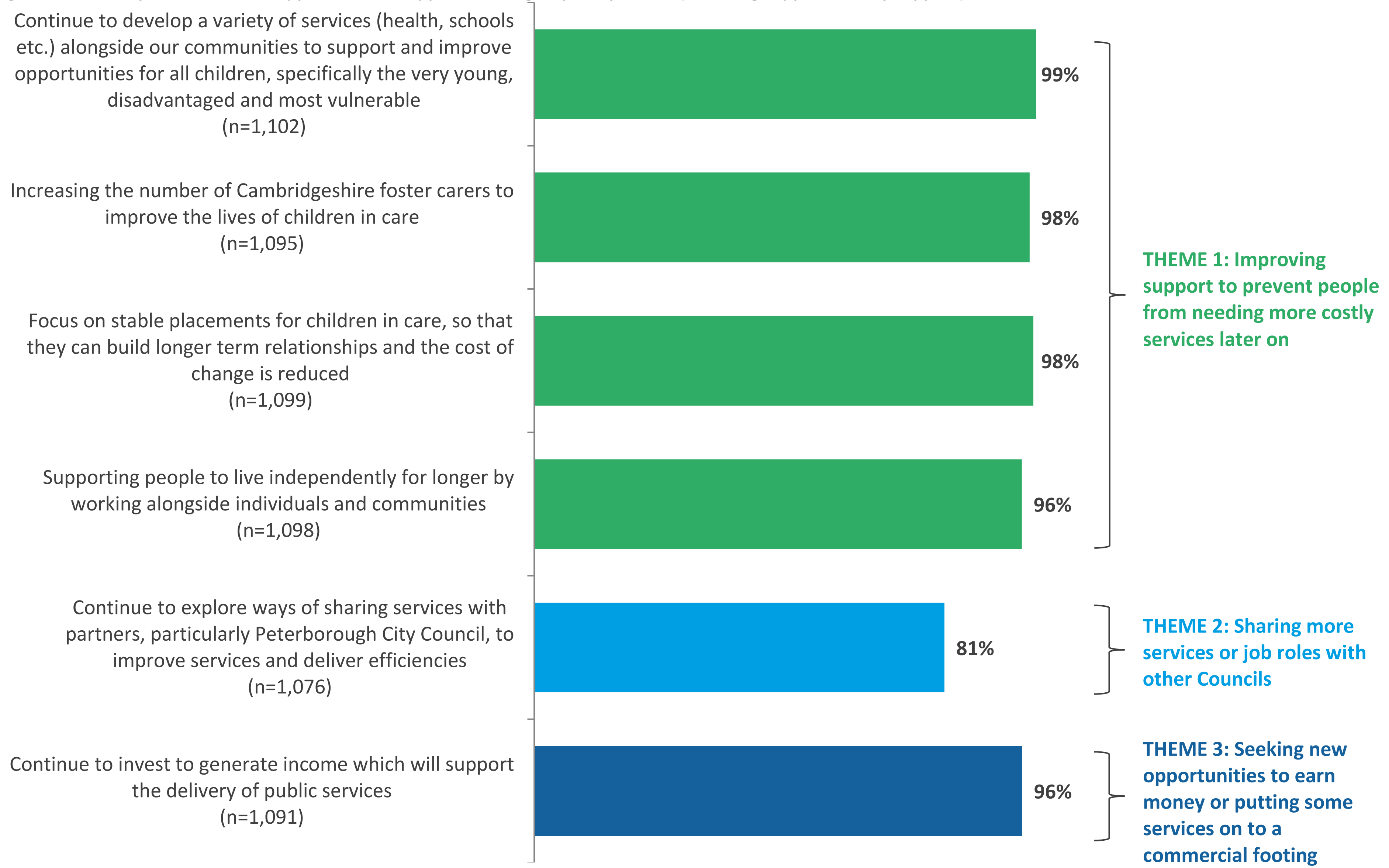
	Residents in East Cambridgeshire were more likely to support this proposal (99%) compared to those in South Cambridgeshire (94%).
	Women were significantly more likely to support this proposal (98%) compared to men (94%).

6. Generate income to support delivery of services

The majority (96%) of residents either 'fully supported' (66%) or 'supported' (30%) the proposal that the County should continue to invest to generate income which will support the delivery of services. Just 4% objected to this proposal. There were no variations when comparing the level of support to sub-groups.

Figure 6: Level of support
Base: 1,091

Figure 7: Summary of the level of support for each approach and grouped by theme (% stating support or fully support)

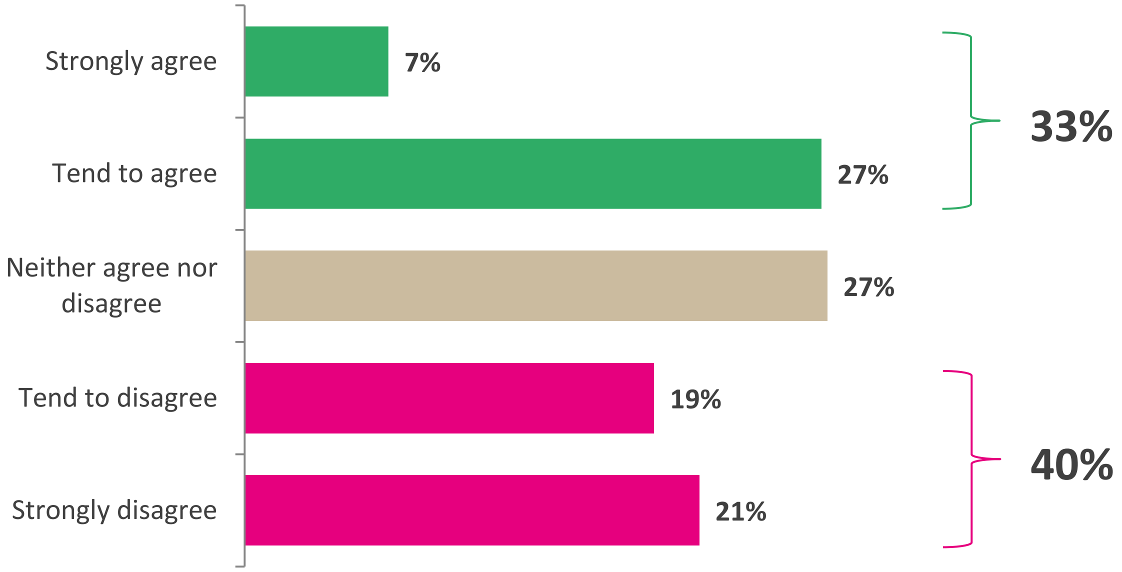


Adult Social Care proposal

Another option for the County Council to generate income is to follow the approach taken by other councils to start charging a fee to cover the cost of arranging and managing care packages for people who are financially able to meet the full cost of their care.

A third (33%) of residents agreed that the council should look at charging a fee to cover the cost of arranging and managing care packages for people who are financially able to meet the full cost of their care. A slightly greater proportion (40%) disagreed with this approach and 27% neither agreed nor disagreed.

Figure 178: Level of agreement
Base: 1,101



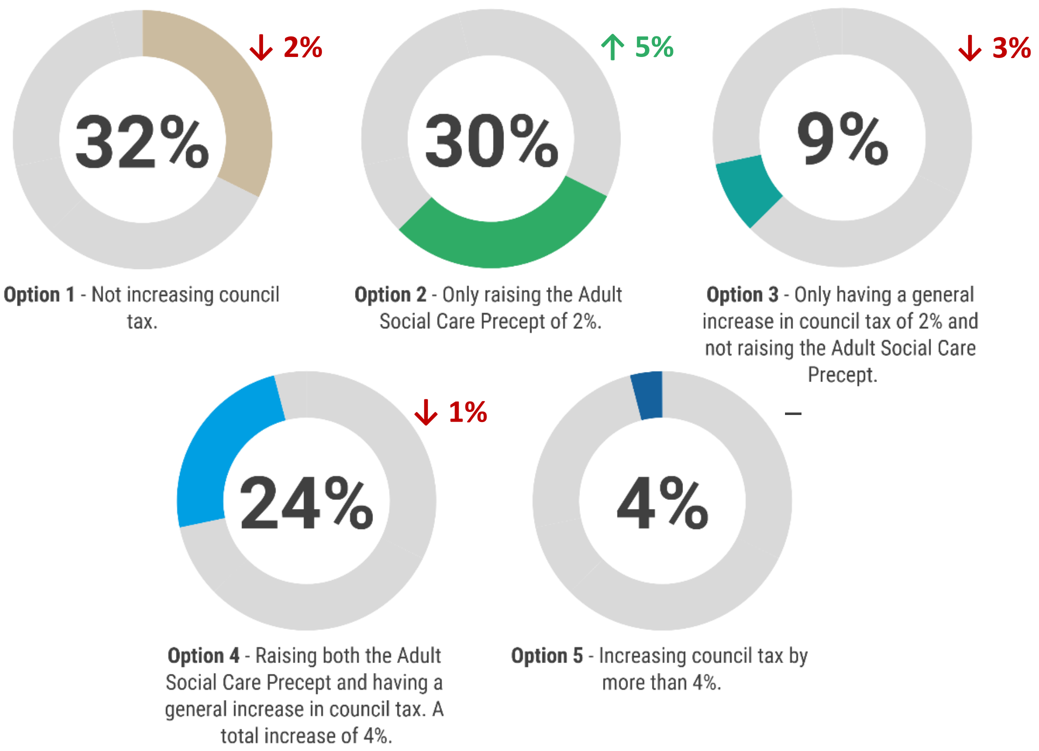
Sub-group analysis shows that there were some significant differences by District/City and age group:

	Residents in East Cambridgeshire were the least likely to support this approach to covering the costs of Adult Social Care (19%) compared to those in all other districts. Residents in Cambridge City were the most supportive (38%).
	The older age groups, aged 55 and over, were more likely to disagree with this approach (46-52%) compared to those aged 18-44 (20-35%).

Section 3: Council Tax

The County Council's business plan includes a proposal that will increase the Adult Social Care precept by 2%. Residents were informed of this proposal and then provided with five options and were asked to select the one they most supported. Overall, some two-thirds (68%) indicated a willingness to increase council tax to some extent; a 2%-point increase compared to 2018.

Figure 189: Level of support
Base: 1,106



30% supported only raising the Adult Social Care precept of 2%

When asked why residents chose this option, around six in ten comments said that it was because Adult Social Care needs it or that it is important. A further quarter of comments said that it the most reasonable or fair option.

> *"Don't mind paying a bit extra if it helps the Adult Social Care services."*
>
> *"It looks the most reasonable and economical option, and it is going to Adult Social Care which is very important thing for me."*

Sub-group analysis shows that there were some significant differences by District/City:

	Residents from Cambridge City (35%) and East Cambridgeshire (39%) were more likely to say that they support only raising the Adult Social Care precept, compared those living in Fenland (23%) and South Cambridgeshire (24%) who were least likely to support this option.
	Older residents aged 65+ were more likely to support a raise in just the Adult Social Care Precept (34%) compared to those aged 25-34 (23%) and 45-54 (25%).

9% supported only having an increase in council tax of 2% and not raising the Adult Social Care precept.

When asked why residents chose this option, around six in ten comments said that it the most reasonable or fair option.

"It looks more reasonable to me."

"2% general rise is fair enough for everyone."

There were no significant variations by sub-groups for this option.

24% supported raising both the Adult Social Care precept and having a general increase in council tax – a total increase of 4%.

When asked why residents chose this option, just under half of comments said that it was because the council needs it, that they didn't want to see services cut or that they understood that they had to pay to maintain services.

"For keeping the present service level, it is important to have some money."

"Costs are going up and the Council need some money to cope with this pressure, otherwise they will reduce the services."

4% supported an increase in council tax by more than 4%.

When asked why residents chose this option, the majority said it was because the council needs it, that they didn't want to see services cut or that they understood that they had to pay to maintain services.

"We want good quality of services and I'm ready to pay for that."

"I think we need to because Cambridge is a wealthy area so if we want to improve the area then we should pay for it."

There were no significant variations by sub-groups for this option.

However, 32% of residents did not support any increase in council tax

When asked why residents chose this option, around eight in ten comments stated that residents already pay too much and one fifth said it wasn't affordable.

"I don't want to pay more because council tax is already too much."

"With financial pressures, it's very difficult to pay any increase."

Sub-group analysis shows that there were some significant differences by District/City:

Residents in Cambridge City were more likely to select not increasing Council Tax at all (37%), compared to those in Huntingdonshire (28%). Looking at the makeup of Huntingdonshire; it has a higher proportion of households classified as Acorn 1 'Affluent Achievers' compared to Cambridge City; thus, meaning that they are more likely to have disposable income.

To provide further insight, results were analysed by Acorn[1] Classification. Acorn is a good proxy when wanting to understand the social economical variations in populations. The sample was fairly

[1] Acorn is a classification system that segments the UK population by analysing demographic data, social factors, population and consumer behaviour. Acorn is broken down into three tiers; 6 categories, 18 groups and 62 types. Acorn provides valuable insight into helping to target and understand the attributes of households and postcodes areas.

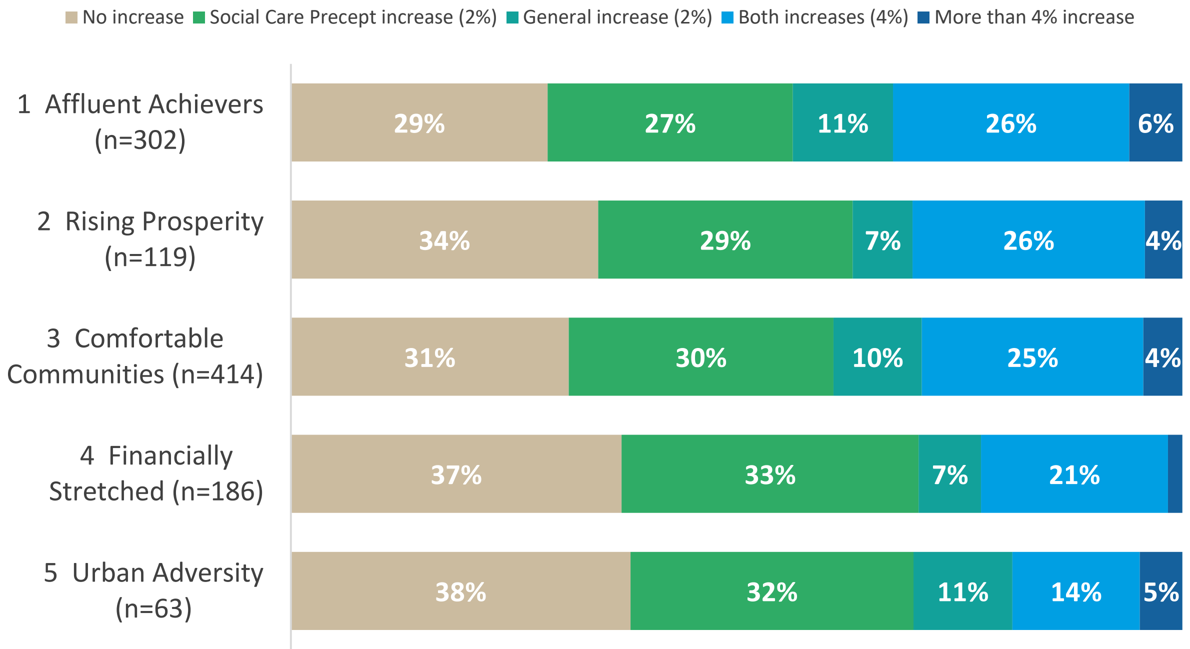
representative to the Acorn Category profile of Cambridgeshire as a whole, although Acorn 3 'Comfortable Communities' were overrepresented (Table 2).

Table 2: Acorn Category profile of sample and Cambridgeshire County Council

	Cambridgeshire County profile	Sample profile	+/-
1 Affluent Achievers	32%	28%	-4%
2 Rising Prosperity	11%	11%	-
3 Comfortable Communities	31%	38%	+7%
4 Financially Stretched	19%	17%	-2%
5 Urban Adversity	7%	6%	-1%
6 Not Private Households	0%	0%	-
Total	**100%**	**100%**	

Figure 19 shows the level of support for each option by Acorn Category. Acorns 4 'Financially Stretched' and 5 'Urban Adversity' were more likely to want to not increase in Council Tax, whilst households classified at Acorn 1 'Affluent Achievers' or Acorn 2 'Rising Prosperity' were more likely to have selected option 4 – raising both the ASCP and having a general increase (a total of 4%).

Figure 19: Level of support by Acorn Category

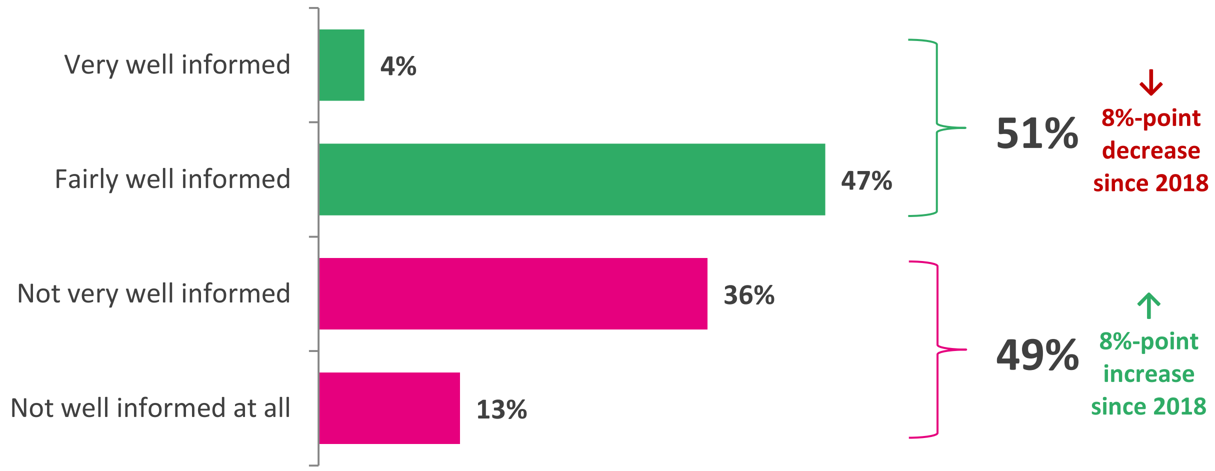


Section 4: Keeping residents informed

Resident were asked how well informed they think the County Council keeps them about the services and benefits it provides.

- **47%** said they were 'fairly well informed', only 4% felt that were 'very well informed'.
- **36%** said they were 'not very well informed' and 13% said 'not well informed at all'.

Figure 2010: How well-informed residents think the County Council keeps them
Base: 1,086



Sub-group analysis shows that there were some significant differences by District/City:

When comparing how well-informed residents felt by District/City, significantly more residents in Cambridge City (57%) and South Cambridgeshire (62%) felt very/fairly informed compared to residents in East Cambridgeshire (44%) and Fenland (39%).

Comparison by District/City and age group are also shown overleaf.

Figure 2111: How well-informed residents think the County Council keeps them by District/City

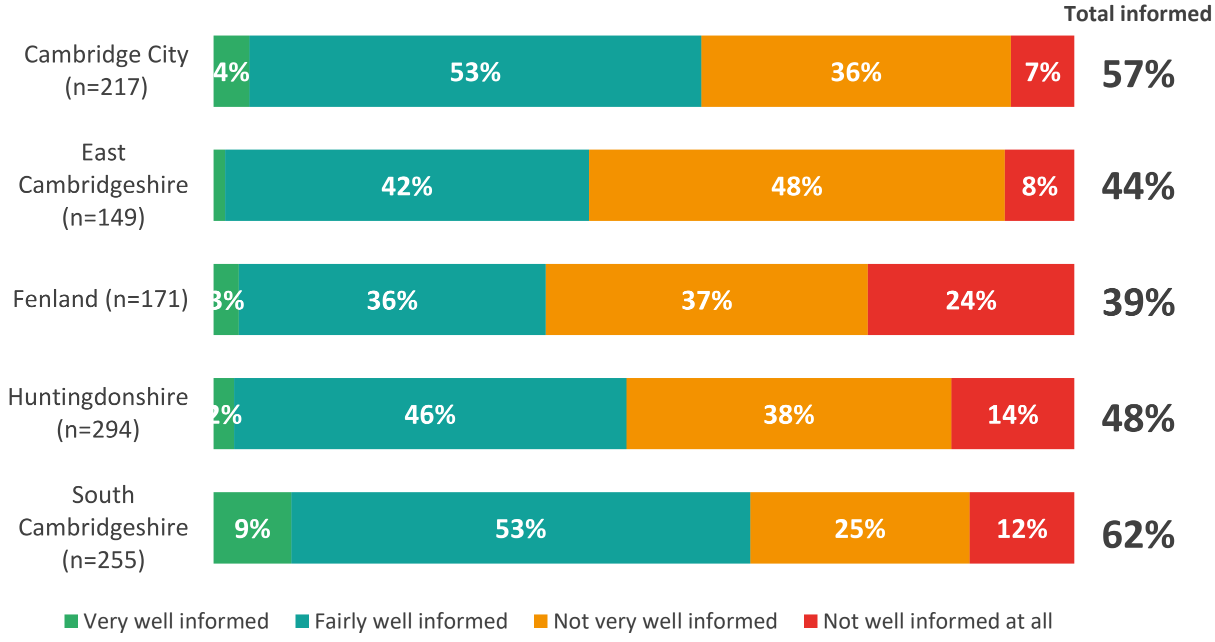
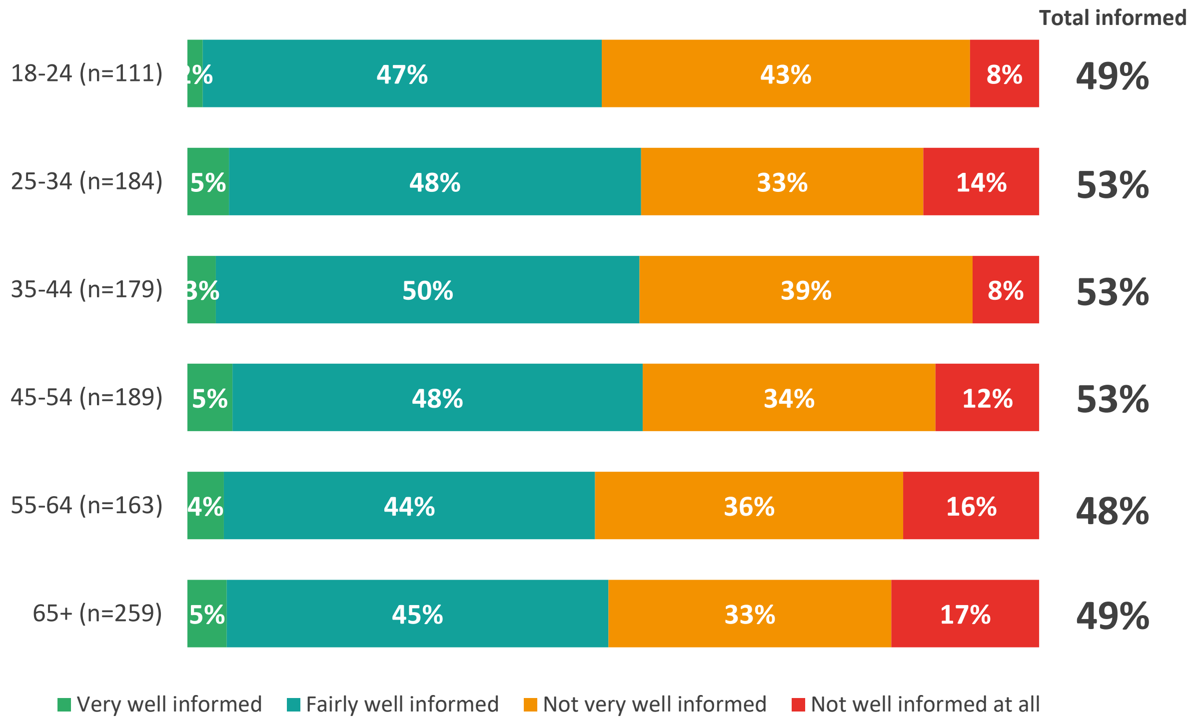


Figure 22: How well-informed residents think the County Council keeps them by age group



Conclusion

Quality of life and supporting the community

Having access to **health services**, **feeling safe** in the local area and the **quality of the local environment** were most important to residents when considering a good quality of life for residents and their families. These priorities have remained the same since the 2018 survey. The council should continue maintaining the services that underpin these aspects - which may be challenging, particularly against the budgetary pressures faced in the current time period.

There has been a **decrease** in the proportion of residents feeling that the County Council **keeps them informed about the services and benefits it provides**, compared to the 2018 surveys results. Residents in East Cambridgeshire and Fenland were less likely to feel informed compared to the other areas.

Key areas of focus for the County

From a list of community focused support services, residents were most likely to want the council to focus on **helping volunteers by offering grants to increase opportunities for local activities**. However, the proportion stating this has decreased by 3 per cent points since the 2018 survey.

Since the 2018 survey, there has been an increase (5 per cent points) in residents stating that the council should focus on **establishing volunteering groups to seek greater involvement in services**. The proportion of residents stating that the council should focus on **getting local business and town and parish councils more involved in services deliver** by the county has also increase (both by 4% points). These findings suggest that residents are starting to recognise that local government service delivery will need greater investment in social capital and by supporting civic responsibility.

Level of support for approaches to save money or increase income

Similarly, to the 2018 survey results, residents in Cambridgeshire are more supportive of **preventable approaches** when looking at saving money. Residents were also supportive of the council becoming more commercial and investing to generate income, which could help safeguard future services. Residents were less supportive of sharing and merging services with partners, the level of support for this approach has decreased when compared to the 2018 survey results.

For Adult Social Care, a greater proportion of residents disagreed that the council should look at charging a fee to cover the cost of arranging and managing care packages for people who are financially able to meet the full cost of their care. Perhaps not surprisingly, given the greater likelihood of needing these services in the near term, those in the older age groups (55+) were more likely to disagree with this approach compared to the younger age groups (under 35's).

Council Tax

Overall, 68% of residents were supportive of some form of Council Tax increase – this is 2% point increase when compared to the 2018 results. When asked to choose one option for potential increases to council tax, **raising Adult Social Care Precept by 2%** was the most popular option, followed by raising both the Adult Social Care Precept as well as having a general increase in Council Tax. Again, these results suggest that many residents are more aware of the pressures faced by public sector services and are prepared to pay more to safeguard services, particularly for the most vulnerable.

Social action

Residents in the county claimed to be willing to take on additional actions to help support local services by **supporting local group working on environmentally friendly schemes**, supporting **vulnerable or isolated people in the local area** and supporting others to be **healthier and more active** – the first two aspects have increased since the 2018 survey results.

When comparing the likelihood of residents taking part in additional actions, the younger age groups (under 35's), residents in Cambridge City and East Cambridgeshire were most like to take on these actions.

The County Council will need to consider how it can fully capitalise on these levels of interest in civic responsibility and may wish to consider the best ways it can partner with the wider third sector to support activity.

Appendix A: Questionnaire

Appendix A: Questionnaire

19107 Cambridgeshire Budget Consultation

Good morning/afternoon, my name is____ and I work for M·E·L Research. I am doing a survey on behalf of Cambridgeshire County Council. The Council is seeking resident views to help them plan the budget next year, as well as understanding how the council can support a good quality of life for our communities.

This survey is being carried out by M·E·L Research, an independent research company. Information you provide to us will only be used for research purposes and you will not be personally identifiable in any analysis or reports. M·E·L Research work to the code of conduct of the Market Research Society. We will hold all information securely and strictly in line with the Data Protection Act 2018 and the General Data Protection Regulation (GDPR).

Q1 **First can I check that you are 18 years or over?**

☐ Yes

☐ No - Interviewer to ask: is anyone else in the house over 18, or END SURVEY

Q2 **And can I confirm that you live in - READ OUT**

☐ Cambridge City
☐ East Cambridgeshire
☐ Fenland
☐ Huntingdonshire
☐ South Cambridgeshire

Section 1: Your Local Area

Q3 **On a scale of 0 to 10, where 0 is 'not important' and 10 is 'very important', how important are the following to the quality of life for you and your family? Starting with...**

	0 - Not important	1	2	3	4	5	6	7	8	9	10 - Very important
Having stable employment	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Having access to health services	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Help to maintain a healthy lifestyle	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Access to good quality education for children and young people	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Getting further training or adult education	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Opportunities to get to know people within the local community	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Opportunities to get involved in local decision making	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Feeling safe in your local area	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
The quality of the local environment	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Q4 The County Council want to support local communities to improve their local area. [SHOWCARD A] Please select the top 3 things that the council should focus on. [INTERVIEWER TO SELECT TOP 3 OPTIONS]

Encouraging communities to get involved in designing and delivering Council services together with us..	☐	1
Supporting communities to take actions that help the Council to save money and / or improve lives	☐	2
Seeking greater involvement in our services by established voluntary groups..	☐	3
Supporting greater involvement in our services by town and parish councils..	☐	4
Seeking greater involvement in our services by local businesses..	☐	5
Supporting volunteers by offering grants to increase opportunities for local activities e.g. befriending services for older people or exercise clubs to improve health	☐	6
Encouraging individuals to increase their involvement supporting the local community	☐	7
Other, please specify below..	☐	8

Q5 The County Council are aware that many people already support their communities. How likely would you be to take any of these actions in order to support your local community and local services? Starting with...

	Very likely	Somewhat likely	Not at all likely	I already do this [DO NOT READ]
Recycle as much household waste as you can	☐	☐	☐	☐
Interact with local services online rather than face-to-face	☐	☐	☐	☐
Take actions that help you to be healthier and more active	☐	☐	☐	☐
Support others to be healthier and more active	☐	☐	☐	☐
Support vulnerable or isolated people in your local area	☐	☐	☐	☐
Help out at a local community centre, library or other local facility	☐	☐	☐	☐
Support local groups working on environmentally friendly schemes	☐	☐	☐	☐

Section 2: Budget Planning

In order to respond to increasing demand within the Council's limited resources they are considering the following business plan proposals for 2020. They want to understand how far you support the following proposals.

The next set of questions focuses on the most significant changes being considered by the County Council.

Q6 To what extent do you support or object to the following approaches to either save money or increase income? So on a scale of 1 to 4, where 1 is 'fully support' and 4 is 'strongly object' how strongly do you support...? [SHOWCARD B]

	1 - Fully support	2 - Support	3 - Object	4- Strongly object
1 - Increasing the number of Cambridgeshire foster carers to improve the lives of children in care	☐	☐	☐	☐
2 - Focus on stable placements for children in care, so that they can build longer term relationships and the cost of change is reduced	☐	☐	☐	☐
3 - Continue to develop a variety of services (health, schools etc.) alongside our communities to support and improve opportunities for all children, specifically the very young, disadvantaged and most vulnerable	☐	☐	☐	☐
4 - Continue to explore ways of sharing services with partners, particularly Peterborough City Council, to improve services and deliver efficiencies	☐	☐	☐	☐
5 - Supporting people to live independently for longer by working alongside individuals and communities	☐	☐	☐	☐
6 - Continue to invest to generate income which will support the delivery of public services	☐	☐	☐	☐

Section 3: Increasing income

Q7 N/A – Question removed due to factual inaccuracy

Q8 To what extent do you agree or disagree that the Council should look at charging a fee which covers the cost of arranging and managing care packages for people who are financially able to meet the full cost of their care?

- ☐ Strongly agree
- ☐ Tend to agree
- ☐ Neither agree nor disagree
- ☐ Tend to disagree
- ☐ Strongly disagree

Section 4: Council Tax

Cambridgeshire County Council's business plan includes a proposal to increase the Adult Social Care Precept by 2%, however the Council would like to get residents' views on a number of options. [INTERVIEWER TO HAND OVER SHOWCARD C]

The Adult Social Care Precept (ASCP) is an amount the Council is allowed to increase council tax by specifically to pay for care for adults, particularly the elderly.

From the list, please tell me which of the 5 options you support for the County Council's part of Council tax (other parts of council tax also go to pay for police, fire, parish and district council services). [Allow resident to read showcard, assist them if needed]

Q9 **INTERVIEWER TO CONFIRM WITH RESPONDENTS**

- ☐ Option 1 - Not increasing Council tax at all (0% total increase)
- ☐ Option 2 - Increasing Council tax by 2% for the ASCP, and not raising general Council tax at all (2% total increase)
- ☐ Option 3 - Increasing Council tax by 2% as a general increase, and not raising the ASCP at all (2% total increase)
- ☐ Option 4 - Increasing Council tax by 2% for the ASCP *and* 2% as a general increase (4% total increase)
- ☐ Option 5 - Increasing Council tax by 2% for the ASCP *and* more than 2% as a general increase (over 4% total increase)

Q10 **Can you please tell us why you chose {Q9} ? [If DON'T KNOW, do you require more information to make a decision?]**

- ☐ I don't know, I need more information to make a decision

Section 5: Keeping you informed

Q12 **Finally, how well informed do you think Cambridgeshire County Council keeps residents about the services and benefits it provides?**

- ☐ Very well informed
- ☐ Fairly well informed
- ☐ Not very well informed
- ☐ Not well informed at all

Section 6: About you

To make sure we are hearing from a wide range of people we would like to ask some questions about you. These questions are optional but answering them will help us better understand what you tell us.

Q13 **Can I please take your postcode? This will not be passed back to the Council. [INTERVIEWER TO WRITE REFUSED WHERE APPLICABLE]**

☐

Q14 **How would you describe your gender?**

☐ Female ☐ Male

Q15 **What age band do you fall in? [SHOWCARD D]**

☐ 1 - 18-24
☐ 2 - 25-34
☐ 3 - 35-44
☐ 4 - 45-54
☐ 5 - 55-64
☐ 6 - 65-84
☐ 7 - 85+

Q16 **Also, as part of our quality checking process, some of the people who answered the survey will be selected at random to check that they really were interviewed. Could I please take either your email address - you will be sent a quick online form or telephone number - where someone will call you if necessary? This will not be passed to anyone else.**

☐ Yes - email
☐ Yes - Telephone
☐ No

Yes - email **[hand over to resident to complete]**	
Yes - **telephone number**?	
Can I take your **name** as well please?	

This is all the questions. Thank you for your time.

If you would like more information about who we are and how we use the information you've provided including your privacy rights and right to withdraw your consent at any time please visit our privacy policy [Interviewer to signpost to web address: melresearch.co.uk/page/privacypolicy].

m·e·l research

Business Planning 2020/21 Survey Results (as at 13th Dec at 8:06)

The Survey:

The purpose of this on-line survey was compliment a ‘door-to-door’ exercise carried out for the Council by MEL Ltd. The County Council publicised the on-line survey through its social media channels, particularly in relation to the ‘Our Day’ service awareness raising event. The overall purpose of the surveys was to find out the views of Cambridgeshire residents to help plan the County Council’s budget for the year 2020/21. In addition, its purpose was to understand how the Council could suppose a good quality of life for the residents in these communities.

The number of responses to the on-line version have been low. A total of 46, although the link remains open. The following is a brief summary of those 46 responses.

Demographics:

There were 46 respondents. The demographics of these respondents are as follows:

1. Which Cambridgeshire district do you live in?

			Response Percent	Response Total
1	Cambridge City		27.91%	12
2	East Cambridgeshire		9.30%	4
3	Fenland		11.63%	5
4	Huntingdonshire		30.23%	13
5	South Cambridgeshire		20.93%	9
6	Prefer not to say		0.00%	0

13. How would you describe your gender?

			Response Percent	Response Total
1	Female		65.12%	28
2	Male		30.23%	13

13. How would you describe your gender?				
			Response Percent	Response Total
3	Prefer not to say		4.65%	2
4	Other (please specify):		0.00%	0

14. What age band do you fall in?				
			Response Percent	Response Total
1	Under 18		0.00%	0
2	18- 24 years old		4.65%	2
3	25- 34 years old		13.95%	6
4	35- 44 years old		27.91%	12
5	45- 54 years old		25.58%	11
6	55- 64 years old		20.93%	9
7	65- 84 years old		2.33%	1
8	85+ years old		0.00%	0
9	Prefer not to say		4.65%	2
Analysis	Mean: 4.74 · Std. Deviation: 1.5 · Satisfaction Rate: 46.8		answered	43
	Variance: 2.24 · Std. Error: 0.23		skipped	3

<u>Section 1: The Local Area</u>

Residents were asked to rank how important the following aspects are to the quality of theirs and their family’s quality of life.

The most important amongst residents appeared to be ‘having stable employment’, with 77.3% scoring it a 10; ‘having access to healthcare’ with 75% scoring it a 10 and ‘feeling safe in your local’ with 63.6% of residents allocating a 10 to this aspect.

The least important was opportunities to get involved in local decision making with only 13% allocating a score of 10 to this aspect.

2. On a scale of 0 to 10, where 0 is 'not important' and 10 is 'very important', how important are the following to the quality of life for you and your family? Starting with...

	0- Not Important	1	2	3	4	5	6	7	8	9	10- Very important	Prefer not to say	Response Total
Having stable employment	2.3% (1)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	2.3% (1)	2.3% (1)	0.0% (0)	9.1% (4)	6.8% (3)	77.3% (34)	0.0% (0)	44
Having access to health services	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	2.3% (1)	2.3% (1)	2.3% (1)	9.1% (4)	9.1% (4)	75.0% (33)	0.0% (0)	44
Help to maintain a healthy lifestyle	9.1% (4)	0.0% (0)	2.3% (1)	2.3% (1)	0.0% (0)	9.1% (4)	6.8% (3)	4.5% (2)	22.7% (10)	9.1% (4)	34.1% (15)	0.0% (0)	44
Access to good quality education for children and young people	9.1% (4)	2.3% (1)	0.0% (0)	2.3% (1)	0.0% (0)	2.3% (1)	0.0% (0)	2.3% (1)	9.1% (4)	9.1% (4)	61.4% (27)	2.3% (1)	44
Getting further training or adult education	11.4% (5)	2.3% (1)	6.8% (3)	9.1% (4)	4.5% (2)	13.6% (6)	4.5% (2)	9.1% (4)	15.9% (7)	15.9% (7)	6.8% (3)	0.0% (0)	44
Opportunities to get to know people within the local community	2.3% (1)	2.3% (1)	13.6% (6)	11.4% (5)	4.5% (2)	20.5% (9)	9.1% (4)	9.1% (4)	9.1% (4)	11.4% (5)	6.8% (3)	0.0% (0)	44
Opportunities to get involved in local decision making	4.5% (2)	2.3% (1)	2.3% (1)	4.5% (2)	4.5% (2)	13.6% (6)	6.8% (3)	27.3% (12)	9.1% (4)	11.4% (5)	13.6% (6)	0.0% (0)	44

2. On a scale of 0 to 10, where 0 is 'not important' and 10 is 'very important', how important are the following to the quality of life for you and your family? Starting with...												
	0- Not Important	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10- Very important**	**Prefer not to say**	**Response Total**
Feeling safe in your local area	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	13.6% (6)	11.4% (5)	11.4% (5)	63.6% (28)	0.0% (0)	44
The quality of the local environment	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	13.6% (6)	15.9% (7)	9.1% (4)	61.4% (27)	0.0% (0)	44

Residents were then asked what top 3 things the Council should focus on to improve the local area. The top 3 were;

- Supporting communities to take actions to help the Council save money and/or improve lives with 52.27% of respondents choosing this amongst their top 3
- Supporting volunteers by offering grants to increase opportunities for local activities e.g. befriending services for older people or exercise clubs to improve health with 54.55% of respondents including this amongst their top 3
- Encouraging communities to get involved in designing and delivering Council services together with us with 47.73% of respondents including this amongst their top 3

3. The County Council wants to support local communities to improve their local area. Please select the top 3 things that the council should focus on.				
			Response Percent	**Response Total**
1	Encouraging communities to get involved in designing and delivering Council services together with us		47.73%	21
2	Supporting communities to take actions that help the Council save money and/or improve lives		52.27%	23
3	Seeking greater involvement in our services by established voluntary groups		31.82%	14
4	Seeking greater involvement in our services by town and parish councils		31.82%	14

3. The County Council wants to support local communities to improve their local area. Please select the top 3 things that the council should focus on.				
			Response Percent	**Response Total**
5	Seeking greater involvement in our services by local businesses		29.55%	13
6	Supporting volunteers by offering grants to increase opportunities for local activities e.g. befriending services for older people or exercise clubs to improve health		54.55%	24
7	Encouraging individuals to increase their involvement supporting the local community		29.55%	13
8	Other (please specify below)		4.55%	2

When asking residents on the actions they would take to support their local community and local services, the most likely being; recycling as much household waste as they can with 75% of residents already doing this.

In terms of most likely to start doing, interacting with local services online than face to face is the most likely action to be taken by residents with 25% choosing 'very likely'.

The least likely is ' helping out at a local community centre, library or other facility' with 63.6% saying they are 'not at all likely' to do this.

4. The County Council are aware that many people already support their communities. How likely is it that you would take any of these actions in order to support your local community and local services? Starting with...						
	Very likely	**Somewhat likely**	**Not at all likely**	**I already do this**	**Don't know**	**Response Total**
Recycle as much household waste as you can	20.5% (9)	2.3% (1)	2.3% (1)	75.0% (33)	0.0% (0)	44
Interact with local services online rather than face-to-face	25.0% (11)	25.0% (11)	0.0% (0)	50.0% (22)	0.0% (0)	44
Take actions that help you to be healthier and more active	25.0% (11)	20.5% (9)	0.0% (0)	47.7% (21)	6.8% (3)	44

4. The County Council are aware that many people already support their communities. How likely is it that you would take any of these actions in order to support your local community and local services? Starting with...						
	Very likely	**Somewhat likely**	**Not at all likely**	**I already do this**	**Don't know**	**Response Total**
Support others to be healthier and more active	18.2% (8)	40.9% (18)	29.5% (13)	11.4% (5)	0.0% (0)	44
Support vulnerable or isolated people in your local area	11.4% (5)	36.4% (16)	34.1% (15)	13.6% (6)	4.5% (2)	44
Help out at a local community centre, library or other local facility	2.3% (1)	20.5% (9)	63.6% (28)	11.4% (5)	2.3% (1)	44
Support local groups working on environmentally friendly schemes	9.1% (4)	40.9% (18)	38.6% (17)	6.8% (3)	4.5% (2)	44

Section 2: Budget Planning

Residents were asked to rate their level of support for various approaches that could be taken to either save money or increase income.

Across all approaches, there was a significant percentage of full support. 100% of respondents either supported or fully support increasing the number of Cambridgeshire foster carers to improve the lives of children in care. Approximately two thirds of these 44 respondents fully supported this approach.

Over 70% fully supported the approach to focus on stable placements for children in care, this being the most fully supported approach.

However, the approach to continue to explore ways of sharing services with partners, particularly with Peterborough City Council to improve services and deliver efficiencies was the most strongly objected by respondents with (6.8%) strongly objecting this approach compared with 0% for all other approaches.

5. How strongly do you support the following approaches to either save money or increase income? So on a scale of 1 to 4, where 1 is 'fully support' and 4 is 'strongly object' how strongly do you support...?						
	1- Fully Support	2- Support	3- Object	4- Strongly Object	Don't know	Response Total
Increasing the number of Cambridgeshire foster carers to improve the lives of children in care	63.6% (28)	36.4% (16)	0.0% (0)	0.0% (0)	0.0% (0)	44
Focus on stable placements for children in care, so that they can build longer term relationships and the cost of change is reduced	72.7% (32)	27.3% (12)	0.0% (0)	0.0% (0)	0.0% (0)	44
Continue to develop a multi-service approach (other services health, schools etc.) alongside our communities to support the children of Cambridgeshire, to improve the opportunities of all children with a focus on the very young, disadvantaged and most vulnerable	63.6% (28)	31.8% (14)	0.0% (0)	0.0% (0)	4.5% (2)	44
Continue to explore ways of sharing services with partners, particularly Peterborough City Council, to improve services and deliver efficiencies	29.5% (13)	43.2% (19)	15.9% (7)	6.8% (3)	4.5% (2)	44
Supporting people to live independently for longer by working alongside individuals and communities	61.4% (27)	31.8% (14)	2.3% (1)	0.0% (0)	4.5% (2)	44
Continue to invest to generate income which will support the delivery of public services	61.4% (27)	27.3% (12)	4.5% (2)	0.0% (0)	6.8% (3)	44

Section 3: Increasing Income

Question 6 removed due to factual inaccuracy

7. To what extent do you agree or disagree that the Council should look at charging a fee which covers the cost of arranging and managing care packages for people who are financially able to meet the full cost of their care?				
			Response Percent	**Response Total**
1	Strongly agree		22.73%	10
2	Tend to agree		34.09%	15
3	Neither agree nor disagree		9.09%	4
4	Tend to disagree		9.09%	4
5	Strongly disagree		20.45%	9
6	Don't know		4.55%	2

Section 4: Council Tax

Residents were given five options regarding the County Council's part of council tax. These include; not increasing council tax, only raising the Adult Social Care Precept by 2%, only having a general increase in council tax and not raise the Adult Social Care Precept by 2%, raising both general council tax and Adult Social Care (a total of 4%) and lastly, increasing Council tax by more than 4%. They were then asked of the five options, which option they support.

8. Which of the above options do you support?

			Response Percent	Response Total
1	Option One		6.82%	3
2	Option Two		6.82%	3
3	Option Three		2.27%	1
4	Option Four		59.09%	26
5	Option Five		15.91%	7
6	Other (please specify):		9.09%	4

9. Do you support raising the Adult Social Care Precept by 2%?

			Response Percent	Response Total
1	Yes - I support the increase		77.27%	34
2	No - I do not support the increase		11.36%	5
3	Don't know		11.36%	5

10. Can you please tell us why you support/do not support the increase? If 'don't know', do you require more information to make a decision?				
			Response Percent	**Response Total**
1	I don't know, I need more information to make a decision		100.00%	5
2	I don't know.		0.00%	0

Section 5: Keeping Informed

11. Finally, how well informed do you think Cambridgeshire County Council keeps residents about the services and benefits it provides?				
			Response Percent	**Response Total**
1	Very well informed		6.82%	3
2	Fairly well informed		47.73%	21
3	Not very well informed		29.55%	13
4	Not well informed at all		13.64%	6
5	Don't know		2.27%	1

Appendix:

3. The County Council wants to support local communities to improve their local area. Please select the top 3 things that the council should focus on.

Do you have any comments to explain your choice? (5)

1	01/11/2019 13:02 PM ID: 130056784	I think that the government should fund services and that they should not have to rely on volunteers, especially where services need to be expert. I am also against privatisation of services
2	01/11/2019 13:35 PM ID: 130059482	Communities are quick to complain about things but slow to offer support to help maintain services. There is a lot of volunteer work going on but only a small number of usually the same people involved. My husband and I run a local litter picking group in a large village - only 4 of us regularly do it, we've probably had 10 other residents out of thousands involved.
3	01/11/2019 13:42 PM ID: 130057949	All of these are important but I think that involving communities within the design and delivery of services will help communities better understand the balance between available finance and services desired and local communities are better placed to decide local priorities.
4	01/11/2019 13:58 PM ID: 130061114	Council doing council's responsibilities and not palming them off on volunteers etc.
5	01/11/2019 14:23 PM ID: 130062694	I would like the option: Supporting communities to take actions that help the Council improve lives I'm not sure why this has been grouped with "saving money" - would rather spend money for a better community.

4. The County Council are aware that many people already support their communities. How likely is it that you would take any of these actions in order to support your local community and local services? Starting with...

Do you have any comments to explain your choice? (9)

1	28/10/2019 11:59 AM ID: 129803584	Cost of living is so high I have very little time to spare when working two jobs and looking after my children
2	28/10/2019 13:15 PM ID: 129803632	Would do more but I work full time.
3	01/11/2019 12:46 PM ID: 130055614	I am already having to support my children and husband due to his illness and not being able to access support so I can't do more to help others than I am already doing.

4. The County Council are aware that many people already support their communities. How likely is it that you would take any of these actions in order to support your local community and local services? Starting with...

4	01/11/2019 13:02 PM ID: 130056784	J am not qualified to support vulnerable people and also do not have enough free time
5	01/11/2019 13:35 PM ID: 130059482	Lack of social responsibility but ease of complaining is frustrating
6	01/11/2019 13:42 PM ID: 130057949	Personal circumstances restrict my ability to get more involved.
7	01/11/2019 13:58 PM ID: 130061114	Why have you asked this question? It feels nosy for no good reason.
8	04/11/2019 09:08 AM ID: 130181571	I work full time and have 2 small children and elderly parents and in-laws so I don't have time.
9	05/11/2019 13:47 PM ID: 130314373	My time is already stretched, despite only working part-time. So getting involved in yet more things is really unlikely.

5. How strongly do you support the following approaches to either save money or increase income? So on a scale of 1 to 4, where 1 is 'fully support' and 4 is 'strongly object' how strongly do you support...?

Do you have any comments to explain your choices? (5)

1	29/10/2019 15:22 PM ID: 129885025	Peterborough is so far away, and is a totally different place so sharing doesn't seem sensible.
2	01/11/2019 13:07 PM ID: 130057492	Sharing services with peterborough has saved zero, in fact has made things worse
3	01/11/2019 13:58 PM ID: 130061114	I disagree that 'being independent' is always the best outcome. Being lonely and isolated in your 'own home' is much worse than being well cared for in a care home. It shouldn't be volunteers jobs to fill the gaps that social care should be filling.
4	05/11/2019 13:47 PM ID: 130314373	There's no reason not to do any of these.
5	10/11/2019 12:42 PM ID: 130617323	I have stated 'don't know' for the continuation of exploring ways to share services with partners, etc.... because I think it is hard to generalise. I believe that a robust review of the outcomes of other shared services should be undertaken before any other shared services are considered. The Council has to be honest about the outcomes, not just in terms of real cost savings but also in the quality of the service delivered to residents.

Question 6 removed due to factual inaccuracy

7. To what extent do you agree or disagree that the Council should look at charging a fee which covers the cost of arranging and managing care packages for people who are financially able to meet the full cost of their care?

Do you have any comments to explain your choice? (13)

1	28/10/2019 13:15 PM ID: 129803632	For older people who actively served in World War Two deserve to be looked after for free. They served to give us our freedom and have financed the system from start up (July 1948).
2	29/10/2019 15:22 PM ID: 129885025	I think people should be able to choose if they pay for this service or not - if you pay you get a better level of assistance - like with all things in life.
3	01/11/2019 12:45 PM ID: 130055481	Social care should be funded through taxation, not by the individual who needs it. Arranging and managing care should be part of the service.
4	01/11/2019 12:46 PM ID: 130055614	see above -
5	01/11/2019 12:49 PM ID: 130055330	I feel that everyone has a right to have an assessment of need and involvement from and with a care team who can help to navigate systems and placements along side family and again anything that prevents that happening has a longer term impact . If someone is in a very expensive care provision and quickly uses there own money , the team that picks this up are in a very difficult position with family and clients much better to be involved earlier and have those difficult conversation asap.
6	01/11/2019 12:50 PM ID: 130055982	Not ideal, but understand the budgetary pressures councils are under.
7	01/11/2019 13:05 PM ID: 130056418	As Q.6
8	01/11/2019 13:24 PM ID: 130058479	Dependent on how people are financially able to meet the cost is determined
9	01/11/2019 13:42 PM ID: 130057949	On the one hand this seems reasonable but then on the other they are paying enough out already and saving the council money by paying for their own care as it is.
10	01/11/2019 13:58 PM ID: 130061114	Again, you've already got a consultation out on this. By asking these questions here - of people who haven't had the chance to read all the context - you're just trying to get data to be able to say 'x % of people agreed'. Which is unfair, because they don't understand what is being asked of them. It's propaganda and you should be ashamed of yourselves.
11	04/11/2019 09:08 AM ID: 130181571	I am sure this would happen already.

7. To what extent do you agree or disagree that the Council should look at charging a fee which covers the cost of arranging and managing care packages for people who are financially able to meet the full cost of their care?

12	05/11/2019 13:47 PM ID: 130314373	Having a charge is reasonable. Charging people every penny necessary to cover all the - enormous - cost of providing care packages is not reasonable, as it penalises those who have been careful with their money and not spent a life squandering it.
13	10/11/2019 12:42 PM ID: 130617323	I have stated 'don't know' because I need to see the basis upon which such charges are levied. I do not believe that charging a percentage of the cost of a package is justifiable. If a charge is to be levied I believe it should be on a fixed fee basis.

8. Which of the above options do you support?

Other (please specify): (4)

1	01/11/2019 13:23 PM ID: 130058298	Reduce cost by not using agency workers for Social worker jobs
2	01/11/2019 13:35 PM ID: 130059482	2% Council Tax increase and 1% ASC precept increase
3	03/11/2019 22:23 PM ID: 130171237	Form unreadable.
4	05/11/2019 13:47 PM ID: 130314373	I would support both options 4 and 5, but it won't let me do that.

Comments: (6)

1	29/10/2019 14:33 PM ID: 129888086	Single people who do not have children already pay an extremely large annual council tax bill as Cambridge is a very high charging area and a lot of this money goes to schools and services they do not use. To also have to pay increasing costs each year to fund adult social care is not really acceptable and means that we are having to live on less and less each year, when salaries hardly ever go up.
2	01/11/2019 12:45 PM ID: 130055481	We need to raise more money
3	01/11/2019 12:46 PM ID: 130055614	Fenland is a deprived area, wages are low and Fenland residents are getting to the point where they can't cope with anymore increases in council tax as it is getting too hard to pay all the bills with everything increasing
4	01/11/2019 12:49 PM ID: 130056033	option 5 but given that the majority of people don't/won't vote to pay more tax particularly given the conservative nature of Cambridgeshire it seem unlikely that it is worth doing this and having to carry out a referendum so option 4 is probable best

8. Which of the above options do you support?

5	01/11/2019 13:42 PM ID: 130057949	This seems to be the most cost effective way of maintaining current services.
6	04/11/2019 09:08 AM ID: 130181571	I can't afford it as I work in the public sector as does my husband and am paying high childcare bills but I would support it.

10. Can you please tell us why you support/do not support the increase? If 'don't know', do you require more information to make a decision?

Comments on support / non-support for the increase. (33)

1	28/10/2019 11:59 AM ID: 129803584	so that services can continue to be provided
2	29/10/2019 14:33 PM ID: 129888086	As listed on previous page - we should not be penalised and have to keep paying more and more each year.
3	29/10/2019 15:22 PM ID: 129885025	We are all living longer and reaching greater ages so will all need care at some point.
4	30/10/2019 14:28 PM ID: 129948860	More elderly residents and better service to them, reduces expenditure in other Social care areas potentially reducing pressure on NHS
5	01/11/2019 12:41 PM ID: 130055369	I would rather pay slightly more per year to know that the community I live in will continue to have high quality services available.
6	01/11/2019 12:45 PM ID: 130055481	The extra funding is clearly needed
7	01/11/2019 12:46 PM ID: 130055614	see my comments on council tax raises whilst I appreciate that CCC needs more income, the average person on the street doesn't have the money in their pocket to keep paying increases in council tax - rather than spending £120,000 on a skatepark in March - that could have been put towards adult social care - everyone needs to think more wisely about how they are spending money and statutory obligations should be the priority - a skatepark is not and I object to my council tax being used to fund that when it could have been used to support the vulnerable in our community
8	01/11/2019 12:49 PM ID: 130055330	I feel that the fight should go back to central government about fair funding for the area.
9	01/11/2019 12:49 PM ID: 130056033	adult social care costs a lot.
10	01/11/2019 12:50 PM ID: 130055982	Would mean less likely to have further service cuts for Adult Social Care.

10. Can you please tell us why you support/do not support the increase? If 'don't know', do you require more information to make a decision?

11	01/11/2019 12:55 PM ID: 130056160	Demands on social care are increasing and it is important that the council is supported to fund quality support services.
12	01/11/2019 13:02 PM ID: 130056784	because I think this is the fairest way to fund care
13	01/11/2019 13:05 PM ID: 130056418	Because it is needed
14	01/11/2019 13:06 PM ID: 130057286	Much needed services are being reduced or cut and this needs to change.
15	01/11/2019 13:07 PM ID: 130057492	There are more savings to be made - in a year when the number of directors and senior managers has increased you can't tell me that more taxation is really needed
16	01/11/2019 13:23 PM ID: 130058298	Money could be saved by reducing the amount of agency workers on high incomes
17	01/11/2019 13:35 PM ID: 130059482	partial increase only
18	01/11/2019 13:42 PM ID: 130057949	I believe we have a duty to care for our elderly and believe that an increase in council tax to fund a good quality of service for them is appropriate.
19	01/11/2019 13:45 PM ID: 130060390	I don't agree that there should be a separate ASC precept, it should all be included in one Council Tax sum. But I support increasing Council Tax in general by a reasonable amount.
20	01/11/2019 13:58 PM ID: 130061114	Because all social care should be free at the point of use, and should be paid for by people who can afford it (ie people who aren't eligible for council tax benefit). Anyone can become disabled and need care at any time, and it's very likely you or someone you know will need care (at least when you're old). We shouldn't expect the unlucky to pay the financial price of being poorly/old/frail.
21	01/11/2019 14:01 PM ID: 130061756	It's important to fund ASC properly in a civilised society
22	01/11/2019 14:23 PM ID: 130062694	I think wealthy societies should support vulnerable people.
23	01/11/2019 14:25 PM ID: 130063426	Adult social care requires more funding and will alleviate some pressures on the NHS I would prefer people to have actually saved more themselves through life. So I guess this is the next best thing
24	01/11/2019 14:32 PM ID: 130063373	Would prefer to see the money required raised through council tax than reductions to other services.

10. Can you please tell us why you support/do not support the increase? If 'don't know', do you require more information to make a decision?

25	01/11/2019 14:55 PM ID: 130065038	Would rather increase come from my council tax.
26	04/11/2019 08:14 AM ID: 130178971	There are more older people and people with care and support needs and the council is already struggling financially to manage their needs. There needs to be more money in the system.
27	04/11/2019 09:08 AM ID: 130181571	I would support it to reduce the impact on the delivery of other services.
28	04/11/2019 12:01 PM ID: 130200057	to save reductions to other services
29	05/11/2019 09:30 AM ID: 130260927	An increase in funding, alongside support to help people to help themselves and seek alternative solutions should go hand in hand.
30	05/11/2019 13:47 PM ID: 130314373	The absolutely enormous cost of providing adult social care needs to be covered by the community, not by the often impecunious individuals in question.
31	06/11/2019 11:30 AM ID: 130389157	It is not a huge amount extra over a year and is worth it if critical services can carry on functioning
32	10/11/2019 12:42 PM ID: 130617323	Until there is a cohesive health and social care policy introduced, the burden on those LAs with responsibility for social care cannot be supported without some extra contribution.
33	22/11/2019 12:52 PM ID: 131372610	There have been enough cuts to services. It's now time to stabilize or reverse the cuts.

Section 6 – Capital Strategy

Contents

1: Introduction

This Capital Strategy describes how the Council's investment of capital resources in the medium term will optimise the ability of the authority to achieve its overriding vision and priority outcomes. It represents an essential element of the Council's overall Business Plan and is reviewed and updated each year as part of the Business Planning Process.

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

During 2019, the Council declared a climate and environment emergency and agreed to develop a Climate Change and Environment Strategy for the Council. Identifying the Council's carbon footprint has been a key area of focus alongside research undertaken by Cambridge University Science and policy Exchange (CUSPE) on the carbon footprint for the whole of Cambridgeshire. Both carbon footprints will now inform future capital and investment strategies and decisions.

2: Vision and outcomes

The Council achieves its vision of *"Making Cambridgeshire a great place to call home"* through delivery of its Business Plan which targets key priority outcomes. To assist in delivering the Plan the Council needs to provide, maintain and update long term assets (often referred to as 'fixed assets'), which are defined as those that have an economic life of more than one year.

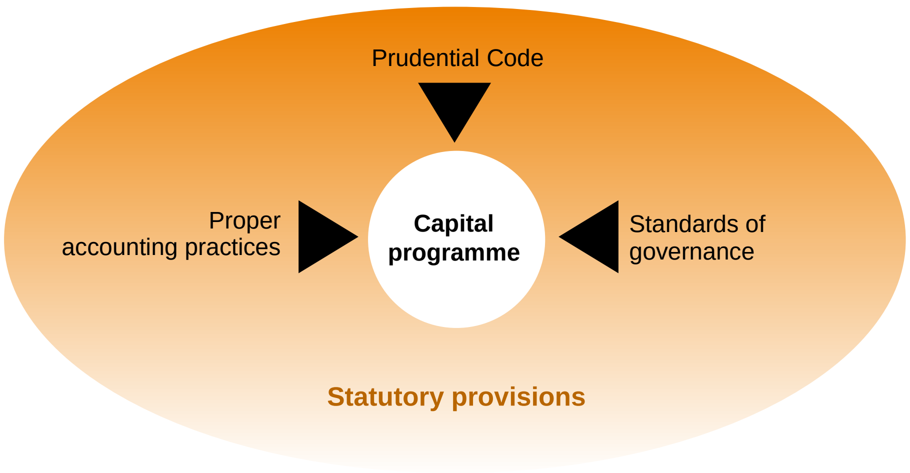
Expenditure on these long term assets is categorised as capital expenditure, and is detailed within the Capital Programme for the Authority. Fixed assets are shaped by the way the Council wants to deliver its services in the long term and they create future financial revenue commitments, through capital financing and ongoing revenue costs.

3: Operating framework

Local Government capital finance is governed and operates under the Prudential Framework in England, Wales and Scotland. The Prudential Framework is an umbrella term for a number of statutory provisions and professional requirements that allow authorities largely to determine their own plans for capital investment, subject to an authority following due process in agreeing these plans and being able to provide assurance that they are prudent and affordable.

The framework is based on the following foundations:

Prudence



4: Capital Expenditure

Capital expenditure, in accordance with proper practice (as defined by CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2019-20) results in the acquisition, creation or enhancement of fixed assets with a long term value to the Council. If expenditure falls outside of this scope[1], it will instead be charged to revenue during the year that the expenditure is incurred. It is therefore crucial that expenditure is analysed against this definition before being included within the Capital Programme to avoid unexpected revenue charges within the year. A guide to what can and cannot be included within the definition of capital expenditure is provided in Appendix 1.

The Council applies a self-determined de minimis limit of £10,000 for capital expenditure. Expenditure below this limit should be charged to revenue in the year that it is incurred. However, as the de minimis is self-imposed, the Code does allow for it to be overridden if the Authority wishes to do so.

All capital expenditure should be undertaken in accordance with the financial regulations; the Scheme of Financial Management, the Scheme of Delegation included within the Council's Constitution and the Contract Procedure Rules. Further, detailed guidance can also be found in the Council's Capital Guidance Notes (currently in draft format).

5: Capital funding

Capital expenditure is financed using a combination of the following funding sources:

Earmarked Funding	Central Government and external grants
	Section 106 (S106), Community Infrastructure Levy (CIL) and external contributions

[1] In addition, expenditure can be classified as capital in the unlikely scenario that:
- It meets one of the definitions specified in regulations made under the 2003 Local Government Act;
- The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

	Private Finance Initiative (PFI) / Public Private Partnerships (PPP)[2]
Discretionary Funding	Central Government and external grants
	Prudential borrowing
	Capital receipts
	Revenue funding

Explanation of, and further detail on these funding sources is provided in Appendix 2.

The Council will only look to borrow money to fund a scheme either to allow for schemes that will generate payback and/or reduce future carbon liabilities (via either financial/carbon savings or through income generation), or if all other sources of funding have been exhausted but a scheme is required. Therefore in order to facilitate this, the Council will re-invest 100% of all capital receipts received (after funding costs of disposal up to the allowable limit of 4% of receipt) back into the Capital Programme, focusing these on schemes that generate an ongoing revenue return.

6: External environment

The Council uses a mixture of funding sources to finance its Capital Programme.

Developer Contributions

Whilst the housing and property market across the County has recovered since the economic crisis of 2008, with strong growth particularly in the City of Cambridge where values have risen over and above pre-credit crunch levels, the market as a whole is facing a new level of uncertainty with the prospect of the United Kingdom (UK) leaving the European Union on 31st January 2020. This is one of the most significant economic events for the UK and is subject to unprecedented levels of uncertainty, with the full range of possible effects unknown. It has recently been reported that the pattern of growth across the country generally has become more varied and disparate. Slow growth is mostly confined to places in the North, whilst prices fell annually mostly across the South and South East of England. In Cambridgeshire, notable contrasts between neighbouring locations have been reported; South Cambridgeshire showed 2.3% growth whilst prices fell by 0.2% in Cambridge itself. It is therefore unclear at the moment whether the current uncertainty will negatively affect the ability of the Council to fund capital investment through the sale of surplus land and buildings, or from contributions by developers.

The Government has also declared a climate emergency and set a target of net-zero carbon emissions for the UK by 2050. To deliver the changes required for net-zero will mean changes to our regulatory frameworks, planning in particular, as this will shape standards for new developments. Whilst the development industry reacts to these changes some impact may be felt on developer contributions.

[2] This source of funding is no longer available for new schemes

Developer contributions have also been affected by the introduction of Community Infrastructure Levies (CIL). CIL works by levying a charge per net additional floorspace created on all small-scale developments, instead of requiring developers to pay specific contributions towards individual projects as per the current developer contribution process (Section 106, which is still in place for large developments). Although this is designed to create a more consistent charging mechanism, it also complicates the ability of the Council to fund the necessary infrastructure requirements created by new development due to the changes in process and the involvement of the city and district councils who have exclusive legal responsibility for determining expenditure. The Council also expects that a much lower proportion of the cost of infrastructure requirements will be met by CIL contributions.

Huntingdonshire and East Cambridgeshire District Councils are currently the only districts within Cambridgeshire to have adopted CIL. Both Cambridge City Council and South Cambridgeshire District Council submitted their draft CIL Charging Schedules in 2014 but withdrew them in 2017 due to delays in the examination of their Local Plans; they will therefore consider CIL at a later date. Fenland District Council has no plans to implement CIL at present.

New legislation introduced on the 1st September 2019 has now removed the ‘rule of five’ pooling restriction, where it was not possible to pool more than five developer contributions together on any one scheme; this therefore will have a positive impact on funding flexibility for the Council.

Moving forward, the Council will also need to consider the use of carbon off-set funds, where developers pay into a fund in order to effectively purchase off-set credits, rather than meet their whole carbon reduction obligation through on-site measures. The fund will then pool payments for investment into priority carbon reduction projects. Consideration will need to be given to how these funds could work and the type of regulation that may come forward as a result. Accessing this type of opportunity may be a future means of funding public infrastructure created as a result of development.

Government Grants

The Budget and Spending Review 2015 set out plans to increase Central Government capital spending by £12 billion over the following 5 years; how it intended to do this has been set out in the National Infrastructure Delivery Plan 2016-2021. This brought together for the first time the Government’s plans for economic infrastructure with those to support delivery of housing and social infrastructure. It included a new Pothole Action Fund, for which the Council was allocated an additional £5.2m over the period 2016-17 to 2019-20, specific large-scale schemes such as up to £1.5bn to upgrade the A14 between Cambridge and Huntingdon, as well as potential development of both the A1 East of England and the Oxford to Cambridge Expressway. It also acknowledged the development of Northstowe as a major housing site.

As part of the National Infrastructure delivery Plan, a National Productivity Investment Fund (NPIF) has been created to provide an additional £1.1 billion of funding by 2020-21 to relieve congestion and deliver upgrades on local roads and public transport networks.

In 2018-19 a £1.7bn Transforming Cities Fund was created out of the NPIF to target projects that drive productivity by improving connectivity, reducing congestion and utilising mobility services and technology; the Cambridgeshire and Peterborough Combined Authority (CPCA) was allocated £74m from this fund. Key measures in relation to the Cambridge-Milton Keynes-Oxford corridor have also been announced, including; a commitment to build up to 1m new homes in the area by 2050, £5m to develop the proposals for Cambridge South Station, and construction on key elements of the Expressway between Cambridge and Oxford, ready to be open by 2030. A new discounted interest rate was introduced in 2018, accessible to authorities for 3 years to support up to £1bn of infrastructure projects that are 'high value for money'. The Council submitted two bids in May 2019 to access this discounted interest rate; in November 2019 the Council was notified that it had been successful and will now be able to secure £60m of borrowing at a discount of 1.4% below standard PWLB borrowing rates. This will support a variety of energy investment and community energy schemes to be delivered by 2023/24.

In addition to the Highways Maintenance formula allocation, the Department for Transport (DfT) have created a Challenge Fund and an Incentive Fund. The Challenge Fund is to enable local authorities to bid for major maintenance projects that are otherwise difficult to fund through the normal maintenance funding. The Council has submitted a Challenge Fund bid in 2019-20 for the reconstruction of the carriageway at the B1050 Shelford Road, Willingham. The Council is seeking a £5m contribution from the DfT for the works. The Government was to advise on the success of the bid in December 2019, with works being carried out in 2020, however the recent election has delayed confirmation. The Incentive Fund is to help reward local highway authorities who can demonstrate they are delivering value for money in carrying out asset management to deliver cost effective improvements. Each authority has to score themselves against criteria that determines which of three bands they are allocated to (Band 3 being the highest performing). The Council continues to be successful in maintaining Band 3 status and for 2019-20 has secured the maximum funding available of £14.5m.

The Autumn Budget 2018 also announced a further £420m of funding in 2018-19 for local authorities to tackle potholes, repair damaged roads, and invest in keeping bridges open and safe; the Council's share of this funding was £6.7m. The 2019 Conservative Manifesto committed to an additional £2bn of additional funding for pothole repair; £500m per annum from 2020/21. Allocations of this funding have not yet been provided by DfT but are expected in early 2020-21.

No further detailed capital plans were announced in the one year Spending Review 2019, other than a total of £241m for the Towns Fund in 2020-21 and £220m to transform bus services; further details will be announced in due course.

Moving forward, the CPCA has taken on the responsibilities of the local transport authority and therefore the CPCA now receives DfT local transport authority designated funding, instead of the Council. The CPCA is continuing to commission the Council to carry out the required works on the transport network.

The Government has previously announced sufficient capital funding would be available to provide for the increasing numbers of school-aged children to enable authorities to make sure that there are enough school places for every child who needs one, as well as ensuring that longer-term capital allocations are made in order to aid planning for school places. Unfortunately, the new methodology used to distribute funding for additional school places did not initially reflect this commitment as the initial allocation of £4.4m across the period 2015-16 to 2016-17 was £32m less than the Council had estimated to receive for those years according to our need. Almost all of this loss related to funding for demographic pressures and new communities, i.e., infrastructure that we have a statutory responsibility to provide, and therefore we had limited flexibility in reducing costs for these schemes.

Given the growth the County is facing, it was difficult to understand these allocations and as such, the Council has continued to lobby the Department for Education (DfE) for a fairer funding settlement that is more closely in line with the DfE's commitment to enable the Council to provide all of the new places required in the County.

In addition to lobbying the DfE, the Council has also sought in the meantime to maximise its Basic Need funding by establishing how the funding allocation model works and providing data to the DfE in such a way as to maximise our allocation. The allocations were £25.0m for 2018-19, £6.9m for 2019-20, and £20.6m for 2020-21. This goes some way to reduce the Council's shortfall, but still does not come close to covering the costs of all of the Council's Basic Need schemes. Due to the one-year Spending Review announced in September 2019 only focusing on 2020-21 funding allocations, no further allocations for Basic Need funding are being announced until the next multi-year spending review takes place in 2020. This obviously adds a level of uncertainty to the Council's capital planning.

The DfE also revised the methodology used to distribute condition allocations, in order to target areas of highest condition need. A floor protection was put in place to ensure no authority received more than a 20% cut in the level of funding until 2018. The £1.2m reduction in allocation for Cambridgeshire for 2015-16 hit this floor; therefore it was anticipated that the Council's funding from this area would be reduced further once the protection was removed in 2019-20. However, the DfE have continued to include the protection worth £451k in 2019-20, but it is unclear whether this will continue moving forward.

The National Infrastructure Delivery Plan commits to investment of £23bn over the period 2016 to 2021 to deliver 500 new free schools, over 600,000 additional school places, rebuild and refurbish over 500 schools and address essential maintenance needs. To date, the Government has given approval to 8 new free schools in Cambridgeshire to pre-implementation stage. Not all of these, however, are in areas where the Council has an identified basic need requirement. The application process for the new Wave 13 closed in November 2018; there were a further 12 bids for Cambridgeshire, however there was much stricter criteria in place around this wave and none of the bids were successful. The application process for Wave 14 closed in November 2019; there were 2 bids for Cambridgeshire but the Council does not expect to hear whether these are successful until summer 2020.

External Pressures

Irrespective of the external funding position, the County's population continues to grow. This places additional strain on our infrastructure through higher levels of road maintenance, increased pressure on the transport network, a rise in the demand for school places, a shortage of homes and additional need for libraries, children's centres and community hubs.

As part of the Greater Cambridge City Deal (now Greater Cambridge Partnership) signed with Government in 2014, it was agreed that Government would allocate £500m to Greater Cambridge infrastructure projects. The first tranche of funding was agreed on the basis of five yearly instalments and the second and third tranche is subject to two (2020 and 2025) Gateway Reviews. The purpose of the Deal is to deliver a step change in investment capability; an additional 44,000 jobs and 33,000 homes with benefits for the whole County as well as the wider area.

To date, £100m of the funding has been secured. We have been advised by Government that the outcome of the first Gateway review, which will unlock a further £200m of funding, should be known by the end of the current financial year (2019/2020).

Despite this deal, as with the revenue position, the external operating environment poses a significant challenge to the Council as it determines how to invest in order to meet its priority outcomes, whilst facing increasing demands on its infrastructure that are not necessarily matched by increases in external funding.

7: Working in partnership

The Council is committed to working with partners in the development of the County and the services within it. There are various mechanisms in place that provide opportunities to enhance the investment potential of the Council with support and contributions from other third parties and local strategic partners. One of the most significant partnerships is between the Council, Cambridgeshire's city and district councils, Peterborough City Council and the Greater Cambridge / Greater Peterborough Local Enterprise Partnership (LEP) – now relaunched as the Business Board – to set up a Combined Authority for Cambridgeshire and Peterborough in order to deliver the region's devolution deal; this was agreed by all member authorities in November 2016. The proposal included;

- A new £20m annual fund for the next 30 years to support economic growth, development of local infrastructure and jobs,
- A £100m housing fund, and
- A new £70m fund to be used to build more council-rented homes in Cambridge.

The Mayoral Combined Authority is now in place, following Mayoral elections in May 2017.

The Council has also worked closely with Cambridge City Council, South Cambridgeshire District Council, the University of Cambridge and the LEP (now the Business Board) to negotiate the City Deal with Central Government. The deal has resulted in a changed set of governance arrangements for Greater Cambridge, allowing the

County, Cambridge City Council and South Cambridgeshire District Council to pool funding, powers and decision making through a joint Executive Board. This structure is leading the joint delivery of a number of major transport schemes and has achieved a more joined-up and efficient approach to tackling the key economic issues facing this rapidly-growing city region.

The Council continues to work with partners and stakeholders to secure commitment to delivery, as well as funding contributions for infrastructure improvements, in order to support continued economic prosperity. For example, the Council worked with the former Greater Cambridge / Greater Peterborough LEP (now the Business Board) plus the New Anglia LEP and the South East Midlands LEP, as well as neighbouring local authorities, the city and district councils and the DfT to agree a funding package for improvements to the A14 between Cambridge and Huntingdon, which was secured with work due to complete in December 2020. The Council will continue with this approach where infrastructure improvements are shown to have widespread benefits to our partners.

The One Public Estate (OPE) group allows partners, including the district councils, health partners and the emergency services, to effectively collaborate on strategic asset management and rationalise the combined operational property estate within the County. The One Public Estate programme has secured up to £0.5m in funding to bring forward major projects for joint asset rationalisation and land release.

The Local Transport Plan is a key document and is produced in partnership with the city and district councils and the CPCA. There has been a strong working relationship for many years in this area, which has succeeded in bringing together the planning and transport responsibilities of these authorities to ensure an integrated approach to the challenges facing the County.

Due to the introduction of the Community Infrastructure Levy (CIL) on all but large scale developments, the Council also works more closely with the city and district councils on the creation of new infrastructure needed as a result of development. CIL is at the discretion of the Local Planning Authority i.e. the city and district councils, who are responsible for setting the levy and have the final decision on how the funds are spent. However as the County Council has responsibility for the provision of much of the infrastructure resulting from development, it is imperative that it is involved in the CIL governance arrangements of the city and district councils, and that it works closely with these authorities to ensure that it is able to influence investment decisions that affect the Council’s services.

The Council is in the fortunate position of continuing to be a major landowner in Cambridgeshire, and as such has established a company, This Land, which enables the Council to develop its own land rather than sell it to third parties. The company has developed an initial 10-year pipeline of sites, with the objective of delivering more than 1500 homes. The Council is the sole shareholder of This Land Limited (and the ultimate parent of its wholly owned subsidiaries).

Examples of specific capital schemes currently or recently being delivered in partnership include;

- Rolling out and exploiting better broadband infrastructure across the County; with Peterborough City Council, the district councils, the Business Board, local businesses and the universities;
- Housing schemes, being delivered in conjunction with This Land; and
- OPE projects, being delivered in conjunction with OPE partners, including;
  - North Huntingdon Strategic Growth Partnership – Wyton redevelopment of 4,500 homes with Huntingdonshire DC
  - East Cambridge City Redevelopment, East Barnwell with Cambridge City
  - Think Communities Property workstream (previously the Community Hubs project)
  - Oaktree Health Centre Redevelopment, Oxmoor Estate with NHS CCS and Huntingdonshire DC
  - Ely Hospital redevelopment with NHS CCS
  - Wisbech Hospital redevelopment with NHS CCS
  - Joint Highways Depot move
  - Land Commission Board Workshops with CPCA

8: Non-financial Investment Strategy

Part of the Council's approach of dealing with the twinned pressures of reduced central government funding and growing demand for services has been to drive a more commercial approach within the organisation and to deliver better financial returns from property and asset holdings. In July 2016, the Commercial and Investments (C&I) Committee approved a Commercial Acquisitions Strategy to help develop a strategic approach to commercial acquisitions. This has subsequently been replaced by this Investment Strategy in order to reflect updated statutory guidance.

CIPFA's revised Prudential and Treasury Management Codes 2017 requires from 2019-20 onwards that all local authorities prepare an investment strategy, covering both financial and non-financial assets. The Investment Strategy for financial assets is included within the Treasury Management Strategy; for non-financial assets, it is included here and should provide (in addition to a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services):

- An overview of how the associated risk of non-financial investments is managed;
- The implications for future financial sustainability.

Any commercial acquisition carries with it a degree of risk and as this involves the investment of public funds, the rationale for engaging in such activity should be clear. The Council does not intend to invest in commercial activity for the sake of it but to mitigate against the implications of increasing budgetary pressures. The Council will not meet the financial challenges it faces through transforming services alone. The approach will require a mix of transformation, additional revenue sources, and a reduction in service levels. By focussing resources on the first two, the need to utilise the latter option will be minimised.

As with the rest of the Capital Strategy, all commercial activity will be undertaken in line with the Council's vision of 'making Cambridgeshire a great place to call home'. All commercial activity will therefore be undertaken in order to contribute to the following Priority Outcomes:

- Using our public assets wisely and raising money in a fair and business-like way to reduce their carbon footprint and generate social return for all citizens of Cambridgeshire.
- Growing financial, environmental and social capital place-by-place by stewarding local resources including public, private and voluntary contribution.

This will be achieved through contribution to the following Corporate Strategy theme:

- Developing strength and depth in our commercial activity

Appendix 3 sets out the details of the Council's non-financial Investment Strategy.

9: Asset management

The Council's Capital Strategy inevitably has strong links to the Council's Asset Management Strategy, which provides detail on the framework for operational asset management; this includes defining the principles which guide asset management, its role in supporting service delivery and carbon reduction, why property is retained, together with the policies, procedures and working arrangements relating to property assets.

The Council's Asset Management Strategy is currently under review and will be developed under the guidance of C&I Committee. The Strategy will continue to focus on the key objectives of:

- Reducing costs
- Co-locating front and/or back-office services
- Reducing carbon emissions
- Adapting assets to build resilience to a changing climate
- Increasing returns on capital
- Opening up investment opportunities
- Improving service delivery to communities
- Taking advantage of lease breaks

This will be developed in line with the Cambs 2020 vision, which will see the Council move out of its current main base in Cambridge and adopt a Hub and Spokes model of office accommodation. There will also be a comprehensive review of existing policy and strategy, and in particular a strengthening of the Corporate Landlord model and its links into corporate strategies such as the Commercial Strategy, Think Communities and Older People's Accommodation.

Specific property initiatives include:

- The establishment of a wholly-owned housing company which has allowed the Council to become a developer of its own land, principally for housing. This requires significant capital investment through loans to the company for development purposes, but has generated ongoing revenue streams for the Council, as well as significant amounts of capital receipts that have been re-invested;

- Commercial investment, where the Council is developing a portfolio of strategic investments which provide ongoing revenue streams and carbon reductions. These investments have been completed under the framework of the Council's Investment Strategy which is included as Appendix 3;

- The County Farms Estate Strategy is currently being reviewed by a Member working group, which will feed into both the Asset Management Strategy and the Council's Commercial Activity programme;

- A review of the provision of back office accommodation as part of the Cambs 2020 scheme.

The Capital Strategy also has strong links with the Council's Local Transport Plan (LTP). Since the directly-elected Mayor and the Cambridgeshire and Peterborough Combined Authority (CPCA) was formed in 2017, it became the Local Transport Authority for the Cambridgeshire and Peterborough area and has responsibility for the LTP. While a new CPCA LTP is being prepared for the CPCA area, the Interim LTP – an amalgamation of Cambridgeshire County Council and Peterborough City Council's Local Transport Plans – acts as the strategy and plan for the whole area.

The Interim LTP demonstrates how the Council's policies and plans for transport contribute towards the vision of the Council, whilst setting a policy framework to ensure that planned, large-scale development can take place in the County in a sustainable way, as well as enabling the Council to take advantage of opportunities that may occur to bring in additional or alternative funding and resources. When adopted, the new LTP will align with the Combined Authority's vision.

The Interim LTP (Cambridgeshire LTP3 2011-2031) highlights the following eight challenges for transport, as well as the strategy for addressing them:

- Improving the reliability of journey times by managing demand for road space, where appropriate and maximising the capacity and efficiency of the existing network
- Reducing the length of the commute and the need to travel by private car
- Making sustainable modes of transport a viable and attractive alternative to the private car
- Future-proofing the Council's maintenance strategy and new transport infrastructure to cope with the effects of climate change
- Ensuring people – especially those at risk of social exclusion – can access the services they need within reasonable time, cost and effort wherever they live in the County
- Addressing the main causes of road accidents in Cambridgeshire
- Protecting and enhancing the natural environment by minimising the environmental impact of transport

- Influencing national and local decisions on land-use and transport planning that impact on routes through Cambridgeshire

10: Delivering statutory obligations

The majority of the Education Capital Programme, which makes up a significant proportion of the Council's total Capital Programme, is generated in direct response to the statutory requirement to provide sufficient school and early years and childcare places to meet demand. There is, therefore, a limit to the amount of flexibility that can be used to curtail, or reduce the costs for these schemes.

The Education Organisation Plan is refreshed every year and sets out the What, How and Why in relation to planning and delivering the additional school capacity required to meet current and forecast need, including information on how the Education Programme is prioritised.

Although the Programme is largely driven by demographic changes, the Council still has an element of choice or influence over how it develops its Programme to meet those needs as follows:

- **General costs of construction**

The Council seeks to minimise construction costs on all projects and builds to the latest Government area guidelines that set out accommodation schedules. These detail the specification and size of building required for a given number of pupils. The Council's Design and Build Contractor Framework seeks best value for money and mini competition between framework partners helps to ensure this.

- **Quality of build**

In general, the Council aims to build at mid-point in terms of quality. This balances the need to ensure that the materials the Council uses are robust and fit for purpose in respect of both an adequate life cycle for the asset and also maintenance requirements that are not overly burdensome to the end user or operator, whilst at the same time providing Value for Money in terms of initial capital investment. In December 2019, the Council approved Near Zero Energy Standards for new build projects it will own and occupy. One of the Education schemes is being used as a pilot project to identify both higher energy standards for schools and new business models that are needed to deliver these higher standards. Collaboration with government will be important to bring forward these new business models and provide the freedoms for school operators and the Council to enter energy service agreements. These standards set energy performance and renewable energy thresholds for new buildings which over time, will be included in the detailed specification and size of school buildings required for a given number of pupils.

- **Future proofing**

The Council aims to build in the most efficient manner possible in order to minimise financial risk and also to avoid future disruption to schools. In some cases building a school or extension in phases may be the best option; in other situations where it is possible that the need for additional places will come forward in the foreseeable future, it can prove more cost effective overall to build in one phase (even if this costs more in the short term). Early during the review process for each scheme, a recommendation is made as to the most suitable solution; however the Council also tries to be flexible if circumstances change.

- **Temporary accommodation**

The Council uses temporary classroom accommodation when it is felt that this provides a suitable short-term solution in addressing a need. Such cases include meeting a temporary bulge in population, filling a gap prior to completion of a permanent solution or in an emergency.

- **Home to School Transport**

If the Council has some places available within the County overall, then it has the option of using Home to School Transport (funded by revenue) to transport children from oversubscribed areas to locations where schools do have capacity. The Council tries to minimise the use of this, as it is often an expensive solution and contributes to our carbon footprint. It is also not ideal to require children to travel longer distances to school, some distance from their local communities, and is not a sustainable option in the longer-term.

- **Location (within the geographical area of need)**

In many cases there may be a choice available between two or more schools in order to deliver the additional places for a certain geographical area of need. In these circumstances, a full appraisal is carried out, taking into consideration costs, the opinion and endorsement of the schools, pupil forecasts, and the premise and site constraints.

- **Type – extension or new build**

The type will be dependent on a full appraisal of the situation.

- **Planning stipulations**

National and local planning policies and high aspirations of local members, planners and schools – especially Academy Trusts – to provide a higher specification than is statutorily required can cause costs to increase. Cambridge City Council and South Cambridgeshire District Council also require public art which can add an additional cost of up to 1% of the construction budget. All new schools also have to go through the Design Quality Panel, which adds an additional step into the planning process and extends the design phase and is funded by the project. Finally, some of the requirements of a S106 can have an impact on the levels of external funding available – for example, an increased requirement for affordable housing will reduce the amount available to fund education schemes for a development.

11: Development of the Capital Programme

The Council operates a five year rolling revenue budget, and a ten year rolling capital programme. The very nature of capital planning necessitates alteration and refinement to proposals and funding during the planning period; therefore whilst the early years of the Business Plan provide robust, detailed estimates of schemes, the later years only provide indicative forecasts of the likely infrastructure needs and revenue streams for the Council.

The Council follows a structured framework within which to develop the Capital Programme, which allows for factors such as the external environment and the Council's priority outcomes to be taken into account (see Appendix 4).

New schemes for inclusion in the Programme are developed by Services (in conjunction with Finance) in line with the priority outcomes outlined in the Corporate Strategy. As stated in the financial regulations, any new capital scheme costing more than £250,000 is appraised as to its financial, human resources, property, carbon, environment and economic consequences. The justification and impacts, as well as the expenditure and funding details of these schemes are initially specified in an outline Capital Business Case, which becomes more detailed as the proposal develops. At the same time, all schemes from previous planning periods are reviewed and updated as required.

All schemes, whether existing or new, are scrutinised and challenged where appropriate by officers to verify the underlying costs and/or establish whether alternatives methods of delivery have been investigated in order to meet the relevant needs and outcomes of the Council.

An Investment Appraisal of each capital scheme (excluding schemes with 100% ring-fenced funding) is undertaken / revised as part of the Business Case, which allows the scheme to be scored against a weighted set of criteria such as strategic fit, business continuity, joint working, investment payback and resource use. This process will also need to be updated to include carbon emission reductions. The criteria allows schemes within and across all Services to be ranked and prioritised against each other, in light of the finite resources available to fund the overall Programme and in order to ensure the schemes included within the Programme are aligned to assist the Council with achieving its targeted priority outcomes.

Capital Programme Board (CPB) provides support and challenge with respect to both the creation of an initial budget for a capital scheme and also the deliverability and ongoing monitoring. The Terms of Reference require CPB to ensure that the following outcomes are delivered:

- Improved estimates for cost and time of capital projects;
- Improved project and programme management and governance;
- Improved post project evaluation and monitoring of key environmental benefits; and
- Improved prioritisation process across the programme as a whole.

CPB scrutinises the programme before it is sent to Committees, and officers undertake any reworking and/or rephasing of schemes as required to ensure the most efficient and effective use of resources deployed. The Board also ensures that all schemes included within the Business Plan under an initial outline business case are further developed and reviewed before final recommendation is given to start the scheme.

Service Committees review the prioritisation analysis and the Capital Programme is subsequently agreed by General Purposes Committee (GPC), who recommends it to Full Council as part of the overarching Business Plan.

A summary of the Capital Programme can be found in the Medium Term Financial Strategy section of the Business Plan (Section 2), with further detail provided by each Service within their individual finance tables (Section 3).

12: Revenue implications

All capital schemes have a potential two-fold impact on the revenue position, due to:

- the cost of borrowing through interest payments and repayment of principal (called Minimum Revenue Provision), or through the loss of investment income; and
- the ongoing revenue impact of the scheme (such as staff salaries, utility bills, maintenance, administrative costs etc.), or revenue benefits (such as savings or additional income).

To ensure that available resources are allocated optimally, capital programme planning is determined in parallel with the revenue budget planning process. Both the borrowing costs and ongoing revenue costs/savings of a scheme are taken into account as part of a scheme's Investment Appraisal, and therefore, the process for prioritising schemes against their ability to deliver outcomes.

In addition, the Council is required by CIPFA's Prudential Code for Capital Finance in Local Authorities 2017 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to guarantee that it achieves this, towards the start of each Business Planning Process, GPC determines what proportion of revenue budget is spent on services and the corresponding maximum amount to be spent on financing borrowing. This is achieved by setting an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan.

In order to afford a degree of flexibility from year to year, changes to the phasing of the debt charges is allowed within any three-year block, so long as the advisory aggregate limit remains unchanged. Blocks refer to specific three-year periods, starting from 2015-16, rather than rolling three-year periods. The advisory limit on debt charges is reviewed each year by GPC to ensure that changing factors such as the level of interest rates, or the external funding environment are taken into account when setting both.

Invest to Save / Earn schemes are excluded from the limit – whilst the financing costs for commercial activity have already been removed from the budget and recharged to the Commercial Activity budget, there are several other Invest to Save / Earn schemes that have not been recharged e.g. third party loans. The following table therefore compares revised net financing costs excluding these costs. In order to afford a degree of flexibility from year to year, the limit is reviewed over a three-year period. Following the change in the Minimum Revenue Provision policy, agreed by Full Council in February 2016, the debt charge limits are as follows:

	2018 - 19 (£m)	2019 - 20 (£m)	2020 - 21 (£m)	2021 - 22 (£m)	2022 - 23 (£m)	2023 - 24 (£m)
Restated Debt Charges Limits	37.9	38.6	39.2	39.7	40.3	40.8
2020-21 Business Plan	24.5	24.8	28.5	32.9	32.1	33.3
HEADROOM	**-37.9**			**-22.6**		

Once the service programmes have been refined, if the amalgamated level of borrowing and thus debt charges breaches the advisory limit, schemes will either be re-worked in order to reduce borrowing levels, or the number of schemes included will be limited according to the ranking of schemes within the prioritisation analysis.

As part of the 2019-20 and 2020-21 business planning processes, the Council has undertaken a more focused review of the Capital Programme in order to minimise the cost to the taxpayer of financing debt charges for capital schemes. The review has focused on re-prioritising and re-programming capital schemes according to need to ensure that the Council makes the best use of the capital funding available and minimises the revenue impact of capital projects.

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

However, there will still be a short-term revenue cost to these schemes, as with all other schemes funded by borrowing. Therefore, GPC will still need to review the timing of the repayments, in conjunction with the overall total level of debt charges to determine affordability of the Capital Programme, before recommending the Business Plan to Full Council.

Invest to Save and Invest to Earn schemes for all Services are expected to fund any revenue pressures, including borrowing costs, over the life of the asset. However, any additional savings or income generated in addition to this repayment will be retained by the respective Service and will contribute towards their revenue savings targets.

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government would allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects between 2016-17 and 2018-19. The Government then further extended this flexibility to cover a further 3 years until 2021-22. As part of the 2017-18 Business Plan, the Council decided to use this flexibility to fund transformational activity, and as a result, prudential borrowing undertaken by the Council for the years 2017-18 to 2021-22 will be between £2.3m and £3.3m higher in each respective year. This is expected to create additional

Financing costs in the revenue budget of £150k to £200k each year. For further information, please see the Flexible Use of Capital Receipts Strategy contained within section 3 of the MTFS (Section 2).

The Council also includes the capitalisation of the cost of borrowing within all schemes; this has helped the Council to better reflect the cost of assets when they actually become operational. Although the capitalised interest cost budgets are initially held on an overall Service basis within the Capital Programme, the funding is ultimately moved to the appropriate schemes each year once exact figures have been calculated.

13: Managing the Capital Programme

The Capital Programme is monitored in year through monthly reporting, incorporated into the Integrated Finance Monitoring Report. Services monitor their programmes using their monthly Finance Monitoring Reports, which are reviewed by the Service Committees. These feed into the Integrated Report which is scrutinised by CPB, submitted to Strategic Management Team, then is subsequently reviewed by GPC. The report identifies changes to the Capital Programme to reflect and seek approval for;

- new / updated resource allocations;
- slippage or brought forward programme delivery;
- increase / reduction in overall scheme costs; and
- virements between schemes to maximise delivery against the priorities of the Council.

It is inevitable that new demands and pressures will be identified by the Council on an ongoing basis, however as far as is possible addressing these requirements is undertaken as part of the next Business Planning Process, in line with Regulation 6.4 of the Scheme of Financial Management.

Therefore, all new capital schemes should be approved via the Business Plan unless there is an urgent need to seek approval that cannot wait until the next planning process (i.e. because the scheme is required to start within the current financial year, or the following financial year if it is too late to be included within the current Business Plan).

In these situations, any supplementary capital request will be prepared in consultation with, and with the agreement of, the Chief Finance Officer. The report will, where possible, be reviewed by CPB before being taken to the Strategic Management Team by the relevant Director and the Chief Finance Officer, before any request for a supplementary estimate is put to GPC. As part of this report, in line with the Business Planning process, any new schemes costing more than £250,000 will be appraised as to the financial, human resources, property and economic consequences before detailed estimate provision is made.

New demands and pressures and changes to estimated costs and funding for ongoing schemes will also potentially result in the need for virements between schemes. All virements should be carried out in line with the limits set out in Appendix I of the Scheme of Financial Management, up to the upper limit of £250,000 by the Chief Finance Officer. Anything above this limit will be dealt with in line with the process for new schemes, and will be taken to GPC for approval as part of the monthly Integrated Finance Monitoring Report. Any over spends, whether in year or in relation to the whole scheme, once approved will be funded using applicable external sources and internal, non-borrowing sources first, before using borrowing as a last resort.

Once a project is complete, CPB follows a post-implementation review process for any significant schemes (schemes over £1m, or for schemes between £0.5m and £1m where the variance is more than 20%) in order to ensure that the Council learns from any issues encountered, and highlights and follows best practice where possible. In addition, the Board can request for a review to be completed on any scheme where it is thought helpful to have one.

14: Summary of the 2020-21 Capital Programme

Total expenditure on major investments underway or planned includes:

- Providing for demographic pressures regarding new and improved schools and Child and Family Centres (£564m)
- Commercial Investment Portfolio (£206m)
- Housing Provision (£158m)
- Major road maintenance (£79m)
- Rolling out superfast broadband (£41m)
- King's Dyke Crossing [redacted]
- A14 Upgrade (£25m)
- North Angle Solar Farm, Soham [redacted]
- Shire Hall Relocation (£18m)
- Transformation Activity (£15m)
- Integrated Community Equipment Service (£13m)
- Babraham Smart Energy Grid [redacted]
- Stanground Closed Landfill Energy Project [redacted]
- Waste Facilities – Cambridge Area [redacted]
- Trumpington Smart Energy Grid [redacted]
- Cambs 2020 Spokes Asset Review (£6m)
- Data Centre Relocation [redacted]

The 2020-21 ten-year Programme, worth £639.3 million, is budgeted to be funded through £554.4 million of external grants and contributions, £44.8 million of capital receipts and £40.1 million of borrowing. This is in addition to an estimated previous spend of £775.6 million on some of these schemes, creating a total Capital Programme value of £1.4 billion. The related revenue budget to fund capital borrowing is forecast to spend £29.3 million in 2020-21, increasing to £36.6 million by 2024-25.

The Capital Programme includes the following Invest to Save / Invest to Earn schemes:

Scheme	**Total Investment (£m)**	**Total Net Return* (£m)**
Energy Efficiency Fund	1.0	0.6
Commercial Investments	206.4	225.8
Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	[redacted]	2.0
Babraham Smart Energy Grid	[redacted]	10.6
Trumpington Smart Energy Grid	[redacted]	7.0
Stanground Closed Landfill Energy Project	[redacted]	8.9
Woodston Closed Landfill Energy Project	[redacted]	8.8
North Angle Solar Farm, Soham	[redacted]	40.1
Housing schemes	158.1	126.6
County Farms investment (Viability)	3.0	7.4
Shire Hall Relocation	18.3	45.2
TOTAL	**440.8**	**437.8**

*The net return includes the cost of financing the capital expenditure and the ongoing revenue costs associated with the investment (therefore a zero net return indicates that the project has broken even).

Some figures within this section are redacted in relation to schemes that are not yet tendered, due to commercial sensitivity.

Appendix 1: Allowable capital expenditure

Financial regulations proscribe certain costs from being capitalised, in particular administrative and other general overheads, together with employee costs not related to the specific asset (such as configuration and selection activities). Authorities are also required to write off any abnormal costs that arose from inefficiencies (such as design faults, theft of materials etc.).

The following table provides some examples of what can and cannot be capitalised. The examples should be regarded as illustrative rather than definitive – interpretation of accounting rules requires some subjective judgement that will be affected by the specific circumstances of each project.

Item of expenditure	Capital or Revenue?	
Feasibility studies	**Revenue**	Until a specific solution has been decided upon, costs cannot be directly attributable to bringing an asset into working condition. This includes all costs incurred whilst deliberating on any issues, scoping potential solutions, choosing between solutions and assessing whether resources will be available to finance a project. However, feasibility studies can be capitalised if they occur after a decision has been made to go ahead with a particular option i.e. if they are directly attributable in bringing an asset closer to a working (or enhanced) condition.
Demolition of an existing building	**Capital**	Demolition would usually be an act of destruction that would be charged to revenue; however if the costs incurred are necessary in preparing a site for a new scheme, it can be argued that they are an integral part of the new works.
Costs of buying out sitting tenants of existing building	**Capital**	Similar to demolition costs, this would help prepare a site in its existing condition for the new works.
Initial delivery and handling costs	**Capital**	Required to bring the asset closer into working condition.
Costs of renting alternative accommodation for staff during building works	**Revenue**	All costs incurred in carrying out the regular business of the authority whilst construction is underway make no direct contribution to the value of the asset.
Site security during construction	**Revenue**	Although this activity protects the investment during construction, it does not enhance it.
Installation and assembly costs	**Capital**	Required to bring the asset closer into working condition.
Testing whether the asset is functioning properly	**Capital**	Required to bring the asset closer into working condition.

Rectification of design faults	**Capital**	Required to bring the asset closer into working condition. However, the previous expenditure incurred on the defective work would need to be written off to revenue.
Liquidated Damages	**Revenue**	Paying out damages as compensation for breaching a contract does not enhance the value of the asset.
Furniture and fittings	**Capital – but often revenue for CCC**	Items required to bring an asset into working condition are often capitalised as part of the overall cost of the scheme, even if such items fall below the de minimis limit of the authority. However, the Council's policy is to not capitalise equipment, therefore if the purchase is outside of an overarching property scheme, then the costs will be revenue. The downside of capitalisation is that it will not be possible to justify future replacement of furniture and fittings as being capital.
Training and familiarisation of staff	**Revenue**	The asset will be regarded as being in working condition, irrespective of whether anyone in the authority can use it.
Professional fees	**Capital**	But only to the extent that the service provided makes a contribution to the physical fabric of the new construction (e.g. architecture design) or the work required to bring the property into working condition for its intended use (e.g. legal advice in preparation of building contracts).
Borrowing costs	**Capital**	Any interest payable on expenditure incurred before the asset is in working condition can be added to the cost of the fixed asset. Any financing costs incurred after that date will be a charge to revenue. CCC is looking to amend its accounting policies in 2017-18 in order to be able to apply this.
Finance and Internal Audit staff costs	**Revenue**	These costs are generally incurred for governance reasons, rather than enhancing the value of the asset.

Appendix 2: Sources of capital funding

Central Government and external grants
Grant funding is one of the largest sources of financing for the capital programme. The majority of grants are awarded by Central Government departments including the Department for Education (DfE) and the Department for Transport (DfT). In addition, the Council receives grants from various external bodies, including lottery funded organisations. Grants can be specific to a scheme or have conditions attached, including time and criteria restrictions.

Capital receipts
The sale of surplus or poor quality capital assets as determined by the Asset Management Strategy generates capital receipts, which are reinvested in full in order to assist with financing the capital programme.

Section 106 (S106), Community Infrastructure Levy (CIL) and external contributions
S106 contributions are provided by developers towards the provision of public infrastructure (normally highways and education) required as a result of development. Capital schemes undertaken in new development areas are currently either completely or mostly funded by the S106 agreement negotiated with developers. The Community Infrastructure Levy (CIL) is a new levy that local authorities can choose to charge on new developments in their area that will replace a large proportion of S106 agreements once it comes into force. Other external contributions are made by a variety of organisations such as district councils, often contributing towards jointly funded schemes.

Private Finance Initiative (PFI) / Public Private Partnerships (PPP)
The Council has previously made use of additional government support through PFI and PPP and has dedicated resource to manage schemes that are funded via this source. Previous schemes that have been funded this way include Waste, Street Lighting and Schools. However, due to increasing criticism around some high-profile, large-scale PFI projects failing to deliver Value for Money, the Government announced in October 2018 that this form of capital finance will be abolished. It is believed another model will be created to continue allowing the private sector to fund public infrastructure, but it is not yet clear what from this will take.

Borrowing (known as prudential borrowing)
The Council can determine the level of its borrowing for capital financing purposes, based upon its own views regarding the affordability, prudence and sustainability of that borrowing, in line with the CIPFA Prudential Code for Capital Finance in Local Authorities 2017. Borrowing levels for the capital programme are therefore constrained by this assessment and by the availability of the revenue budget to meet the cost

of this borrowing, considered in the context of the overall revenue budget deliberations. Further information is contained within the Treasury Management Strategy Statement (Section 7 of the Business Plan).

Revenue Funding

The Council can use revenue resources to fund capital projects on a direct basis. However, given the general pressures on the revenue budget of the Council, it is unlikely that the Council will often choose to undertake this method of funding.

Appendix 3: Investment Strategy for Non-financial Investments

Objectives

- Acquire properties that provide long-term investment to support the delivery of the Council's corporate objectives, including limitation of carbon emission liabilities
- Deliver a portfolio which balances risk and rewards, aligned to the Council's risk appetite
- Prioritise properties that yield optimal rental growth and stable income
- Protect capital invested in acquired properties

Legal Powers

Power to invest
Pursuant to the powers set out in Section 12 of the Local Government Act (LGA) 2003, the Council may invest either for *"any purpose relevant to the Council's functions under any enactment", (s. 12(a))* or *"the purposes of the prudent management of its financial affairs" (s. 12(b))*.

The power to invest given in Section 12 should in principle include the power to invest in commercial property. However, the power to invest in commercial property must be used either for a purpose relevant to a function of the Council, for example the regeneration of an area, for economic development outcomes, or for the prudent management of the authority's financial affairs. Investing purely to create a return is not viewed as a function of an authority. It is therefore important that the primary objective of the strategy is to support the strategic objectives of the Council. It is also important to ensure that public funds are not exposed to unnecessary or unquantified risk.

In exercising the power to invest under Section 12(b) the Council also has regard to the MHCLG Statutory Guidance on Local Government Investments. The Guidance advocates the preparation of an Investment Strategy which the Council will be expected to follow in its decision making process unless a sensible and cogent reason is articulated for departing from it.

Power to borrow
Section 1 of the LGA 2003 gives each local authority a power to borrow money for:
(a) any purpose relevant to its functions under any enactment
(b) the purposes of prudent management of its financial affairs provided it does not exceed its affordable borrowing limit under Section 3 of the LGA 2003 (s.2(1) and 2(4))

These powers mirror those in Section 12 of the LGA 2003 referenced above. The powers within the LGA 2003 are not considered wide enough to permit local authorities to borrow to invest purely in order to benefit from a financial return, particularly in light of the revised guidance on Local Government Investments which clearly states that authorities 'must not borrow more than or in advance their needs purely in order to profit from the investment of the extra sums borrowed'. However, the Localism Act 2011 was drafted to encourage councils to develop new and innovative business models. This legislation gives councils the General Power of Competence, which means a local authority has powers to do anything that is "for the benefit of the authority, its area or persons resident or present in its area". The power does not enable an authority to carry out activities that were not permitted by legislation in force before the Localism Act 2011.

<u>The power to undertake an activity for a commercial purpose</u>

The General Power of Competence may allow the Council to invest in property for a return but this activity is likely to be characterised as an activity for a commercial purpose and cannot therefore be undertaken directly by the authority (Section 4 of the Localism Act 2011). It may be pursued through a company formed for that purpose and being within the meaning of Section 1(1) of the Companies Act 2006. There will be attendant corporation and income tax liabilities which will need to be addressed in a business case. The formation of a company requires the preparation of a thorough and detailed business case and these and other considerations such as the financing of the company and any state aid issues would need to be addressed in that document.

Other Considerations

As well as ensuring the Council has the legal power to invest, the Council also needs to ensure that exercising its powers is carried out in line with relevant statutory guidance and professional codes of practice. CIPFAs Prudential Property Investment Guidance 2019 sets these out as:

- The application of case law principles concerning the reasonableness of decision making
- Statutory guidance issued by the government (MHCLG's Statutory Guidance on Local Government Investments and Statutory Guidance on Minimum Revenue Provision)
- The CIPFA Prudential Code
- Good practice in investment management, which considers the appropriateness of investments to the authority's risk appetite, its financial circumstances and the expected length of the investment need

These are taken into consideration throughout the rest of this strategy.

Governance Processes

The decision to invest public funds in commercial property is one that should not be taken lightly. Any investment carries with it a degree of risk and the level of returns are directly proportionate to the risk of the investment made. Whilst it is important to ensure that due and proportionate governance is followed, the market for commercial acquisitions is such that agile decision making is also important. This is particularly the case where the Council wishes to acquire commercial opportunities before they hit the market and thereby avoid bidder competition which tends to escalate the sales price.

There is a fine balance in ensuring appropriate due process has been undertaken whilst not restricting opportunities through overly burdensome governance requirements. As a consequence it will not always be possible for all acquisition proposals to be considered within the democratic cycle of meetings. C&I Committee has agreed that in order for such proposals to be considered, evaluated and pursued within an agile, yet transparent and accountable, framework, it needs to delegate responsibility via a tiered decision-making process as follows:

Investment/Loan Value	**Decision Making Arrangements**
£10m or less	Deputy Chief Executive/Chief Finance Officer (CFO) in consultation with Chairman of C&I Committee
Greater than £10m but no more than £25m	C&I Committee Investment Group
Greater than £25m but no more than £50m	C&I Committee
Greater than £50m	GPC

The C&I Investment Group has been created to reflect the proportional representation of the Committee; there are 3 Conservatives Members, 1 Liberal Democrat Member, and 1 Labour Member. The meetings of this Group can be undertaken virtually if necessary. At times, it may be too difficult to convene this Group even before an initial expression of interest needs to be placed; therefore in this scenario, the Deputy Chief

Executive/CFO in consultation with the Chairman and Deputy Chairwoman of C&I Committee is delegated the responsibility to place an initial bid (with the information also circulated to other members of the Group). Any final bid, however, has to follow the delegation as set out above.

Where appropriate, the Council works with a partner organisation to develop the portfolio in order to ensure the right skills are used and the necessary capacity is generated in order to access market opportunities. The Council has used several professional advisors to date, which has provided access to different opportunities across the market. The newly established Commercial Team are now bringing together all of the Council's investment information using input from services and professional experts in order to establish an overall investment approach (covering both financial and non-financial investment). This will ensure that investment decisions are assessed holistically, ensuring they not only operate within certain performance thresholds, but also take into account the full range of commercial opportunities available for investment.

The details of all opportunities are reviewed by the Investment Working Group using a robust appraisal process that assesses potential acquisitions for their location, tenancy strength, tenure, lease length, repairing terms and physical condition. This information is reviewed alongside strategic criteria and key ratios and forms the basis of a scorecard to indicate whether investment is worth pursing further. In addition, the acquisition business case also requires information on risks and exit strategies to be completed. The Council has also contracted investment advisors Redington to provide support and advice to elected members and statutory officers, including delivery of training.

Managing Risk

The structure of the property portfolio has a significant bearing on the portfolio's inherent risk and return profile. Therefore a key objective of the strategy is to create diversification within the portfolio in order to manage exposure to the risks of concentrating too much activity in any particular sector. Key risks in the portfolio can be categorised in a number of ways, as follows.

Income Risk

The main risk in a commercial portfolio is tenant vacancies and the resultant loss of income. The costs of holding a vacant property include non-domestic rates, insurance, utilities, security, inspections and management. In addition, there are costs of marketing the property, the agent's disposal fees and legal fees for completing the lease documentation for re-letting the premises.

Yield Risk

The aim of the majority of investments is to provide a secure return on income. The Council manages its commercial property as a single portfolio, ensuring that the collective returns achieved on the investments meet the overall financial target that is set. It is therefore important that any purchasing decisions also contribute positively to the performance of the portfolio, both financially and but also in minimising the overall risks.

Concentration Risk

Concentration risk can be categorised into a number of constituent risks:

Sector Concentration: The main property sectors are retail, office, industrial and leisure/healthcare. The Council aims to spread its portfolio of investment across the different sectors in order to limit exposure to any volatility in a particular area. Like geographic diversification, industry diversification is sensitive to the diversification requirements of the overall portfolio. The value of industrial real estate holdings is sometimes adversely affected by changes in environmental legislation, and such holdings will therefore be limited in overall investment portfolios.

Geographical Concentration: The strength of the investment opportunity dictates the wider locations which may be considered outside of Cambridgeshire, as opposed to location being the driving force. It is important for the Council to understand the future economic viability of localities, which will be influenced by a number of local and national economic factors. For example future major transport infrastructure investment could significantly influence the economic viability of an area and therefore the future value of investments in that locality. Engaging the services of an expert is therefore an essential prerequisite of the strategy.

Property Concentration: Diversifying a real estate portfolio by property type is similar to diversifying a securities portfolio by industry. Different property types cater to different sectors of the economy. For example, office property generally responds to the needs of the financial and services-producing sectors; industrial property to the goods-producing sectors; retail property to the retail sector; and hotels to the travel and tourism sectors, employment growth, and the business cycle. Understanding the return and risk factors attendant to different property types requires understanding the factors affecting each property type’s user groups.

Tenure Concentration: The portfolio is managed to ensure that it contains a broad spread of tenants. This analysis can be driven by credit ratings, nature of business, lease length, and the value of the leaseholds. It is important to evaluate tenant credit ratings according to the senior corporate debt of the lessees. Leases can be compared with regard to their length (including renewal options), which may vary considerably, typically from ten to twenty years.

Due Diligence
The risks associated with a specific investment are mitigated by carrying out robust due diligence of the individual acquisition. This process includes the following activities:
- Valuation
- Market conditions
- Covenant strength
- Terms of leases
- Structural surveys
- Future costs
- Other issues

The Investment Strategy provides continual evaluation of the investment portfolio to meet the Council's priority to ensure that the investment portfolio is fit for purpose. A larger and more balanced portfolio helps to achieve the Council's aim of increasing income to support the delivery of services throughout the County, however a core portfolio of property assets has been sought with a view to diversification on individual assets by sector (industrial, offices and retail), location and risk.

Proportionality

The Council needs to consider the long-term sustainability risk implicit in becoming too dependent on commercial income, or in taking out too much debt relative to net service expenditure.

Dependency on Commercial Income
As noted earlier in the strategy, the Council cannot meet the financial challenges it faces through transformation alone and therefore part of the strategy has to be to generate additional revenue resources. However, there are inherent risks associated with commercial activity and as such the Council will be taking a measured risk approach towards supporting a proportion of its core activity with commercial income. The table below shows the forecast levels of commercial income as a percentage of net service expenditure:

	2019-20 Estimate %	2020-21 Estimate %	2021-22 Estimate %	2022-23 Estimate %	2023-24 Estimate %	2024-25 Estimate %
Commercial income* to net service expenditure	-4.1%	-4.1%	-4.1%	-4.1%	-4.1%	-4.2%

** Commercial income here includes both financial and non-financial income*

Debt relative to Service Expenditure

As part of the process for agreeing the Capital Strategy, GPC currently agrees a debt charges limit at the beginning of the business planning process as a mechanism to ensure that the Council does not overcommit its revenue resources to servicing debt (see Section 12). This can also be reviewed in terms of debt as a proportion of net service expenditure, which is forecast as follows:

	2019-20 Estimate %	2020-21 Estimate %	2021-22 Estimate %	2022-23 Estimate %	2023-24 Estimate %	2024-25 Estimate %
Financing costs to net service expenditure	7.9%	9.1%	9.6%	9.5%	9.6%	9.8%

However, it should be noted that the majority of these costs do not relate to borrowing incurred (or anticipated) for commercial investment, but rather to necessary borrowing required to support the Council's service Capital Programme.

Developing the Portfolio

Financial investment options, such as investment in property funds and issuing commercial loans to other organisations are covered by the Treasury Management Strategy. There are two main methods by which the Council can deliver is non-financial investment – through acquisition of property, or through development of its own assets.

Acquisition

The Council acquires both freehold and long-term leasehold properties, engaging the services of commercial property experts in order to identify suitable market opportunities. Where appropriate, the Council uses advisors to undertake robust due diligence and complete sale documentation. Ongoing management arrangements for properties differs depending on the level of specialisation of the asset, as well as the complexity and certainty of tenure. For specialised, complex tenures, the Council outsources the ongoing property management arrangements, including facilities management and marketing arrangements. However, in other cases the management arrangements are undertaken by the internal team of commercial property surveyors.

The benefits of the acquisition approach are:

- revenue is generated from the point of acquisition
- risks are mitigated with proper due diligence
- reasonable levels of liquidity
- management costs are relatively low

There are two types of direct investment opportunities that the Council pursues:

- Best property for the sector in an ideal location, with long-term income from high quality tenants where yields are equal to or slightly above prime for the sector. Rental yield (financial return on the capital investment as a percentage) is lower than the general market, but capital and rental growth is steady and medium/long-term risk of void periods and tenant default is reduced.
- Properties similar to those above, but in slightly less favourable locations, with shorter leases and lesser tenant covenant strength, where returns are appropriate for the sector and risk. Rental yields in this area are slightly higher, reflecting the increase in risk. Given the depreciating specialist infrastructure and changes in trends, such assets may require substantial future capital expenditure in order to maintain the value of the interest; the risk from this should be fully explored and understood before purchase. Residential property provides a good income diversifier given its limited correlation to commercial property and returns have been stable over the long term, although the level of tenant and property management should be carefully considered and allowed for in all appraisals.

The Council has initially taken a relatively low-risk approach to acquisitions in order to develop a sound real estate investment portfolio, and has therefore focused on the first type of opportunity in its search. This has reduced the level of return generated initially; longer-term it is proposed to target an average portfolio yield of 6% by 2024-25. Where an individual opportunity does not deliver a 6% yield (either initially or longer-term) but it is felt to still have potential, the investment is still reviewed by C&I Committee, taking into account any other supporting factors such as reduction of concentration risk. However, the Cambridgeshire market generates relatively low returns due to competition and security of tenure, therefore moving forward the Council may need to consider opportunities further afield if it wishes to generate higher returns.

As a result, the Council has acquired property in the following sectors: student accommodation, leisure, retail and manufacturing and is looking at a further acquisition in the office and logistics sector. The Council has continued with the incumbent outsourced operator for one of its acquisitions, who have expertise in student accommodation management. Marketing and property management for two of the Council's other acquisitions have also been outsourced to Carter Jonas. Three of the four properties the Council has acquired have relatively secure or straightforward tenures mitigating the scale of proactive management required and arrangements are overseen by the internal team of commercial property surveyors.

These acquisitions have created a balanced portfolio of investments across sectors and geographical locations, and have significantly reduced the Council's concentration risk across property type, sector and tenure. However, geographical concentration risk still exists, as all purchase have been made in County, or around the local economy (albeit the locations are spread around the County).

Development

The Council can either carry out development itself, such as with the Council's Commercial Energy Investments, or enter into an agreement with a developer to fund all or part of a development. This can be enacted as a direct commercial arrangement with a developer or can be delivered via a joint venture (JV) arrangement. This would require risk and reward arrangements to be established. In a JV scenario the level of risk mirrors the level of reward that each partner derives; this would normally be 50:50, however other scenarios could also be developed. If the Council develops the investment itself and simply seeks a provider to construct to a defined specification, the provider does not share any of the benefits – but neither does it share any of the risks.

The benefits of this type of commercial arrangement are that the developer can bring skills that the Council does not hold internally. The investment will deliver a premium over and above straight investment, however it therefore carries with it proportionately greater risk. Selecting the right development partner is therefore essential for success.

Self-development brings greater financial rewards and ensures that the Council remains in control of the development. However, the Council may need to invest to ensure that it has the right skills and capacity to manage such an investment programme, if these skills do not exist within the Council. The disadvantages are that revenues are only accrued once the development has been completed; land acquisition and other costs are incurred long before any revenue stream commences. There is also very low liquidity during construction and diversification of

the portfolio is low. The self-development route exposes the Council to procurement and construction risks which need to be mitigated by the 'buying in' of the appropriate and necessary skills.
The Council has one completed energy development scheme and has several further energy schemes in progress.

Funding the Portfolio

Section 5 and Appendix 2 of the main Capital Strategy detail how capital expenditure can generally be funded. Not all types of funding, however, can be used to fund non-financial investment; the main sources are revenue/reserves, capital receipts, borrowing, and occasionally, Government grants.

<u>Revenue/Reserves</u>
Given the Council's overall financial position, this requires further savings to be identified within the revenue budget to the same value as the charge; therefore this funding route is not a realistic option for the Council

<u>Capital Receipts</u>
The Council's current surplus asset policy is to repurpose non-operational property to generate a revenue return where possible, rather than dispose of the asset to generate a receipt. However, the Council has also set up its own housing company, This Land, to develop some of the Council's surplus estate, which in turn generates capital receipts for the Council at the point where assets are sold to the company. The Council has therefore decided to use these specific receipts, currently forecast to generate around £113m, to fund the Council's commercial investment programme, as well as the receipt from the disposal of Shire Hall. However, these receipts could have been used to fund the non-commercial investment aspects of the Council's Capital Programme; therefore there is an opportunity cost of using the receipts to fund commercial investment (which is equivalent to the revenue cost that would have been incurred should the commercial investment have been funded by borrowing).

<u>Borrowing</u>
As with borrowing for any capital project, both the interest cost and a Minimum Revenue Provision (repayment of principal) charge would need to be covered by revenue payments (see Section 12). However, there are additional restrictions in place with respect to borrowing to fund both financial and non-financial investment – MHCLGs Statutory Guidance on Local Government Investments states that authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums bowed. If an authority exceptionally choose to do so, then it needs to clearly explain why it has disregarded the guidance.

The Council anticipates that the core element of its commercial investment will be funded by capital receipts. However, by itself this is not sufficient to support the Council's plans regarding expectation of the level of commercial income that will be used to support the Council's revenue budget over the medium term. Therefore, the Council has taken a measured risk towards using borrowing to fund some element of the Council's commercial investment, whilst also ensuring to develop the Council's place-making role at the same time.

When underrating any borrowing, the Council has to have regard to CIPFAs Prudential Code 2017 to ensure borrowing remains within an affordable limit. The Council therefore reviews borrowing in relation to commercial investment as part of the overall capital programme, to ensure it remains affordable, prudent and proportional.

Whilst the cost of PWLB borrowing increased by 100 basis points during October 2019, due to having secured £100m of borrowing prior to rate rises, the Council's track record in securing good value borrowing from other lenders (particularly other local authorities) and also remaining 'internally borrowed' (utilising cash balances to mitigate the level of external borrowing), the Council does not expect this rate rise to impact significantly over the life of the Business Plan.

Managing the Portfolio

Management of Property

Properties with fully repairing and insuring leases and high energy performance are sought as a preference for investment, in order to minimise the cost of management and maintenance. Exceptions can be made for properties that are purchased for specific development or planning reasons. In order to minimise management overheads, use of an external property management firm is considered to handle the day to day operational issues with the portfolio, particularly for properties which are outside the County, are specialised in nature or have complex tenures.

Tenure

Assets acquired with tenants in place may be subject to sub-leases granted within the security of tenure provisions of the Landlord and Tenant Act 1954. This is less attractive if assets are purchased for future development possibilities, as ending the tenancies requires the Council to satisfy one of the grounds under the Act to take back possession. Conditions of tenure is therefore a further important consideration in any investment decision and is reviewed as part of the acquisition business case.

Realising the Investment

There may be a need in the future to dispose of property investments. This could happen because of the need to return the investment to cash for other purposes, poor financial performance of a particular property or poor environmental and energy performance, for example. Whilst it is expected that the majority of investments will be held for the medium to long-term in order to achieve the required return and to justify the cost of the acquisition, it is important to understand the opportunities to dispose of any investment at the outset. Therefore, as part of the investment decision, consideration will be given to the potential ways in which the Council could "exit" from the investment, such as sale to another investor, sale for redevelopment, etc. An investment will only proceed where a clear exit strategy has been identified in the acquisition business case.

Monitoring the Portfolio

The Council's Commercial Team is responsible for undertaking ongoing performance and risk management of the Council's investment portfolio in order to ensure that it is continuing to deliver against target. The Council does this through both the monthly C&I Finance Monitoring Report, and the quarterly C&I Key Performance Indicators Report, both reported to C&I Committee. Active monitoring of the performance of individual properties within the portfolio is undertaken jointly across services – property, finance and commercial – and is reported to both the C&I Investment Group and Commercial Board. If any underperformance is identified, the Commercial team will develop an action plan to determine how to mitigate any increase in risk or threat to ongoing security, liquidity or yield.

Current Portfolio

Acquisition:	Brunswick House	**Date of Acquisition:**	26/07/18
Service Objectives	Diversify and increase income streams to the county council, protecting frontline services notwithstanding reducing government grant and rising demand. Supporting sustainable and well managed student accommodation, held in local ownership in Cambridge, one of the world's	**Assessment of Risks**	Constructed in 2012, the property was acquired in good condition, marketed to students under a higher/premium end. The principal financial risk relates to occupancy levels (demand for student housing). Demand for student accommodation in Cambridge is expected to

	leading student cities. There is significant undersupply of purpose built student accommodation in the city with 44% of students unable to access purpose built accommodation. Inward economic investment: directly and indirectly supportive to jobs in the education sector, a key industry in the County's economy.		remain strong. The nature of the student property market in Cambridge is that quality of student experience is a key aspect of the offer alongside, and indeed in many cases ahead of, pricing. At the point of acquisition there were additional risks arising from tenancy terms and correction of a construction deficiency at the property under warranty; these were outlined in Committee reports and have subsequently been mitigated or resolved through remedial works and novation arrangements.
Advisors / Market Research	Property Consultants, Carter Jonas, were engaged to appraise the investment opportunity – conducting market research and valuing the property in view of demand, planning conditions, future prospects and condition. Legal advisors, Birketts LLP, dealt with the conveyancing and transaction, providing advice on legal issues arising from Property, Construction, Tax, Commercial, Planning and Employment. Brunswick House is staffed on a day-to-day basis and marketed by HomesforStudents, who operate 15,000 student rooms across	**Liquidity / Exit Strategy**	There are no plans to sell currently. The acquisition was not funded by borrowing; however, if required, the property could be sold. There was an active market for the property when it was acquired, and the property market in Cambridgeshire has strong foundations and resilience. Should student accommodation become less viable the Council would investigate alternatives such as residential apartments or accommodation for elderly people.

<table>
<tr><td></td><td colspan="2">the country with a strong reputation for student experience, welfare and security.

The property is managed for the Council by Homes for Students who handle all day to day management on a contract running to 2021. Should this contract not be renewed an alternative manager would be procured to continue running Brunswick House as student accommodation.</td><td></td><td colspan="2"></td></tr>
<tr><td>If funded by borrowing, why was this required?</td><td colspan="2">N/A</td><td>Explanation of why the Statutory Guidance on local Authority Investments and the Prudential Code have not been adhered to</td><td colspan="2">N/A</td></tr>
<tr><td>Cost
(£m)</td><td>Funded by Borrowing
(£m)</td><td>Total Interest Costs
(£m)</td><td>Annual Income
(£m)</td><td>Annual Costs
(£m)</td><td>Annual Net Return
(£m)</td></tr>
<tr><td>39.5</td><td>-</td><td>-</td><td>2.4
initially</td><td>0.5
initially</td><td>1.9
initially</td></tr>
<tr><td>Payback Period
(Yrs)</td><td>Net Income Yield
(%)</td><td>Return on Investment
(%)</td><td>Total Return over 25 Years
(£m)</td><td>Internal Rate of Return
(%)</td><td>Net Present Value
(£m)</td></tr>
<tr><td>16.4</td><td>4.8
increasing to 6.1</td><td>69.6</td><td>66.9</td><td>4.4</td><td>8.3</td></tr>
</table>

Additional Investment (£m)	Current Value (£m)	Gain (+) / Loss (-) (£m)	Revenue implications of reported loss / Mitigating action
The Council is looking to establish a sinking fund with at least 1% of net income in order to maintain and improve the property.	39.5	N/A	Asset has not yet been valued at market value as this will be done during the 2019/20 accounts process. Council policy means assets are not revalued until the year after acquisition.

Acquisition:	Cromwell Leisure Park	**Date of Acquisition:**	24/05/2019
Service Objectives	Diversify and increase income streams to the county council, protecting frontline services notwithstanding reducing government grant and rising demand. Inward economic investment: directly supportive to jobs in the leisure sector, supporting the local economy. This is the only cinema in Wisbech, creating both a significant draw into the town and leisure provision opportunity across the Fenland/west Norfolk/south Lincolnshire sub region.	**Assessment of Risks**	Risks include the reliance on rent from the food and beverage market which has experienced a recent downturn. The investment market for leisure is also quiet at present so there may be a liquidity risk if the Council needed to sell the property. There is also poor drafting and potential shortfall for the two current restaurant leases which may result in some losses but this risk is time limited as new leases would be drafted correctly.

	Provides geographic diversity to the portfolio by investment into the most deprived district in the County.		
Advisors / Market Research	The Council commissioned Carter Jonas to produce a purchase report which examined the local area, cinema brands, food and beverage markets, the property itself and the relevant surveys and the current leases and service charges. Legal advice on the lease was also obtained from Mills and Reeve LLP.	**Liquidity / Exit Strategy**	There are no plans to sell currently. There are 4 units, one of which is vacant. The existing tenants are the Light Cinema, who have a tenancy running to 2039 with a break at 2029; Prezzo Plc with a lease running to 2039 with a break at 2029 and the Restaurant Group (UK) Ltd with a lease running to 2039 and a break option at 2029. In the event of any of the tenants vacating new tenants would be sought. It is most likely that the cinema would remain a cinema given that it's fitted out for this purpose and given the lack of local competition. Other leisure uses would be the most likely alternatives to a cinema but would require fitting out. Similarly the restaurants are likely to remain as restaurants given the lack of local competition, the proximity of a cinema attraction and also the Tesco supermarket nearby. The Council also has the option to sell the property.

If funded by borrowing, why was this required?	The Investment Strategy is clear that the level of income generation being targeted by the Council is unlikely to be supported by capital receipt funded investment alone. The strong yield of this asset is likely to underpin a funding approach which relies on borrowing.		**Explanation of why the Statutory Guidance on local Authority Investments and the Prudential Code have not been adhered to**	N/A This is an in county acquisition, supporting the leisure sector in Fenland.	
Cost **(£m)**	**Funded by Borrowing** **(£m)**	**Total Interest Costs** **(£m)**	**Annual Income** **(£m)**	**Annual Costs** **(£m)**	**Annual Net Return** **(£m)**
7.0	7.0	4.9	0.7 initially	0.2 initially	0.5 initially
Payback Period **(Yrs)**	**Net Income Yield** **(%)**	**Return on Investment** **(%)**	**Total Return over asset life (50 Years)** **(£m)**	**Internal Rate of Return** **(%)**	**Net Present Value** **(£m)**
17	10.1 falling to 7.8	206.0	29.1	6.0	5.3
Additional Investment **(£m)**	**Current Value** **(£m)**	**Gain (+) / Loss (-)** **(£m)**	**Revenue implications of reported loss / Mitigating action**		
0.4	7.0	N/A	Asset has not yet been valued at market value as this will be done during the 2020/21 accounts process. Council policy means assets are not revalued until the year after acquisition.		

Acquisition:	Superstore Site, Newmarket Road	**Date of Acquisition:**	15/08/2019
Service Objectives	Diversify and increase income streams to the county council, protecting frontline services notwithstanding reducing government grant and rising demand. Inward economic investment: directly supportive to jobs in the retail sector, supporting the local economy. Site provides the largest supermarket within 2 miles of the city centre and benefits from both considerable scale (e.g. extensive car parking) and diversification opportunities. It is a key selling point for both local residents and also college and university inhabitants and the prospering tourist market. Site is let on a number of continuous leases; the Council believes there is strong residual value in the event the tenant leaves and a replacement is needed, or there is opportunity to completely redevelop the site.	**Assessment of Risks**	Risks are reduced by having a single tenant who is financially sound and trading in a prime area of Cambridge. The BNP Paribas Acquisition Report identifies a potential risk in the lease where Tesco have a "Substitution Clause". Tesco could serve notice to replace the Newmarket Road property with another subject to the replacement complying with terms outlined in the BNP Paribas report (i.e. an investment of equivalent standing). BNP Paribas are of the view that due to the strong levels of trade enjoyed by Tesco at the property, the chances of a trigger event occurring are very low and accordingly don't feel the clause presents a risk to the long leasehold owner.
Advisors / Market Research	BNP Paribas Real Estate provided an acquisition report which included information about the location and accommodation, a lease and income	**Liquidity / Exit Strategy**	There are no plans to sell currently. Tesco's current lease is due to expire in December 2029, however they do have the

	overview and a market commentary and value assessment. The Council also commissioned Birketts LLP as legal advisors for this transaction and to consider in detail the terms of the leases.		option to renew for further periods. There is a risk that Tesco may decide to not renew their lease in the future and stop trading from the Newmarket Road site. Whilst it is perceived unlikely in the short to medium term, if this decision was taken by Tesco in 2029, we would explore re-letting the property to another retailer who would be interested in leasing the whole site. Alternatively, we could explore reconfiguring the existing unit and site to create smaller individual units which could be rented out on a long-term basis. A third option would be to consider a residential led re-development of the site, given the option to purchase the freehold interest for a nominal amount. The Council also has the option to sell its interest in the property, particularly given the location and tenure on this site.
If funded by borrowing, why was this required?	TBC	**Explanation of why the Statutory Guidance on local Authority Investments and the Prudential Code have not been adhered to**	N/A

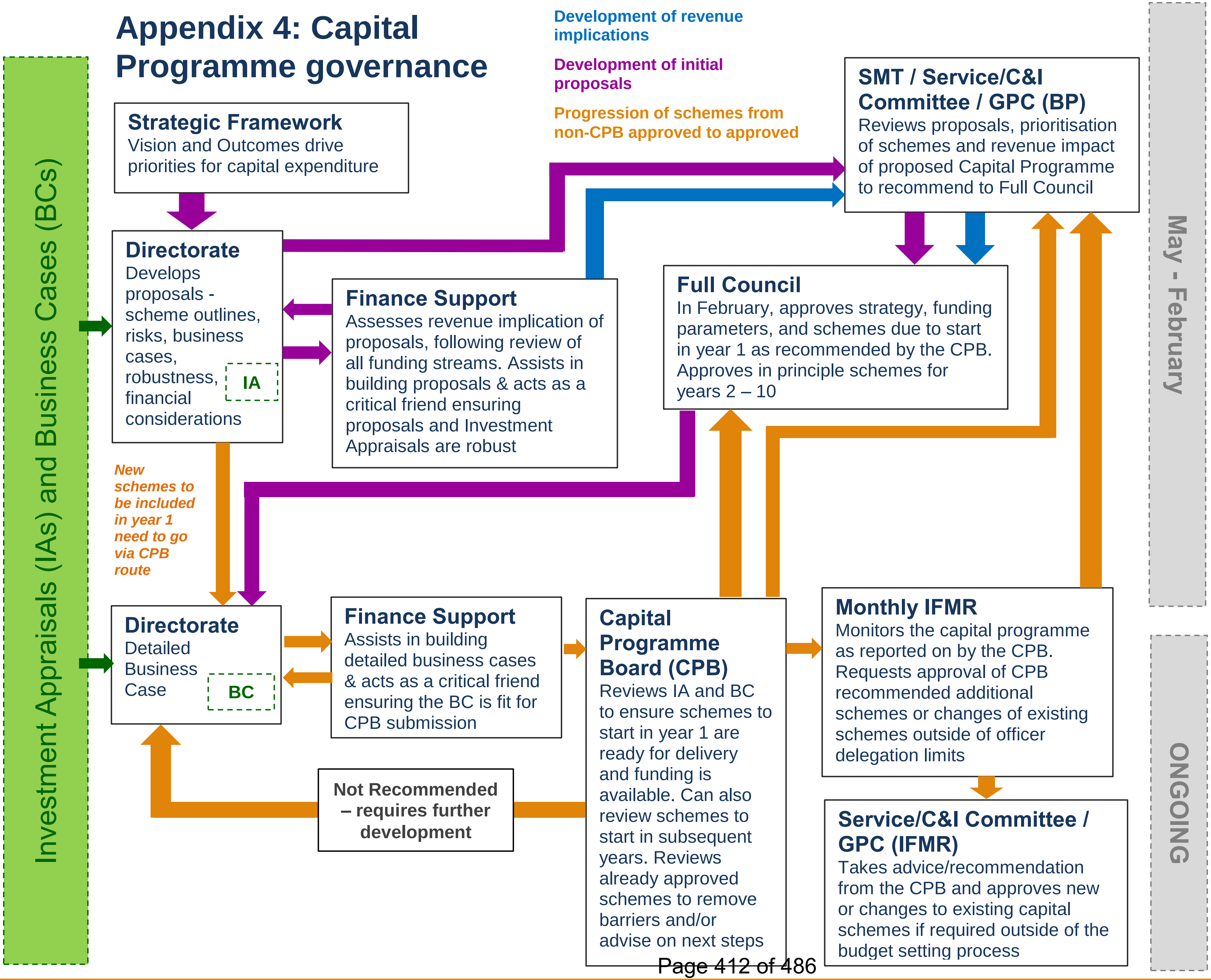
Cost (£m)	Funded by Borrowing (£m)	Total Interest Costs (£m)	Annual Income (£m)	Annual Costs (£m)	Annual Net Return (£m)
54.5	5.2	2.7	2.5 initially	0.1 initially	2.4 initially
Payback Period (Yrs)	**Net Income Yield (%)**	**Return on Investment (%)**	**Total Return over asset life (50 Years) (£m)**	**Internal Rate of Return (%)**	**Net Present Value (£m)**
20	4.6 rising to 5.6	167.9	150.8	4.8	35.4
Additional Investment (£m)	**Current Value (£m)**	**Gain (+) / Loss (-) (£m)**	**Revenue implications of reported loss / Mitigating action**		
0	54.5	N/A	Asset has not yet been valued at market value as this will be done during the 2020/21 accounts process. Council policy means assets are not revalued until the year after acquisition.		

Acquisition:	Kingsbridge Centre, Peterborough	**Date of Acquisition:**	21/08/2019
Service Objectives	Diversify and increase income streams to the county council, protecting frontline services notwithstanding reducing government grant and rising demand. Inward economic investment: directly supportive to jobs in the industrial sector, supporting the local economy. Whilst this investment is out of County, it is very much located in an area that is intrinsically linked to the Cambridgeshire local economy.	**Assessment of Risks**	Well specified, freehold, self-contained distribution warehouse; originally designed as 5 industrial units, enabling split up and flexibility upon re-letting. The building is extensively fitted out by both occupiers to suit operational needs. One of the tenants is wedded to the building, with significant sunken costs and upgraded power supply, making it difficult for the business to relocate operation.

	Investment also provides opportunity to diversify the portfolio into the industrial/manufacturing sector.		Both tenants have long income to strong covenant ratings with guaranteed rental performance to Oct 2025 and no arrears. There is an acute shortage of available 'oven ready' supply, with the All Industrial void rate the lowest it's been in over a decade and no new speculative development of large warehouses on the horizon. Watts Environmental Phase 1 report concludes a low to medium environmental risk. This is satisfactory for a building in its current industrial use.
Advisors / Market Research	DTRE provided an acquisition report which included information about the location and accommodation, a lease and income overview and a market commentary and value assessment. Legal advice was obtained from Birketts LLP.	**Liquidity / Exit Strategy**	There are no plans to sell currently, however if required, the property could be sold. There was an active market for the property when it was acquired, and the industrial sector is currently very tight due to lack of supply.
If funded by borrowing, why was this required?	The Investment Strategy is clear that the level of income generation being targeted by the Council is unlikely to be supported by capital receipt funded investment alone. The strong yield of this asset is likely to underpin	**Explanation of why the Statutory Guidance on local Authority Investments and the**	This is an out of County acquisition, supporting the industrial sector in Peterborough. Whilst it is out of County, it is very close geographically to the County border and is therefore inextricably linked with the local Cambridgeshire economy.

	a funding approach which relies on borrowing.		**Prudential Code have not been adhered to**		
Cost (£m)	**Funded by Borrowing (£m)**	**Total Interest Costs (£m)**	**Annual Income (£m)**	**Annual Costs (£m)**	**Annual Net Return (£m)**
12.3	12.3	6.4	0.7 initially	0.2 initially	0.6 initially
Payback Period (Yrs)	**Net Income Yield (%)**	**Return on Investment (%)**	**Total Return over asset life (50 Years) (£m)**	**Internal Rate of Return (%)**	**Net Present Value (£m)**
20	5.9 rising to 7.5	213.5	45.5	5.4	10.8
Additional Investment (£m)	**Current Value (£m)**	**Gain (+) / Loss (-) (£m)**	**Revenue implications of reported loss / Mitigating action**		
0	12.3	N/A	Asset has not yet been valued at market value as this will be done during the 2020/21 accounts process. Council policy means assets are not revalued until the year after acquisition.		

Appendix 4: Capital Programme governance



Mid May
CPB reviews roll forwards and rephasing (for current year schemes)
May to Mid-August
Services review all existing schemes in programme and develop new bids, inc. IAs
Mid-August
CPB reviews capital IAs and BCs (Yr 1 schemes)
September
SMT reviews whole programme
October
Service committees review programme
November
CPB reviews prioritisation of whole programme
GPC reviews prioritisation
December
Service committees review relevant parts of the revised programme
January
GPC reviews whole BP and recommends to Full Council
February
Full Council agrees BP

Year 1 schemes not yet approved via CPB – see above timescales

Year 2+ schemes reviewed by CPB as and when developed as part of monthly meetings

CPB monitors capital programme monthly

BCs for new / changed schemes sent to CPB before approval is requested by service committee / in monthly IR&PR

Treasury Management Strategy

Contents

1: Introduction

CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes

CIPFA has defined treasury management as “the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The Council has adopted CIPFA’s Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (the Treasury Code). The adoption is included in the Council’s Constitution.

CIPFA Prudential Code for Capital Finance in Local Authorities

The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) is a professional code of practice. Local authorities have a statutory requirement to comply with the Prudential Code when making capital investment decisions and carrying out their duties under Part 1 of the Local Government Act 2003 (Capital Finance etc and Accounts).

The CIPFA Prudential Code sets out the manner in which capital spending plans should be considered and approved, and in conjunction with this, the requirement for an integrated treasury management strategy.

Councils are required to set and monitor a range of prudential indicators for capital finance, covering affordability, prudence, and a range of treasury indicators.

Treasury Management Policy Statement

The Council’s Treasury Management Policy Statement is included in Appendix 2. The policy statement follows the wording recommended by the latest edition of the CIPFA Treasury Code.

Treasury Management Practices

The Council’s Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management objectives, and how it will manage and control those activities through its policies.

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.

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. The Strategy needs to balance 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 the Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008.
- The Affordable Borrowing Limit as required by the Local Government Act 2003.
- The Annual Investment Strategy for the coming year as required by the Ministry of Housing, Communities and Local Government (MHCLG) revised Guidance on Local Government Investments updated in 2018.

The Strategy takes into account the impact of the Council's Medium Term Financial Strategy (MTFS), its revenue budget and capital programme, the balance sheet position and the outlook for interest rates.

The Treasury Management Strategy also includes the Council's:

- Policy on borrowing in advance of need
- Counterparty creditworthiness policies

The main changes from the Treasury Management Strategy adopted last year are:

- Updates to interest rate forecasts
- Updates to debt financing budget forecasts

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 2020, with forward estimates, is summarised below. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing. The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.

Any capital expenditure which has not immediately been paid for, will increase the CFR. The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life. This is shown in graphical form in Appendix 1. The CFR and borrowing figures shown in Table 1 below include borrowing undertaken or planned for third party loans and Finance Lease liabilities, but excludes PFI schemes for which a seperate borrowing facility forms part of the contracts and so the Council does not need to borrow itself for these.

The Council's projected borrowing need, alongside forecast external borrowing and investment balances, is shown in the Tables 1 and 2 below:

Table 1: Forecast Borrowing and Investment Balances

	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
External borrowing						
Borrowing at 1 April b/f	598.3	755.0	830.0	850.0	850.0	845.0
Net Borrowing Requirement to fund capital programme (see Table 2 below)	187.9	65.0	14.0	-7.0	-12.3	-31.4
Internal borrowing (increase (-))/reduction*	-31.1	10.0	6.0	7.0	7.3	1.4
(1) Actual borrowing at 31 March c/f	**755.0**	**830.0**	**850.0**	**850.0**	**845.0**	**815.0**
(2) CFR (ex. PFI) – the borrowing need	**913.6**	**978.6**	**992.6**	**958.6**	**973.3**	**941.9**

(3) *[2 – 1]* Internal borrowing*	**156.6**	**148.6**	**142.6**	**135.6**	**128.3**	**126.9**
Investments						
Investments at 1 April	30.6	15.9	16.1	16.5	16.8	17.2
In Year Movements	-14.7	0.2	0.4	0.3	0.4	0.3
(4) Investments at 31 March	**15.9**	**16.1**	**16.5**	**16.8**	**17.2**	**17.5**
(5) *[1 – 4]* Net borrowing	**770.9**	**846.1**	**866.5**	**866.8**	**862.2**	**832.5**

*Internal Borrowing, also refered to as Under/Over Borrowing, is temporarily funding capital spending from cash-backed resources (reserves and cashflow timing surpluses) to hand. This avoids interest payments by deferring the need to borrow externally, reduces investment balances that would otherwise earn a rate of return lower than the cost of additional borrowing therefore minimising net interest expenses, and consequently less investments reduces the Councils exposure to credit risk. Internal Borrowing is discussed furtheri n Section 4 Borrowing Strategy.

Table 2: Capital Borrowing Requirement

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Unsupported Borrowing – General Fund	172.5	58.4	34.2	12.7	24.5	12.7
Unsupported Borrowing – Housing*	28.4	31.0	0.0	0.0	0.0	0.0
Less: MRP and other financing movements	-12.9	-24.4	-20.2	-19.7	-36.8	-44.1
Net Borrowing Requirement to fund Capital Programme	**187.9**	**65.0**	**14.0**	**-7.0**	**-12.3**	**-31.4**

* Loans raised by the Council for the purposes of on-lending to its wholly owned housing development company, This Land, will be classified as capital expenditure and therefore increase the Capital Financing Requirement. However, as these loans will be repaid in full in later years, no MRP will be charged on this borrowing.

Within the set of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross borrowing does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for current and next two financial years.

This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes except to cover short term cash flows.

The Chief Finance Officer (Section 151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties over the life of the current MTFS. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3: Prospects for interest rates

The Council has appointed Link Asset Services (LAS) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the LAS central view for short and longer term interest rates.

LINK ASSET SERVICES RATE VIEW											
	NOW	**Dec-19**	**Mar-20**	**Jun-20**	**Sep-20**	**Dec-20**	**Mar-21**	**Jun-21**	**Sep-21**	**Dec-21**	**Mar-22**
Bank Rate View	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.25%
5yr PWLB	2.30%	2.30%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%
10yr PWLB	2.51%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.30%	3.30%	3.40%
25yr PWLB	3.06%	3.30%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%
50yr PWLB	2.90%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%	3.80%	3.90%	3.90%

The above forecasts have been based on an assumption that there is some form of agreed deal on Brexit, including agreement on the terms of trade between the UK and EU, at some point in time. Furthermore with the General Election on t on 12 December there is additional uncertainty around the impact that the result may have on interest rates. As the PWLB rate is driven by gilt rates any incoming government that seeks to fund their expenditure commitments through additional borrowing will place pressure on the gilt rate as demand increases. Therefore the above forecasts may need to be materially reassessed in the light of events over the coming weeks or months.

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019. In its meeting on 7 November, the MPC became more cautious due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then it is likely the MPC would cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a “gradual pace and to a limited extent”. Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. If there were an eventual Brexit with no agreement on the terms of trade between the UK and EU, then it is likely that there will be a cut or cuts in Bank Rate to help support economic growth.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

In addition, PWLB rates are subject to ad hoc decisions by H.M. Treasury to change the margin over gilt yields charged in PWLB rates: such changes could be up or down. It is not clear that if gilt yields were to rise within the next year or so, whether H.M. Treasury would offset these rises agains the extra 100 bps margin that it implemented on 9 October 2019.

Economic and interest rate forecasting remains difficult with so many influences weighing on UK gilt yields and PWLB rates. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Investment and borrowing rates

Investment returns are likely to remain low during the year with little increase in the following two years. However, if major progress was made with an agreed Brexit, then there is upside potential for earnings.

Borrowing interest rates were on a major falling trend during the first half of 2019-20 until H.M. Treasury stepped in and increased PWLB rates by 100bps. The policy of avoiding new borrowing by running down spare cash balances has served the Council well over the last few years. While the Council may not be able to avoid borrowing to fund its capital financing requirement and replace maturing debt, cost of carry (the difference between higher borrowing costs and lower investment returns) remains a key factor in assessing any long-term borrowing decisions.

4: Borrowing strategy

The overarching objectives for the borrowing strategy are as follows:

- To manage the Council's debt maturity profile.
- To maintain a view on current and possible future interest rate movements, and to plan borrowing accordingly.
- To monitor and review the balance between fixed and variable rate loans against the background of interest rates and the Prudential Indicators.
- Reduce reliance on the PWLB as a source of funding and review all alterative options available, including forward loan agreements.
- Continue to support UK Municipal Bonds Agency (MBA) bond issuance programme.
- Provide value for money and savings where possible to meet budgetary pressures.

The Council is currently maintaining an internally borrowed cash position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt. Instead cash in hand supporting the Council's reserves, balances, and positive cash flows has been used as an alternative temporary measure. This strategy is prudent in the current economic climate - as returns achievable from the investment of cash are lower than the cost of raising additional loan debt, and counterparty risk remains elevated – but this will need to be reversed over time when the original requirement for that cash arrives.

Given that projections over the next three years show an increasing CFR and Bank Rate is forecast to remain low, the Council plans to predominately use a mix of its own cash balances and short/medium term borrowing to finance further capital expenditure before long term borrowing is considered. This strategy maximises short term net interest savings but against this background and the risks within the economic forecast, caution will be adopted with treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

However, the decision to maintain internal borrowing will be evaluated against the potential for incurring additional long term borrowing costs in later years, when long term interest rates are forecast to be significantly higher.

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

In March 2019 the Council applied for and in November 2019 subsequently secured approval for £60m worth of discounted Local Infrastructure Rate funding via the PWLB to support clean energy work in Cambridgeshire:

- Five projects in our energy investment programme. These are primarily solar photovoltaic and battery storage projects across our assets. They are being developed to address major challenges our antiquated electricity grid is having which impact housing and business growth in the county, as well as limiting our ability to increase the amount of local, low carbon generation capacity.

- Three projects for community energy infrastructure. Swaffham Prior will be the first to retrofit an existing rural, off-gas community with a low carbon district heating scheme. Once built, the St Ives Smart Energy Grid would be the largest solar canopy project of its kind in the UK. One novel component is the Business Support Program offering which will pass along our lessons learned to the clean tech sector, assisting in wider uptake. And finally, ongoing energy efficiency and energy generation programme in schools. In this phase, we'll be exploring how to turn some schools into energy centres, supplying themselves and their communities with low carbon heat.

The borrowing to fund these schemes is likely to be undertaken during 2020/21.

Prudential & Treasury Indicators

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their prudential indicators.

A full set of prudential indicators and borrowing limits are shown in Appendix 3.

Policy on borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance of need will be within the forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance will be considered within the following constraints:

Year	Max. Borrowing in advance	Notes
2020/21	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.
2021/22	50%	
2022/23	25%	

The risks associated with any borrowing in advance activity will be subject to prior appraisal. Any advance borrowing undertaken will be reported in Treasury Management update reports.

Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term borrowing to short term borrowing. However, these savings will need to be considered in the light of the current treasury position and in the current economic climate the substantial exit costs of any debt repayment.

The reasons for any rescheduling to take place will include:

- The generation of cash savings and/or discounted cash flow savings.
- Helping to fulfil the treasury strategy.
- Enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Any rescheduling activity undertaken will be reported to the General Purposes Committee (GPC), at the next quarterly report following its action.

5: Minimum Revenue Provision

The Council is required to repay an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if required (Voluntary Revenue Provision - VRP).

CLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the MRP Policy in Appendix 4.

The Council, in conjunction with its Treasury Management advisors, considers the MRP policy to be prudent.

6: Investment strategy

Government Guidance on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set. The Guidance permits the Treasury Management Strategy Statement (TMSS) and the AIS to be combined into one document.

The Council's general policy objective is to invest its surplus funds prudently. As such the Council's investment priorities in priority order are:

- the security of the invested capital
- the liquidity of the invested capital
- the yield received from the investment

The Council's Annual Investment Strategy (AIS) is shown in Appendix 5.

7: Risk Analysis and Forecast Sensitivity

Risk Management

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Treasury management risks are identified in the Council's approved Treasury Management Practices. The main risks to the treasury activities are:

- Credit and counterparty risk (security of investments)
- Liquidity risk (adequacy of cash resources)
- Interest rate risk (fluctuations in interest rate levels)
- Exchange rate risk (fluctuations in exchange rates)
- Refinancing risks (impact of debt maturing in future years)
- Legal and regulatory risk (non-compliance with statutory and regulatory requirements)
- Fraud, error and corruption, and contingency management (in normal and business continuity situations)

- Market risk (fluctuations in the value of principal sums)

The TMP Schedules set out the ways in which the Council seeks to mitigate these risks. Examples are the segregation of duties (to counter fraud, error and corruption), and the use of creditworthiness criteria and counterparty limits (to minimise credit and counterparty risk).Council officers, in conjunction with the treasury advisers, will monitor these risks closely.

Sensitivity of the Forecast

The sensitivity of the forecast is linked primarily to movements in interest rates and in cash balances, both of which can be volatile. Interest rates in particular are subject to global external influences over which the Council has no control.

Both interest rates and cash balances will be monitored closely throughout the year and potential impacts on the Council's debt financing budget will be assessed. Action will be taken as appropriate, within the limits of the TMP Schedules and the treasury strategy, and in line with the Council's risk appetite, to keep negative variations to a minimum. Any significant variations will be reported to GPC as part of the Council's regular budget monitoring arrangements.

8: Reporting arrangements

Capital Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes requires local authorities to prepare a capital strategy report. The aim of the capital strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

The Capital Strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy on commercial investments usually driven by expenditure on an asset.

For non-treasury investment where a physical asset is being bought, details of market research, advisors used (and their monitoring), ongoing costs/investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.

If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the Capital Strategy.

The Capital Strategy will also consider the proportionality between the treasury investments shown throughout this report and non-treasury investments.

Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:

a) **Prudential and treasury indicators and treasury strategy (this report)** - The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b) **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this GPC will receive quarterly update reports.

c) **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

9: Treasury Management Budget

The table below provides a breakdown of the treasury management budget at January 2020. Key assumptions behind the 2020/21 budget estimates are:

- Average rates achievable on short term investments will be 1%, the average return on the Councils long term CCLA property fund treasury management investment will be 4.2% net yield.
- New and replacement borrowing to fund the capital programme will be financed predominately by short term borrowing at rates equating to approximately 1.7%.
- The MRP charge is in line with the Council's MRP policy.

	2020/21 Forecast £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Interest payable	21.8	23.0	22.9	23.3	23.8
MRP	15.9	18.1	19.7	20.8	22.1
Interest receivable	-0.9	-0.9	-0.9	-0.9	-0.9
Interest Transferred to C&I	0.4	0.4	0.4	0.4	0.4
Debt Management Expenses	0.6	0.5	0.5	0.5	0.5
Net Interest expenses recharged to Service	-6.3	-6.5	-9.0	-9.3	-8.9
Technical adjustments	0.2	0.2	0.2	0.2	0.2
Sub Total	**31.7**	**34.8**	**33.8**	**34.9**	**37.1**
Capitalised Interest	-2.5	-1.1	-0.9	-0.7	-0.6
Grand Total	**29.3**	**33.7**	**32.9**	**34.2**	**36.6**

10: Policy on the use of external service providers

The Council's treasury management advisors are Link Asset Services (LAS). LAS was awarded a 2 year contract, with the option to extend for up to 2 further years, following a formal procurement exercise during 2019/20.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The scope of investments within the Council's operations now includes both conventional treasury investments (the placing of residual cash from the Council's functions) and more commercial type investments, such as investment properties. Commercial type investments may require specialist advise, and therefore the Council will undertake appropriate due-dilgence on a case-by-case basis.

11: Future developments

Local Authorities are having to consider innovative strategies towards improving service provision to their communities. This approach to innovation also applies to councils' treasury management activities. The Government is introducing new statutory powers and policy change which will have an impact on treasury management approaches in the future. Examples of such changes are:

a) Localism Act

A key element of the Act is the "General Power of Competence": "A local authority has power to do anything that individuals generally may do." The Act opens up the possibility that a local authority can use derivatives as part of their treasury management operations. However the legality of this has not yet been tested in the courts even though CIPFA have set out a framework of principles for the use of derivatives in the Treasury Management Code and guidance notes. The Council has no plans at this point to use financial derivatives under the powers contained within this Act.

b) Loans to Third Parties

The Council may borrow to make grants or loans to third parties for the purpose of capital expenditure, as allowable under paragraph 25 (1) (b) of the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 (Statutory Instrument No. 3146). This will usually be to support local economic development, and may be funded by external borrowing.

A framework within which the Council may consider advancing loans to third party, not for profit, organisations is shown in Appendix 6.

In addition, the following material projects in this respect are under way:

- This Land – loans issued at commercial rates, to facilitate the construction of residential housing in Cambridgeshire.

c) UK Municipal Bonds Agency (MBA)

The MBA raised £6m share capital from 56 local authorities, including Cambridgeshire County Council, plus the Local Government Association to launch an agency to issue bonds in the capital markets on behalf of local authorities across the country and at lower rates than available from the PWLB.

The decision by the PWLB on 9 October 2019 to increase their margin over gilt yields by 100 bps to 180 basis points on loans to local authorities presents an opportunity for the MBA. The degree to which any loans raised through the Agency proves cheaper than PWLB Certainty Rate is still evolving at the time of writing and is being closely monitored. Officers continue to engage directly with the MBA on redefining its offering.

The Council may make use of this new source of borrowing as and when appropriate.

d) Impact of IFRS 9

An important consideration when assessing current and future investment policy is the implementation of accounting standard IFRS 9 in the Local Authority Code of Practice. A key element of this standard is the move away from assessing risk based on incurred losses on financial assets (i.e. an event that has happened) to expected loss (i.e. the likelihood of loss across the asset lifetime). Whilst this will not materially impact upon traditional treasury investments, the standard also encompasses other investment areas including: loans to third parties, subsidiaries, or longer dated service investments. The expected credit loss model requires local authorities to make provision for these potential losses having assessed the asset with regard to the due diligence undertaken prior to investment, the nature of any guarantees, and subsequent regular updates.

The Council has made the following material loan agreement with third parties:

- This Land – loans at commercial rates to facilitate the construction of residential housing in Cambridgeshire.

A revenue provision may be required to be set aside in future depending on the risk assessment of the investment.

In addition to the above, the new standard requires changes to the recognition and subsequent valuation treatment of certain investment products. These instruments include property and equity, but also service investments that give rise to cashflows that are not solely payments of principal and interest (SPPI) on the principal outstanding. MHCLG introduced a five year statutory override allowing Councils to reverse any revenue impact of pooled fund valuation gains and losses. MHCLG were not minded to make this statutory override permenant, and will keep it under review.

12: Training

A key outcome of investigations into local authority investments following the credit crisis has been an emphasis on the need to ensure appropriate training and knowledge in relation to treasury management activities, for officers employed by the Council, in particular treasury management staff, and for members charged with governance of the treasury management function.

LAS run training events regularly which are attended by the Treasury Team. In addition members of the team attend national forums and practitioner user groups.

Treasury Management training for committee members will be delivered as required to facilitate informed decision making and challenge processes.

13: List of appendices

Appendix 1: Treasury Management Scheme of Delegation and Role of Section 151 Officer
Appendix 2: Treasury Management Policy Statement

Appendix 3: Prudential and Treasury Indicators
Appendix 4: Minimum Revenue Provision (MRP) Policy Statement
Appendix 5: Annual Investment Strategy
Appendix 6: Third Party Loans Policy

Appendix 1: Treasury Management Scheme of Delegation and role of the Section 151 Officer

The Scheme of Delegation

Full Council

- Approval of annual strategy and mid-year update to the strategy.
- Approval of the annual Treasury Management report.
- Approval of the Treasury Management budget.

General Purposes Committee

- Approval of the Treasury Management quarterly update reports.
- Approval of the Treasury Management outturn report.

Scrutiny Committee

- Scrutiny of performance against the Strategy.

Commercial and Investments Committee

- Management of the Council's Investment Strategy

The Treasury Management role of the Section 151 Officer

The Council's Deputy Chief Executive & Chief Finance Officer (CFO) is the officer designated for the purposes of Section 151 of the Local Government Act 1972 as the Responsible Officer for treasury management at the Council.

The Council's Financial Regulations delegates responsibility for the execution and administration of treasury management decisions to the CFO, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The CFO has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.

The CFO may delegate his power to borrow and invest to members of his staff.

The CFO is responsible for:

- Ensuring that the schedules to the Treasury Management Practices (TMPs) are fully reviewed and updated annually and monitoring compliance to the Treasury Management in the Public Services: Code of Practice and Guidance Notes;
- Submitting regular treasury management reports to Cabinet and Council;
- Submitting debt financing revenue budgets and budget variations in line with the Council's budgetary policies;
- Receiving and reviewing treasury management information reports;
- Reviewing the performance of the treasury management function and promoting value for money;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Recommending the appointment of external service providers (e.g. treasury management advisors) in line with the approval limits set out in the Council's procurement rules;
- Ensuring that the Council's Treasury Management Policy is adhered to, and if not, bringing the matter to the attention of elected members as soon as possible.
- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe.
- Ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money.
- Ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority.
- Ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing.
- Ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources.

- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities.
- Provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees.
- Ensuring that members are adequately informed and understand the risk exposures taken on by an authority.
- Ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.
  creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed.

Appendix 2: Treasury Management Policy Statement

This organisation defines its treasury management activities as:

“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management

Appendix 3: Prudential and Treasury Indicators

1: The Capital Prudential Indicators

The Council's capital expenditure plans are the key driver of Treasury Management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure. This prudential indicator shows the Council's capital expenditure plans; both those agreed previously, and those forming part of this budget cycle. Capital expenditure excludes spend on Private Finance Initiatives (PFI) and leasing arrangements, which are shown on the balance sheet.

The table below summarises the capital expenditure plans which give rise to a net financing need (borrowing). Detailed capital expenditure plans are set out in the Capital Strategy.

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Net Borrowing Requirement to fund Capital Programme	186.1	75.1	34.0	-7.8	1.9	-9.8

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.

	2019/20 Projected £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital Financing Requirement (CFR)						
Total CFR	**913.6**	**986.8**	**1,020.8**	**1,013.0**	**1,014.8**	**1,005.0**
Movement in CFR	**187.9**	**65.0**	**14.0**	**-7.0**	**-12.3**	**31.4**
Movement in CFR represented by:						
Unsupported Capital Expenditure (Prudential Borrowing) in capital programme	200.8	89.4	34.2	12.7	24.5	12.7
Less: MRP and other financing movements	-12.9	-24.4	-20.2	-19.7	-36.8	-44.1
Movement in CFR	**187.9**	**65.0**	**14.0**	**-7.0**	**-12.3**	**-31.4**

The authorised limit for external borrowing. A key prudential indicator, this represents a control on the maximum level of borrowing and the legal limit beyond which external borrowing is prohibited. This limit is set by and can only be amended by full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The limit represents the total CFR (assumed fully funded by borrowing) - including any other long term liabilities (e.g. PFI schemes, finance leases) though these types of scheme including a borrowing facility and so the Council is not required to separately borrow for them - plus a margin to accommodate any unplanned adverse cashflow movements.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
The Council is asked to approve the following Authorised Limit:

Authorised Limit	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Total Borrowing	1,093.0	1,138.0	1,135.0	1,145.0	1,132.0

The operational boundary. This is the operational limit, set deliberaly lower than the authorised limit, beyond which external debt is not normally expected to exceed. The limit represents the total CFR (assumed fully funded by borrowing) - including any other long term liabilities (e.g. PFI schemes, finance leases) though these types of scheme including a borrowing facility and so the Council is not required to separately borrow for them - plus a margin to accommodate any unplanned adverse cashflow movements. This limit acts as an early warning indicator should borrowing be approaching the Authorised Limit. This limit may be breached on occasion under normal circumstances, but sustained or regular breaches should trigger a review of borrowing levels.

Operational Boundary	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Total Borrowing	1,063.0	1,108.0	1,105.0	1,115.0	1,102.0

2: Treasury Management limits on activity

There are four debt and investment related treasury activity limits. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates.
- Maturity structure of borrowing. These gross limits are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The interest rate exposure is calculated a percentage of net debt. Due to the mathematical calculation exposures could be greater than 100% of below zero (i.e. negative) depending on the component parts of the formula. The formulas are shown below:

Fixed rate calculation:

<u>Fixed rate borrowing – fixed rate investments</u>
Total borrowing – total investments

Variable rate calculation:

<u>Variable rate borrowing** – fixed rate investments</u>
Total borrowing – total investments

**defined as less than 1 year to remaining to maturity, or in the case of LOBO borrowing, the next call date falling within 12 months.

Limits on Interest Rate Exposure	2020/21	2021/22	2022/23	2023/24	2024/25
	Upper	Upper	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	150%	150%	150%	150%	150%
Limits on variable interest rates based on net debt	65%	65%	65%	65%	65%

The maturity structure of borrowing indicator represents the borrowing falling due in each period expressed as a percentage of total borrowing. These gross limits are set to manage the Council's exposure to sums falling due for refinancing or repayment.

Maturity Structure of Borrowing			
	Lower	**Upper**	**31/10/2019 Comparator**
Under 12 months	0%	80%	31%
12 months to 2 years	0%	50%	15%
2 years to 5 years	0%	50%	8%
5 years to 10 years	0%	50%	11%
10 years and above	0%	100%	62%

The Treasury Management Code of Practice Guidance notes require that maturity is determined by the earliest date on which the lender can require repayment, which in the case of LOBO loans, is the next break point.

Total principal funds invested for periods longer than 365 days. The Council is asked to approve the following treasury indicator limits for total principal funds that may be invested for periods greater than 365 days. The limits are set with regard to the Council's liquidity requirements to reduce the risk of need for early liquidation of investment, and are based on the medium/long term availability of resources after each year end.

Maximum principal sums invested for periods longer than 365 days					
£m	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Limit	50	50	50	50	50

3: Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework is an indicator required to assess the affordability of the capital investment plans. This provides an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicator:

Actual and estimates of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in this budget report.

This is calculated as the estimated net financing costs for the year divided by the amounts to be met from government grants and local tax payers.

Actual and estimates of financing costs to net revenue stream						
	2019/20 Projected %	**2020/21 Estimate %**	**2021/22 Estimate %**	**2022/23 Estimate %**	**2023/24 Estimate %**	**2024/25 Estimate %**
Financing costs to net revenue stream	8.4	9.5	10.2	10.3	10.6	11.0

Appendix 4: Minimum Revenue Provision Policy Statement

Policy statement

The Council is required to repay an element of the accumulated General Fund capital spend each year (Capital Financing Requirement - CFR) through a revenue charge (Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if required.

The Ministry for Housing, Communities and Local Government (MHCLG) have issued regulations that require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to Councils in the guidance with the underlying principle that a prudent provision is made. A formal review of this Policy is to be undertaken every five years with the next review due in January 2021.

Historic debt liability accumulated up to 31st March 2010

Up until 2014/15, the proportion of provision that related to historic debt liability accumulated up to 31st March 2010 was calculated using Option 1 of MHCLG Guidance (the ‘Regulatory Method’). This method is based upon 4% of the CFR adjusted for ‘Adjustment A’ (the difference between the old credit ceiling system and the introduction of the Capital Financing Requirement). A reducing balance calculation means that debt liability is never entirely repaid, and the amount of debt equal to ‘Adjustment A’ (for this Council £2.133m) is not provided for at all. In January and February 2016, General Purposes Committee (GPC) considered a number of potential alternative methodologies. These covered both annuity and straight-line options, calculated over an average life of up to 50 years.

After considering the range of options available, a change in policy was introduced from 2015/16. The method chosen to replace the “Regulatory Method” for historic debt liability accumulated up to 31st March 2010 and that remained outstanding at 31st March 2015 was an annuity calculation, but one directly linked to the remaining life of the assets the debt liability had funded (held on the Council's balance sheet). This directly relates the cost of financing those assets with their expected useful life, thereby aligning costs with benefits and is allowable under the MHCLG Guidance. This approach will continue to be applied.

Debt liability accumulated from 1st April 2010

Prudent provision for any subsequent borrowing from 1st April 2010 onwards will be calculated using Option 3 of MHCLG Guidance (the 'Asset Life Method') on a straight line basis, in line with estimates for the expected useful life of the asset financed by debt. Estimated life periods will be determined under delegated powers. In view of the variety of types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. MRP will be charged from the financial year after the asset becomes operational.

The determination as to which schemes shall be deemed to be financed from available capital resources and those which will remain as an outstanding debt liability to be financed by borrowing or other means will be assessed under delegated powers.

Third Party Loans

The only exception to these rules are loans classified as capital expenditure and raised by the Council for the purposes of funding third party loans. No MRP will be charged on this debt liability as the loans will be repaid in full in later years. This approach will be reviewed on an loan by loan basis annually to ensure this remains a prudent approach, otherwise MRP charge may be introduced.

Share/Equity Capital

The Council may invest in share and equity investments, either directly or through collective pooled funds. These investments will usually be treated as capital expenditure and in such cases, where these investments are funded by unsupported borrowing, MRP charges will be considered on a case-by-case prudent basis.

Appendix 5: Annual Investment Strategy

1: Investment policy

MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments managed by the treasury management team. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

The Council’s appetite for risk must be clearly identified in its strategy report. The Council affirms that its investment policies are underpinned by a strategy of prudent investment of funds held on behalf of the local community. The objectives of the investment policy are firstly the security of funds (protecting the capital sum from loss) and then liquidity (keeping money readily available for expenditure when needed). Once approved levels of security and liquidity are met, the Council will seek to maximise yield from its investments, consistent with the applying of the agreed parameters. These principles are carried out by strict adherence to the risk management and control strategies set out in the TMP Schedules and the Treasury Management Strategy.

Responsibility for risk management and control lies within the Council and cannot be delegated to an outside organisation. Investment instruments identified for use in the financial year are listed in section 7 under the ‘Specified’ and ‘Non-Specified’ Investments categories.

2: Creditworthiness policy

The Council’s counterparty and credit risk management policies and its approved instruments for investments are set out below. These, taken together, form the fundamental parameters of the Council’s Investment Strategy.

The Council defines high credit quality in terms of investment counterparties as those organisations that:

- Meet the requirements of the creditworthiness service provided by the Council’s external treasury advisors and;
- UK banking or other financial institutions, or are;
- UK national or local government bodies, or are;
- Countries with a sovereign ratings of -AA or above, or are;
- Triple-A rated Money Market funds.

The creditworthiness service provided by the Council's external treasury advisors applies a modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS – a traded insurance policy market against default risk) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted calculation with an overlay of CDS spreads, to determine suggested duration for investment. The Council will apply these suggested duration limits to it investments at all times, unless otherwise approved by the Chief Finance Officer.

All credit ratings are monitored daily. The Council is alerted to changes to ratings of all three agencies through its external treasury advisors. If a rating downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately. In addition to the use of credit ratings the Council is advised of information in movements in CDS spreads against benchmark data and other market information on a daily basis and extreme market movements (which may be an early indicator of financial distress) may result in downgrade of an institution or removal from recommended investment.

Sole reliance will not be placed on the use of the Council's external treasury advisors creditworthiness service. In addition the Council will also use market data, financial press and information on any external support for banks to help support its decision making process.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times, and as such the Chief Finance Officer shall have the discretion during the year to lift or increase the restrictions on the counterparty list and or to adjust the associated lending limits on values and durations should it become necessary, to enable the effective management of risk in relation to its investments.

3: Sovereign Limits

Expectation of implicit sovereign support for banks and financial institutions in extraordinary situations has lessened considerably in the last couple of years, and alongside that, changes to banking regulations have focussed on improving the banking sectors resilience to financial and economic stress.

The Council has determined that it will only use approved counterparties from overseas countries with a sovereign credit rating from the three main ratings agencies that is equal to or above AA-. Banks domiciled in the UK are exempt from this minimum sovereign credit rating, so may be used if the sovereign rating of the UK fall below AA-.

The list of countries that qualify using these credit criteria as at November 2019 are shown below. This list will be amended by officers should ratings change in accordance with this policy.

AAA	**AA+**	**AA**
Australia	Finland	Abu Dhabi (UAE)
Canada	USA	France
Denmark		Hong Kong
Germany		UK
Luxembourg		
Netherlands		
Norway		
Singapore		**AA-**
Sweden		Belgium
Switzerland		Qatar

4: Banking services

Following a competitive tender exercise and the completion of the contract standstill period in December 2019, the Council's banking provider is due to be change in March 2020 from Barclays Bank to NatWest Bank. However to ensure this complex and critical change process is handled effectively, officers are negotiating a short delay and extension period.

The Council may continue to use its own bankers for short term liquidity requirements if the credit rating of the institution falls below the minimum credit criteria set out in this report, monitored daily. A pragmatic approach will be adopted and rating changes monitored closely.

5: Investment position and use of Council's resources

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

Investments will be made with reference to core balances, cash flow requirements and the outlook for interest rates.

For its cash flow generated balances, the Council will seek to utilise its business banking reserve account and notice accounts, money market funds (CNAV and LVNAV) and short-dated term deposits in order to benefit from the compounding of interest.

6: Specified investments

The Council assesses that an investment is a specified investment if all of the following criteria apply:

- The investment is **denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling**.
- The investment is **not a long term investment (i.e. up to 1 year)**.
- The making of the investment is **not defined as capital expenditure** by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended].
- The investment is **made with a body or in an investment scheme of high credit quality** (see below) or with one of the following public-sector bodies:
    - The United Kingdom Government.
    - A local authority in England or Wales (as defined under section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland.
    - High credit quality is defined as a minimum credit rating as outlined in this strategy.

Specified investment instruments approved for use are:

Instrument	Minimum 'High' Credit Criteria	Maximum Amount
Debt Management Agency Deposit Facility (DMADF)	N/a	No maximum
UK Government Gilts / Treasury Bills	UK sovereign rating	
Certificate of Deposits	Per Treasury Advisors creditworthiness service	£10m per individual/group in total
Term Deposits - Banks and Building Societies	Per Treasury Advisors creditworthiness service	
Term Deposits - Local Authorities and Housing Associations	Considered on an individual basis	
Bank Call/Instant Access Accounts	Per Treasury Advisors creditworthiness service	£20m per individual/group in total
Collateralised Deposit / Covered Bonds	AAA	
Bonds issued by multilateral development banks	AAA / UK sovereign rating	
Bond issuance issued by a financial institution which is explicitly guaranteed by UK Government (e.g. National Rail)	UK sovereign rating	
Sovereign bond issues (other than the UK govt)	AAA / UK sovereign rating	
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -		
1. Money Market Funds (CNAV, LVNAV or VNAV)	AAA MMF rating	
2. Bond Funds	Considered on an individual basis	

3. Gilt Funds	Considered on an individual basis	£20m per individual/group in total

The Council may enter into forward agreements up to 3 months in advance of the investment commencing. If forward agreements are made, the forward period plus the deal period should not exceed the 1 year to be classified as a specified investment.

Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is compounded by the counterparty to the principal investment amount. In such instances the interest amounts will be withdrawn as soon as reasonably practicable.

The counterparty limit with the Council's corporate bank may be utilised over and above the set counterparty limit on an overnight basis if cash surpluses are identified as a result of unexpected receipts of income after the day's dealing position is closed. This occurs when the timing for receipt of funds is uncertain, for example the sale of a property. In such instances, funds will be withdrawn to bring the Councils exposure back in line with the approved counterparty limit as soon as reasonably practicable and invested elsewhere in line with this strategy.

7: Non-specified investments

Non-specified investments are defined as those not meeting the specified investment criteria above, which includes investments for over 1 year.

Given the additional risk profile associated with non-specified investment, the Council may consult with its external treasury advisors before undertaking such investments where appropriate.

Non-specified investment instruments approved for use are:

Instrument	Minimum 'High' Credit Criteria	Maximum Amount
UK Government	Government backed	No maximum
Certificate of Deposits	Per Treasury Advisors creditworthiness service	£10m per individual/group in total
Term Deposits - Banks and Building Societies	Per Treasury Advisors creditworthiness service	
Term Deposits - Local Authorities and Housing Associations	Considered on an individual basis	
Collateralised Deposit / Covered Bonds	AAA	£20m per individual/group in total
Bonds issued by multilateral development banks	AAA / UK sovereign rating	
Bond issuance issued by a financial institution which is explicitly guaranteed by UK Government (e.g. National Rail)	UK sovereign rating	
Sovereign bond issues (other than the UK govt)	AAA / UK sovereign rating	
Corporate Bond / Equity Holdings	Considered on an individual basis	£10m per individual/group in total
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -		
Property Funds	Considered on an individual basis	£20m per individual/group in total
Diversified Income / Multi Asset Funds	Considered on an individual basis	
Enhanced Money Market Funds	AAA VNAV mmf rating	
Corporate Bond / Equity Funds / Share Capital	Considered on an individual basis	

Asset Backed Securities / Green Energy Bonds	Considered on an individual basis	£5m per individual/group in total

Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is compounded by the counterparty to the principal investment amount. In such instances the interest amounts will be withdrawn as soon as reasonably practicable.

8: Third Party Loans

The Council has the power to lend monies to third parties subject to a number of criteria:

- Any loans to or investments in third parties will be made under the Well Being powers of the Council conferred by section 2 of the Local Government Act 2000 or permitted under any other act.
- The Well Being power can be exercised for the benefit of some or all of the residents or visitors to a local authority’s area. The power may also be used to benefit organisations and even an individual.

The primary aims of any investment - in order of priority - are the security of its capital, liquidity of its capital and to obtain a return on its capital commensurate with levels of security and liquidity. These aims are crucial in determining whether to proceed with a potential loan.

Appendix 6 sets out the Council’s framework within which it may consider advancing loans to third party, not for profit, organisations.

9: Investments defined as capital expenditure

The acquisition of share capital or loan capital in any corporate body is defined as capital expenditure under Regulation 25(1) (d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. Such investments will have to be funded from capital or revenue resources and will be classified as ‘non-specified investments’.

Investments in “money market funds” which are collective investment schemes and bonds issued by “multilateral development banks” – both defined in SI 2004 No 534 – will not be treated as capital expenditure.

A loan, grant or financial assistance provided by this Council to another body will be treated as capital expenditure if the Council would define the other bodies use of those funds as capital had it undertaken the expenditure itself.

10: Provisions for credit related losses

If any of the Council's investments appear at risk of loss due to default (i.e. this is a credit related loss and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount.

11: End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

12: Pension fund cash

The Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, which were implemented on 1 January 2010. The Council will not pool pension fund cash with its own cash balances for investment purposes. Any investments made by the pension fund directly with the Council will comply with the requirements of SI 2009 No 393.

Appendix 6: Third Party Loans Policy

Introduction

Government changes in the way councils are funded has prompted local authorities to look at more commercial and innovative ways of growing income streams from sources other than Government grants and council tax in order to support the delivery of front-line services.

Whilst the Council should not wish to become a commercial lender in the market place it can use its ability to borrow, at relatively economic rates, to support the delivery of improved outcomes for the residents of Cambridgeshire. At the same time this will facilitate the creation of a relatively modest income stream to support the Council's overall financial resilience. All applications must demonstrate alignment to the Council's core objectives and priorities and should support those outcomes.

The intention of this policy is therefore to establish a framework within which the Council may consider advancing loans to third party, not for profit, organisations.

Nature of Organisations Considered

The Council will consider the provision of a loan facility to organisations that fulfil the following criteria:

- Not For Profit Organisations where the loan required will be used to fund infrastructure to support the delivery of services to the residents of Cambridgeshire and;
- Organisations that provide services that align to the Council's core objectives and priorities (including subsidiary companies and joint ventures)

Both of the above criteria are required to be fulfilled in order for the Council to consider advancing public funds.

Governance Arrangements

All proposals will be considered by the Commercial Board (a Board of Officers from across the Council considered to provide an overview and challenge on all of the Council's commercial activity).

Loans of less than £250,000 that fulfil the policy framework are delegated to the Council's Chief Finance Officer in consultation with the Chair of General Purposes Committee (GPC). Should the Committee Chair declare a conflict of interest, consultation will take place with the Committee Vice-Chair.

Loans in excess of £250,000 or loans that are outside of the framework parameters require GPC approval. The exception to this are loans associated with County Council owned assets which remain within the remit of the Commerical and Investment Committee.

Limits

No specific limits are proposed but all loans in excess of £250,000 will require GPC approval.
Given the level of administration that will be required to manage the loan agreement over the life of the loan, no requests for loans of less than £10,000 will be considered.

Business Case Review

Any application for loan finance must be accompanied by a robust business case. Due-diligence checks will be undertaken to test the underlying assumptions applied. Specialist support may be required to carry out these assessments.

State Aid and Interest Rates

Under EU law, State Aid rules must be taken into account whenever public money is given to an organisation that undertakes any commercial operation. State Aid is defined as an advantage in any form whatsoever conferred on a selective basis to undertakings by public authorities. Subsidies granted to individuals or general measures open to all enterprises are not covered by the State Aid prohibition.

The general parameters of the scheme will not permit loans to be made where the funding could be used in the delivery of commercial activities. However, not for profit organisations often undertake commercial activities in order to support the delivery of non-commercial activities. State aid can be avoided by using the Market Economy Operator (MEO) principles. If the state is acting in a way that a rational private investor would, for example in providing loans or capital on terms that would be acceptable to a genuine private investor who is motivated by return and not policy objectives, then it is not providing State Aid. This is because the beneficiary is not considered to be obtaining an advantage from the State but on the same terms that it could have obtained on the open market.

The actual interest rate charged on loans of this nature will be set with reference to the minimum permitted within State Aid rules at the time of fund advance and the Council's cost of borrowing plus an appropriate credit risk margin, whichever is higher.
If there is any doubt as to whether State Aid may be an issue, Legal advice must be sought.

Loan Framework

- All loans must be secured against an asset or guaranteed by a public sector organisation with tax raising powers.
- The maximum loan to value will not exceed 80% unless fully guaranteed by a public sector body
- The maximum duration of the loan will be 30 years but the loan period must not exceed the useful life of the asset.
- An independent valuation of the asset upon which the loan is secured will be undertaken by the Council.
- A robust business case must be developed that demonstrates that the loan repayments are affordable.
- The on-going value of the asset(s) that the loan has been secured against will be valued on a 5 year basis. A charge to revenue may be required if the equity value falls below the debt outstanding or if it becomes clear that the borrowing organisation is unable to service the debt.
- Guarantees will be called upon if the lending organisation falls into arrears of more than 12 months.

Given the administrative costs incurred in both establishing and managing loans of this nature an administration/arrangement fee will be applied to each loan made. The following arrangement fees will be applied:

Minimum Loan Value	Maximum Loan Value	Arrangement Fee
£10,000	£119,999	£1,200
£120,000	£289,999	1% of loan
£290,000	-	£2,950

Exemptions

Exemptions to this policy may be considered but any exemption will need to be approved by GPC.

Agenda Item No:8

NO CAR ZONE – OUTSIDE SCHOOLS

To:	**General Purposes Committee**		
Meeting Date:	**28th January 2020**		
From:	**Executive Director, Place & Economy**		
Electoral division(s):	**Cambridge City divisions**		
Forward Plan ref:	**Not applicable**	*Key decision:*	**No**
Purpose:	**To outline proposals for the implementation of a trial of no car zones outside selected schools in Cambridge.**		
Recommendation:	**General Purposes Committee is asked to approve the trial of no car zones at a minimum of two schools in Cambridge City in the Summer of 2020, as outlined in section 2 of the report.**		

	Officer contact:		***Member contacts:***
Name:	Matt Staton	Names:	Councillors Count & Hickford
Post:	Highway Projects & Road Safety Manager	Post:	Chair/Vice-Chair
Email:	Matt.staton@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk / Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 699652	Tel:	01223 706398

1. BACKGROUND

1.1 On 17th July 2018 a motion was brought to full council around the possibility of trialling 'no car zones' around schools. While the motion was lost, in discussion as an action commitment, the Chairmen of the Children and Young People Committee and Highways and Community Infrastructure Committee undertook to discuss further with officers the feasibility of no car zones around schools for consideration at the appropriate Policy and Service Committee.

1.2 A study by the environmental law organisation ClientEarth published in February 2018 revealed that 60% of parents surveyed want traffic diverted away from school gates at the beginning and end of the school day. Parents are concerned because investigations have demonstrated children are being exposed to illegal levels of damaging air pollution outside their schools, mainly from diesel vehicles.

1.3 In February 2019 Cambridge City Council declared a 'climate emergency'. This was followed by similar declarations by both Parliament and Cambridgeshire County Council in May 2019.

1.4 In addition, the majority of children and adolescents fail to meet the recommended levels of physical activity. Previous programmes delivered through schools to promote activity have showed limited to modest effectiveness and suggest that changes to the wider environment are necessary. Active school transport has been proposed as a way to increase physical activity in children and youth at the population level, with the added benefit of reducing emissions of greenhouse gases, other pollutants and congestion.

1.5 Officers have led work with the City Council Highways teams to explore the feasibility of trialling a 'no car zone' outside schools in Cambridge. We subsequently referred to this as the 'trial' in the rest of the document.

1.6 The work has now been undertaken to outline how such a trial could be implemented. This work is briefly outlined below (section 2). The proposed accompanying research study is described in section 3.

2. MAIN ISSUES

2.1 While a number of Local Authorities across the UK have begun to trial and install 'no car zones' or similar schemes and the evidence base around environmental interventions to promote walking and cycling is growing, there are still substantial uncertainties about how these interventions work, the unintended consequences and if these interventions work differently in different contexts.

2.2 Therefore, to provide more evidence about the impact of environmental and policy changes, we intend to trial 'no car zones' restricting the use of the roads directly outside and in the vicinity of at least two schools in Cambridge by using Experimental Traffic Regulation Orders (ETROs).

2.3 Officers from the County Council's Road Safety Team have pulled together a shortlist of schools to trial this approach and have been working with other officers in the Policy and Regulation Team and from Cambridge City Council to establish the logistics of trialling the scheme at these sites. Considerations include:

- Logistics of the closure i.e. possible methods and possible impacts on traffic movement
- Proximity of existing air quality monitoring equipment and possibility of additional air quality monitoring
- Prior engagement of the schools in sustainable travel activity, demonstrating willingness to engage and the availability of recent mode of travel data for comparison.

2.4 The initial trial will run for 6-8 weeks in the Summer Term 2020 with an opportunity to then decide to continue the scheme for another full academic year within the ETRO.

2.5 Detailed work with the shortlist of schools to define the final sites and the extents of the ETRO will also commence following approval.

2.6 The ETRO would likely be effective for up to an hour in the morning and afternoon around the school drop-off and pick-up times and would be accompanied by a series of other activities to encourage and support walking and cycling.

2.7 If any infrastructure measures are required to implement the scheme it is proposed grant funding opportunities will be explored.

2.8 If successful, the Traffic Regulation Order (TRO) could be made permanent and more permanent measures considered.

3. MONITORING AND EVALUATION

3.1 As part of our commitment to monitoring and evaluation we have been in discussion with members of the University of Cambridge about how such a trial could be evaluated in a formal research study (referred to as the ‘study’ here).

3.2 This would be subject to University approval and an application to the University ethics committee, likely to Humanities and Social Sciences Committee.

3.3 The ultimate design of such a study will be determined once approval for implementation is given, but is likely to include surveys and interviews with schools and parents, residents and business owners, and councillors, in conjunction with air quality monitoring undertaken by the City Council.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 A good quality of life for everyone

The report above sets out details of significant implications in paragraphs 1.2 – 1.4.

4.2 Thriving places for people to live

The report above sets out details of significant implications in paragraphs 1.2 – 1.4.

4.3 The best start for Cambridgeshire’s children

The report above sets out details of significant implications in paragraphs 1.2 – 1.4.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- Funding has been secured by CEDAR to undertake the research elements of the trial as outlined in section 3.
- The report above outlines the possibility of grant funding to support any infrastructure required in 2.8.
- Should grant applications be unsuccessful the necessary funding would be allocated from the Highway Projects and Road Safety budget.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

5.3 Statutory, Legal and Risk Implications

The following bullet points set out details of significant implications identified by officers:

- The trial will be implemented using Experimental Traffic Regulation Orders, a method already tried and tested for this type of intervention by other Local Authorities (e.g. Solihull). All procedures for the ETRO process will be followed
- There is a risk associated with the enforcement of the TRO as this will require Police Officer attendance

5.4 Equality and Diversity Implications

The following bullet points set out details of significant implications identified by officers:

- The TRO used for the trial will allow exemptions for children with disabilities to be transported to school
- The TRO will maintain access for residents and for healthcare professionals to visit properties within the closure.
- A Community Impact Assessment can be found in **Appendix 1**.

5.5 Engagement and Communications Implications

The following bullet points set out details of significant implications identified by officers:

- Significant engagement will take place with schools, communities and local members as part of the programme to understand the impacts of the proposal.
- A Community Impact Assessment can be found in Appendix 1.

5.6 Localism and Local Member Involvement

The following bullet points set out details of significant implications identified by officers:

- Significant engagement will take place with schools, communities and local members as part of the programme to understand the impacts of the proposal.
- Member engagement will also take place in refining the shortlist of schools.

5.7 Public Health Implications

The report above sets out details of significant implications in paragraphs 1.2 – 1.4.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Sarah Heywood
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus da Silva
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Elsa Evans
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Matthew Hall & Eleanor Bell
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Richard Lumley
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Iain Green

Source Documents	Location
Full Council 17th July 2018 minutes	https://cambridgeshire.cmis.uk.com/ccc_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/857/Committee/20/Default.aspx

Appendix 1

COMMUNITY IMPACT ASSESSMENT

<table>
<tr><th colspan="2">Directorate / Service Area</th><th>Officer undertaking the assessment</th></tr>
<tr><td colspan="2">Highways – Highway Projects & Road Safety</td><td rowspan="5">Name: Matt Staton ....

Job Title: Highway Projects & Road Safety Manager ...

Contact details: matt.staton@cambridgeshire.gov.uk .</td></tr>
<tr><td colspan="2">Service / Document / Function being assessed</td></tr>
<tr><td colspan="2">No Car Zones around schools</td></tr>
<tr><td>Business Plan Proposal Number (if relevant)</td><td></td></tr>
</table>

Aims and Objectives of Service / Document / Function
This proposal involves implementing a trial of no car zones around at least two schools in Cambridge City with the aim to provide more evidence about the potential impacts of environmental and policy changes. As part of the monitoring and evaluation of this trial, our proposed research study intends to assess the scientific and operational feasibility of studying the impact of car free zones outside primary schools, focussing particularly on understanding the acceptability to a range of stakeholder, including schools, local residents, businesses and parents, unintended consequences, and the impact of different contexts.
What is changing?
The proposal is to trial 'no car zones' restricting the use of the roads directly outside and in the vicinity of at least two schools in Cambridge by using Experimental Traffic Regulation Orders (TROs). The trial would take place over 6-8 weeks in the Summer Term 2020 with the possibility to extend up to 18 months using the ETRO before making any decisions around permanent installation. Alongside the trial, the accompanying research study will provide evidence to complete a more informed Community Impact Assessment for any future use of similar interventions.
Who is involved in this impact assessment? e.g. Council officers, partners, service users and community representatives.
The assessment is being undertaken by Council officers and reflects on research evidence and discussions with partners and stakeholders from Cambridge City Council and public health researchers at the University of Cambridge.

What will the impact be?

Tick to indicate if the impact on each of the following protected characteristics is positive, neutral or negative.

Impact	Positive	Neutral	Negative
Age	x		x
Disability	x		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 a positive, negative and / or neutral impact, please provide details, including evidence for this view. 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 impact of the trial is expected to positively impact the health of children at the schools where the trial takes place. This could include improvements in air quality and changes in travel behaviour and reductions in congestion.

The impact is also expected to be positive for people with disabilities not travelling by car in the trial area.

Alongside the trial, the accompanying research study will provide further evidence about the potential positive impacts.

Negative Impact

The proposal may make access to the trial area more difficult for disabled people who require the use of a vehicle. There also may be a small negative impact for carers accessing properties within the trial area to provide care support to those with disabilities or the elderly. Businesses and local residents may also be affected.

Alongside the trial, the accompanying research study will provide further evidence about the potential negative impacts.

Neutral Impact

The trial is expected to have neutral impact on most protected characteristics outside those whose access may be affected by the trial, either positively or negatively.

Issues or Opportunities that may need to be addressed

The introduction of the trial may encourage further active travel behaviour, not just around school travel.

The impact on disabled people and care support for residents needs to be mitigated. Access can be maintained for these users in addition to residents and those with disabilities through the order, and has been implemented elsewhere (e.g. Solihull).

Community Cohesion

If it is relevant to your area you should also consider the impact on community cohesion.

The trial is intended to measure the effect on the community as a whole as part of the data collection which will inform future interventions of this type.

Agenda Item No:9(a)

DEMAND MANAGEMENT IN DEMAND MANAGEMENT IN SPECIAL EDUCATIONAL NEEDS AND DISABILITY (SEND)

To:	**General Purposes Committee**
Meeting Date:	**28th January 2020**
From:	**Service Director, Education (Cambridgeshire and Peterborough)**
Electoral division(s):	**All**
Forward Plan ref:	**Not Applicable** *Key decision:* **No**
Purpose:	**To agree a transformation fund draw down to fund a specialist resource to work with officers in the Special Educational Needs and Disability system (SEND) to skill them up to change conversations and adopt a strengths based model (similar to the Adult Positive Challenge Programme and Family Safeguarding) with schools and families. The aim being to reduce demand for specialist high cost services.**
Recommendation:	**The Committee is asked to:**

a) Note the current deficit position within the High Needs Block

b) Release £130k from the transformation fund to provide additional resources to undertake an analysis of demand and develop a range of demand management opportunities in SEND

	Officer contact:		***Member contacts:***
Name:	Jonathan Lewis	Names:	Councillor Simon Bywater
Post:	Director of Education	Post:	Chairman of Children and Young People's Committee
Email:	Jonathan.Lewis@cambridgeshire.gov.uk	Email:	Simon.Bywater@cambridgeshire.gov.uk
Tel:	01223 727994	Tel:	01487 831079

1. BACKGROUND

1.1 The Local Government Association has highlighted that the funding deficit that councils are facing in providing SEND services could grow nationally to more than £800 million in 2019/2020.

1.2. By the end of November 2019, the forecast in-year pressure on the High Needs Block in Cambridgeshire had risen to £9 million and numbers of Education Health and Care Plans (EHCPs) are continuing to rise. When added to the deficit carried forward from 2018/19 this results in a forecast cumulative Dedicated Schools Grant deficit of more than £16 million at the end of 2019/20.

1.3 The increased need and pressure on demand led services in Cambridgeshire is reflected in the rise of ECHPs. The number of EHCPs maintained on census day (third Thursday in January 2019) increased by 9% year on year which has been one of the main contributing factors to the financial position outlined in 1.2. The increased demand and complexity of need has also had a knock-on impact on council revenue funded budgets such as Home to School Transport and Education Psychology.

1.4 The entire population of Cambridgeshire is anticipated to increase by approximately 29,000 people between 2017 and 2026. The current number of children with ECHPs is 4,600. If the proportion of children and young people with EHCPs and SEND support remains roughly steady that will mean an additional 260 children with EHCPs and an additional 860 children requiring SEND support entering the system. In addition to this, complexity of need is also increasing among children and young people meaning that it is costing more on average to meet each child/young person's needs. This, coupled with the low funding given to Cambridgeshire by central government (the Cambridgeshire baseline for primary and secondary schools in 2019/2020 was £4,349 compared to a national average of £4,689, a difference of £340 per pupil) has created a pressure and overspend for the county.

1.5 Cambridgeshire has consistently seen a higher rate of EHCPs issued than national and similar authority averages. In 2018 Cambridgeshire had an EHCP rate of 18.9 per 1,000 of the eligible population compared to a rate of 17.8 amongst our statistical neighbours and a rate in England of 18.3.

1.6 The Council has been responding to these growing pressures through a variety of measures and in June 2019 submitted a Recovery Plan to the Department for Education. The Recovery Plan outlines a number of options that have been identified and discussed with the Schools Forum and aims to reduce the levels of High Needs spend in the coming years. All of the actions are still subject to consultation and final approval.

1.7 In addition it has been identified that there is a disproportionate number of EHCPs in the more affluent parts of the county; this is contrary to what our needs analysis tells us e.g. we should have more in the north than the south. The hypothesis is that schools/parents/carers in the south advocate more strongly for EHCPs than those in the north and this results in plans sometimes being agreed when other interventions and support could adequately meet need at a lower cost. With this in mind we want to upskill officers in the SEND system to be able to confidently have a different conversation with schools/parents/carers that results in increased community support as opposed to the high level of specialist support being provided to children with SEND.

1.8 The Adults Positive Challenge Programme (APCP) which has been in delivery since spring 2018 has taken this approach to delivering significant, and sustained, change in Adult Services. The outcomes from the programme to date show us that strengths based model can lead to people and teams working in different ways and positively responding to pressures in the system. Examples of where the APCP has had a positive impact include:

- Independence focus to Adults Social Care (ASC) website, leading to a reduction in contact pressures to the service and more appropriate referrals

- Technology Enabled Care (TEC) solutions being considered by staff as part of client conversations – supporting greater independence and less intensive service interventions

- Staff are empowered to have strengths based conversations with clients, supporting more flexible support and more independence focused outcomes

2. PROPOSAL TO DELIVER FURTHER CHANGE

2.1. We are requesting a drawdown of up to £130k from the Transformation Fund for specialist capacity. Market research indicates that this level of investment would provide the input required to deliver this work.

The skills needed from the specialist capacity are subject matter expertise in SEND, quantitative analysis and an understanding of both the theory and application of the assessment and the implementation of behavioural science techniques.

The specialist capacity would work alongside the service, the transformation team and business intelligence to:

- Enable the Council to test out hypothesis into what is driving demand and have a robust, evidence led analysis of demand drivers and subsequent demand flows and impacts in the system
- Identify, develop and test opportunities for different ways of working to positively influence demand
- Develop recommendations and opportunities for the Council to effectively and sustainably respond to demand and system pressures over the longer term

2.2 An initial scoping document has identified three pieces of work, which will identify the financial opportunity, delivery approach, and build confidence in the demand management approach for the SEND High Needs recovery programme. The detail of each workstream is set out in section 2.3:

- Analyse Demand: using qualitative and quantitative analysis, understand the amount of demand that can be positively influenced and identify opportunities to do this.

- Design Opportunities: based on the findings from the analysis of demand, this work will focus on developing a range of opportunities to manage demand. The focus will be on applying behavioural science tools and techniques with staff in the Council and partners to positively influence demand throughout the system.

- Deliver and Test Opportunities: Where there are opportunities, short and focused initiatives will be delivered to deliver quick wins, demonstrate impact and build confidence in the demand management approach.

2.3 Preliminary research has identified outcomes and deliverables for each of the three key components of the work.

2.3.1 Analyse Demand

Through benchmarking with other authorities, case reviews, surveys and panel observations the Council could gain:

- An understanding of how the Council compares to other authorities
- An understanding of where specialist support could have been reduced, delayed or avoided, and the early intervention support required to do so
- An understanding of what is driving demand as well as a range of interventions/ approaches that could have influenced level of need
- The identification of opportunities to influence demand and reduce demand on specialist provision
- Agreement with staff, parents and partners on opportunities for change

2.3.2 Design Opportunities

From using the findings of the demand analysis to develop opportunities, the Council could gain:

- An understanding of the benefits that could be realised for each opportunity
- Prioritised opportunities that will deliver the highest level of immediate impact
- Delivery plans with identified resources and evaluation measures ready to be implemented and deployed

2.3.3 Deliver and Test Opportunities

Dependent on the findings of the demand analysis and the opportunities developed, opportunities to be delivered and tested could include:

- Introducing a changing the conversation workforce development approach (behavioural science led framework) by delivering workshops on strengths based practice and behavioural science techniques with specific Council and partner staff. This will develop strengths based practice at key interaction points across a family and child's journey, building positive relationships and identifying appropriate support and independence focused outcomes for children and young people
- Reviews of higher cost placements, using strength-based conversations (as above) and a tool to codify needs, to ensure provision is appropriately matched to needs and consider where changes to existing placements and support could better meet outcomes at lower cost. This will link closely with the RAIISE project already underway

- Using behavioural science techniques to design and trial changes to decision-making processes around EHCP requests, approvals and plans and panel processes. This will ensure these are robust and transparent to parents/carers and professionals, contain appropriate needs based and outcomes focused challenge prompted through chair and attendee prompts, and that plans are the best way forward to appropriately meet a child or young person's needs

The overall outcome is to deliver and demonstrate positive impact on the Dedicated Schools Grant (DSG) deficit through reduced demand and cost, highlight the positive outcomes delivered, and build confidence in the demand management approach, however other outcomes could include:

- Revisions to the website and communication materials to develop a clear offer that is accessible to parents/carers and professionals, encouraging self-serve information and advice, positive behaviours and appropriately set expectations
- Increased robustness and transparency of decision making to ensure EHCP plans and support is appropriate to achieve better outcomes for children with SEND
- Through effective workforce development, empowered schools and professionals working with children with SEND which enhances support in mainstream settings and supports families to intervene effectively at home
- Improved use of resources and quality of support provided

2.4 It is anticipated that opportunities are implemented within 12 weeks of the work commencing, with measurable impact (such as identifiable shifts in demand and staff behaviours) being identified after 16 weeks.

2.5 The evaluation measures used will depend on the opportunities identified and initiatives delivered but could include a combination of:

Outcome	**System Impact**
Families and children feel empowered to access the information and support they need, without having to rely on professional support	Increased number of children and families receiving preventative support earlier on
Decision-making is more robust – ensuring needs match with the provision in order to deliver clear outcomes	Support more clearly aligned to needs and outcomes
Stronger relationships between professionals and family who work together to achieve the best outcomes for children and young people	Cost avoidance as a result of interventions which will prevent cost / additional spend
Parents and professionals are able to put the right support in place for children and young people with SEND that prevents need escalation	Reduced numbers and rates of exclusions and use of Alternative Provision

Parents and carers have increased trust in mainstream support	Reduced amount of demand for specialist support

2.6 This initial work will inform the longer-term demand management approach and resource requirement (if any) within the SEND Recovery Programme. The work set out in this paper will provide the route to delivery and give confidence in the impact of a demand-led approach. There are close links with the Preparing for Adulthood workstream which is part of APCP, in which Changing the Conversation training has already taken place.

3. ENABLERS AND INVESTMENT

3.1 We are requesting a transformation fund investment of £130k to undertake this work. The majority of savings will be made on the Dedicated Schools Grant.

4. RISK AND CONTINGENCIES

Risk	**Contingency**
There is insufficient data within the service to effectively analyse demand and identify opportunities	Business Intelligence led work streams within the SEND Recovery Plan (Performance Management, SEND Sufficiency Review and Data Management) are focused on providing accurate data to inform decisions and forecasting pupil numbers.
The savings identified do not offer significant improvements or substantial savings	Officers will work with the independent consultant to ensure that they have sight of all the information and data so that all opportunities for savings have been explored. Officers will look to embed a break clause in any contract issued if the return on investment does not represent value for money.
Knowledge and expertise around behavioural science remains with the consultants and is not passed down to the Council	Consultant training session with officers to provide the necessary toolkit/terminology Visits to children's high needs sites and to other comparable authorities Co-delivery wherever possible accompanied by feedback and coaching

5. ALIGNMENT WITH CORPORATE PRIORITIES

5.1. A good quality of life for everyone

The following bullet points set out details of implications identified by officers:

We are committed to providing high quality, sustainable local provision and services to meet the needs of children and young people with SEND.

5.2 Thriving places for people to live

There are no significant implications for this priority.

5.3 The best start for Cambridgeshire's children

The following bullet points set out details of implications identified by officers:

We are committed to promoting the early identification of children and young people's needs and early intervention to support them.

We are committed to providing choice and control for children and young people and Parents/carers wherever possible.

We are committed to working closely with health and other local authority colleagues to deliver the Best Start in Life strategy.

6. SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

Under this proposal there will be a requirement for up to £130k of transformation funding in support of this project.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

6.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

6.4 Equality and Diversity Implications

No significant implications have been identified at this stage. When the plan is formalised an Equality Impact Assessment will be carried out. Given the client group affected, it is foreseeable that the EIA may identify some impacts where mitigating efforts are required.

6.5 Engagement and Communications Implications

There are no significant implications within this category.

6.6 Localism and Local Member Involvement

There are no significant implications within this category.

6.7 Public Health Implications

There are no significant implications within this category. There is the need to link with the Best Start in Life strategy and other evolving work to improve outcomes for children and young people.

Implications	**Officer Clearance**
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus de Silva
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Jennifer Bartlett
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Joanne Dickson
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Jonathan Lewis
Have any Public Health implications been cleared by Public Health?	Yes Name of Officer: Tess Campbell

Source Documents	**Location**
None	Not applicable

Agenda Item No:9(b)

TO ADD CAPACITY TO THE FINANCIAL ASSESSMENT TEAM TO CARRY OUT CLIENT FINANCIAL ASSESSMENTS IN LINE WITH AGREED CLIENT CONTRIBUTION PROPOSALS

To:	**General Purposes Committee**
Meeting Date:	**28th January 2020**
From:	**Mark Gedney, Head of Financial Operations & Personalisation, Adult & Safeguarding Team**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To consider a Transformation Fund bid to add capacity to the Council's Financial Assessment team which will enable the team to reassess clients in accordance with the Council's amended care charging policy and client contribution assessment criteria.**
Recommendation:	**Committee is asked to:**

Approve the Transformation Bid proposal of £230,000 (for a period up to 18 months) to fund additional resource for the Financial Assessment team to deliver an enhanced client financial assessments service to apply the revised charging policy and secure the additional income due in 20/21 and future years.

	Officer contact:		*Member contacts:*
Name:	Mark Gedney	Names:	Cllr Anna Bailey
Post:	Head of Service, Adult Social Care Financial Operations	Post:	Chairwoman – Adults Committee
Email:	Mark.Gedney@cambridgeshire.gov.uk	Email:	Anna.Bailey@Cambridgeshire.gov.uk
Tel:	01733 452335	Tel:	01223 706398

1. BACKGROUND

1.1 Cambridgeshire continues to face significant financial pressures in delivering Adult Social Care, the main factors being: growth in the population of older people with complex needs and significant financial volatility in the care provider market. Budget setting has proved to be particularly challenging because of continuing and ongoing reductions in Government funding levels. This worsening financial situation coupled with the increasing demand for care and support has increased the need for Cambridgeshire to review its Adult Social Care charging policy.

Therefore Cambridgeshire's charging policy has been carefully reviewed against the Care Act 2014 charging legislation and guidance, plus benchmarked with other councils. The review identified five proposals for charging policy change on how clients can fairly and affordably contribute towards the cost of their care package.

1.2 Following consideration of the five proposals by the Adults Committee in September, an extensive public consultation was agreed. At this time the Council had approximately 3,500 clients accessing services that would be impacted by the proposed changes.

1.3 On 23rd September the public consultation opened for 12 weeks (closed 15th December). All clients deemed to be affected were identified and personally contacted by letter; additionally a series of informative events took place across the districts throughout the 12 week period. Clients and members of the community were encouraged to complete the client consultation survey which was made available through a number of different forums and widely publicised.

1.4 Information collated from the public consultation was included in the Client contribution proposal paper. The board paper was presented and considered by the Adults Committee where it received approval that the Council implement four out of the five proposed assessment changes.

2. IMPLEMENTATION OF PROPOSED ASSESSMENT CHANGES

2.1 On 16th January the Adults Committee approved the following assessment changes:-

a) To change the Minimum Income Guarantee figure used to the level set by the Department of Health and Social Care.

b) To include all rates (low, middle and high) of the following disability benefits in the financial assessment calculation:
   i) Attendance Allowance (AA)
   ii) Care component of Disability Living Allowance (DLA Care)
   iii) Daily living component of Personal Independence Payment (PIP – Enhanced rate)

c) To introduce a new administration fee to Adult Social Care service users whose social security benefits and finances are managed by the Council acting as their

Department for Work and Pensions corporate appointee.

d) To charge an annual (recurring) care arrangement fee to those people living in the community who are able to afford the full cost of their own care but have chosen to ask the Council to arrange this for them.

2.2 Further intensive data interrogation has identified that these changes will impact on the care charges of around 4,300 clients, and the anticipated additional income that would be generated from the above changes is expected over two years to be £1.7m in 2020/21 and a further £1.7m in 2021/22; totalling £3.4m. This is an estimated calculation as there are a number of variables including the outcome of individual financial assessments, personalised levels of disability related expenditure, the period over which the changes are implemented and the fact that the cohort of people affected will change over the two year period.

2.3 For 2020/21, financial reassessments for individuals will be phased throughout the year, hence the increase in revenue will run in parallel with the phasing of assessments. To achieve all revenue predictions through implementing the changes to the charging policy, the Financial Assessment Team (based at Scott House) will require additional resource to facilitate the process.

2.4 The Adults Committee have agreed that adult social care clients should where requested or where appropriate have their assessment by home visit – face to face. Whilst this option is the most resource intensive, it is an important method of ensuring that a full, personalised, affordable financial assessment is undertaken, and that the client is fully involved with this and has the opportunity to put forward any concerns they might have as a result of any increased care charge.

2.5 It is recognised this implementation will be challenging, and in addition there needs to be some initial preparation to ensure the following:

- Disability Related Expenditure (DRE) guidance and process is refreshed and issued to the Financial Assessment team
- The complaints and appeals process is clear and easily accessible for clients.
- Relevant partners are identified to work with clients regarding any increased charges and to assist with any issues raised to avoid debt.
- Financial assessment staff are fully trained in the how to apply the new changes to the charging policy in the financial assessment process and are fully aware of the support available through the Council's Early help team, relevant partners and other related agencies.
- Effective, comprehensive and accessible to help clients to access where to find additional support.

3. MAIN ISSUES

3.1 The Adult Social Care budget needs to grow by around 5% each year just to stand still and without making savings, due to demographic, legislative and market pressures. There are a number of future financial risks that cannot yet be quantified, in particular reliance on unconfirmed funding sources. Ensuring that all available revenue streams are accessed and maximised is therefore critical.

3.2 All new financial assessments will be loaded into the new Adult Social Care database system. The migration of financial assessment data from the Council's legacy systems to the new system has been a lengthy and challenging process, and created some early difficulties in data interrogation and reporting – however these issues have now been resolved.

3.3 The decision to bring the Financial Assessment service currently provided by LGSS back in house as a directly provided Cambridgeshire County Council service has now been taken, and a programme of work is currently underway to facilitate this, and also to look in more detail at service structure and consider recruitment preparations, staff retention matters as well as processes and training.

4. PROPOSAL

4.1 Currently the Financial Assessment Team services all the County from a central location in Huntingdon (Scott House). To execute the additional assessments and home visits where appropriate, there is a requirement for additional staff to be deployed to deliver this.

4.2 **What the team will look like**

The additional requirement is as follows: Five Financial Assessment Officers, the officers will sit within the existing service and operate seamlessly with 'business as usual' activity.

5. FUNDING

5.1 It is recommended that funding for the additional capacity within the Financial Assessment Team is drawn down from the Transformation Fund for the period March 2020 to September 2021. The total for this period would be up to £230,000 to cover recruitment and employment of: 5 FTE Financial Assessment Officers.

5.2 This funding bid meets the criteria of the Transformation Fund under the **Invest to Save** criteria (proposals that require an initial investment to achieve cash savings in future years, in line with Council and Service priorities as determined during the Business Planning process)

6. ALIGNMENT WITH CORPORATE PRIORITIES

6.1 **A good quality of life for everyone**

A good quality of life for everyone - The recommended changes have been considered alongside the need to support people to live healthy and independent lives, and continue to fully comply with the requirements of Government guidance on financial assessments for service user contributions to care and support packages.

6.2 **Thriving places for people to live**

There are no significant implications for this priority.

6.3 **The best start for Cambridgeshire's Children**

There are no significant implications for this priority.

7. SIGNIFICANT IMPLICATIONS

7.1 **Resource Implications**

- If the Transformation Fund bid is approved, this will result in a drawdown of up to £230,000 with the aim of the team becoming absorbed into business as usual aligning the growth of the team with the forecast adult population growth (see more detail in **Appendix A**) taking into consideration natural attrition.
- Beyond this, the Financial Assessment Team will continue to operate business as usual.
- Recruiting into this area has its challenges in the current labour market.

7.2 **Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications with this category

7.3 **Statutory, Legal and Risk Implications**

There are no significant implications with this category

7.4 **Equality and Diversity Implications**

There are no significant implications within this category

7.5 **Engagement and Communications Implications**

There are no significant implications within this category

7.6 **Localism and Local Member Involvement**

There are no significant implications with this category

7.7 **Public Health Implications**

There are no significant implications with this category

Implications	**Officer Clearance**
Have the resource implications been cleared by Finance?	No significant implications Name of Financial Officer: Stephen Howarth
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	No significant implications: Name of Officer: Gus De Silva
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	No significant implications: Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	No significant Implications: Communications lead with overall Client engagement: Lead Officer - Matthew Hall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Charlotte Black
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	**Location**
Agenda and Decision Summary **Adults Committee** **- 16 January 2020**	https://cambridgeshire.cmis.uk.com/ccc_live/Meetings/tabid/7 gPublic/mid/397/Meeting/1112/Committee/3/Default.aspx>

APPENDIX A

Population figures are produced by Cambridgeshire County Council Insight team, their work assists Local government authorities plan their service activity for the future. With regards to the aging population demand on Adult Social Care the table below forecasts age 65+ population growth for the next 20years from 2016 – 2036

	Year	65-74	75-84	85+	Total	% increase	Total Population
Cambridgeshire	*2016*	65,200	36,600	16,900	118,700		653,400
	2021	70,500	44,800	21,000	136,300	14.83%	713,800
	2026	72,500	56,400	26,000	154,900	30.50%	752,800
	2031	82,700	60,400	33,200	176,300	48.53%	779,300
	2036	89,200	63,000	43,000	195,200	64.45%	801,100

GENERAL PURPOSES COMMITTEE AGENDA PLAN	Published on 2nd January 2020 As at 20 January 2020 **Agenda Item No.10**	Cambridgeshire County Council

Notes

Committee dates shown in bold are confirmed.
Committee dates shown in brackets and italics are reserve dates.

The definition of a key decision is set out in the Council's Constitution in Part 2, Article 12.
* indicates items expected to be recommended for determination by full Council.
\+ indicates items expected to be confidential, which would exclude the press and public.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.
The agenda dispatch date is six clear working days before the meeting.

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
28/01/20	1. Minutes – 17/12/19	M Rowe		**15/01/20**	**20/01/20**
	2. Finance and Performance Report (November)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st November 2019	R Barnes	2020/001		
	4. Business Plan*	C Malyon	Not applicable		
	5. Transformation Fund Bids 1) Demand Management SEND 2) To add capacity to the Financial Assessment Team to carry out financial assessments in line with agreed client contribution proposals	J Turner	Not applicable		
	6. Procurement of Software Defined Networking Solution for the Cambridgeshire County Council Data Centre Migration	J Baker/ S Smith	2020/012		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	7. No Car Zones – Outside Schools				
[25/02/20] Provisional Meeting					
24/03/20	1. Minutes – 28/01/20	M Rowe		**11/03/20**	**16/03/20**
	2. Finance and Performance Report (January)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st January 2020	R Barnes	2020/002		
	4. Transformation Fund Monitoring Report Quarter 3 2019/20	J Turner	Not applicable		
	5. Treasury Management Report – Quarter 3	C Oliver/ T Kelly	Not applicable		
	6. Performance Report – Quarter 4	A Mailer	Not applicable		
	7. Plastics Strategy - Update	S French	Not applicable		
	8. Transformation Fund Bids 1) Request to become a Lifeline Provider	Jane Crawford-White	Not applicable		
[28/04/20] Provisional Meeting					
02/06/20	1. Minutes – 24/03/20	M Rowe		**19/05/20**	**22/05/20**
	2. Finance and Performance Report – Outturn 2019-20	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st March 2020	R Barnes	2020/003		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	C Oliver/ T Kelly	Not applicable		
	5. Performance Report – Quarter 1	A Mailer	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	6. Corporate Directorates' Risk Register	T Barden	Not applicable		
14/07/20	1. Minutes – 02/06/20			**01/07/20**	**06/07/20**
	2. Finance and Performance Report (May)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st May 2020	R Barnes	2020/016		
	4. Transformation Fund Monitoring Report Quarter 4 2019/20	J Turner	Not applicable		
[18/08/20] Provisional Meeting					
22/09/20	1. Minutes – 02/06/20	M Rowe		**09/09/20**	**14/09/20**
	2. Finance and Performance Report (July)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st July 2020	R Barnes	2020/017		
	4. Treasury Management Report – Quarter One Update 2020-21	C Oliver T Kelly	Not applicable		
	5. Transformation Fund Monitoring Report Quarter 1 2020-21	J Turner	Not applicable		
20/10/20	1. Minutes – 22/09/20	M Rowe		**07/10/20**	**12/10/20**
	2. Finance and Performance Report (August)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st August 2020	R Barnes	2020/018		
	4. Performance Report – Quarter 4	A Mailer	Not applicable		
24/11/20	1. Minutes – 20/10/20	M Rowe		**11/11/20**	**16/11/20**
	2. Finance and Performance Report (September)	T Kelly	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	3. Integrated Finance Monitoring Report for the Period Ending 30th September 2020	R Barnes	2020/019		
	4. Treasury Management Report – Quarter 2*	C Oliver T Kelly	Not applicable		
	5. Draft 2020/21 Capital Programme and Capital Prioritisation	C Malyon	Not applicable		
	6. Transformation Fund Monitoring Report Quarter 2 2020-21	J Turner	Not applicable		
	7. Corporate Directorates' Risk Register	T Barden	Not applicable		
22/12/20	1. Minutes – 24/11/20	M Rowe		**09/12/20**	**14/12/20**
	2. Finance and Performance Report (October)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st October 2020	R Barnes	2020/020		
	4. Amendments to Business Plan Tables (if required)	C Malyon	Not applicable		
	5. Draft Revenue and Capital Business Planning Proposals for 2021-22 to 2025-2026 (whole Council)	C Malyon	Not applicable		
	6. Treasury Management Strategy	C Oliver/ T Kelly	Not applicable		
	7. Performance Report – Quarter 3	A Mailer	Not applicable		
26/01/21	1. Minutes – 22/12/20	M Rowe		**13/01/21**	**18/01/21**
	2. Finance and Performance Report (November)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st November 2021	R Barnes	2021/001		
	4. Local Government Finance Settlement	C Malyon	Not applicable		
	5. Business Plan*	C Malyon	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	6. Consultation Report	S Grace	Not applicable		
	7. Transformation Fund Investments for Business Planning 2020-21 to 2024-25	A Askham	Not applicable		
[23/02/21] Provisional Meeting					
23/03/21	1. Minutes – 26/01/21	M Rowe		**10/03/20**	**15/03/20**
	2. Finance and Performance Report (January)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st January 2021	R Barnes	2021/002		
	4. Transformation Fund Monitoring Report Quarter 3 2019/20	J Turner	Not applicable		
	5. Treasury Management Report – Quarter 3	C Oliver/ T Kelly	Not applicable		
	6. Performance Report – Quarter 4	A Mailer	Not applicable		
[20/04/21] Provisional Meeting					
15/06/21	1. Minutes – 23/03/21	M Rowe		**02/06/21**	**07/06/21**
	2. Finance and Performance Report – Outturn 2020-21	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st March 2021	R Barnes	2021/003		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	C Oliver/ T Kelly	Not applicable		
	5. Performance Report – Quarter 1	A Mailer	Not applicable		