GENERAL PURPOSES COMMITTEE

Cambridgeshire County Council

Date:Tuesday, 28 July 2015

Democratic and Members' Services
Quentin Baker
LGSS Director: Law, Property and Governance

Shire Hall
Castle Hill
Cambridge
CB3 0AP

10:00hr

Kreis Viersen Room
Shire Hall
Cambridge
CB3 0AP

AGENDA

Open to Public and Press

KEY DECISIONS

Item Title

Appendix 1 of this report is confidential. If members wish to discuss this, it will be necessary to exclude the press and public as detailed in item 21 below.

Item Title

Appendices 1 & 2 of this report are confidential. If members wish to discuss these, it will be necessary to exclude the press and public as detailed in item 21 below.

21 Exclusion of Press and Public

That the press and public be excluded from the meeting during the consideration of the following report on the grounds that it is likely to involve the disclosure of exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it refers to information relating to the financial or business affairs of any particular person (including the authority holding that information)

The General Purposes Committee comprises the following members:

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

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

Clerk Name: Michelle Rowe

Clerk Telephone: 01223 699180

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

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

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

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GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 19th May 2015

Time: 10.04a.m. – 12.43p.m.

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

Apologies: Councillors Rylance *[Note – Councillor Jenkins texted his apologies after the meeting had started]*

107. NOTIFICATION OF CHAIRMAN/WOMAN AND VICE-CHAIRMAN/WOMAN

The Committee noted that the Council had appointed Councillor Count as the Chairman and Councillor McGuire as the Vice-Chairman for the municipal year 2015-16.

108. DECLARATIONS OF INTEREST

There were no declarations of interest.

109. MINUTES – 14TH APRIL 2015 AND ACTION LOG FROM 12TH MARCH 2015

The minutes of the meeting held on 14th April 2015 were agreed as a correct record and signed by the Chairman. The Action Log for the meeting on 12th March 2015 and the following updates were noted:

- a briefing note detailing the process for bidding for additional funding would be circulated to the Committee. **Action Required.**

- a framework had been agreed for asset based reports, which included reference to service delivery and locality; this framework would be tested on the next property related matter.

110. PETITIONS

No petitions were received.

111. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST MARCH 2015

The Committee received the final operational report detailing the financial and performance information to assess progress in delivering the Council's Business Plan 2014/15. It was noted that the overall revenue budget position was showing a forecast year end underspend of - £4.0m, which was an increase of -£3.6m from the previous forecast reported to the Committee. The Chief Finance Officer explained that this turnaround related to the adjustment of bad debt provision following the on boarding of Cambridgeshire Community Services (CCS). The Council had made prudent provision for the transfer of significant debt from CCS but in the end very little had needed to be written off. The figure also included interest on deferred Section 106 monies and resources from the Transformation Fund, which had not had to deal with as many redundancies as anticipated. As a result more funding had been contributed to the Pension Fund.

Before opening the debate, the Chairman informed the Committee that it would be necessary to exclude the press and public if it wished to discuss confidential Appendix 7. During discussion, members made the following comments:

- confirmed that all Directorates would need to follow the procedure agreed by Council on 12 May 2015 to manage any underspend against the original cash limit for the year, as set by Council. The Chief Executive informed the Committee that the -£0.749 underspend in Public Health would be subject to this process.

- queried why the business case for the implementation of a replacement Enterprise Resource Planning system had not been considered as part of the Business Planning process. The Chief Finance Officer reported that the project had not been developed sufficiently to include in the plan. However, he acknowledged that it would have been prudent to have made provision for a guesstimate value. The Director of People, Transformation and Transactions explained that a replacement system was not needed until November 2017 so this was a proactive proposal rather than reactive.

- welcomed the recent workshop on business planning and the concentration on outcome focussed budgets, which it was hoped would turn performance indicators from red to amber and green. Officers were encouraged to adopt a different approach to budgeting.

- requested clarity in relation to the treatment of reserves. The Chairman explained that any underspend against the original cash limit for the year, as set by Council, would be kept by the relevant Directorate. The Directorate would then need to have a conversation with the Section 151 Officer as to how this funding would be utilised based on plans agreed and scrutinised by the relevant committee. It was important to note that not all underspends would necessarily remain with the Directorates. Contingency funding would continue to be held in the general reserve.

- queried whether the -£0.749 underspend would still be ring-fenced to Public Health. The Chairman reported that it would be ring-fenced but there would be a full and transparent process to consider how it should be used.

- queried how Directorates would deal with overspends beyond their control for example an increase in Looked After Children. The Chief Finance Officer explained that resources were allocated in order to deliver agreed policy activity as detailed in the Business Plan. Although resources should be sufficient, there were always exceptions. Directorates had no power to spend beyond their budget. Council was the only body which could allocate additional funding and this should only be by exception. The Chairman reminded the Committee that Children, Families and Adults (CFA) had the largest budget. It was therefore the responsibility of the Directorate to manage pressures in areas of its budget. Members were reminded that cash was allocated to service blocks so there might need to be negotiation between committees.

- queried why it was proposed to write-off client contribution debt of £29,502. The Chief Finance Officer explained that there was insufficient estate to recover the debt. One Member queried how it had reached this scenario. The Chief Finance Officer agreed to provide Members with a written answer. **Action Required**

- reiterated the need to split the indicator for the proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted by sector i.e. secondary, primary and special schools.

It was resolved unanimously to:

a) Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action was required.

b) Approve the write-off of a client contribution debt for the sum of £29,502 (section 3.2.3).

c) Approve that the £261,900 additional Education Services Grant (ESG) received in 2014/15 be transferred to the General Fund (section 7).

d) Approve a supplementary capital estimate in the sum of £1.104m (Cambridgeshire County Council's cost share) for the implementation of a replacement Enterprise Resource Planning system (section 6.7).

112. CAMBRIDGESHIRE LOCAL ASSISTANCE SCHEME (CLAS) – ALLOCATION OF FUNDING FROM CENTRAL GOVERNMENT 2015-16

The Chairman invited Mr Nigel Howlett, Chief Executive of the CHS Group, to address the Committee. Mr Howlett explained that he currently chaired the Cambridgeshire and Peterborough Financial Capability Forum, and that his organisation was an 'authorised agent' for the Cambridgeshire Local Assistance Scheme (CLAS).

Whilst he acknowledged the financial difficultly the Council was facing, he highlighted with the use of a specific case why CLAS was so important. An adviser had visited a house where a client and her three children had no heating, lighting or money, very little furniture and a broken fridge and cooker. Given the health difficulties faced by the client and two of her children, the adviser had spent four hours with the family to try and address some of their issues. An immediate request to CLAS had resulted in a food pack and a fridge and cooker. Whilst CLAS could not solve all of this family's problems immediately, it did play a unique role.

Mr Howlett explained why CLAS was so effective. He stressed that it was simple to apply, decisions could be made quickly, and it gave people hope. He was proud that the Council had proposed to continue to support CLAS in the absence of Government funding. In response to a question from the Committee, he explained that CLAS involved a range of partnerships to address a number of issues to avoid people becoming a major pressure on public services.

The Committee considered a report setting out the reasons for a request from Adults Committee to increase the current allocation of £350k to a maximum of £513k for CLAS. It was reminded that the Council had received late notification of additional funding of £513k as part of the Government's February response to the consultation on the future of local assistance schemes. The report included the likely impact of CLAS not receiving the full allocation of extra funding sought. It was proposed that the 'additional' £163k would be ring-fenced to fund the delivery of direct provision. In the event that this funding was not fully spent, it would be rolled over to 2016-17 and again made available to support direct provision. Adults Committee was also proposing to use £100k to make CLAS more sustainable in order to prepare for any likely future reduction in funding.

The Chairman informed the Committee that Adults Committee was effectively asking for more funding after the Business Planning process. He therefore asked the Chief Finance Officer to articulate the options available to the Committee, which included declining the request for funding, proposing Adults Committee use the service reserve for 15/16 and then include in cash limits for 16/17, or fully resource the additional funding as requested in the report. During discussion, members made the following comments:

- queried what had changed following the design of a scheme based on funding of £350k. Members were informed that the amount awarded per application had steadily reduced from £1,000 to £350. Families were therefore getting less and primarily just funding for fuel, food and clothing.

- highlighted the increase in extreme poverty, and the need to fund CLAS corporately in order to provide crisis welfare. There was concern that if it was funded by Adults Committee it would effectively be a cut in budget. One Member queried the impact of including provision in the base budget, which was changing all the time. The Chief Finance Officer acknowledged that if the recommendations were agreed the base budget would change. However, it was important to note that the overall cash limit would not change so additional savings would need to be found within CFA. One Member raised the need for General Purposes Committee to avoid dictating to Adults Committee. He proposed that the funding decision for 2016/17 should remain with Adults.

- highlighted the fact that CLAS was effectively an invest to save project. It was suggested that Adults Committee should be asked to submit a business case to make CLAS more sustainable in the light of outcome focussed budgets. The Chairman highlighted the need for Adults Committee to consider an associated recovery plan when providing assistance.

- queried whether issues regarding the lack of advertising of CLAS had been addressed. It was noted that the number of authorised agents had increased to provide coverage across the county. The Vice-Chairwoman of Adults Committee explained that it was proposed to have an allocation per area to avoid issues of over and under utilisation.

- noted that this issue had received a significant level of input from Adults Committee, which was trying to create a more sustainable wide scheme by getting hold of rejected white goods. Unfortunately, the increase in funding from Government had undermined some of these discussions and offers of resource. The Committee had requested that £100k should be invested to create a higher level of integration and sustainability for crisis support across the county.

- thanked Mr Howlett for supporting timebanking to held build social capacity. The need to make people aware of how they could donate white goods was highlighted. At the moment the process for donating was very disjointed. It was noted that officers had been working on this issue which was being tested via a pilot in Cambridge City for recycling white goods. Members raised the need to make strenuous efforts to encourage recycling as it would save the Council money in terms of preventing people reaching crisis, and having to dispose of white goods.

- expressed concern about the proposal to ring-fence £163k as this could prevent the Council from funding something more important.

- queried whether all the funding would be used to assist families. It was noted that a charge was made in order to administer the scheme. However, this charge had been negotiated down and was set at a competitive figure. The current provider was considering cheaper ways of delivering the scheme. It was queried whether the cost of an adviser spending four hours with a family was met by the Council. It was noted that the operation of advisers was the responsibility of the authorised agent so the Council did not incur any extra cost. However, it did provide the Council with information about families in the wider sense.

- queried the operating costs of the authorised agents particularly the management costs. Members were advised that the Council was considering how much it spent on administration. It was noted that most referrals were made by District Council Housing Teams. It was hoped that District Councils could be part of the wider solution, which could involve administering CLAS.

- queried whether it was right to do things to communities rather than let the community deliver a service. It was acknowledged that a considerable amount of crisis support was provided outside the council. The Council would therefore be using part of the £100k funding to build networks and make connections.

- highlighted the impact of CLAS being under threat to agencies such as Cambridge Women's Aid. The Chairman queried whether the Government was likely to cut funding in the future. The Chief Finance Officer reminded the Committee that there would be a spending review. He explained that grant funding had rolled in for 2015/16 but it was impossible to identify for 16/17. It was likely that this funding might be subsumed within the grant system rather than earmarked for CLAS.

- highlighted the fact that this report should have been prepared for the General Purposes Committee, with the Adults Committee report as an informative appendix.

The Chairman proposed, with the unanimous agreement of the Committee, to delete recommendation (b). *((b) - The additional £163k would be ring-fenced to deliver direct provision. In the event that any part of this money is not required, it will be rolled over to 2016-17 and again made available to support direct provision;)*

It was then resolved unanimously to increase the current allocation of £350K to a maximum of £513K for Cambridgeshire Local Assistance Scheme (CLAS), as set out in the Government's February announcement confirming the allocations to Local Authorities for local welfare and health and social care needs, noting that:

(a) The current allocation of £350k was likely to be insufficient to meet the demand for direct provision despite the agreement to reduce the amount per successful application from £535 to £350; and

(b) The £513k funding would be reoccurring but a decision about the future funding of CLAS would be reviewed in the light of some of the plans to make CLAS more self-sustaining during 2015-16.

113. REVIEW OF INVESTMENT PRINCIPLES FOR ENERGY PROJECTS

The Committee was asked to review the set of investment principles and level of investment agreed at General Purposes Committee on 9th September 2014 for the Local Authority Fund investments into energy projects. Attention was drawn to forecast investments into Energy Performance Contracting (EnPC), charges to schools for providing EnPC projects and the European Regional Development Fund proposal.

During discussion, Members welcomed the operation of this project. In response to a query, it was noted that all loans were self financing and did carry a small risk margin. The Committee was pleased to see that the Council was differentiating academies. It was noted that for maintained schools the Council could use a simple loan. However, it was not possible to use this arrangement for academies. This funding was managed by a service arrangement via an operational lease resulting in a residual risk for the Council. Therefore it was proposed to charge academies to reflect this risk. It was noted that if a Maintained School became an academy, the school would take over the obligation of the loan.

It was resolved unanimously to agree:

(a) that the existing delegated authority to provide loan funding for individual projects at schools and County Council sites be extended from £5m to £10m;

(b) that charges made by the County Council to academy schools can be greater than those to maintained schools in order to reflect the different contractual structure now proposed for academies and its slightly greater risk to the County Council;

(c) that investments into energy projects can be used to match fund European Regional Development Fund grant if the Council's bid succeeds.

114. SOHAM SOLAR PARK

The Committee received a report detailing a proposal to build a 60 acre solar farm on the County Council's Rural Estate at Triangle Farm, Soham. The project would cost in the region of £10m and was anticipated to produce a return of about 7% per annum. Funding was allocated in the Council's budget on this basis. It was noted that a fully costed Investment Grade Proposal and the Value for Money analysis would be completed by 13 July to enable secure contracts to be signed by 19 August in order to satisfy Mobilising Local Energy Investment timescales. Before opening the debate, the Chairman informed the Committee that it would be necessary to exclude the press and public if it wished to discuss confidential Appendix B.

Members welcomed and supported the proposal. However, one Member expressed regret that the Cabinet had not looked at this project years ago. The Chairman who had held the relevant Cabinet Portfolio covering this project explained that it had been instigated by Cabinet. He also provided some background as to why this site had been selected.

Members queried the possibility of considering alternative sources of energy such as ground source heat pumps and fracking. It was noted that the pumps produced heat whilst the solar park would produce energy. However, officers were looking for potential sites to install pumps. It was noted that there were no opportunities for fracking in the County.

One member expressed concern about this proposal as the Council was not a developer or a business. He was particularly concerned about the level of objection which might occur locally. The Chairman explained that this scheme had gone through the planning process without attracting a significant level of objection. It was important to note that it was on a Grade 3 arable site outside of Soham. The Chief Finance Officer reported that this scheme was not driven by the need to retain the grant as provision had been made in the Business Plan to repay it if necessary. Other Members commented that the Council needed to make the best use of its assets and a 7% return was very attractive.

One Member stressed the need for this project to go ahead. He was reassured by the fact that the IGP would be completed by 29 June and then a Value for Money analysis would take place in the next two weeks. Given the Committee timescales, it was proposed to delegate the final decision to enter into a contract for the construction of a Solar Farm to the Chief Finance Officer in consultation with the Chairman. The project would take six months to build.

It was resolved unanimously to:

> authorise the development of an Investment Grade Proposal for the solar farm and delegate the final decision to enter into a contract for the construction of a Solar Farm at Triangle Farm, Soham subject to the project meeting the minimum financial returns set out in this report to the Chief Finance Officer in consultation with the Chairman of General Purposes Committee.

115. TREASURY MANAGEMENT QUARTER FOUR REPORT

The Committee received the fourth quarterly update on the Treasury Management Strategy 2014-15, approved by Council in February 2014. The Chief Finance Officer explained that the report reflected a reduced level of borrowing linked to the slippage in the capital programme.

During discussion, one Member queried whether the Member Review Group looking at the Treasury Management Strategy had considered ethical funds. The Chief Finance Officer reported that it had met twice but its primary focus had been on property matters following the extension of its remit at the last meeting of General Purposes Committee. The Group would be reviewing the Investment Strategy and would bring forward a report in the first quarter. Speaking as a member of the Group, Councillor Hickford reported that there had been a good discussion on corporate bonds. Unfortunately, the Council did not have the size of investment which would make a difference so the Group had more productively focused on housing. He encouraged members of the Review Group to report back to their political groups.

It was resolved unanimously to:

> note the fourth quarterly update and Treasury Management Outturn Report 2014-15 and recommend it to full Council for approval.

116. COMMUNITY CENTRE PREMISES, NEWMARKET ROAD, CAMBRIDGE

The Committee received a report which related solely to a single short term property arrangement required to protect the Council's legal position in respect of the Community Centre premises at Newmarket Road in Cambridge. A further report associated with proposals to redevelop the East Barnwell site would be presented to the Committee at a future meeting. Members were informed that alternative arrangements would be agreed with the tenant before any notice was given. Councillor Bullen reported that, together with Councillor Count, he had attended a cross party meeting of users of the site.

It was resolved unanimously to:

> authorise the grant of a Tenancy at Will for less than best consideration, and for detailed terms to be agreed by the Director of Finance, in consultation with the Chairman of General Purposes Committee

117. CORPORATE RISK REGISTER

The Committee received a report detailing the current status of corporate risk. Attention was drawn to the two red residual risks. Firstly Risk 9, 'Failure to secure funding for infrastructure', and Risk 1a, 'Failure to deliver a robust and secure Business Plan over the next 5 years'. It was proposed to remove Risk 25 'Failure to effectively implement the Council's new governance arrangements' given that Council had recently considered a review conducted by the Constitution and Ethics Committee, which would also continue to review the arrangements on a regular basis.

Members queried how much Risk 1a was attributable to less government support. The Chief Finance Officer reported that the organisation had a massive budget challenge in the years ahead. The Business Plan was currently £16m adrift in 2016/17, £30m adrift in 2017/18 and the same again in 2018/19. There would need to be some unpalatable political decisions taken. It was therefore likely that the Council might not achieve a balanced budget. Members commented that the onus on Councillors was to provide leadership. It was noted that although it had been identified as a risk it did not mean it would actually happen.

It was resolved unanimously to note the position in respect of corporate risk.

118. CORPORATE SERVICES AND LGSS CAMBRIDGE OFFICER FINANCE AND PERFORMANCE REPORT – MARCH 2015

The Committee received a report detailing the March 2015 Finance and Performance report for the Customer Service and Transformation Directorate and LGSS Cambridge Office.

Members queried the underspend of £9.2m in the LGSS Managed capital budget. The Chief Finance Officer reported that the largest item was the IT programme of £3.6m to support the roll out of flexible working, which would be spent over the next 3 to 4 years. The Chairman drew attention to a £0.9m underspend in the delivery of the Awdry House project.

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

119. SCHOOLS CAPITAL FUNDING UPDATE

The Committee received an update on the grant funding available to support the delivery of school places within the county. The Chief Finance Officer reminded Members that this report had been prepared in response to a request from the Committee at its March meeting. Attention was drawn to the Priority School Building Programme 2, School Condition Allocation, and Basic Need Funding. The overall picture was that the 2017/18 Basic Need Allocations had brought the Council back in line to what was required relieving the degree of short term angst in the programme.

In response to a query, the Chief Finance Officer reported that notification of the funding for 2017/18 had been received before the election and the Government was not seeking to revisit it.

One Member reported that schools were falling into a state of disrepair and there had been a failure in terms of funding for urgent need. He urged the Council to move towards greater community resilience. He queried what was preventing parents and other community groups from taking on repairs to schools their children attended. Another Member stressed that it was the responsibility of the state to repair school buildings. He questioned whether some parents would have the resources or the where with all to maintain their local school.

One Member queried whether the Council was aware of the finances of schools particularly in North Cambridgeshire, which were facing a catastrophic financial situation. The Chairwoman of Children and Young People Committee reported that the Council knew exactly the financial situation of maintained schools. However, academies were under no obligation to provide this information. The Council had no power to intervene in academies. It was hoping to set up a School Improvement Board but did not have the power to instruct academies to attend.

The Chief Finance Officer added that he had a statutory duty to sign a statement in relation to budgets for maintained schools but no statutory duty in relation to academies. The Chairman commented that whilst the Council had an obligation in terms of education for all pupils, it was still trying to work out how it could achieve it in relation to academies. One Member queried whether it would be possible to submit a Freedom of Information request to the Department for Education to see the accounts for academy schools. The Chief Finance Officer agreed to investigate. **Action Required**

The Vice-Chairman of Children and Young People Committee reminded Members that the funding position for Cambridgeshire Schools had been unfair under successive governments and a fairer funding formula was needed. The Chairman queried whether there was a process to take advantage of slippage in the capital programme. The Chief Finance Officer explained that the Council could re-profile schemes if it knew about slippage. The capital programme was driven by school places and knowledge of growth areas. It was managed by a sophisticated modelling process.

It was resolved unanimously:

> that the current Business Plan capital funding projections be updated to reflect the additional funding as set out within paragraph 5 of this report.

120. DELEGATIONS FOR PROPERTY DECISIONS

The Committee received a report detailing the current position regarding delegations to Officers in respect of property decisions.

The Chairman reported that the Constitution and Ethics Committee, at its last meeting, had suggested that any officer decision to dispose of land above £250,000 should be recorded. Reference was made to the desirability of Members being aware of land disposals, particularly in view of their local knowledge of their Division. Members commented on the merit in reviewing the delegation of decisions relating to the disposal of assets. In that context, it was noted that the General Purposes Committee, at its meeting to be held on 19 May 2015, would be considering a report on officer delegations for property decisions. It was accordingly requested that the Committee's comments with respect to the need for greater transparency about decisions concerning the disposal of property should be conveyed to the General Purposes Committee.

The Chairman therefore proposed with the unanimous agreement of the Committee the addition of recommendation (iii) below.

During discussion, Members felt that the report had not identified how it would improve engagement of Members in property matters and at what stage they would get involved. They stressed the importance of local knowledge and the need to involve Members at an early stage. It was acknowledged that issues were not always about the monetary value of land. The Chairman highlighted the need to prepare a protocol to improve the engagement of Members, which could involve a checklist and a master list. Councillor Hickford proposed an amendment, seconded by Councillor Bullen, to ask the Chief Finance Officer to draw up a protocol for the improved engagement of members in consultation with the Treasury Strategy Review Group. On being put to the vote, the amendment was carried.

One Member asked for the wording in 4.5 of the report to be amended to reflect the need for Local Members to be consulted and advised before any property decisions were taken.

It was resolved unanimously that:-

(i) the Delegations for property decisions remain as drafted in the Constitution;

(ii) the production of a protocol for improved engagement of members be drawn up by the Chief Finance Officer in consultation with members of the Treasury Strategy Review Working Group.

(iii) delegations associated with the approval of land and property transactions with a capital value, or a total cumulative revenue value, of between £250,000 and £500,000 will follow the requirements of The Openness of Local Government Bodies Regulations 2014 in order to achieve greater transparency.

121. ACCOUNTABLE BODY ROLE FOR THE GREATER CAMBRIDGE GREATER PETERBOROUGH LOCAL ENTERPRISE PARTNERSHIP

The Committee considered a report detailing the Council's role as Accountable Body for Greater Cambridge Greater Peterborough Local Enterprise Partnership.

It was resolved unanimously to:

i) Consider and endorse Cambridgeshire County Council's continued role as Accountable Body for the Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGPEP).

ii) Delegate day to day responsibility for the Accountable Body role for the GCGPEP to the Section 151 Officer.

iii) Endorse the Greater Cambridge Greater Peterborough Local Enterprise Partnership Assurance Framework and delegate responsibility for making relevant changes or updates to this to the S151 Officer in consultation with the Chairman and Vice-Chairman of the General Purposes Committee.

iv) Delegate responsibility to the S151 Officer in consultation with the Chairman and Vice Chairman for GPC to develop and finalise an Accountable Body Agreement between Greater Cambridge Greater Peterborough Local Enterprise Partnership and Cambridgeshire County Council.

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

The Committee was asked to review its agenda plan and to consider appointments to the Fenland Crime Reduction Partnership and Wisbech Market Town Transport Strategy. It was noted that a full list of Outside Bodies, Partnership Liaison and

Advisory Groups, and Internal Advisory Groups and Panels would be presented to the next meeting.

It was resolved unanimously to note the agenda plan and to delegate the appointment of members to the Fenland Crime Reduction Partnership and Wisbech Market Town Transport Strategy to the Chief Executive in consultation with Group Leaders.

Chairman

Agenda Item No.3

GENERAL PURPOSES COMMITTEE

Minutes-Action Log

Cambridgeshire County Council

Introduction:

This log captures the actions arising from the General Purposes Committee on 19 May 2015 and updates members on the progress on compliance in delivering the necessary actions.

This is the updated action log as at.

Minutes of 19th May 2015					
Item No.	**Item**	**Action to be taken by**	**Action**	**Comments**	**Completed**
109.	**Minutes – 14thApril 2015 and Action Log from 12th March 2015**	C Malyon	The Chief Finance Officer to issuea briefing note detailing the process for bidding for additional funding to be circulated to the Committee.	15 July: Verbal update given at last GPC meeting.	Yes

Item No.	Item	Action to be taken by	Action	Comments	Completed
111.	**Integrated Resources and Performance Report for the Periodending 31st March 2015**	C Malyon	The Chief Finance Officer to provide a written answer regarding why it was proposed to write-off client contribution debt of £29,502	15 July: The client's daughter was the corporate appointee for the client's finances and therefore responsible for paying his fees during the period pertaining to the debt. The fees were not paid in full however, and both the client and the daughter are now deceased with no estates from which to recover the remaining debt.	Yes
114.	**Soham Solar Park**	C Malyon S French J MacMillan	Delegate the final decision to enter into a contract for the construction of a Solar Farm at Triangle Farm, Soham subject to the project meeting the minimum financial returns set out in this report to the Chief Finance Officer in consultation with the Chairman of General Purposes Committee.	Must fulfil the requirements of the Openness Regulations when the contract is awarded. 15 July: Contract is not yet awarded, the Investment Grade Proposal is in the process of being assessed.	

Item No.	Item	Action to be taken by	Action	Comments	Completed
119.	**Schools Capital Funding Update**	C Malyon	To investigate the possibility of submitting a Freedom of Information request to the Department for Education to see the accounts for academy schools.	15 July: The Education Funding Agency has not responded to an informal request for the information, sent on 20 May. Accounts must be filed with Companies House but there is a charge for accessing this information. It is possible to submit a Freedom of Information request to either the Department for Education or the Education Funding Agency, although depending on the volume of data it could be subject to the 18-hour limit on retrieving information, beyond which a request can be refused. An alternative would be to submit a request to each academy individually.	Yes

Item No.	Item	Action to be taken by	Action	Comments	Completed
120.	**Delegations for Property Decisions**	C Malyon	The production of a protocol for improved engagement of members in property decisions to be drawn up by the Chief Finance Officer in consultation with members of the Treasury Strategy Review Working Group.	15 July: A proposed protocol for Member engagement has been drafted and discussed with the Review Group. This has been circulated to all Members for comment, and the feedback will be considered at the next Review Group meeting in July	
121.	**Accountable Body Role for the Greater Cambridge Greater Peterborough Local Enterprise Partnership**	C Malyon	Delegate responsibility to the S151 Officer in consultation with the Chairman and Vice Chairman for GPC to develop and finalise an Accountable Body Agreement between Greater Cambridge Greater Peterborough Local Enterprise Partnership and Cambridgeshire County Council.	15 July: Final draft of the Accountable Body Agreement is being agreed and run past the LEP's legal team before being signed off.	
122.	**General Purposes Committee Agenda Plan and Appointments to Outside Bodies, Partnership Liaison and Advisory Groups, and Internal Advisory Groups and Panels**	M Lloyd	Delegate the appointment of members to the Fenland Crime Reduction Partnership and Wisbech Market Town Transport Strategy to the Chief Executive in consultation with Group Leaders.	Fenland Crime Reduction Partnership on the agenda for the meeting of 28 July 2015.The Wisbech Market Town Transport Strategy Steering Group is no longer in existence.	Yes

Agenda Item No. 4

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE YEAR ENDING 31ST MARCH 2015

To:	**General Purposes Committee**		
Date:	**28th July 2015**		
From:	**Chief Finance Officer**		
Electoral division(s):	**All**		
Forward Plan ref:	**2015/037**	*Key decision:*	**Yes**

Purpose: **This report:**

- **details the performance of the Council for the 2014/15 financial year.**
- **is a management report that precedes the production of the Council's formal Statement of Accounts. Although the Outturn Report and Statement of Accounts reconcile to one another, it is the statutory Statement of Accounts on which the audit opinion is formed.**

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

a) Note the Council's year end resources and performance position for 2014/15.

b) Approve the following year end adjustments:

- **A reserve to the value of £893k to mitigate against potential contract disputes;**
- **A reserve to the value of £56k in respect of back-scanning work; and**
- **A reserve to the value of £1.0m in respect of anticipated costs associated with the implementation of the Operating Model for Business Planning (section 3.2.10)**

	Officer contact:
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Email:	Chris.Malyon@cambridgeshire.gov.uk
Tel:	01223 699796

1. PURPOSE

1.1 To present financial and performance information for the financial year 2014/15.

2. OVERVIEW

2.1 The following table provides a snapshot of the Authority's performance for the financial year 2014/15 by value and RAG (Red, Amber, Green) status.

Area	Measure	Year End Position	Status
Revenue Budget	Variance (£m)	-£1.9m	Green
Basket Key Performance Indicators	Number at target (%)	43% (6 of 14)	Amber
Capital Programme	Variance (£m)	-£80.8m	Amber
Balance Sheet Health	Net borrowing activity (£m)	£346m	Green

2.2 This report summarises the overall position for the whole year whereas previous reports have focussed on the movements since the previous report. As is the case with every year end report there are a number of changes that result as balance sheet activities are reviewed. This has resulted in two provisions being made within the accounts of the authority for the year. These do not affect the operational position that was reported to the Committee as part of the provisional outturn (March). There has, however, been some minor movement in operational expenditure and these are set out below in paragraph 3.2.

2.3 The key issues included in the summary analysis are:

- The overall revenue budget position was an underspend of -£1.9m (-0.5%) at year end.
- This is a reduction of £2.1m to forecast underspend reported last month (March provisional). This mainly relates to the incorporation of the year-end adjustments (see section 3.2.10).
- The year end reported position is an achievement following the significant savings target the Council was faced with this financial year (see section 13.1). See section 3.2 for details.
- Key Performance Indicators; there are 14 indicators in the Council's basket, of which 6 are on target at year end. See section 10 for details.

- The Capital Programme is reporting an underspend of -£80.8m (-41%) at year end, which is an increase in the underspend of -£5.4m since last month. The majority of this is due to further slippage in the programme across Economy, Transport and Environment (ETE) and Children, Families and Adults (CFA). See section 11 for details.

  Of the reported underspend in 2014/15, c.75% of it relates to scheme slippage. The remaining c.25% relates to either total scheme underspends and/or exceptional post Business Plan amendments e.g. Science Park Station (ETE) where the Government has since confirmed that they will provide the funding to Network Rail for this work.

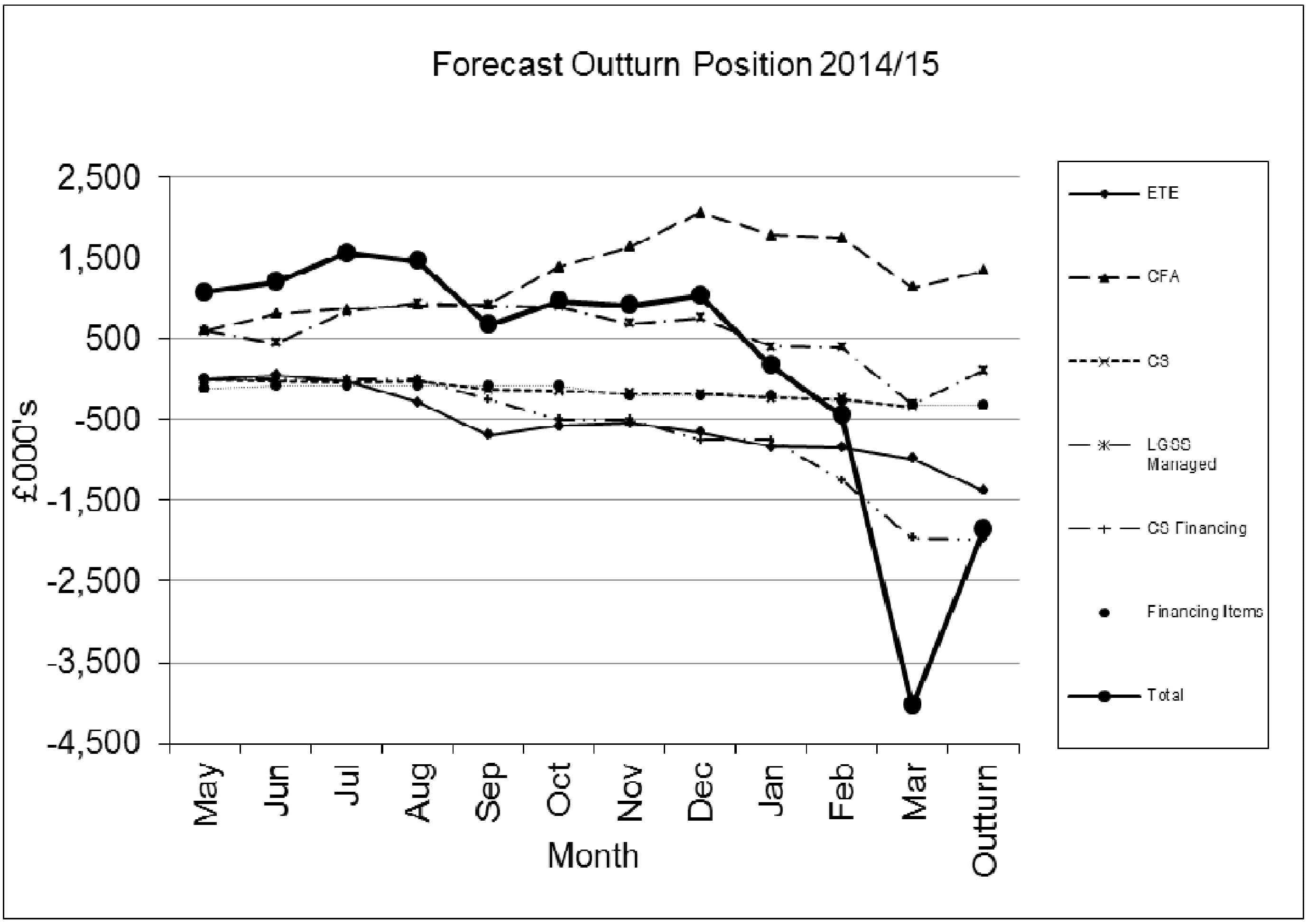
- Balance Sheet Health; the original forecast net borrowing position for 31st March 2015, as set out in the Treasury Management Strategy Statement (TMSS), was £406m. This projection has fallen over the course of the year and ended the year at £346m. This is largely as a result of changes in the net expenditure profile of the capital programme and changes in expected cash flows, since the Business Plan was produced in February 2014. The improvement experienced in this month is as a result of stronger than anticipated cash inflows. See section 12 for details.

3. REVENUE BUDGET

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
								Transfer to (+) / from (-):-	
Original Budget as per BP [1]	Service	Revised Budget	Application of Carry Forwards	Total Funds (3)+(4)	Actual Spending	Variation [2]		Service Carry Forward Reserves	General Reserve
£'000		£'000	£'000	£'000	£'000	£'000	%	£'000	£'000
63,225	Economy, Transport & Environment (ETE)	71,385	877	72,263	70,888	-1,375 [3]	-1.9%	1,423	-48
251,616	Children, Families & Adults (CFA)	270,323	879	271,202	272,545	1,343	0.5%	-1,343	
0	CFA Bad Debt Provision	0	0	0	-1,245	-1,245	0.0%	1,245	
0	Public Health (PH)	0	0	0	0	0	0.0%		
5,851	Corporate Services (CS)	3,087	490	3,577	3,249	-328	-9.2%	328	
9,670	LGSS Managed	-1,957	0	-1,957	-1,847	110	5.8%		-110
34,142	CS Financing	34,151	0	34,151	32,169	-1,982	-5.8%		1,982
0	Year End Adjustments	0	0	0	1,949	1,949	0.0%		-1,949
364,504	**Service Net Spending**	**376,989**	**2,246**	**379,235**	**377,709**	**-1,527**	**-0.4%**	**1,653**	**-126**
5,624	Financing Items	1,232	0	1,232	909	-323	-26.2%		323
370,128	**Net Spending**	**378,221** [4]	**2,246**	**380,467** [5]	**378,618**	**-1,850**	**-0.5%**	**1,653**	**197**
	Memorandum Items:								
10,351	LGSS Operational	-88	100	12	-315	-327	-2,698%	327	
380,479	**Total Net Spending 2013/14**	**378,134**	**2,346**	**380,479**					

[1] The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.
[2] Key to column 7: + signifies overspend or reduced income, - signifies underspend or increased income.
[3] The Economy, Transport & Environment (ETE) variation in column 7 includes Winter Maintenance and the Waste PFI Contract, where specific arrangements for under / overspends exist. Excluding these the underlying outturn position for ETE is a £1,423k underspend.
[4] Revised budgets include Corporate Allocations, which move "overhead" costs from Corporate Services and LGSS to front-line services.
[5] For budget virements between Services throughout the year, please see Appendix 1.



Note: this graph does not plot separate lines for the 'CFA Bad Debt Provision' or the 'Year End Adjustments', however, these are included within the 'Total' line.

3.2 Key exceptions this month are identified below *(updates to exceptions that have already been reported are captured within appendix 2*. Members should note that the significant variation between this report and the provisional outturn report that was considered by the Committee at the last meeting relates primarily to two year end provisions in the sum of £1.9m which are set out in paragraph 3.2.10.

3.2.1 **Economy, Transport and Environment:** -£1.375m (-1.9%) underspend is being reported at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in appendix 2.

3.2.2 **Children, Families and Adults:** £1.343m (0.5%) overspend is being reported at year end.

	£m	%
• **Learning Disability (LD)** – the following two policy lines for LD had previously been managed together as one overall budget. The expenditure was separated out for the two policy lines and the	-1.424	(-89%)

explanations for the variances are below.

1) **LD - Head of Services** – the year end underspend has increased by -£466k from last month. This is due to an increase in the risk share contribution from the Clinical Commissioning Group (CCG) to the LD pool and further underspends from the Cambridgeshire and Peterborough NHS Foundation Trust (CPFT) Service Level Agreement (SLA).

   As previously reported:

   This is principally a result of reduced spending on contracts with Thera and a Health Partner (-£702k) and some smaller budgets not being fully utilised this financial year (-£203k). Further reductions were achieved from underspends on Admin and Young Adults Team budgets.

2) **Learning Disability Localities** – the year end overspend has increased by £438k from last month. The majority of this (£379k) is within Hunts Locality, as a result of cost of care packages for service users being identified following the cleansing of records at year end. +1.511 (3%)

   Across LD, the number of service users supported is more than budgeted for, and although the actual unit cost is lower than that assumed in the budget, this does not offset the additional client numbers.

- Previously reported exceptions that are still applicable can be found in appendix 2.

3.2.3 **Children, Families and Adults (CFA) Bad Debt Provision:** -£1.245m underspend is being reported at year end.

- There are no new exceptions to report this month.

- Previously reported exceptions that are still applicable can be found in appendix 2.

3.2.4 **Public Health:** a balanced budget is being reported at year end.

- There are no new exceptions to report this month.

- Previously reported exceptions that are still applicable can be found in appendix 2.

3.2.5 **Corporate Services:** -£0.328m (-9.2%) underspend is being reported at year end.

- There are no new exceptions to report this month.

3.2.6 **LGSS Managed:** £0.110m (5.6%) overspend is being reported at year end.

	£m	%
• **Authority-wide Miscellaneous Budget** – the reported year end position has deteriorated by £0.6m since last month, due to the following year end adjustments: ○ The Council's central provision for bad debt was increased by £506k; and ○ Net balances of £116k were written-back from a number of redundant balance sheet accounts	+0.251	(3%)

- Previously reported exceptions that are still applicable can be found in appendix 2.

3.2.7 **CS Financing:** -£1.982m (-5.8%) underspend is being reported at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in appendix 2.

3.2.8 **Financing Items:** -£0.385m (-35.2%) underspend is being reported at year end.

- There are no new exceptions to report this month.

3.2.9 **LGSS Operational:** -£0.327m (-2,725%) underspend is being reported at year end.

- There are no new exceptions to report this month.

3.2.10 **Year End Adjustments:** £1.949m (0.0%) overspend is being reported at year end.

	£m	%
• **General Purposes Committee are asked to approve the following year end adjustments:** ○ **A reserve to the value of £893k to mitigate against potential contract disputes;** ○ **A reserve to the value of £56k in respect of back-scanning work; and** ○ **A reserve to the value of £1.0m in respect of anticipated costs associated with the implementation of the Operating Model for Business Planning.** *(These adjustments have been reflected within the reported figures).*	+1.949	-

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

4. KEY ACTIVITY DATA

4.1 The Actual Costs (weekly and annual) for all clients shown below are calculated based on all clients who have received a service or are receiving a service. Some clients will have ceased receiving a service in previous months or during this month. The Actual Average Weekly Cost of Care and the Annual Cost of Care relates to all clients, not just those in placement at the end of the year.

4.2 Looked After Children (LAC): March 2015

	BUDGET			ACTUAL (March)			VARIANCE
Service Type	*Budgeted No. of Placements 2014/15*	*Budgeted Average Cost of Care (per week)*	*Annual Budget*	*Snapshot of No. of Placements at End of Mar 15*	*Current Average Cost of Care (per week)*	*Spend*	*Net Variance to Budget*
Independent Fostering	229	£771	£9,177k	247	£781	£9,678k	£501k
Independent Residential	42	£2,601	£5,680k	43	£2,637	£6,325k	£646k
Supported Accommodation/Living	33	£448	£769k	31	£698	£1,135k	£365k
External LAC Total	**304**		**£15,564k**	**321**		**£16,964k**	**£1,512k**
In-House Fostering (including placements with relatives or friends)	127	£464	£3,061k	99	£596	£3,070k	£9k
In-House Residential	14	£2,196	£1,599k	12	£2,562	£1,599k	£0k
Internal LAC Total	**141**		**£4,660k**	**111**		**£4,669k**	**£9k**
Total	**445**		**£20,224k**	**432**		**£21,633k**	**£1,521k**

There are also 5 LAC currently living at home subject to Care Orders and 28 LAC placed for adoption.

The majority of In House Residential costs are fixed. Expectation was all beds would be filled but if any beds remain empty average costs will increase.

4.3 Adult Social Care (ASC): March 2015

		BUDGET			ACTUAL (March)			VARIANCE
Service Type		*Budgeted No. of Clients 2014/15*	*Budgeted Average Unit Cost (per week)*	*Annual Budget*	*Snapshot of No. of Clients at End of Mar 15*	*Current Average Unit Cost (per week)*	*Spend*	*Net Variance to Budget*
Physical Disability Services	Residential	41	£841	£1,793k	44	£713	£1,602k	-£191k
	Nursing	23	£751	£898k	30	£554	£848k	-£50k
	Community	604	£287	£9,015k	716	£221	£8,088k	-£927k
Physical Disability Services Total		**668**		**£11,706k**	**790**		**£10,538k**	**-£1,168k**
Learning Disability Services	Residential	295	£1,302	£19,974k	320	£1,224	£20,693k	£719k
	Nursing	21	£1,649	£1,801k	22	£1,535	£1,756k	-£45k
	Community	1,237	£610	£39,207k	1,296	£595	£40,078k	£871k
Learning Disability Service Total		**1,553**		**£60,982k**	**1,638**		**£62,527k**	**£1,545k**

Alongside improvements to commitment records in the Learning Disability Service, activity data has been refreshed this month on the basis of latest calculations. The service is moving towards automated commitment records which will make this analysis more widely available and considered.

4.4 Older People (OP): March 2015

	BUDGET					ACTUAL (March)					VARIANCE
Service Type	*Budgeted No. of clients 2014/15*	*Budgeted Average Cost (per week)*	*Gross Annual Budget*	*Client contributions*	*Net Annual Budget*	*Snapshot of No. of Clients at End of Mar 15*	*Current Average Cost (per week)*	*Gross Projected spend*	*Client contributions*	*Net spend*	*Net Variance to Budget*
Residential	620	£403	£12,545k	-£4,522k	£8,022k	694	£413	£12,663k	-£4,495k	£8,168k	£146k
Residential Dementia	359	£459	£8,269k	-£2,597k	£5,672k	377	£488	£8,249k	-£2,598k	£5,651k	-£21k
Nursing	390	£551	£11,506k	-£2,934k	£8,572k	387	£569	£10,429k	-£2,972k	£7,457k	-£1,115k
Nursing Dementia	31	£598	£844k	-£81k	£763k	20	£638	£743k	-£73k	£670k	-£93k
Spot Respite	141	£0	£180k	-£7k	£172k	131	£91	£633k	-£430k	£203k	£31k
Homecare arranged	1,768		£15,806k	-£4,839k	£10,967k	1,938		£15,534k	-£4,229k	£11,305k	£337k
Direct payments	357	£243	£4,274k	-£412k	£3,863k	311	£258	£4,434k	-£360k	£4,073k	£211K
Total	**3,666**		**£53,423k**		**£38,032k**	**3,858**		**£52,684k**		**£37,528k**	**-£504k**

The underspend reported above is less than the total for Older People's Service as a result of a decision to hold a large portion of the underspend expectation in one place, rather than creating misleadingly high budgets for the cost of care.

4.5 Older People Mental Health (OPMH): March 2015

	BUDGET					ACTUAL (March)					VARIANCE
Service Type	*Budgeted No. of clients 2014/15*	*Budgeted Average Cost (per week)*	*Gross Annual Budget*	*Client contributions*	*Net Annual Budget*	*Snapshot of No. of Clients at End of Mar 15*	*Current Average Cost (per week)*	*Gross Projected spend*	*Client contributions*	*Net spend*	*Net Variance to Budget*
Residential	13	£459	£344k	-£46k	£298k	20	£453	£319k	-£62k	£257k	-£41k
Residential Dementia	21	£453	£639k	-£131k	£508k	39	£457	£598k	-£149k	£449k	-£60k
Nursing	14	£740	£552k	-£66k	£485k	22	£730	£605k	-£70k	£535k	£50k
Nursing Dementia	148	£615	£4,398k	-£1,093k	£3,305k	179	£624	£4,801k	-£1,152k	£3,650k	£344k
Spot Respite	13		£14k	0	£14k	18		£75k	-£37k	£37k	£23k
Homecare arranged	80	£146	£795k	-£160k	£635k	108	£137	£629k	-£149k	£480k	-£155k
Direct payments	14	£246	£180k	-£7k	£173k	15	£265	£174k	-£7k	£167k	-£6k
Total	**302**		**£6,922k**		**£5,418k**	**401**		**£7,201k**		**£5,574k**	**£156k**

In 2015/16 we will continue to develop this data to encompass an increasing proportion of the service's expenditure (spending on extra care and sheltered housing is currently not included). Although this activity data shows current expected and actual payments made through direct payments, this in no way precludes increasing numbers of clients from converting arranged provisions into a direct payment.

5. SCHOOLS

5.1 Funding for schools is received from the Department for Education (DfE) via the Dedicated Schools Grant (DSG). As well as funding individual school budgets, the DSG also funds a range of central support services for schools.

5.2 Total schools balances as at 31st March 2015 are as follows:

	31st March 2014 £m (original published balances)	**31st March 2014 £m (amended for in-year academy conversions)**	**31st March 2015 £m**	**Change £m**
Nursery Schools	0.6	0.6	0.5	-0.1
Primary Schools	12.7	12.1	11.0	-1.1
Secondary Schools	-0.1	-0.1	0.0	+0.1
Special Schools	1.6	1.6	1.5	-0.1
Pupil Referral Units (PRUs)	0.2	0.2	0.1	-0.1
Sub Total	**15.0**	**14.4**	**13.1**	**-1.3**
Other Balances (incl. Pools and Contingency Funds, Community Focussed Extended Schools and Sports Centres)	7.4	7.4	6.5	-0.9
TOTAL	**22.4**	**21.8**	**19.6**	**-2.2**

It must be noted that further to the DSG, schools budgets include funding from the Education Funding Agency (EFA) for Post 16 funding, in year funding for items such as pupils with statements and additional grant such as the Pupil Premium. Pupil Referral Units (PRUs) are also now included in the school balances as they now have delegated budgets and are subject to carry forward in the same way as schools. Schools that converted to Academy status prior to 31 March 2015 are no longer reported by the Local Authority and therefore are not included within the figures.

The change in individual school balances can be attributed to several reasons:

- Some schools will have delayed or cancelled spending decisions due to the uncertainty around future years funding amounts.
- Some schools have chosen to apply balances in 2014/15 to maintain current staffing levels and class structures.
- Pressures on capital funding have led some schools to reconsider and reprioritise revenue resources to allow for the possibility of capitalisation in future years.

5.3 Analysis will be undertaken to look at the individual changes in balances and appropriate challenge given to those schools in a deficit position and those with excessive balances. Further analysis will be carried out throughout the year to ensure that schools are spending in accordance with their submitted budgets and recovery plans.

5.4 Schools retain balances for a number of reasons and as part of the revised Balance Control Mechanism any uncommitted balances in excess of 10% (secondary) or 16% (primary/special/nursery) of the school's budget share is considered excessive and will be subject to claw-back.

5.5 If a school is classed as not meeting the minimum floor targets for attainment, any balance in excess of 5% (secondary) or 8% (primary/special/nursery) is considered excessive and will be subject to local authority learning directorate officers determining how some of the excess could be best used to raise attainment levels. Any amounts clawed back would be re-allocated to the same school to use on agreed expenditure to raise attainment.

5.6 The balances can be further analysed in the tables below:

Sector	**Schools with Reported Deficit Balances as at 31st March 2015**
Nursery	0
Primary	7
Secondary	0
Special	1
Total Schools	**8**

Value of revenue deficits at 31st March 2015:

Deficit	**Nursery**	**Primary**	**Secondary**	**Special**	**Total**
£100k+	0	0	0	0	**0**
£60k - £100k	0	0	0	0	**0**
£20k - £60k	0	2	0	1	**3**
£10k - £20k	0	0	0	0	**0**
£1k - £10k	0	5	0	0	**5**

Value of surplus revenue balances held by schools at 31st March 2015:

Surplus	Nursery	Primary	Secondary	Special	Total
£0k - £10k	0	7	0	0	**7**
£10k - £20k	1	6	0	0	**7**
£20k - £60k	2	75	1	1	**79**
£60k - £100k	2	42	0	0	**44**
£100k - £150k	1	23	0	2	**26**
£150k - £200k	1	5	0	0	**6**
£200k - £300k	0	4	0	2	**6**
£300k - £400k	0	1	0	1	**2**
£400k+	0	0	0	0	**0**

Please note: the figures in 5.2 and 5.6 are based on the year end returns from schools. However, following further validation of the Consistent Financial Reporting (CFR) returns the final information on Schools balances published by the Department for Education may differ slightly.

6. GENERAL RESERVE BALANCES

6.1 Balances on the general reserve as at 31st March 2015 are £16.0m as set out below:

General Reserve Balance	2014/15 Final Outturn £m
Balance as at 31st March 2014	12.337
Changes Arising:-	
Planned Business Plan adjustments	3.115
Debt Charges	1.982
Repayment of Autism School Investment	0.470
Surplus Corporate Grants	0.323
Winter Maintenance	0.204
Transfer from Service Carry-Forward Reserves	0.183
Year end adjustments	-1.949
Waste PFI	-0.252
Realignment of Reserves RE: 13/14 Public Health activity	-0.160
Funding for Public Health RE: Changing Behaviours of staff within CCC	-0.135
LGSS Managed	-0.110
Funding for Chief Executive’s budget	-0.005
Miscellaneous	-0.002
Balance as at 31st March 2015	**16.001**

6.2 As a minimum it is proposed that General Reserve should be no less than 3% of gross non-school expenditure of the Council. At present, the General Reserve is 3.0% of gross non-school expenditure.

7. REVIEW OF OTHER RESERVES

7.1 The Council reviews the level of its overall reserves at outturn each year, in addition to assessing the adequacy of reserves as part of the Business Planning (BP) process. Reserves have long provided vital flexibility in the Council's financial management and no changes are proposed in the operation of these reserves going forward. Details of the Council's earmarked reserves are set out in Appendix 6.

8. TREASURY MANAGEMENT ACTIVITY

8.1 This section summarises the expenditure and income for debt financing, which is held as a central budget within Corporate Services, and complies with the reporting requirements in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

	Budget £'000	Actual £'000	Variation £'000
Interest payable	16,147	15,811	-336
Interest receivable	-349	-1,125	-776
Technical & other	211	275	64
MRP – loan repayments	18,133	17,199	-934
	34,142	**32,160**	**-1,982**

8.2 Net payments were less than budgeted because fewer long term loans were raised during the year than had been budgeted. This was largely due to slippage in the capital programme and the strategy adopted to utilise cash balances rather than undertake costly borrowing. Interest receivable includes a one off receipt of £635k in respect of interest that had accrued on S106 monies that was unexpectedly repaid to the Council in March 2015. An underspend on the Minimum Revenue Provision (MRP) also contributed significantly, which was a result of lower than expected levels of prudential borrowing.

8.3 The change in the authority's loan debt over the year was as follows:

	1st April 2014 £'000	Loans Raised £'000	Loans Repaid £'000	31st March 2015 £'000
Long-Term Debt	381,143	-	-	381,143
Temporary Debt	-	-	-	-
	381,143	-	-	381,143
Less Investments	47,533			35,605
Net Debt	**333,610**			**345,538**

8.4 Long-term debt consists of loans for periods exceeding one year (at either fixed or variable rates of interest) and the average rate of interest paid on this long-term debt was 4.15%. The Council had no temporary loans during the year.

8.5 Each year the authority must approve limits known as Prudential Capital Indicators for the level of its external financing costs and the maximum limits on total debt. The outcome for 2014/15 compares with approved limits as follows:

	Approved £'000	Actual £'000
Financing Costs		
% of Net Revenue Expenditure	9.7%	8.8%
Authorised Limit for Debt	627,500	381,143
Operational Boundary for Debt	597,500	381,143
*** Interest Rates Exposure (as % of total net debt)**		
Fixed Rate	150%	95%
Variable Rate	65%	5%
**** Debt Maturity (as % of total debt)**		
Under 1 year	0 – 80%	14%
1 – 2 years	0 – 50%	4%
2 – 5 years	0 – 50%	3%
5 – 10 years	0 – 50%	23%
Over 10 years	0 – 100%	56%

* The Interest Rate Exposure is calculated as a percentage of net debt.

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

8.6 Financing costs are below the approved limit as a result of the underspend for debt charges, and all debt levels are within the approved limits.

9. DEBT MANAGEMENT

9.1 Summary:

Over 90 day balances increased by £86k during the last reporting period for the 2014/15 financial year. Over 6 months debt reduced by £73k overall. The overall +90 day debt cash target of £1.4m was not achieved, with a final balance of £2.1m as at 31 March 2015.

9.2 Children, Families and Adults (CFA):

Adult Social Care (ASC) – over 90 day balances reduced during the last reporting period. However, ASC did not meet their combined cash target level of £1.26m, with £1.38m outstanding as at 31 March 2015.

Children and Families – over 90 day balances increased in the last reporting period. Final balances were £279k against a cash target level of £60k.

9.3 Economy, Transport and Environment (ETE):

Over 90 day balances decreased overall in the last reporting period. However, final balances were £69k against a cash target level of £30k.

9.4 Corporate Services (CS):

Over 90 day balances increased in the last reporting period. Final balances were £346k against a cash target level of £50k.

10. PERFORMANCE TARGETS

10.1 The performance indicators reported below were developed as part of the 2014/15 Business Planning (BP) process. The indicators were chosen according to criteria defined in previous scrutiny reports that suggested Cabinet monitor a small number of critical indicators that also reflected the breadth of the County Council's work being a selection from across the various services:

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Developing our economy	Percentage of Cambridgeshire residents aged 16 - 64 in employment	ETE	High	31/12/14	%	79.5 *	77.5	Green	↓
	The proportion of children in year 12 taking up a place in learning	CFA	High	31/03/15	%	94.1	96.0	Amber	↑
	The number of people starting as apprentices	ETE	High	To 31/01/15	Number	2,100 **	4,185 (end-of-academic year)	Green	↑
	The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted	CFA	High	31/03/15	%	62.7	75	Red	↓
Helping people live independent and healthy lives	The proportion of eligible service users receiving Self Directed Support (SDS)	CFA	High	31/03/15	%	92.7	95	Amber	↑
	The proportion of older people who have been successfully supported to live independently following crisis	CFA	High	31/03/15	%	54.2	55	Amber	↓
	The rate of admissions of people aged over 65 to residential and nursing care homes, per 100,000 population	CFA	Low	31/03/15	Number per 100,000 of population	626	646	Green	↓
	The number of people successfully quitting smoking with support from stop smoking services	Public Health	High	31/03/15	Number	2,177 year to date ***	3,289 year to date (3,600 annual)	Red	↓

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Supporting vulnerable people	The number of looked after children per 10,000 children	CFA	Low	31/03/15	Rate per 10,000	41.1	31.3 to 38.4	Amber	↓
	The proportion of children who are referred to social care within 12 months of a previous referral	CFA	Low	31/03/15	%	19.0	25	Green	↓
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	31/03/15	%	82.8	80 *(new target for 2014/15)*	Green	↔
	Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)	CFA	Low	31/03/15	Number	543	417	Red	↑
How we run the business (efficient and effective)	The proportion of customer complaints received in the month before last that were responded to within minimum response times	CCC	High	31/03/15	%	88	90	Amber	↑
	The average number of days lost to sickness per full-time equivalent staff member	CCC	Low	31/03/15	Days	6.6	7.8	Green	↔

* ***Percentage of Cambridgeshire residents Aged 16 - 64 in employment***
Figures are published in arrears by the Office for National Statistics (ONS). The figure shown is the latest available. 2014/15 year end data is scheduled to be published by ONS in July 2015.

** ***The number of people starting as apprentices***
Latest available data is for the first half of the 2014/15 academic year. Academic year end data will be available in October 2015.

*** ***The number of people successfully quitting smoking with support from stop smoking services***
Year end figures have not been verified at the time of publishing this report. There may be some variation in the final figures once the data has been ratified. Data continues to be collected from GP practices until the final data submission to the Department of Health at the end of June 2015. It is expected that the final year end performance data will be available in readiness for the GPC version of this report.

Notes:

The proportion of customer complaints received in the month before last that were responded to within minimum response time

A breakdown of performance by Service is provided as follows:

Service	What is good?	Date	Actual %	Target %	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
CFA	High	31/03/15	96	90	Green	↑
ETE	High	31/03/15	83	90	Red	↑
CST	High	31/03/15	n/a	90	-	-
LGSS	High	31/03/15	n/a	90	-	-

- CFA received 23 complaints in the reporting period, of which 22 were dealt with within the target response time.
- ETE received 41 complaints in the reporting period, of which 34 were dealt with within the target response time.
- CST received 0 complaints in the reporting period.
- LGSS received 0 complaints in the reporting period.

10.2 Key exceptions are identified below.

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

  The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted has been adversely affected by a number of the county's largest secondary academies slipping from 'good' to 'requires improvement'. There is a significant difference between performance in primary and secondary schools with 74% of primary school pupils attending a good or outstanding school and only 45% of secondary pupils.

- **The number of people successfully quitting smoking with support from stop smoking services**

  - 76% of the stop smoking target for 2013/14 was achieved, a drop from 92% in 2012/13. This is reflected in the national trend that is attributed in part to the use of e-cigarettes. The lower level of performance is continuing in 2014/15 in Cambridgeshire (and nationally) with the performance figures generally remaining static, at circa 60%-68% of the monthly performance target. At the end of March 66% of the year to date target had been achieved. However, this is not the final year end data, as data continues to be collected from GP practices until the final data submission to the Department of Health at the end of June 2015.
  - Performance in GP practices was especially poor and there is a consistent problem with recruiting smokers to make quit attempts. There is an ongoing programme to improve performance with CamQuit the core service providing increasingly higher levels of support to the other providers along with promotional activities. Practices are regularly visited with poor performers being targeted.
  - A wide ranging intervention plan has been developed that is focusing upon Fenland. This includes a mobile workplace service, a migrant worker Health Trainer post that will target these communities where smoking rates are high, a wide ranging promotional campaign and recruitment of an additional Stop Smoking Advisor to focus upon Fenland. Social Marketing research has been commissioned to gather intelligence about attitudes and behaviour in relation to smoking (and Health Checks) as well as a Deep Dive exercise that looks specifically at smoking and the Stop Smoking Services.
  - Smoking rates in Cambridgeshire are also high amongst routine and manual workers and the programme of intervention also targets these groups.
  - A recent update to the Public Health Outcomes Framework has shown a positive movement in smoking prevalence, with a statistically significant fall in the percentage of adults smoking across the County between 2012 and 2013. However, inequalities in smoking rates remain, with the prevalence in Fenland and amongst manual workers being statistically significantly higher than the Cambridgeshire average.

- **Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)**

    - The Cambridgeshire health and social care system is experiencing a monthly average of 2,765 bed-day delays, which is 24% above the current Better Care Fund (BCF) target ceiling of 2,232. In March there were 2,617 bed-day delays, up 139 from the previous month, but still 385 above the monthly target.
    - Between April 2014 and March 2015 there were 33,182 bed-day delays across the whole of the Cambridgeshire system - representing a 21% increase against the same period in 2013/14.
    - Across this period NHS bed-day delays have increased from 15,524 (April 2013 - March 2014) to 23,420 (April 2014 - March 2015) an increase of 51%, while bed-day delays attributed to Adult Social Care have decreased from 11,183 (April 2013 - March 2014) to 7,706 (April 2014 - March 2015) an improvement of 31%.
    - This remains a challenging, whole system measure and is reliant on both health and social care commissioners and providers to work together to meet target.

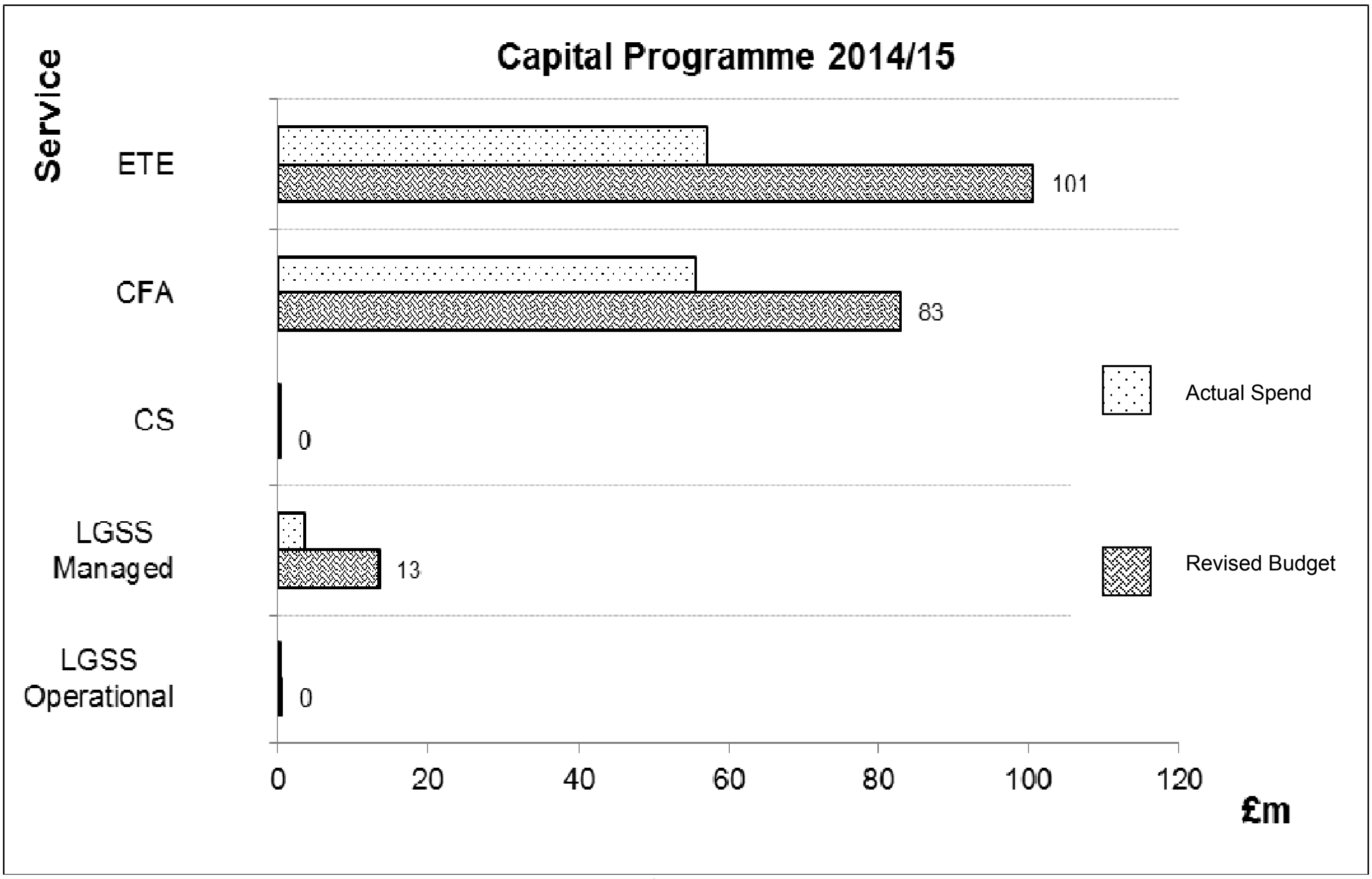
- **The proportion of customer complaints received in the month before last that were responded to within minimum response time**

  ETE received 41 complaints of which 7 failed to meet the target of responding within timescales. 6 of these cases have since been closed. The remaining case is with the responsible team for investigation. This month's figure is 83%.

11. CAPITAL PROGRAMME

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

2014/15						TOTAL SCHEME	
Original Budget as per BP £000	Service	Revised Budget £000	Forecast Variance - Outturn (Mar) £000	Actual Variance - Outturn £000	Actual Variance - Outturn %	Total Scheme Revised Budget (Mar) £000	Total Scheme Forecast Variance (Mar) £000
90,999	ETE	100,534	-39,650	-43,487	-43.3%	470,213	-27,500
76,409	CFA	82,921	-26,189	-27,237	-32.8%	530,659	291
-	Corporate Services	185	-97	-86	-46.4%	340	0
12,206	LGSS Managed	13,350	-9,217	-9,740	-73.0%	90,124	-8,697
-	LGSS Operational	412	-209	-209	-50.6%	630	0
179,614	**Total Spending**	**197,402**	**-75,362**	**-80,758**	**-40.1%**	**1,089,966**	**-35,906**



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

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

11.2.1 **Economy, Transport and Environment:** -£43.5m (-43.3%) underspend is being reported at year end.

	£m	%
• **Guided Busway** – the underspend has increased by -£1.1m this month. This budget has come in under budget in 2014/15 as land deals were resolved at the end of the previous financial year. Following the negotiation of the purchase price for a number of significant land parcels acquired for the Busway, the forecast for the remaining land and compensation transactions have been revised to reflect the settlement values that have been achieved. Further land deals should be resolved in 2015/16.	-6.8	(-93%)
• **Promoting Economic Growth - Delivering Strategic Aims** – the underspend has increased by -£0.7m this month. The underspend relates to schemes funded by Section 106 developer contributions, which will be completed in 2015/16. These include the following schemes: o Little Paxton to Railway Station, St. Neots cycling scheme;	-1.3	(-45%)

- Great North Road, St. Neots cycling scheme;
- Norwood Road, March; and
- 3 Cycling schemes in St. Ives area (St. Ives to South, St. Ives to Hemingford and St. Ives to Bluntisham).

• **Operating the Network** – this relates to schemes that have slipped, which will now be completed in 2015/16. These include the following schemes: ○ Lisle Lane, Ely; ○ High Street, Brampton; ○ Hollow Lane to High Street, Ramsey; ○ Tenison Road, Cambridge; and ○ Cambridge Radial signing.	-1.1	(-10%)
• **Highways Maintenance Schemes** – the underspend has increased by -£59k this month, causing it to reach the exception threshold. As part of developing the highways maintenance programme, a review took place of the phasing of the remaining funds from the original £90m allocated for this work, to ensure that the funds are used to maximise the long term condition of the road network. The Highways and Community Infrastructure Committee, as part of the review of the Transport Delivery Plan, approved that £3,966k of funding in 2014/15 be rolled forward, to be spent in future years. Even with this transfer of funding to future years, the £90m Highways Maintenance schemes project has underspent in 2014/15 due in part to a number of schemes that came in cheaper than budgeted.	-0.5	(-3%)

- Previously reported exceptions that are still applicable can be found in appendix 3

11.2.2 **Children, Families and Adults:** -£27.2m (-32.8%) underspend is being reported at year end.

	£m	**%**
• **Devolved Formula Capital (DFC)** – DFC is a rolling three year fund. Annual grants are made available to schools for use towards smaller works and in-year capital pressures. The underspend of £1.1m is the accumulation of the three year rolling funds that remain unspent. These funds will roll forward to 2015/16 for spending.	-1.1	(-41%)

- Previously reported exceptions that are still applicable can be found in appendix 3

11.2.3 **Corporate Services:** -£0.1m (-46.5%) underspend is being reported at year end.

- There are no new exceptions to report this month.

11.2.4 **LGSS Managed:** -£9.8m (-73.0%) underspend is being reported at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in appendix 3

11.2.5 **LGSS Operational:** -£0.2m (-50.7%) underspend is being reported at year end.

- There are no new exceptions to report this month.

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

Economy, Transport and Environment (ETE): -£27.5m (-5.9%) total scheme underspend is forecast.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in appendix 4

Children, Families and Adults (CFA): £0.3m (0.0%) total scheme overspend is forecast.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in appendix 4

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

- There are no new exceptions to report this month.

LGSS Managed: -£8.7m (-9.6%) total scheme underspend is forecast.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in appendix 4

LGSS Operational: a total scheme balanced budget is forecast.

- There are no new exceptions to report this month.

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding [1] £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance [2] £m
Department for Transport (DfT) Grant	26.2	1.6	0.0	2.6	**30.4**	26.2	-4.2
Basic Need Grant	15.2	0.0	0.0	1.3	**16.6**	14.2	-2.4
Capital Maintenance Grant	6.3	0.0	0.0	0.0	**6.3**	6.3	0.0
Devolved Formula Capital	1.1	1.6	0.0	0.1	**2.7**	1.6	-1.1
Specific Grants	11.9	1.6	0.0	0.7	**14.2**	5.7	-8.5
Section 106 Contributions	24.3	0.3	-1.3	0.5	**23.7**	16.0	-7.7
Capital Receipts	4.7	0.0	0.0	0.0	**4.7**	5.4	0.7
Other Contributions	8.0	0.6	0.0	3.6	**12.2**	11.2	-1.0
Revenue Contributions	0.0	0.0	0.0	0.6	**0.6**	0.6	0.0
Prudential Borrowing	81.9	14.7	-8.9	-1.7	**85.9**	29.4	-56.5
Total	**179.6**	**20.3**	**-10.2**	**7.7**	**197.4**	**116.6**	**-80.8**

[1] Reflects the difference between the anticipated 2013/14 year end position, as incorporated within the 2014/15 Business Plan, and the actual 2013/14 year end position.

[2] The Funding Variance reflects the in-year expenditure position and the level of spend on specific projects. It does not reflect an increase or decrease to the funding available, which is reflected within the 'Revised Budget' column (as detailed in section 11.5).

11.5 Key funding changes (of greater than £0.5m) are identified below:

Funding	Service	Amount (£m)	Reason for Change
Additional / Reduction in Funding (Other Contributions)	CFA	+2.5	School Funded Capital - schemes funded by contributions sourced directly by schools from external sources. Expenditure and funding information for these schemes is received at year end as part of the schools final balances.

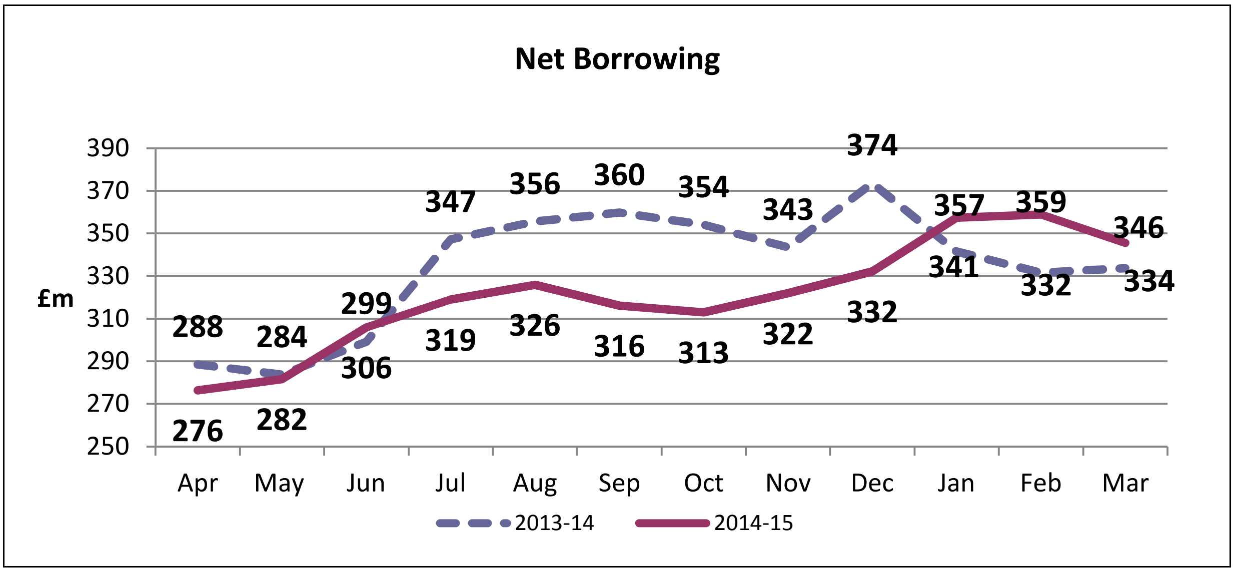
11.6 Previously reported key funding changes that are still applicable can be found in appendix 5

12. BALANCE SHEET

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

Measure	Year End Target	Actual end of March
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£1.0m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£1.1m
Invoices paid by due date (or sooner)	97.5%	99.7%

12.2 The graph below shows net borrowing (borrowing less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of March were £35.5m and gross borrowing was £381.1m, giving a net borrowing position of £345.6m:



12.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies where the authority expects to be in terms of borrowing and investment levels. When the 2014/15 TMSS was set in February

2014, it was anticipated that net borrowing would be £406m at the end of this financial year. Net borrowing at the beginning of this year was lower than expected and the position at 31st March 2015 is £346m.

12.4 Although there is a link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term borrowing decisions. These decisions are made in the context of other factors including interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.

12.5 The Council's cash flow profile varies considerably during the year as payrolls and payments to suppliers are made, and grants and income are received. Cash flow at the beginning of the year is typically stronger than at the end of the year as many grants are received in advance.

12.6 Key exceptions are identified below:

Key exceptions	Impacts and actions
Less borrowing activity than planned, as a result of lower than expected capital expenditure – original net borrowing target was £405.6m. The actual net borrowing position at 31st March is £346m.	A -£1.982m underspend is reported at year end and is due to: • -£1.347m is largely due to the decision to delay long term borrowing until 2015/16 and instead utilise cash balances, which has resulted in a favourable variance for interest payable. In addition we have experienced higher than forecast levels of cash balances throughout the year, so consequently interest receivable is forecast to be greater than originally budgeted. An underspend on the Minimum Revenue Provision (MRP) has also contributed significantly, as a result of lower than expected levels of prudential borrowing. • In March the Council received full payment of the Section 106 contributions for the Addenbrookes 2020 site (£8.5m). Accumulated accrued interest of £635k was also paid earlier than expected, resulting in an additional underspend being reported. The Debt Charges budget was reduced by £1m when the Business Plan was approved in February 2014 in expectation of slippage in the capital programme; the underspend reported is in addition to that amount. The capital programme continued to be monitored closely alongside forecast cash balances and interest rates and a pragmatic approach to borrowing was adopted.

12.7 A schedule of the Council's reserves and provisions can be found in appendix 6.

13. EXTERNAL AND CONTEXTUAL ISSUES

13.1 2014/15 has been another difficult year for the Council financially, as it faced a substantial increase in demand for its services, both as a result of the substantial growth seen in

Cambridgeshire and the changing demographics – particularly relating to the ageing population. These, coupled with a 5.3% reduction in Government funding, resulted in a savings requirement of £38.2m in 2014/15 and £149.1m to be achieved over the next five years. The Council not only achieved its savings target of £38.2m, but surpassed expectation by producing a further £1.9m of savings. These additional savings will be made available in the next round of the Business Planning (BP) process and will assist in offsetting future year pressures.

13.2 Going forward, the outlook for 2015/16 is not any brighter, as the Council continues to face a substantial increase in demand for its services. This, coupled with a 3.0% reduction in Government revenue funding (excluding grants to schools) in 2015/16, have resulted in a savings requirement of £29.8m in 2015/16 and £118.9m to be achieved over the next five years.

14. FURTHER INFORMATION

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

http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/147/finance_and_performance_reports

15. ALIGNMENT WITH CORPORATE PRIORITIES

15.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

15.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

15.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

16. SIGNIFICANT IMPLICATIONS

16.1 Resource Implications

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

16.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

16.3 **Equality and Diversity Implications**

There are no significant implications within this category.

16.4 **Engagement and Consultation Implications**

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

16.5 **Localism and Local Member Involvement**

There are no significant implications within this category.

16.6 **Public Health Implications**

There are no significant implications within this category.

Source Documents	**Location**
ETE Finance & Performance Report (Outturn 14/15) CFA Finance & Performance Report (Outturn 14/15) PH Finance & Performance Report (Outturn 14/15) CS and LGSS Cambridge Office Finance & Performance Report (Outturn 14/15) Performance Management Report & Corporate Scorecard (Outturn 14/15) Capital Monitoring Report (Outturn 14/15) Report on Debt Outstanding (March 15) Payment Performance Report (March 15)	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)

	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£’000	£’000	£’000	£’000	£’000	£’000	£’000	£’000
Opening Cash Limits as per Business Plan	251,616	0	63,225	34,142	5,851	9,670	10,351	5,624
Healthwatch from Corporate Services	429				-429			
We car annual cost						-10	10	
County Farms investment to team budget						-50	50	
Legionella testing			-13			13		
ETE Operational Savings – LEP funding			50					-50
ETE Operational Savings – Local Infrastructure and Street Management (LISM) tablets			26					-26
Leader’s Personal Assistant (PA) salary budget					-30		30	
Replace annual recharge requirement for Registrars & Coroners Employer's and Public Liability Insurance			-14			14		
Budget realignment regarding County Farms staff						-85	85	
CS Operational Savings – various					772			-772
Transfer of funding for Chief Executive's budget					5			-5
CFA Operational Savings – Practice & Safeguarding	400							-400
CFA Operational Savings – Ordinary Residence	398							-398
Allocation of the Care Bill Implementation Grant	125							-125
Allocation of the Special Educational Needs (SEN) Grant and Adoption Reform Grant (Quarters 1 & 2)	695							-695
Health Watch to Corporate Services	-429				429			
ETE Operational Savings – A14 work			5					-5
ETE Operational Savings – Cambridgeshire Future Transport			60					-60
Cambridgeshire Community Services HR Support	-50						50	
Allocation of the Staying Put Implementation Grant (Quarter 1)	14							-14
Allocation of the Special Educational Needs and Disability (SEND) Implementation Grant (Quarters 1 & 2)	238							-238
Right-sizing Rural Estates staffing establishment						-119	119	
ETE Operational Savings – Cycling Legacy			19					-19

	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ETE Operational Savings – SmartLife Business			100					-100
ETE Operational Savings – Cambridge Sub-Regional Model			110					-110
ETE Operational Savings – Archives Store			18					-18
Transfer of Catering and Cleaning Services (CCS) Finance Support	104						-104	
ETE Operational Savings – Cycling Legacy			-7					7
ETE Operational Savings – Flood Signing			30					-30
ETE Operational Savings – Busway Infrastructure Costs			7					-7
ETE Operational Savings – Flood Risk			73					-73
Allocation of: Special Educational Needs (SEN) Grant - Qtr 3; Special Educational Needs and Disability (SEND) Grant - Qtr 3; Adoption Reform Grant - Qtr 3; and Staying Put Grant - Qtr 2	480							-480
ETE Operational Savings – A14			9					-9
Public Health Adjustment - Changing behaviours	81	-135	27		27			
Allocation of reserves to fund Public Health – Changing behaviours		135						-135
Reversal of ETE Operational Savings – Busway Infrastructure Costs			-7					7
ETE Operational Savings – various (LISM)			58					-58
Allocation of Staying Put Grant – Quarter 3	14							-14
CFA Insurance charges match funding	231					-231		
ETE CS LGSS Insurance charges match funding			1,525			-1,525		
Allocation of: Special Educational Needs (SEN) Grant - Qtr 4; Special Educational Needs and Disability (SEND) Grant - Qtr 4; Adoption Reform Grant - Qtr 4; and Staying Put Grant - Qtr 4	480							-480
CFA employers liability and public liability Insurance charges match funding	191					-191		
ETE Operational Savings – Archives camera			73					-73
Transfer Members training to managed budget						22	-22	

	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
ETE Operational Savings – Highways Asset data & Sub regional planning			146					-146
LGSS Operational Savings – Business Re-engineering Work							17	-17
ETE Operational Savings – SmartLife retrofit shortfall			17					-17
ETE Operational Savings – Asset Management			63					-63
Return CS Operational Savings – CRM System					-150			150
Return CS Operational Savings – Digital by Default					-165			165
LGSS Operational Savings – Asset Management Database							8	-8
LGSS Legal costs draw down							8	-8
LGSS Redundancy & Pensions capital cost draw down							67	-67
Corporate Allocations	16,185		6,662	9	-2,734	-9,465	-10,657	
Current budget	**271,202**	**0**	**72,263**	**34,151**	**3,577**	**-1,957**	**12**	**1,232**
Rounding	*-*	*-*	*1*	*-*	*-*	*-*	*-*	*-1*

APPENDIX 2 – previously reported revenue exceptions that are still applicable

Service	Description	Actual Variance - Outturn £m	Actual Variance - Outturn %
ETE	**Waste Disposal including PFI** – the Waste Private Finance Initiative (PFI) budget has overspent due to more waste being landfilled than was originally anticipated. Options continue to be explored with AmeyCespa for diverting the output from the Mechanical Biological Treatment (MBT) plant away from landfill to a cheaper alternative. This pressure was balanced out, to some degree, by a saving as a result of an extension to Cambridge City's university waste contract, where the revenue stream continued until March 2015.	+0.252	(1%)
	Local Infrastructure and Street Management (LISM) Other – the underspend was originally due to a Section 278 (of the Highways Act 1980) agreement fee, received for the North West Cambridge development, which was greater than the predicted budget for the year. Since this time, there have also been further Section 106 agreement fees received, which have contributed to the final underspend now being reported.	-0.477	(-21%)
	Park & Ride Sites – in the Business Plan, it was anticipated that parking fees would be introduced at Park & Ride sites by April 2014 and thus the budget reflects a full year's income. As the introduction of the fee only happened in July 2104, there was a shortfall in income for this period. This has been covered in-year via the use of £270k from the on-street parking account. Since the fee was introduced, the usage of the Park & Ride sites has been less than expected. The situation continues to be closely monitored, but the passenger numbers still remain lower than predicted. Initiatives to promote the use of Park and Ride have been and continue to be developed, including a campaign that took place over the Easter period to try to bring the numbers back up to pre-fee levels.	+0.245	(41%)
	Passenger Transport Other – a decision has been made by the Economy & Environment Committee to roll forward funding for Community Transport into future years, this to enable the preservation of existing schemes for longer.	-0.464	(-17%)

CFA	**Children's Social Care Directorate** – the overspend was due to the continuing need to use agency staff, which was placing pressure on staffing budgets and making vacancy and agency savings targets difficult to deliver; and the number and cost of legal proceedings exceeding budget.	+1.926	(6%)
	Home to School Transport - Special – Looked After Children (LAC) Transport costs increased due to a higher number of children being transported and an increase in the distance travelled, following Ofsted and a movement to get children into their local schools. The single occupancy review was carried out in conjunction with schools to find sustainable solutions to shared routes. The other major contributor factors to the outturn are: ○ Fewer companies have the specialist vehicles or the number of specialist vehicles we require, which reduced the size of the tender pool and increased prices. We require an additional 11 tail lift vehicles compared to 2013/14; ○ Fewer companies have the required number of passenger assistants, even if they can supply the specialist vehicles, again reducing the tender pool and increasing prices. We require an additional 31 passenger assistants compared to 2013/14; ○ Companies winning the tenders are not based in Cambridge City (one used regularly is based in Haverhill), which increased the tender price as we had to fund journey into the City and back as well as the school route. The average daily price is £91.99, an increase of 3.09% on the April 2014 average; ○ Reduced number of providers interested in applying for contracts for primary school children due to legislation around child seats. Taxis would need to carry child seats for the day reducing public use of boot space e.g. for luggage. This again resulted in a smaller tender pool and increased prices; ○ More children with more complex needs increased the use of single occupancy taxis; and ○ Closure of respite centres resulted in children, often with the most acute needs, requiring high cost transport for increased distances.	+1.621	(21%)

	Looked After Children (LAC) Placements (external) – the LAC Placements budget overspent by £1,174k, including secured additional income from Health and a provision for part payment of outstanding invoices, following development of a tool to assess the percentage level of contributions to placement costs. The 16+ Placements budget overspent by £366k. There was an increase in the number of young people who are presenting as homeless, who were willing to be looked after and had nowhere else to go. A number of young people had to move to supported accommodation that offered additional support due to their complex needs and this is impacting on the average cost although this is cheaper than residential care. The Supporting Lodgings budget underspent by -£28k. The full budget is planned for development of broader provision in 2015/16.	+1.512	(9%)
	Home to School Transport - Mainstream – the outturn figure resulted in the main from: o The much lower than anticipated savings achieved from the re-tendering of contracts. The re-tendering process only delivered £41k in savings. The assumed level of saving had been in the order of £350k based on experience of re-tendering contracts in 2012/13 and 2013/14; o The decision to defer proceeding with a proposals to withdraw free transport on the route between Horningsea and Fen Ditton Primary School, as a result of the delayed implementation of road safety improvements and on the route between Gt and Little Shelford / Stapleford and Sawston Village College, following a concern raised by the Road Safety Team about one aspect of the route. As a result, a reassessment of one section of the route was necessary to remove the risk of this preventing the withdrawal of free transport, should one or more of the families affected lodge an appeal. As a term's notice is required for such proposed changes to be implemented, both route reviews are planned for implementation at the start of the 2015/16 academic year; o An increase in the number of post-16 students living in East Cambridgeshire being deemed to be entitled to subsidised and free transport into Cambridge as a result of changes made by City of Ely and Newmarket College to their curriculum offer to focus on vocational courses in place of an A Level programme of study; o Reflects the fact that the underspend achieved in 2013/14 was £345k less than the forecast outturn saving, which informed the setting of the 2014/15 budget during the Business Planning process; o Takes account of the underspend on the 2013/14 budget of -£355k; and	+1.140	(13%)

	○ Takes account of an inflationary uplift of 2.9% on all contracts.		
	Special Educational Needs Placements – the budget continues to be under significant pressure due to numbers: whilst maintained Statement numbers are decreasing the level of need is escalating in early years with this age group requiring additional capacity in all of our Special Schools on going. This additional need in early years has meant that the schools were at physical capacity in 2014/15.	+0.763	(10%)
	Commissioning Services – this was due to longer timescales for children with statements moving from one school to another, adhering to the placement consultation process outlined by the Department for Education (DfE) Special Educational Needs (SEN) Code of Practice. In addition to this there was a move to 25 hours per week provision, from 15 hours per week, which created a pressure (additional NHB funding has been secured for 2105/16 to fund the pressure relating to this change in statutory responsibility). It is important to note that a large number of our special schools started the academic year full. This created an additional pressure on this budget as there were an increased number of children requiring interim education provision whilst the search for a new school placement was underway.	+0.429	(12%)
	Older People & Adult Mental Health Directorate – the overall underspend reported at year end is in line with the target set at the start of the financial year. Changes in the expected financial position during the final quarter of 2013/14 meant that the Older People & Mental Health directorate began 2014/15 with a one-off over allocation of budget.	-3.203	(-4%)
	Physical Disabilities – the underspend is due to the management of demand on services, and careful consideration of how much support people needed to reduce social isolation informed by the activities they are involved in and their family / social situations. In addition to demand management some packages of support did not materialise, several higher cost packages ended, and a number of claw backs on direct payments were made.	-1.157	(-9%)

	Central Financing and **Financing Dedicated Schools Grant (DSG)** – within CFA, spend of £20.3m is funded by the ring fenced DSG. The budgets for Education Placements (£763k), Commissioning Services (£410k), Early Years Specialist Support (£90k), Strategic Management - Strategy & Commissioning (£59k), Teachers Pension & Redundancy (£6k), Special Educational Needs and Disability (SEND) Specialist Services (-£147k), East Cambs & Fenland Localities (-£29k), Early Years Policy - Funding & Operations (-£17k), South Cambs & City Localities (-£9k) and Early Years Service (-£9k) are overspent this year by a total of £1,116k. Vacancy savings are taken across CFA as a result of posts vacant whilst they are being recruited to, and some of these vacant posts are also DSG funded. This financial year vacancy savings of £462k (of the total -£549k savings achieved) were taken in relation to DSG funded posts and DSG carry forward within Schools Financing of £654k was applied, both of these have been combined and used to offset the pressures on DSG funded budgets.	-1.116	(-5%)
	Strategic Management - Strategy & Commissioning – the underspend is a result of: o An overachievement of vacancy savings (-£328k) due to holding posts vacant in anticipation of the restructure due to be implemented in June 2015, and lower cost solutions to covering maternity leave; o A deferred HNB savings target of £60k, which will be achieved in 2015/16; o An overspend of £18k on Grants to Voluntary Organisations, resulting from duplication of commitment following reorganisation of funding in accommodating the Public Health Grant for the counselling contract; and o An underspend of -£8k on the directorate legal budget, as expected charges were not received.	-0.259	(-24%)
CFA Bad Debt Provision	**Bad Debt Provision Adjustment** – in 2013/14 a central reserve provision of £1.245m was created from CFA resources when closing the accounts at year-end due to uncertainties over the outstanding client contribution debt which transferred back to the direct management of CCC with the CCS transfer of responsibilities back to CCC. Since then a thorough review of all client contribution debt has been undertaken and the social care teams have checked all outstanding debt. The central reserve provision was set up for exceptional and one-off write-off of debt, but the review has identified that it is not required for this purpose and can therefore be written back into CFA revenue. This will then be treated the same as any CFA over/under spend at year end and transfer to CFA reserves.	-1.245	-

Public Health	**Cambridge Public Health Integration Strategy** – it is proposed that £779k non-recurrent savings from 2014/15 will be transferred to an earmarked reserve for implementation of the Cambridgeshire Public Health Integration Strategy. Development of a Public Health Integration Strategy was requested by the Health Committee at its meeting in January 2015. It will maximise the benefits of the transfer of Public Health to Local Authorities by embedding public health outcomes and delivery across a range of upper tier and lower tier local authority functions. The funding is non-recurrent, and will be used to pump prime evidence based transformation and integration of public health delivery, across County Council Directorates and District/City Councils. To meet Public Health Grant conditions, non-recurrent savings must be earmarked for public health functions, rather than entering the general reserve.	-0.779	-
	Health Improvement – the £500k earmarked from known underspends to pump prime a Healthy Fenland Fund has been transferred to an earmarked reserve.	-0.500	-
	Falls Prevention – an earmarked reserve has been set aside from non-recurrent underspends on 2013/14 and 2014/15 Public Health (PH) Grant, in order to ensure £400k non-recurrent PH funding is available to support falls prevention in 2015/16 and 2016/17.	-0.400	-
CS	N/A	-	-
LGSS Managed	**County Offices** – a savings target of £736k was allocated in the 2013/14 Business Plan linked to a reduction in the Council's property portfolio, with £597k as the balance of savings to be identified at the start of the 2014/15. Savings of £120k were achieved during the year, resulting from the part-year closure of Dryden House and Castle Court. In addition, there was a one-off windfall from Libraries' rates rebates (£150k) and savings of £43k on utilities across the portfolio. These in-year savings were partly offset by an accrual of £200k in respect of Dryden House dilapidations.	+0.484	(7%)
	IT Managed – the overspend had reduced by -£85k this month. The 2014/15 Business Plan included a £600k savings target against IT Managed budgets. IT Services have delivered £398k savings against budgets for which they are directly responsible (telephony, PC refresh and CPSN) and have been reviewing contract arrangements for other IT related contracts across Cambridgeshire. The recent renewal of the mobile telephony contract will produce significant savings towards the outstanding target in future years. Centralisation of the budgets will only be implemented in 2015/16 and, as such, the part year savings applicable to 2014/15 accrued to service budgets rather than this budget.	+0.202	(11%)

	Building Maintenance – the overspend has reduced by -£52k this month. Reactive building maintenance spend across the property portfolio exceeded budget in 2014/15 by £240k. Property Operations identified an under-accrual in relation to 2013/14 works that contributed towards the overspend.	+0.240	(118%)
	Transformation Fund – the Transformation Fund incurred £1.094m of costs as a result of Section 188 redundancies in 2014/15, resulting in an underspend of -£732k.	-0.732	(-73%)
CS Financing	**Debt Charges** – £1.33m was largely due to the decision to delay long term borrowing until 2015/16 and instead utilise cash balances, which resulted in a favourable variance for interest payable. In addition we experienced higher than forecast levels of cash balances throughout the year, so consequently interest receivable was also greater than originally budgeted. An underspend on the Minimum Revenue Provision (MRP) has also contributed significantly, as a result of lower than expected levels of prudential borrowing in previous years. In March, the Council received full payment of the Section 106 contributions for the Addenbrookes 2020 site (£8.5m). Accumulated accrued interest of £635k was also paid earlier than expected, increasing the 2014/15 underspend. This saving is in addition to the £1m reduction in the Debt Charges budget approved in the Business Plan in the expectation of slippage in the capital programme. The capital programme continued to be monitored closely alongside forecast cash balances and interest rates and a pragmatic approach to borrowing continued to be adopted.	-1.982	(-6%)
Financing Items	N/A	-	-
LGSS Operational	N/A	-	-

APPENDIX 3 – previously reported current year capital exceptions that are still applicable

Service	Description	Actual Variance - Outturn £m	Actual Variance - Outturn %
ETE	**Science Park Station** – the Government confirmed in the Autumn Statement that it would provide the funding for this scheme.	-11.2	(-97%)
	Connecting Cambridgeshire – the Superfast broadband rollout contractor for Connecting Cambridgeshire has delivered the infrastructure within agreed milestones, however, the payment profile is lagging behind the delivery, increasing the delayed spend figure to £5,263k in year. This does not represent a total scheme underspend as the funding will be required in 2015/16. The underspend on Super Connected Cities was £4,300k. The original grant was to support 2,220 vouchers, but the take up for 2014/15 was revised down to 160 vouchers. Due to a slower take-up rate nationally than the Government first anticipated, the scheme has now been extended until March 2016 with an increased geography to include the whole of Cambridgeshire, including Peterborough (rather than just Cambridge City and South Cambridgeshire.	-9.8	(-45%)
	Huntingdon - West of Town Centre Link Road – the resolution of land costs were not completed in 2014/15 and the funding for this has been carried forward into 2015/16.	-3.4	(-86%)
	Chesterton Busway – this was due to project delivery issues on the busway site, including statutory undertaking diversions and associated design considerations, which have required a re-programme of the site works, resulting in delays in spend. In addition, work with local stakeholders has identified a potential improvement to the location of additional cycle facilities, however, this requires some further negotiation with a third party land owner. This has resulted in some delay in the finalisation of the cycling facilities, but if successful will ultimately provide a more effective cycling route to the new station.	-2.3	(-38%)

	Cycling Schemes – spend on the Cycling City Ambition grant funded schemes will now roll into 2015/16 as the Department for Transport has extended the use of this funding until September 2015. This will include the following schemes: o Huntingdon Road (start date 5th January) o Hills Road (start date 26th January) o Trumpington Road (start date 11th May)	-2.2	(-45%)
	Community & Cultural Services – expenditure was delayed while the Library Service Review takes place.	-1.6	(-96%)
	Infrastructure Management & Operations Scheme - Other Schemes – funding for 'Street Lighting – Central Management system', shown as 'Other Schemes' within Infrastructure Management and Operations schemes, was no longer required. More detailed analysis of the scheme found that the savings gained from the scheme were not enough to pay back the investment within a reasonable period.	-1.0	(-100%)
	Strategy & Development - Other Schemes – this relates to: o **Soham Station (-£489k)** Network Rail (NR) is currently considering an upgrade of the track between Soham and Ely as part of their regional route strategy. Should this upgrade be agreed it will change the overall business case for a station at Soham. The Council is budgeting to spend around £400k with consultants on developing the business case and, as such, it is prudent to wait until the NR strategy is finalised before letting any contracts to third parties to ensure that the scope of the analysis is well defined. o **Kings Dyke (-£385k)** The budget was set based on an early land acquisition. However, whilst the land owner is still in agreement, the heads of terms have not yet been reached. This has therefore slipped into the first quarter of 2015/16.	-0.9	(-60%)
	Waste Infrastructure – this is a consequence of no new sites being developed until the results of the recycling centre strategy are known.	-0.6	(-75%)

CFA	**Secondary Schools - New Communities** – construction works on site slipped considerably in 2014/15 at the Trumpington (Southern Fringe) Secondary School, which accounts for nearly all of the overall underspend (-£8.3m). The project is now scheduled to complete in April 2016, instead of September 2015. The delay was due to contamination testing of imported fill, resulting in environmental pre-commencement planning condition delays. An underspend of -£175k on the Northstowe Secondary scheme is due to delays in the design phase.	-8.4	(-67%)
	Primary School - Demographic Pressures – this comprised of the following: <u>Slippage and accelerated progress</u> (-£3,964k underspend) This is mainly due to: significant slippage on Isle of Ely Primary (-£2,075k), which occurred from delays in starting on site due to land transfer and cost recovery agreements being concluded, pushing back start on site date to late January 2015; Orchards Primary (-£452k); Swavesey Primary (-£219k); Hardwick Second Campus (-£905k – further delays on site, due to weather conditions, resulted in the project progressing more slowly than anticipated); Huntingdon Primary School (-£458k); and Fawcett Primary (-£1,363k – further delays were experienced, resulting in the scheme progressing more slowly than expected). This is balanced against accelerated schemes of Kings Hedges Primary (£368k); Brampton Primary (£361k); Fulbourn Primary School (£235k); and Milfield Primary (£112k) where expenditure previously anticipated as falling in 2015/16 was incurred in 2014/15. <u>Revision in costs</u> (-£705k underspend) The overall costs of the expansion at Fawcett Primary were reduced by -£600k following receipt of a lower than anticipated Milestone (MS) 4 tender price. A saving of -£225k was also achieved on the Hemingford Grey Primary School due to employer's contingencies and risk register costs not being expended. These savings were offset by increased costs at Cavalry Primary School of £120k for re-roofing works.	-4.7	(-16%)

	Secondary Schools - Demographic Pressures – the Littleport Secondary scheme has underspent by -£4.2m in 2014/15, which is primarily due to a delay in acquiring the land on which the school will be built. The start on site date consequently slipped from Summer to Autumn 2015. The Swavesey Village College scheme progressed more quickly than originally anticipated resulting in a -£257k overspend in 2014/15. The cost of this scheme has increased by £350k over the lifetime of the project due to higher than anticipated tender costs. This project is funded significantly by Targeted Basic Need funding. The funding was advanced to offset the acceleration in the programme. The £598k anticipated increase in Coleridge Secondary extension scheme did not materialise as works slowed on phase 3 of the project.	-4.1	(-44%)
	Primary Schools – New Communities – -£3.4m of the underspend relates entirely to Northstowe. The start on site date was put back to June 2015 from November 2014; the school will now open in September 2016 to ensure places are available to align with when the first house occupation is anticipated. The overall cost of the project remains on budget. There was a -£205k total scheme reduction to Trumpington Meadows Primary School, due to savings made on compensation events, risk register and contingencies. At North West Cambridge (Darwin Green) Primary there was slippage of -£149k in 2014/15 due to delays in the commencement of the design phase. The overall cost pf the project remains on budget. Bearscroft Primary underspent by -£389k in 2014/15, which was due to problems with levels on the allocated site leading to associated delays in the design processes. The overall cost of the project remains on budget.	-3.9	(-73%)
	Adult Social Care (ASC) – this relates to previously accumulated grant funding, which will be required in 2015/16. Plans have been developed to ensure the sustainability of future ASC capital investments, which were incorporated in the 2015/16 Business Plan.	-2.6	(-55%)
	Children Support Services – increased certainty over the timings of projects related to Early Years basic need placements has resulted in a -£490k underspend in 2014/15. The overall cost of the project remains on budget and the phasing has been reflected in the 2015/16 Business Plan.	-2.2	(-58%)

	There was a -£1.5m underspend due to slippage on the Trinity School where delays in the acquisition of land led to the appointment of contractors being put on hold. Further delays were the result of a fire on site in late 2014. Confirmation of the site purchase was received in March 2015.		
	Schools - Scheme Final Payments – final accounts for around 20 completed schemes were settled. However, Cambourne Village College accounts have not be settled in 2014/15 resulting in an -£163k increase to the underspend.	-1.3	(-63%)
	Primary Schools - Adaptations – this was principally due to a delay in the return of the tenders for the planned expansion of Hauxton Primary School (-£571k). The completion date for the scheme is now June 2015. Additional costs of c.£60k are anticipated in the overall project due to piling and associated on-costs. This has been taken into account in the 2015/16 Business Plan. There was small slippage on Morley Memorial Primary School scheme of -£169k in 2014/15 due to delays in planning and design. The overall cost of the project remains on budget. This slippage was offset by £238k as a result of the accelerated progress on the Dry Drayton Primary scheme.	-0.5	(-31%)
	Condition, Maintenance and Suitability – tenders came in higher than anticipated, which is a reflection of the impact the upturn in the housing market has had on building costs.	+1.6	(33%)
	Temporary Accommodation – more mobiles were needed during 2014/15 due to rising class numbers at primary schools around the County, coupled with increased site works and rising building and transportation costs.	+0.6	(58%)
CS	N/A	-	-
LGSS Managed	**Effective Property Asset Management (EPAM) - Shire Hall Campus** – this was due to delays in progressing the Shire Hall lift works due to archaeology findings (-£0.3m) and lower than expected costs associated with the closure of Castle Court. It is expected that there will be a total scheme underspend relating to Castle Court closure, but this has not yet been confirmed	-0.7	(-64%)

	EPAM - County Farms Viability – delays in recruiting resource to support the scheme, coupled with reduced interest from tenants to undertake building improvement works, resulted in fewer business cases coming forward against the available funding for 2014/15.	-0.6	(-58%)
	EPAM - Sawston Community Hub – the slippage was due to the extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the 2014/15 Business Plan. This does not reflect a reduction in total scheme costs.	-0.6	(-94%)
	EPAM - East Barnwell Community Hub – the in-year underspend is due to the extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the 2014/15 Business Plan. This does not reflect a reduction in total scheme costs.	-1.2	(-97%)
	EPAM - Trumpington Option Land – this scheme did not proceed in 2014/15, resulting in an underspend of -£1.0m. Going forward, the project will be incorporated within the wider City Deal schemes, as part of the Economy, Transport and Environment (ETE) capital programme.	-1.0	(-100%)
	EPAM - Making Assets Count (MAC) Market Towns Project – the MAC Public Property Partnership & Market Towns project was reassessed and it was concluded that the Property Partnership would not be developed over the next few years, as MAC wished to focus on more practical projects. The deliverability of the various Market Town projects were re-evaluated in light of this decision and it was decided to focus on taking the March Market Town project forward. This resulted in an in-year underspend of -£1.0m, and a total scheme underspend of -£5.2m. As a result, the scheme budget was adjusted as part of the 2015/16 Business Planning process.	-1.0	(-100%)
	Carbon Reduction – the works planned under the Carbon Reduction scheme were reviewed and a new schedule was agreed. The majority of costs will be incurred in 2015/16 and so there was in-year underspend of -£1.1m. The agreed work is expected to deliver a total scheme underspend of -£0.7m.	-1.1	(-98%)
	Optimising IT for Smarter Business Working – this reflected an updated spend profile for the purchase of equipment to support the Smarter Business programme, and is not expected to result in a reduction in total scheme costs.	-0.8	(-73%)

	IT Infrastructure Investment – timing of spend on this scheme was significantly impacted by the commencement of the Enterprise Agreement with Microsoft; many of the licences due to be paid were deferred until August 2015 when they will be paid in conjunction with other commitments under the Enterprise Agreement. It is therefore not expected that this in-year underspend will result in a reduction in total scheme costs.	-0.8	(-77%)
LGSS Operational	N/A	-	-

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

<table>
<tr><th>Service</th><th>Description</th><th>Actual Variance - Outturn £m</th><th>Actual Variance - Outturn %</th></tr>
<tr><td rowspan="2">ETE</td><td>Science Park Station – the Government confirmed in the Autumn Statement that they would provide the funding for this scheme, which will now be undertaken by Network Rail.</td><td>-26.0</td><td>(-87%)</td></tr>
<tr><td>Infrastructure Management & Operations Scheme - Other Schemes – funding for ‘Street Lighting – Central Management system’, shown as ‘Other Schemes’ within Infrastructure Management and Operations schemes, is no longer required. More detailed analysis of the scheme has found that the savings gained from the scheme were not enough to pay back the investment within a reasonable period.</td><td>-1.5</td><td>(-19%)</td></tr>
<tr><td>CFA</td><td>Primary Schools - Demographic Pressures – this consists of the following:

o £0.6m saving has resulted from a better than expected tender cost at Fawcett Primary School;
o A review of the build at Cavalry Primary School has resulted in a reduction in the anticipated costs by £0.6m, as the contractor has identified a means to be able to deliver to the specification, but more efficiently;
o A saving of £225k has been achieved on the Hemingford Grey Primary School due to employer’s contingencies and risk register not being expended;
o A saving of £476k to the overall project costs for Huntingdon Primary due to a favourable tender price at Milestone (MS) 4 stage;
o A saving of £43k has been achieved on the Fulbourn Primary scheme due to risks and contingencies not being expended;
o The scope of the work at Swavesey Primary School has been increased by £535k to take account of the pre-school needs identified to meet the funded 2’s agenda; and
o The scope of the works at Millfield Primary has been increased by £180k due to the inclusion of work on the pre-school in the scheme.</td><td>-1.2</td><td>(-1%)</td></tr>
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	Schools - Scheme Final Payments – final accounts for around 20 completed schemes were settled, which resulted in a net total scheme underspend of £616k. The main savings relate to the following schemes that have closed: o Gunhild Way Primary (-£292k) o Green End Road Primary (-£130k) o Thongsley Fields Primary (-£127k) o Burrough Green Primary (-£112k) o St John's Primary (-£106k) These savings were offset by a £100k project cost increase on Jeavons Wood Primary due to anticipated final accounts settlement for risks and contingencies.	-0.6	(-1%)
	Secondary Schools - New Communities – the Trumpington (Southern Fringe) Secondary School scheme is due to complete in April 2016, instead of September 2015. The delay was due to contamination testing of imported fill, resulting in environmental pre-commencement planning conditions. Delays have increased the scheme's total costs by £1.5m, which have been reflected within the 2015/16 Business Plan.	+1.5	(1%)
LGSS Managed	**Effective Property Asset Management (EPAM) - Fenland** – residual work on the Awdry House site was still to be completed at year end. A reduction in the estimated cost of final retention payments has increased the total scheme underspend from -£0.9m to -£1.1m.	-1.1	(-17%)
	EPAM - Trumpington Option Land – this scheme did not proceed 2014/15, resulting in an underspend of -£1.0m. Going forward, the project will be incorporated within the wider City Deal schemes, as part of the Economy, Transport and Environment (ETE) capital programme.	-1.0	(-100%)
	EPAM - Making Assets Count (MAC) Market Towns Project – the MAC Public Property Partnership & Market Towns projects was reassessed and it was concluded that the Property Partnership would not be developed over the next few years as MAC wished to focus on more practical projects. The deliverability of the various Market Town projects were re-evaluated in light of this decision and it was decided to focus on taking the March Market Town project forward. This resulted in an in-year underspend of -£1.0m, and a total scheme underspend of -£5.2m. As a result, the scheme budget was adjusted as part of the 2015/16 Business Planning process.	-5.2	(-75%)

	Carbon Reduction – the works planned under the Carbon Reduction scheme were reviewed and a new schedule was agreed. It is expected that the agreed work plan will deliver a total scheme underspend of -£0.7m.	-0.7	(-39%)

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

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	All Services	+20.3	This reflects slippage or rephasing of the 2013/14 capital programme – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (DfT Grant)	ETE	+0.6	Severe Weather Funding – as reported in February and approved by Cabinet on 15th April 2014.
Additional / Reduction in Funding (DfT Grant)	ETE	+1.9	Pothole Funding – as reported in July and approved by the General Purposes Committee on 9th September 2014.
Revised Phasing (Prudential Borrowing)	ETE	-4.0	Highways Maintenance programme – as reported in August, and was approved by the Highways and Community Infrastructure Committee on 19th August 2014.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.8	Orchard Park Primary (-£0.340m) and Soham (-£0.420m) - as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.7	Sundry 'Schools - Scheme Final Payments' – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Revised Phasing (Prudential Borrowing)	CFA	-5.5	Rephasing of various schemes – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (Universal Infant Free School Meals)	CFA	+1.3	Department for Education (DfE) for Universal Infant Free School Meals – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (Basic Need Grant)	CFA	+1.3	Swavesey Village College – as reported in July and approved by the General Purposes Committee on 9th September 2014.

Revised Phasing (Section 106)	CFA	-1.3	Hauxton Hall (-£0.4m) and Southern Fringe (-£0.9m) – as reported in September and approved by the General Purposes Committee on 4th November 2014.
Revised Phasing (Prudential Borrowing)	CFA	+1.3	As above, Hauxton Hall (£0.4m) and Southern Fringe (£0.9m) – as reported in September and approved by the General Purposes Committee on 4th November 2014.
Additional / Reduction in Funding (Revenue Contributions)	CFA	+0.6	A £596k application to capitalise 2 year old trajectory revenue funding to support the creation of childcare places has been agreed by the Education Funding Agency (EFA) – as reported in February.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.6	As above, following the successful application to capitalise 2 year old trajectory revenue funding, there is a reduction in the prudential borrowing requirement – as reported in February.

APPENDIX 6 – Reserves and Provisions

Fund Description	Balance at 31 March 2014	2014-15 Movements in 2014-15	2014-15 Balance at 31 Mar 15	Notes
	£000s	£000s	£000s	
General Reserves				
- County Fund Balance	12,337	3,663	16,001	
- Services				
1 CFA	6,760	-6,760	0	Includes Service Forecast Outturn (FO) position. See note 1.
2 PH	749	203	952	
3 ETE	2,796	573	3,369	Includes Service FO position.
4 CS	1,314	-294	1,020	Includes Service FO position.
5 LGSS Operational	1,116	-113	1,003	Includes Service FO position.
Subtotal	25,073	-2,728	22,345	
Earmarked				
- Specific Reserves				
6 Insurance	4,105	-1,527	2,578	
7 Connecting Cambridgeshire	3,485	-3,485	0	
Subtotal	7,590	-5,012	2,578	
Equipment Reserves				
8 CFA	453	291	744	
9 ETE	567	326	893	
10 CS	50	0	50	
11 LGSS Managed	559	83	642	
12 LGSS Operational	85	-85	0	
Subtotal	1,715	614	2,329	
Other Earmarked Funds				
13 CFA	3,443	4,018	7,533	See note 1.
14 PH	0	2,081	2,081	
15 ETE	8,975	-1,571	7,404	Includes liquidated damages in respect of the Guided Busway.
16 CS	336	191	527	
17 LGSS Managed	0	198	198	
18 LGSS Operational	0	130	130	
19 Corporate	0	63	63	
Subtotal	12,754	5,110	17,936	
SUB TOTAL	**47,132**	**-2,017**	**45,187**	
Capital Reserves				
- Services				
20 CFA	4,180	2,260	6,272	
21 ETE	7,041	8,856	15,897	
22 LGSS Managed	481	0	481	
23 LGSS Operational	30	-30	0	
24 Corporate	22,594	10,953	33,547	Section 106 balances.
subtotal	34,326	22,039	56,197	
GRAND TOTAL	**81,458**	**20,022**	**101,384**	

Note 1 – CFA have undertaken an exercise to review their Service reserve balance to identify funds for future specific use, reporting these funds within their 'Other Earmarked Funds' forecast balance at 31 March 2015. ETE and CS & LGSS are undertaking a similar exercise, which will be finalised in early 15/16.

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

Description	Balance at 31 March 2014	2014-15		Notes
		Movements in 2014-15	Balance at 31 Mar 15	
	£000s	£000s	£000s	
Short Term Provisions				
1 ETE	669	0	669	
2 CS	1,000	43	1,043	
3 LGSS Managed	2,866	450	3,316	
subtotal	4,535	493	5,028	
Long Term Provisions				
4 LGSS Managed	4,718	0	4,718	
subtotal	4,718	0	4,718	
GRAND TOTAL	**9,253**	**493**	**9,746**	

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31STMAY2015

To:	**General Purposes Committee**
Date:	**28th July 2015**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**2015/032** *Key decision:* **Yes**
Purpose:	**To present financial and performance information to assess progress in delivering the Council's Business Plan.**
Recommendations:	**That General Purposes Committee is recommended to:**

a) Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action is required.

b) Approve the transfer of £200k from the General Reserve to LGSS Managed to address the budget error that arose when creating the 2015/16 base budget in relation to the City Deal (section 3.2.5).

c) Approve the use of the full £31.9m capital carry forward funding in 2015/16 (section 6.5).

d) Approve that the remaining £20.0m budget in relation to the Science Park Station scheme is removed from the Economy, Transport and Environment (ETE) capital programme in 2015/16 (section 6.5).

e) Approve that the additional Growth Deal funding of £1m in 2015/16 is allocated in full to ETE (section 6.5).

f) Approve that the 2015/16 element of the second tranche of the Cycle City Ambition grant of £1.48m is allocated in full to ETE (section 6.5).

g) Approve an increase of £1.24m to the Prudential Borrowing requirement in 2015/16 to offset the reduction in funding received from the Department for Education (DfE) RE: Condition, Suitability and Maintenance funding (section 6.5).

h) **Approve the -£5.8m rephasing of Children, Families and Adults (CFA's) S106 funding in 2015/16 (section 6.5).**

i) **Approve the -£7.1m rephasing of CFA's Prudential Borrowing requirement in 2015/16 (section 6.5).**

j) **Approve the inclusion of the additional CFA capital schemes into the 2015/16 and 2016/17 capital programme, along with the associated Prudential Borrowing requirement of £3.2m in 2015/16 and £2.6m in 2016/17 (section 6.5).**

k) **Approve CFA's additional Prudential Borrowing requirement of £1.5m in 2015/16 (section 6.5).**

	Officer contact:
Name:	Chris Malyon
Post:	Chief Finance Officer
Email:	Chris.Malyon@cambridgeshire.gov.uk
Tel:	01223 699796

1. PURPOSE

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

2. OVERVIEW

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

Area	**Measure**	**Forecast Year End Position (Apr)**	**Forecast Year End Position (May)**	**Current Status**	**DoT** (up is improving)
Revenue Budget	Variance (£m)	-	+£3.8m	Amber	-
Basket Key Performance Indicators	Number at target (%)	-	44% (4 of 9)[1]	Amber	-
Capital Programme	Variance (£m)	-	£0.0m	Green	-
Balance Sheet Health	Net borrowing activity (£m)	-	£433m	Green	-

[1]The number of performance indicators on target reflects the current position.

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year end overspend of £3.8m (1.1%). This is mainly due to pressures within CFA.See section 3 for details.

- Key Performance Indicators; the corporate performance indicator set has been refreshed for 2015/16. Some of the measures within this new set are still being developed and should be available from next month. There are 16 indicators in the Council's new basket, with data currently being available for 9 of these. Of these 9 indicators, 4 are on target.See section 5 for details.

- The Capital Programme is showing a forecast balanced budget at year end.Seesection 6 for details.

- Balance Sheet Health; the original forecast net borrowing position for 31st March 2016, as set out in the Treasury Management Strategy Statement (TMSS), was £453m. This projection has now fallen to £433m, largely as a result of changes in the net expenditure profile of the capital programme and changes in expected cashflows since the Business Plan was produced in February 2015. See section 8 for details.

3. REVENUE BUDGET

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

Key to abbreviations

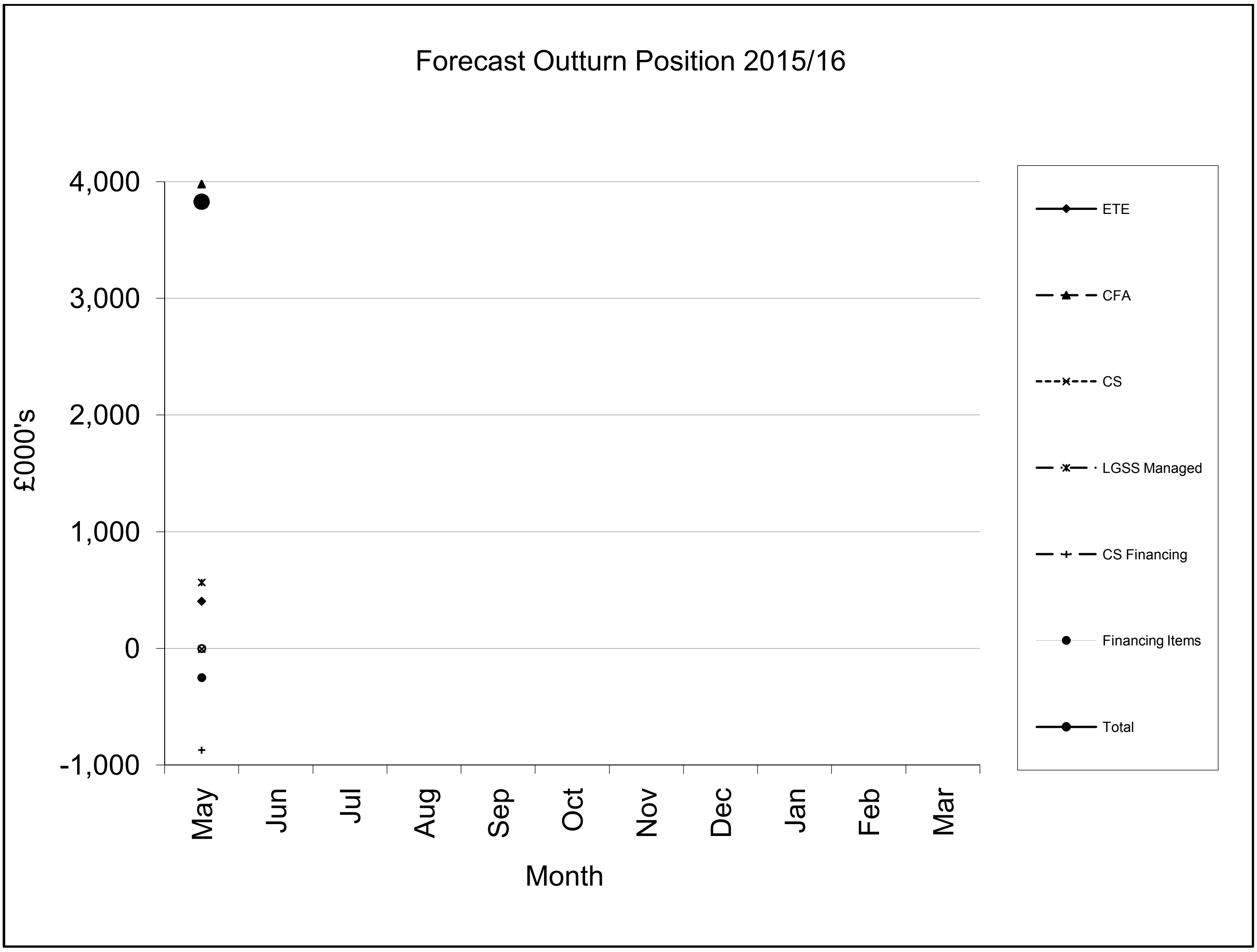
ETE –Economy, Transport and Environment
CFA – Children, Families and Adults
CS Financing – Corporate Services Financing
DoT – Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per BP [1] £000	Service	Current Budget for 2015/16 £000	Forecast Variance - Outturn (May) £000	Forecast Variance - Outturn (May) %	Current Status	DoT
63,308	ETE [2]	62,747	405	0.6%	Amber	-
244,270	CFA	244,333	3,979	1.6%	Amber	-
0	Public Health	0	0	0.0%	Green	-
5,672	Corporate Services	5,567	-4	-0.1%	Green	-
9,145	LGSS Managed	9,877	566	5.7%	Amber	-
35,460	CS Financing	35,460	-870	-2.5%	Green	-
357,855	**Service Net Spending**	**357,983**	**4,076**	**1.1%**	**Amber**	**-**
2,165	Financing Items	2,052	-248	-12.1%	Green	-
360,020	**Net Spending**	**360,035** [3]	**3,828**	**1.1%**	**Amber**	**-**
	Memorandum Items:					
9,864	LGSS Operational	9,849	0	0.0%	Green	-
369,884	**Total Net Spending 2015/16**	**369,884**				

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

[2] ETE includes Winter Maintenance and the Waste PFI Contract, where specific arrangements for under/overspends exist. Excluding these the underlying forecast outturn position for ETE is a £355k overspend.

[3] For budget virements between Services throughout the year, please see Appendix 1.



3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:**£0.405m (0.6%) overspend is forecast at year end.

	£m	%
• **Park & Ride** – a predicted shortfall in income in the region of £560k is expected for parking fees at the Park & Ride sites based on income levels achieved in the first two months of this year. This overspend is expected to be partially covered by increased income from bus lane enforcement, but as this is a newly introduced charge it remains unclear at this point in the year, the level of income expected (we have assumed £300k).	+0.260	(154%)

3.2.2 **Children, Families and Adults:** £3.979m (1.6%) overspend is forecast at year end.

	£m	%
• **Adult Social Care (ASC) Directorate** – this directorate is reporting a forecast overspend of £609k, which is due to:	+0.609	(1%)

- **Strategic Management** – a £1.2m underspend is forecast due to the allocation and timing of funding made available to meet changes in legislation and case law. This includes the timing of recruitment for staff to undertake assessments for self-funders from October 2015 and implementation of IT systems to support the introduction of Care Accounts, under the Care Act, from April 2016. In addition there has been a delay in being able to secure appropriate staff to manage the increased demand for processing Mental Capacity Act (MCA) /Deprivation of Liberty Safeguards (DOLS).

- **Learning Disability Services** – a £2.38m overspend is forecast due to the continuation (and full year effect) of theoverspend reported at the end of the 2014/15 financial year. The Learning Disability Partnership(LDP) overspend position is forecast to be £2.975m, of which £2.380m relates to the County Council after the pooled budget risk share with the NHS. Achieving this position will require meeting saving plans for 2015/16.

- **Physical Disabilities** – a forecast underspend of £530k is being reported. This reflects the continuation (and full year effect) of the combined underspend for Physical Disabilities and Sensory Services reported at the end of the 2014/15 financial year.

• **Older People and Adult Mental Health Directorate** – this directorate is reporting a forecast underspend of £295k, which is mainly due to: -0.295 (0%)

  - **Adult Mental Health** – a £205k underspend is forecast due to savings in cost of care packages particularly in the Huntingdon and Fenland area.

• **Children's Social Care Directorate** – this directorate is reporting a forecast overspend of £2.475m, which is due to: +2.475 (7%)

  - **Strategic Management, Children's Social Care Access** and**Children in Need** – a cumulative forecast overspend of £1.2m is being reported. The overspend is due to the continuing need to use agency staff, which is placing pressure on staffing budgets and making the vacancy saving target difficult to deliver.

  - **Head of Social Work** – a £525k overspend is forecast due to an increase in the number of adoption/special guardianship orders. This reflects the full year impact of the 2014/15 increase plus a further planned increase for 2015/16.

  - **Children Looked After** – a £750k overspend is forecast due to the full year impact of the 2014/15 increase in placements, plus a further planned increase of 36 placements by the end of this financial year. This is a cheaper alternative to higher cost independent foster placements and is part of the Looked After Children (LAC) Commissioning Board Strategy to reduce overall placement costs. The additional budget is currently held in Strategy and Commissioning – LAC Placements and is due to be moved to fund this pressure.

- **Strategy & Commissioning Directorate** – this directorate is reporting a forecast overspend of £400k, which is due to:

  - **Looked After Children (LAC) Placements** – a £800k underspend is forecast, resulting from an assumed full achievement of £2m savings as per the Business Plan. This underspend needs to be considered alongside pressures in in-house fostering within Children's Social Care and LAC Commissioning Board is reviewing how the demography funding currently held in Strategy and Commissioning should be allocated across all the LAC services. +0.400 (1%)

  - **Home to School Transport - Special** – a £1.2m overspend is forecast due to a residual pressure from 2014/15 and a pressure in LAC Transport resulting from the policy of trying to keep young person in their educational setting when they are taken into care or their care placement moves.

- **Learning Directorate** – this directorate is reporting a forecast overspend of £790k, which is due to:

  - **Strategic Management** – a £150k overspend is forecast, which represents the intended efficiencies from integrating several transport functions led by the Total Transport Project Board, but still requires allocation to specific budgets on completion of an analysis of journeys that is being undertaken. +0.790 (4%)

  - **Home to School Transport - Mainstream** – a £640k overspend is forecast due to a higher than anticipated growth in demand as families move into Cambridgeshire, and within Cambridgeshire into catchment areas of schools which are full. This is resulting in increased individual transport and therefore increased unit costs.

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

	£m	%
Public Health Grant – it has been announced that a £200m cut is required nationally against the 2015/16 Public Health Grant. The average reduction on local authorities is 7.4% of grant. This will need to be funded from a mix of general reserves, review of earmarked reserves and in-year savings.	-	-

3.2.4 **Corporate Services:** £0.004m (-0.1%) underspend is forecast at year end.

- There are no exceptions to report this month.

3.2.5 **LGSS Managed:**£0.566m (5.7%) overspend is forecast at year end.

	£m	%
County Offices – full-year savings have now been realised in respect of the closure of Dryden House (£203k) and the cessation of Castle Court running costs (£347k). The prior year savings target for a reduction of the property portfolio has therefore been fully achieved and progress is being made towards the new 2015/16 target (£400k), with a balance of £379k to be identified. A pressure has been identified in relation to business rate charges for the Children's Centre portfolio. These properties have not previously been subject to business rates, but the sites have been reassessed and it has been determined the Council is liable for payments dating back to 2010/11. This has resulted in a pressure of £175k in 2015/16, with the ongoing unfunded pressure being £35k. These pressures have been partially offset by a £42k reduction in the anticipated cost of Dryden House dilapidations and a £13k business rates rebate for Unit 3, The Meadows.	+0.501	(9%)
City Deal – the Council agreed, along with Cambridge City and South Cambridgeshire District Council, as part of the City Deal negotiations to contribute 40% of the New Homes Bonus generated in the Greater Cambridge Area towards the non-transport related activities that support the outcomes of the programme. An activity that will be supported through this funding stream relates to support for the delivery of the Adults Learning Programme. Unfortunately when managing the change of source funding of this activity within the Business Plan a budget error arose when creating the 2015/16 base budget. **Therefore a transfer of £200k from the General Reserve to LGSS Managed is required in 2015/16, which the General Purposes Committee is asked to approve**. This sum will then feed into the Business Planning process for 2016/17.	-	-

3.2.6 **CS Financing:**£0.870m (-2.5%) underspend is forecast at year end.

	£m	%
Debt Charges – this is largely as a result of a favourable variance for interest payable, which has been included on the assumption that the Council will experience significant slippage in the capital programme, as it has done in the past. Initial projections for the	-0.870	(-2%)

Minimum Revenue Provision (MRP) charge also contribute to this underspend, along with lower than budgeted interest recharged internally.

3.2.7 **Financing Items:**£0.248m (-12.1%) underspend is forecast at year end.

	£m	**%**
• **Education Services Grant (ESG)** – an additional c.£265k is currently forecast to be received than was originally budgeted for in 2015/16 – see section 7.1 for the detail.	-0.265	(-6%)

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

- There are no exceptions to report this month.

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

4. KEY ACTIVITY DATA

4.1 The Actual Costs (weekly and annual) for all clients shown below are calculated based on all clients who have received a service, are receiving a service, or we plan will receive a service. Some clients will have ceased receiving a service in previous months, or during this month, or we will have assumed an end date in the future. The Actual Average Weekly Cost of Care and the Annual Cost of Care relates to all clients, not just those in placement at the end of last month.

4.2 Looked After Children (LAC): May 2015

	BUDGET	**ACTUAL (May)**			**VARIANCE**
Service Type	*Annual Budget*	*Snapshot of No. of Placements at end of May 15*	*Projected Spend*	*Average weekly cost*	*Net Variance to Budget*
Residential - disability	£391k	4	£241k	2,152	-£150k
Residential schools	£743k	11	£880k	1,935	£137k
Residential homes	£3,487k	28	£3,684k	2,801	£197k
Independent Fostering	£9,776k	250	£9,527k	772	-£520k
Supported Accommodation	£799k	11	£477k	982	-£322k
16+	£301k	12	£158k	313	-£142k
TOTAL	£15,497k	316	£14,697k		-£800k
In-house fostering	£2,831k	122	£3,353k	500	£522k
Kinship	£614k	34	£781k	418	£168k
In-house residential	£1,588k	12	£1,588k	2,545	0
Concurrent Adoption	£50k	6	£111k	355	£61k
TOTAL	£5,083k	174	£5,833k		£750k
Adoption	£2,449k	324	£2,974k	177	£525k
TOTAL	£2,449k	324	£2,974k		£525k
OVERALL TOTAL	£23,029k	814	£23,504k		£475k

4.3 Adult Social Care (ASC): May2015

		BUDGET			ACTUAL (May)			VARIANCE
Service Type		*Budgeted No. of Clients 2015/16*	*Budgeted Average Unit Cost (per week)*	*Annual Budget*	*Snapshot of No. of Clients at End of May 15*	*Current Average Unit Cost (per week)*	*Projected Spend*	*Net Variance to Budget*
Physical Disability Services	Residential	40	£892	£2,015k	36	£1,022	£1,915k	-£100k
	Nursing	23	£836	£898k	22	£924	£1,026k	£128k
	Community	835	£218	£9,015k	836	£221	£9,645k	£630k
Physical Disability Services Total		**898**		**£11,928k**	**894**		**£12,586k**	**£658k**
Learning Disability Services	Residential	294	£1,233	£18,900k	294	£1,345	£20,614k	£1,714k
	Nursing	17	£1,432	£1,270k	17	£1,530	£1,357k	£87k
	Community	1,272	£547	£36,244k	1,272	£588	£38,996k	£2,752k
Learning Disability Service Total		**1,583**		**£56,414k**	**1,583**		**£60,967k**	**£4,553k**

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

The figures shown above reflect the current activity situation, whereas forecasts presented in Appendix 1 reflect the impact of savings measures to take effect later in the year, and for the LDP, the risk share with the NHS.

4.4 Older People (OP): May 2015

	BUDGET			ACTUAL (May)			VARIANCE		
Service Type	*Budgeted No. of clients 2015/16*	*Budgeted Average Cost (per week)*	*Annual Budget*	*Service Users*	*Current Average Cost (per week)*	*Projected spend*	*Service Users*	*Current Average Cost (per week)*	*Variance*
Residential	531	£424	£11,733k	544	£424	£12,015k	13	£0	£282k
Residential Dementia	320	£475	£7,952k	327	£475	£8,109k	6	£0	£157k
Nursing	319	£576	£9,551k	325	£575	£9,722k	6	£0	£170k
Community based	2,164		£17,969k				121		£951k
Direct payments				356	£203	£3,748k			
Homecare arranged				1,928	£16 p/hr	£15,172k			
Total	**3,334**		**£47,205k**			**£48,765k**	**146**		**£1,560k**

4.5 Adult Mental Health (OP): May 2015

		BUDGET			ACTUAL (May)			VARIANCE
Service Type		*Budgeted No. of Clients 2015/16*	*Budgeted Average Unit Cost (per week)*	*Annual Budget*	*Snapshot of No. of Clients at End of May 15*	*Current Average Unit Cost (per week)*	*Projected Spend*	*Variance*
Adult Mental Health	Community based support	67	£76	£266k	79	£92	£484k	£218k
	Home & Community suppor	196	£86	£886k	169	£78	£707k	-£179k
	Nursing Placement	13	£719	£461k	15	£660	£497k	£36k
	Residential Placement	71	£728	£2,704k	63	£772	£2,374k	-£330k
	Supported Accomodation	137	£81	£579k	140	£92	£667k	£88k
Adult Mental Health Total		**484**		**£4,896k**	**466**		**£4,729k**	**-£167k**

4.6 Older People Mental Health (OPMH): May 2015

	BUDGET			ACTUAL (May)			VARIANCE		
Service Type	*Budgeted No. of clients 2015/16*	*Budgeted Average Cost (per week)*	*Annual Budget*	*Service Users*	*Current Average Cost (per week)*	*Projected spend*	*Service Users*	*Current Average Cost (per week)*	*Variance*
Residential	12	£460	£300k	13	£460	£313k	1	£0	£13k
Residential Dementia	21	£465	£521k	22	£465	£545k	1	£0	£24k
Nursing	18	£736	£676k	18	£736	£692k	0	£0	£16k
Nursing Dementia	0	£659	£5,411k	0	£659	£5,525k	0	£0	£114k
Community based:	83	£280	£714k				5		£37k
Direct payments				15	£264	£207k			
Homecare arranged				72	£16 p/hr	£544k			
Total	**217**		**£7,622k**	**0**		**£7,826k**	**7**		**£204k**

We are continuing to develop this data to encompass an increasing proportion of the service's expenditure (spending on extra care and sheltered housing is currently not included). Although this activity data shows current expected and actual payments made through direct payments, this in no way precludes increasing numbers of clients from converting arranged provisions into a direct payment.

5. PERFORMANCE TARGETS

Corporate Priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber, or Red)	Direction of Travel (up is good, down is bad)
Developing our economy	Percentage of Cambridgeshire residents aged 16 - 64 in employment	ETE	High	31/12/14	%	79.5	80.3	Amber	↓
	Additional jobs created	ETE	High	30/09/13*	Number	7,700	3,500	TBC *(new indicator)*	TBC *(new indicator)*
	'Out of work' benefits claimants – narrowing the gap between the most deprived areas (top 10%) and others	ETE	Low	30/11/14	%	Top 10% = 11.9% Others = 5.8%	≤12	Green	↑
	The proportion of children in year 12 taking up a place in learning	CFA	High	30/04/15	%	94.9	96.0	Amber	↑
	Percentage of 16-19 year olds not in education, employment or training (NEET)	CFA	Low	30/04/15	%	3.4	3.6	Green	↔
Helping people live independent and healthy lives	Percentage of closed Family Worker cases demonstrating progression	CFA	High	30/04/15	%	75	80	Amber	↔
	The proportion of older people (65 and over) who are still at home 91 days after discharge from hospital into reablement / rehabilitation services	CFA	High	*Awaiting completion of statutory returns*	%	*Currently measured annually*	86.6	TBC	TBC
	The proportion of Adult Social Care and Older People's Service users requiring no further service at end of reablement phase	CFA	High	*Awaiting completion of statutory returns*	%	*Awaiting completion of statutory returns*	57	TBC	TBC
	Reduced proportion of Delayed Transfers of care from hospital,	CFA	Low	TBC *(indicator*	Number	TBC *(indicator*	406.3 per month	TBC	TBC

Corporate Priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber, or Red)	Direction of Travel (up is good, down is bad)
	per 100,000 of population (aged 18+)			*to be tweaked for quarterly target)*		*to be tweaked for quarterly target)*	(4,874.5 per year)		
	Children eligible for free school meals and pupil premium achieving a good level of development at end of reception	Public Health (joint with CFA learning)	TBC *(new indicator)*	TBC *(new indicator)*	TBC *(new indicator)*	TBC *(new indicator)*	TBC *(new indicator)*	TBC *(new indicator)*	TBC *(new indicator)*
	The percentage of children weighed and recorded as obese according to national childhood measurement programme	Public Health	Low	TBC *(new indicator)*	%	TBC *(new indicator)*	19.9	TBC *(new indicator)*	TBC *(new indicator)*
Supporting and protecting vulnerable people	The number of Looked After Children (LAC) per 10,000 children (under 18)	CFA	Low	30/04/15	Rate per 10,000	41.8	32.8 to 38.5	Red	↓
	New indicator in development – strategic indicator for ASC/OP measuring whether fewer people are slipping into crisis	CFA	TBC *(new indicator)*	TBC *(new indicator)*	TBC *(new indicator)*	TBC *(new indicator)*	TBC *(new indicator)*	TBC *(new indicator)*	TBC *(new indicator)*
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	30/04/15	%	88.2	80	Green	↑
An efficient and effective organisation	The percentage of all transformed transaction types to be completed online	CCC	High	01/01/15 to 31/03/15	%	70.5	75	Amber	↑
	The average number of days lost to sickness per full-time equivalent staff member	CCC	Low	31/05/15	Days (12 month rolling average)	6.48	7.8	Green	↑

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

5.1 Key exceptions are identified below.

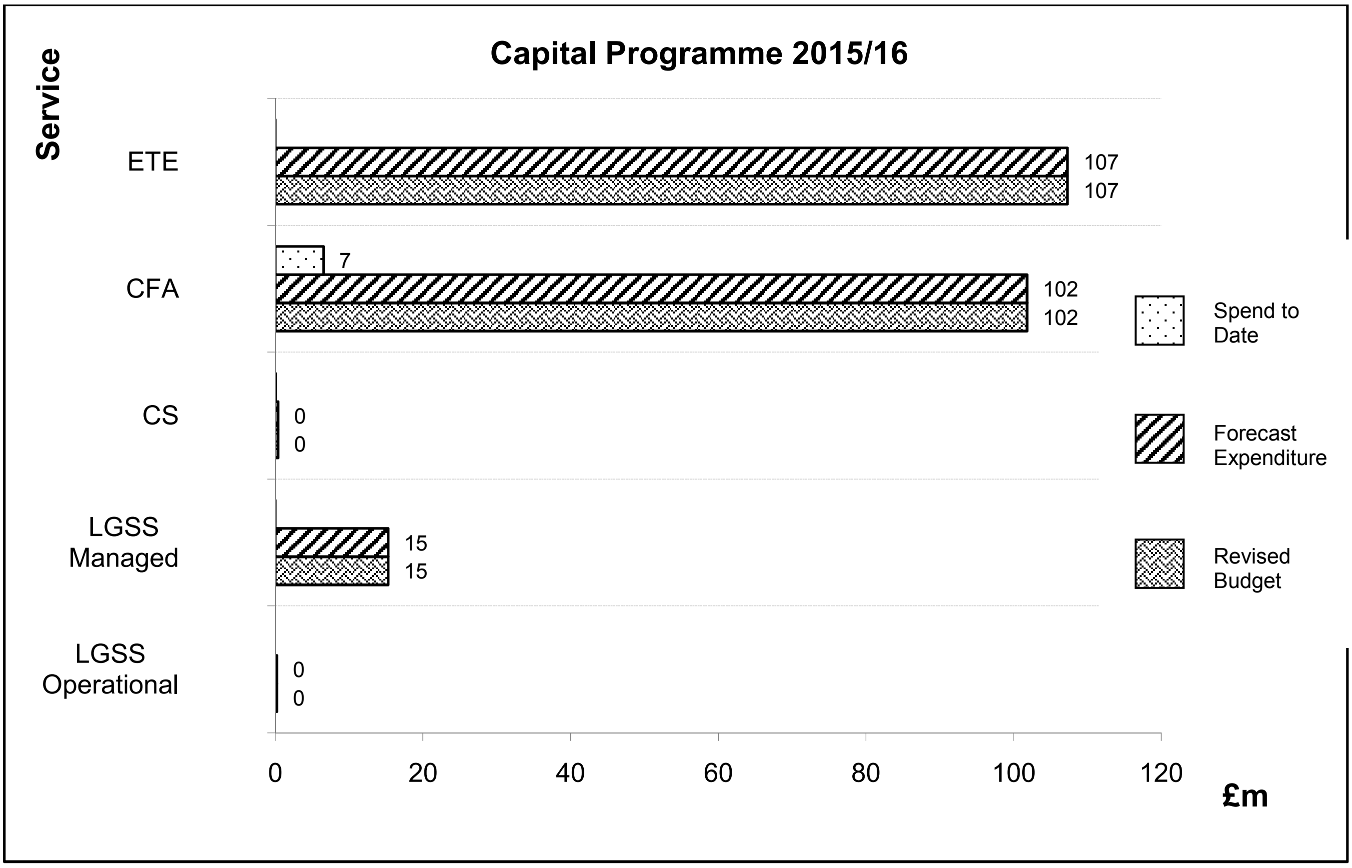
- **Number of Looked After Children (LAC) per 10,000 population under 18**

  The number of LAC has increased to 543 during April 2015. The current target has been set with an upper limit equating to 500 LAC by April 2016. The newly established Alternative to Care Service alongside the robust care planning and delivery of good exit plans from care will be needed to meet this ambitious target by the end of this year.

6. CAPITAL PROGRAMME

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

2015/16					TOTAL SCHEME	
Original 2015/16 Budget as per BP £000	**Service**	**Revised Budget for 2015/16 £000**	**Forecast Variance - Outturn (May) £000**	**Forecast Variance - Outturn (May) %**	**Total Scheme Revised Budget (May) £000**	**Total Scheme Forecast Variance (May) £000**
102,192	ETE	107,294	0	0.0%	520,907	0
104,854	CFA	101,803	0	0.0%	568,938	7,780
300	Corporate Services	386	0	0.0%	640	0
11,385	LGSS Managed	15,274	0	0.0%	81,395	-2,827
-	LGSS Operational	209	0	0.0%	600	0
218,731	**Total Spending 2015/16**	**244,966**	**0**	**0.0%**	**1,172,480**	**4,953**



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

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

6.2.1 **Economy, Transport and Environment:**a balanced budget is forecast at year end.

- There are no exceptions to report this month.

6.2.2 **Children, Families and Adults:**a balanced budget is forecast at year end.

- There are no exceptions to report this month.

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

- There are no exceptions to report this month.

6.2.4 **LGSS Managed:**a balanced budget isforecast at year end.

- There are no exceptions to report this month.

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

- There are no exceptions to report this month.

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

	£m	**%**
<u>Economy, Transport and Environment (ETE)</u>: a total scheme balanced budget is forecast.		
• There are no exceptions to report this month.		
<u>Children, Families and Adults (CFA)</u>: £7.8m (1%) total scheme overspend is forecast.		
• **Primary Schools - Demographic Pressures** – the scope and costs of schemes have increased since the Business Plan was approved in response to changes to development timescales and school capacity. These include the following increases in 2016/17: - Wisbech additional places - £4,791k increase. - Little Paxton - £2,600k increase. - Orchard Park - £200k increase. - Fordham - £175k increase. - Burwell - £14k increase. There is a 2015/16 impact as a result of these changes *(see section 6.5 RE: GPC approval for the additional funding).* The 2016/17 impact will be managed through the 2016/17 Business Planning (BP) process.	+7.8	(6%)

<u>Corporate Services (CS)</u>: a total scheme balanced budget is forecast.

- There are no exceptions to report this month.

<u>LGSS Managed</u>: -£2.8m (-3%) total scheme underspend is forecast.

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

<u>LGSS Operational</u>: a total scheme balanced budget is forecast.

- There are no exceptions to report this month.

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding [1] £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	38.2	4.3	0.0	1.5	**44.0**	44.0	0.0
Basic Need Grant	4.9	1.5	0.0	0.0	**6.4**	6.4	0.0
Capital Maintenance Grant	6.3	0.0	0.0	-1.2	**5.1**	5.1	0.0
Devolved Formula Capital	1.1	1.1	0.0	0.0	**2.2**	2.2	0.0
Specific Grants	11.5	6.0	0.0	1.0	**18.5**	18.5	0.0
Section 106 Contributions	35.8	3.2	-5.8	0.0	**33.2**	33.2	0.0
Capital Receipts	4.5	0.0	0.0	0.0	**4.5**	4.5	0.0
Other Contributions	29.6	0.7	0.0	-20.0	**10.3**	10.3	0.0
Prudential Borrowing	86.8	15.0	-7.1	5.9	**100.6**	100.6	0.0
Total	**218.7**	**31.9**	**-12.9**	**-12.8**	**225.0**	**225.0**	**0.0**

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

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

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	All Services	31.9	Following a review of capital programme over and underspends at the end of 2014/15, it has been noted that many of these are a result of changes to the timing of expenditure, rather than scheme over or underspends. As such, this funding is still required in 2015/16 to complete projects.Of the £31.9m funding to be carried forward, £15.0m relates to prudential borrowing. However, as this is a timing issue there is no significant impact on the Debt Charges budget as

			a result. **General Purposes Committee (GPC) is asked to approve the use of the £31.9m carry forward funding in 2015/16.**
Additional / Reduction in Funding (Other Contributions)	ETE	-20.0	Removal of the Science Park Station scheme from the ETE capital programme, as the Government have confirmed that they will provide the funding to Network Rail for this work. **GPC is asked to approve that the remaining £20.0m budget in relation to the Science Park Station scheme is removed from the ETE capital programme in 2015/16.**
Additional / Reduction in Funding (Specific Grant)	ETE	1.0	Central Government has announced a further £1m of Growth Deal funding being made available in 2015/16 relating to the Wisbech Access Strategy. This funding had not been confirmed at the time the 2015/16 Business Plan was approved. **GPC is asked to approve that the additional funding of £1m in 2015/16 is allocated in full to ETE.**
Additional / Reduction in Funding (DfT Grant)	ETE	1.5	Since the 2015/16 Business Plan was approved, the Council has gained further funding for a second tranche of the Cycling City Ambition grant amounting to £6.028m to be spent over the next 3 years. The amount of grant available in 2015/16 is £1.480m. **GPC is asked to approve that the 2015/16 funding of £1.480m is allocated in full to ETE. The remainder of the grant will be incorporated into the next Business Planning cycle.**
Additional / Reduction in Funding (Capital Maintenance)	CFA	-1.2	The final Condition, Suitability and Maintenance funding for 2015/16 reduced by £1.240m, as a result in the change of formula used by the Department for Education (DfE). As such, additional Prudential Borrowing will be required to offset this shortfall (see below).

<table>
<tr><td>Additional / Reduction in Funding (Prudential Borrowing)</td><td>CFA</td><td>1.2</td><td>An additional £1.240m Prudential Borrowing is required in 2015/16 to offset the shortfall in funding from the DfE RE: Condition, Suitability and Maintenance funding (see above).

GPC is asked to approve the increase of £1.240m to the Prudential Borrowing requirement in 2015/16.</td></tr>
<tr><td>Revised Phasing (Section 106)</td><td>CFA</td><td>-5.8</td><td>This reflects the following rephasing:

o North West Cambridge (NIAB) Primary (-£5,539k) – the scheme has been deferred to September 2018 opening due to development delays and reassessment of the timing for opening the school to take account of the opening of the University Primary School in September 2015.

o Non-material rephasing to individual projects of less than +/-£0.5m each (-£280k).

GPC is asked to approve the -£5.8m rephasing of CFA’s S106 funding in 2015/16.</td></tr>
</table>

Revised Phasing (Prudential Borrowing)	CFA	-7.1	This reflects the following rephasing: o Northstowe First Primary (-£2,245k) – the project has been deferred by a year due to the development not commencing as originally planned at Business Planning. o Bearscroft Primary (-£4,142k) – there have been development delays around site condition since the Business Plan (BP) was approvedtotalling £4,589k, of which £4,142k of this relates to Prudential Borrowing. o Littleport Secondary and Special (-£1,639k) – this reflects land acquisition delays affecting the start on site date. o Isle of Ely Primary (+£531k) – this scheme has accelerated since Business Planning. o Maple Grove Infant (+£716k) – this scheme has accelerated since Business Planning. o Non-material rephrasing to individual projects of less than +/-£0.5m (-£305k). **GPC is asked to approve the -£7.1m rephasing of CFA's Prudential Borrowing requirement in 2015/16.**
Additional / Reduction in Funding (Prudential Borrowing)	CFA	3.2	This reflects the following new schemes: o Hardwick Second Campus (£2,300kin 15/16 and £60k in 16/17) – following on from phase 1 to meet demand of development. o Fourfields Yaxley (£500k in 15/16 and £1,000k in 16/17) – to accommodate housing development - start on site February 2016 for September 2016 opening. o Grove Primary (£200k in 15/16 and £800k in 16/17) – to meet planned capacity issues - August 2016 opening. o Huntingdon Primary (£200k in 15/16 and £700k in 16/17) – to meet planned housing development - August 2016 opening. Children & Young People's (CYP) Committee have

			reviewed these new schemes and agreed for them to put forward to GPC for approval. **GPC is asked to approve the inclusion of the additional CFA capital schemes into the 2015/16 and 2016/17 capital programme, along with the associated Prudential Borrowing requirement of £3.2m in 2015/16 and £2.6m in 2016/17.**
Additional / Reduction in Funding (Prudential Borrowing)	CFA	1.5	This reflects an increase in costs to the following schemes: o Fordham (£500k) – increasedcosts after detailed plans confirmed since Business Plan was approved. Scheme also accelerated by 1 year in response to pressure for places from the within catchment. o Burwell Primary (£486k) - costs increased after further planning work since Business Plan was approved. o Orchard Park Primary (£400k) – scheme's scope more detailed since Business Plan was approved. o Little Paxton Primary (£100k) – scope of scheme expanded since Business Plan approved. **GPC is asked to approve CFA's additional Prudential Borrowing requirement of £1.5m in 2015/16.**

7. GRANT ALLOCATIONS 2015/16

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

<u>Educational Services Grant (ESG)</u>

The ESG is an unringfenced grant, which is allocated to local authorities and academies on a per-pupil basis that takes account of school type (mainstream/high needs) and status (academy/maintained). Funding will therefore reduce for local authorities if a school converts to an academy.

Based on the expected number of academy conversions during 2015/16 a figure of £4,735,117 was budgeted for the ESG during the Business Planning (BP) process.

Recent conversions and projections for the rest of the year indicate academy conversions at a slower rate than originally expected, resulting in an increased total ESG funding of c.£5,000,000 for 2015/16, an additional amount of c.£265,000.

It is proposed that his additional income will be transferred to corporate reserves at year end, subject to General Purposes Committee (GPC) approval. However, an update to the current reported position will be provided if this projection changes.

7.2 The below grantis deemed to be a non-material change and is for information purposes only:

<u>Remand Grant</u>

This is the revenue remand framework for children for which an indicative figure of £71,932 was budgeted for within the Business Plan. However, the final allocation has recently been announced as £55,052, leaving a shortfall of £16,880.

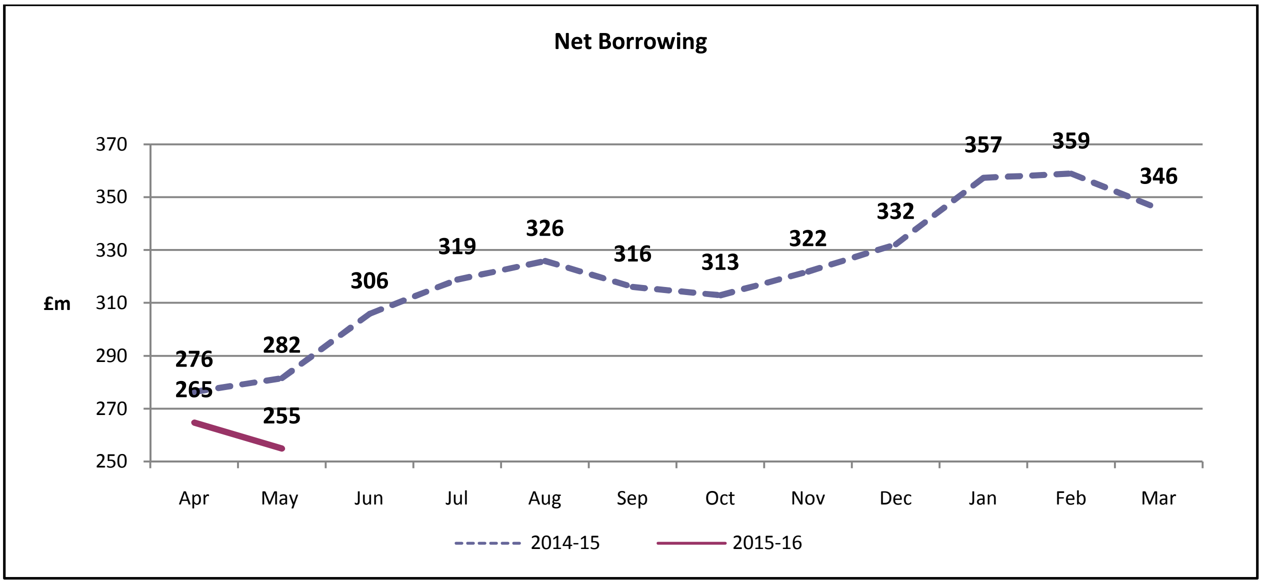
This shortfall will therefore be met from corporate reserves at year end.

8. BALANCE SHEET

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

Measure	**Year End Target**	**Actual as at the end of May**
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.8m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£1.6m
Invoices paid by due date (or sooner)	97.5%	99.8%

8.2 The graph below shows net borrowing (borrowing less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of May were £126.2m and gross borrowing was £381.1m, giving a net borrowing position of £254.9m.



8.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2015/16 TMSS was set in February 2015, it was anticipated that net borrowing would reach £453m at the end of this financial year. This has now fallen to £433m. Net borrowing at the beginning of this year was lower than expected and the position at the 31st March 2015 was £346m.

8.4 From a strategic perspective, the Council is currently reviewing options as to the timing of any potential borrowing and also the alternative approaches around the further utilisation of cash balances and undertaking shorter term borrowing, which could potentially generate savings, subject to an assessment of the interest rate risks involved.

8.5 Although there is a link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term borrowing decisions. These decisions are made in the context of other factors including interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.

8.6 The Council's cash flow profile varies considerably during the year as payrolls and payments to suppliers are made, and grants and income are received. Cash flow at the beginning of the year is typically stronger than at the end of the year as many grants are received in advance.

8.7 Key exceptions are identified below:

Key exceptions	Impacts and actions
Less borrowing activity than planned – original net borrowing forecast was £453m. Actual net borrowing at 31st May	At this early stage in the year an underspend of £870k is forecast for Debt Charges. This is largely as a result of a favourable variance for interest payable which has been included on the assumption that the Council will experience significant slippage in the capital programme, as it has done in previous years. Initial

was £255m.	projections for the Minimum Revenue Provision (MRP) charge also contributes to this underspend, along with lower than budgeted interest recharged internally. The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and pragmatic approach to borrowing is adopted.

8.8 A schedule of the Council's reserves and provisions can be found in appendix 3.

9. EXTERNAL AND CONTEXTUAL ISSUES

9.1 The outlook for 2015/16 is not any brighter than it was in 2014/15, as the Council continues to face a substantial increase in demand for its services. This, coupled with a 3.0% reduction in Government revenue funding (excluding grants to schools) in 2015/16, has resulted in a savings requirement of £29.8m in 2015/16 and £118.9m to be achieved over the next five years. This has been addressed and accounted for as part of the 2015/16 Business Planning (BP) process.

10. FURTHER INFORMATION

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

http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/147/finance_and_performance_reports

11. ALIGNMENT WITH CORPORATE PRIORITIES

11.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

11.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

11.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

12. SIGNIFICANT IMPLICATIONS

12.1 Resource Implications

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

12.2 **Statutory, Risk and Legal Implications**

There are no significant implications within this category.

12.3 **Equality and Diversity Implications**

There are no significant implications within this category.

12.4 **Engagement and Consultation Implications**

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

12.5 **Localism and Local Member Involvement**

There are no significant implications within this category.

12.6 **Public Health Implications**

There are no significant implications within this category

Source Documents	**Location**
ETE Finance & Performance Report (May 15) CFA Finance & Performance Report (May 15) PH Finance & Performance Report (May 15) CS and LGSS Cambridge Office Finance & Performance Report (May 15) Performance Management Report & Corporate Scorecard (May 15) Capital Monitoring Report (May 15) Report on Debt Outstanding (May 15) Payment Performance Report (May 15)	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)

	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Opening Cash Limits as per Business Plan	244,270	0	63,308	35,460	5,672	9,145	9,864	2,165
Green Spaces budget from CS to ETE			11		-11			
Scrutiny Members Training budget to Members Allowances 15/16						15	-15	
City Deal budget from ETE to LGSS Managed			-717			717		
ETE Operational Savings – LEP subscription			50					-50
Green Spaces staff budget from CS to ETE			43		-43			
Travellers Support budget from CS to ETE			51		-51			
Allocation of Supporting Disadvantaged Children in Early Years Grant and SEND Preparation for Employment Grant to CFA	63							-63
Current budget	**244,333**	**0**	**62,747**	**35,460**	**5,567**	**9,877**	**9,849**	**2,052**
Rounding	*-*	*-*	*1*	*-*	*-*	*-*	*-*	*-*

APPENDIX 2 – previously reported total scheme capital exceptions that are still applicable

Service	Description	Total Forecast Variance - Outturn £m	Total Forecast Variance - Outturn %
LGSS Managed	**Effective Property Asset Management (EPAM) - Fenland** – as reported in 2014/15, a reduction in the estimated cost of final retention payments for the Awdry House site has increased the predicted total scheme underspend to £1.1m.	-1.1	(-17%)
	Carbon Reduction –the works planned under the Carbon Reduction scheme were reviewed in 2014/15 and a new schedule was agreed. As reported in 2014/15, the agreed work plan is expected to deliver a total scheme underspend of £0.7m.	-0.7	(-39%)

APPENDIX 3– Reserves and Provisions

Fund Description	Balance at 31 March 2015	2015-16		Forecast Balance at 31 March 2016	Notes
		Movements in 2015-16	Balance at 31 May 15		
	£000s	£000s	£000s	£000s	
General Reserves					
- CountyFund Balance	16,001	0	16,001	16,270	
- Services					
1 CFA	0	0	0	-3,979	Includes Service Forecast Outturn (FO) position.
2 PH	952	0	952	0	
3 ETE	3,369	-51	3,318	0	Includes Service FO position.
4 CS	1,020	0	1,020	422	Includes Service FO position.
5 LGSS Operational	1,003	0	1,003	1,003	Includes Service FO position.
Subtotal	22,345	-51	22,294	13,716	
Earmarked					
- Specific Reserves					
6 Insurance	2,578	0	2,578	2,578	
Subtotal	2,578	0	2,578	2,578	
Equipment Reserves					
7 CFA	744	159	903	338	
8 ETE	893	0	893	650	
9 CS	50	0	50	50	
10 LGSS Managed	642	0	642	642	
Subtotal	2,329	159	2,488	1,680	
Other Earmarked Funds					
11 CFA	7,533	-176	7,357	1,796	
12 PH	2,081	-61	2,020	1,300	
13 ETE	7,404	0	7,404	4,251	Includes liquidated damages in respect of the Guided Busway.
14 CS	527	0	527	368	
15 LGSS Managed	198	0	198	139	
16 LGSS Operational	130	0	130	0	
17 Corporate	63	-63	0	0	
Subtotal	17,936	-300	17,636	7,854	
SUB TOTAL	**45,187**	**-191**	**44,996**	**25,828**	
Capital Reserves					
- Services					
18 CFA	6,272	2,892	9,164	1,810	
19 ETE	15,897	25,818	41,715	17,200	
20 LGSS Managed	481	260	741	592	
21 Corporate	33,547	2,721	36,268	15,667	Section 106 balances.
subtotal	56,197	31,691	87,888	35,269	
GRAND TOTAL	**101,384**	**31,500**	**132,884**	**61,097**	

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

Description	Balance at 31 March 2015	2015-16		Forecast Balance at 31 March 2016	Notes
		Movements in 2015-16	Balance at 31 May 15		
	£000s	£000s	£000s	£000s	
Short Term Provisions					
ETE	669	0	669	0	
CS	1,043	0	1,043	955	
LGSS Managed	3,316	0	3,316	1,335	
subtotal	5,028	0	5,028	2,290	
Long Term Provisions					
LGSS Managed	4,718	0	4,718	4,718	
subtotal	4,718	0	4,718	4,718	
GRAND TOTAL	**9,746**	**0**	**9,746**	**7,008**	

EAST BARNWELL COMMUNITY CENTRE

To:	**General Purposes Committee**
Meeting Date:	**28 July 2015**
From:	**Chris Malyon, Chief Finance Officer/ Sarah Ferguson Service Director, Enhanced and Preventative Services**
Electoral division(s):	**Abbey**
Forward Plan ref:	**2015/053** *Key decision:* **Yes**
Purpose:	**To update General Purposes Committee on work undertaken to explore the risks and benefits of revisiting mixed use options for the development of the East Barnwell Community Centre site, since a discussion held at the Group Leaders meeting in April 2015.**
Recommendation:	**General Purposes Committee is asked to agree one of the following options in relation to East Barnwell Community Centre:**

(a) Continue with the current proposal for redevelopment;

(b) Develop a Council only site mixed development including the redesigned community facilities; and

(c) Develop proposals for a wider development including the redesigned community facilities.

	Officer contact:
Name:	Chris Malyon / Sarah Ferguson
Post:	Chief Finance Officer/ Service Director
Email:	chris.malyon@cambridgeshire.gov.uk/ sarah.ferguson@cambridgeshire.gov.uk
Tel:	01223 699796/ 01223 729099

1.0 BACKGROUND

1.1 The East Barnwell Community Centre forms part of the Community Hub programme. The redevelopment of the Centre offers to bring together teams and services currently located on County Council premises Barnwell Road (East Barnwell Library) and Malta Road (Children’s Locality Team), alongside redeveloped community facilities. The project represents a close collaboration of partners over a number of years, and seeks to balance the commercial interests of the County Council with the need to secure high quality services to a community characterised by a high level of deprivation.

1.2 The project has been under development for two years in a context of complex stakeholder negotiations. One of the principle objectives in the partnership work has been to ensure the local community remain engaged and invested in the proposals, as they are seen as critical to the long term future of the building. Aside from the County Council (in particular Libraries and Children’s Services), the key partners have involved Cambridge City Council, local community groups, (East Barnwell Community Association and Abbey People), Marshalls and the local Churches. All City and County Council Members for the Division/Ward have been closely involved.

1.3 Through the developed partnership a number of funding sources were secured in 2013/ 2014, resulting in a total budget of £2.25 million to create a community hub in East Barnwell. These were as follows:

East Barnwell Community Hub project funding			
Funding source		Amount (£)	Outcome
Cambridgeshire County Council	Capital Programme Community Hub contribution	1,145,000	Statutory service provision and enhancement of community space
	Capital receipts	500,000	
	Children, Families and Adults Capital Programme	300,000	Improvement of on-site Preschool
	Youth Service Capital receipts	50,000	Contribution toward youth space within building
Cambridgeshire County Council contribution		1,995,000	
Cambridge City	Section 106 developer contribution	255,000	Additional 80 m² of hireable community and youth space available for community hire for a minimum of 50 hours a week.
Total funding		2,250,000	

1.4 Since the original figures agreed in January 14 there have been some revisions to the final totals which are reflected in the table above. Capital receipts are anticipated from the sale of the existing Barnwell Road library site and Malta Road Children and Young People’s Services (CYPS) locality team base. These receipts are estimated at generating circa £500,000 and (as agreed at the time) included in the total budget for the building.

1.5 Once provisional funding had been secured, more detailed discussions were held to explore options about whether this should be a mixed use scheme or solely community use. **Appendix One** outlines the options considered. Based on all the information available at the time, a decision was made to pursue the Community hub option without mixed use (Option 2 of the attached). The capital bid for this project received full Council approval in February 2014.

1.6 Progress 2014 - 2015

1.6.1 Building Design and Development

1.6.2 Significant work has taken place since the final approvals to progress were given in February 2014. A design brief was agreed with the stakeholders during 2014, through a process facilitated by Faithful & Gould in 2014, and with the full involvement of LGSS Property Services team and other corporate partners. A tender was run for the appointment of the contractor for the building work during the latter part of 2014 and Coulson/Pick Everard were instructed by LGSS Property on 5th January 2015 to work on the building design in more detail. Options of floor plans have been developed by Pick Everard and consultation with internal and external stakeholders taken place. The final design was due to be agreed in May 2015 prior to seeking full planning permission, with the intention to start building in December 2015. This was with a view to having the work completed by September 2016 to ensure good timing for the start of the school year for the pre-school provider.

1.7 Community Engagement and Development of Future Governance Models

1.7.1 There is great potential for the Community Hub to have long term community involvement in the management and income generation for the building, which is part of the sustainability plan for the building. ‘Locality’, a national consultancy firm, was appointed in November 2014 to support on the development of a governance model which will secure this longer term ambition. The target date for completion of this work was May 2015. The aim is to have a robust model which will have oversight of the facilities once redevelopment has taken place. i.e. a library, a pre-school, community rooms and sports facilities be available for hire. Locality have been asked to consider the specific requirements for East Barnwell but to also consider a wider application of governance arrangements for community hubs across the County, as part of the Community Hubs development.

1.8 Current Tenants and Interim Arrangements Required

1.8.1 The East Barnwell Community Association have been tenants occupying and managing the Centre over many years, running and providing facilities for local community groups. In addition they are the management committee for the See Saw Playgroup which is run from the site, and which forms part of the future provision from the building. Following a change in legal status of the Association, and to extend their lease to meet the new deadlines of the building work, a short term Tenancy at Will was granted by General Purposes Committee to the new legal body in May 2015.

2.0 MAIN ISSUES

2.1 Review of Options

2.1.1 Group Leaders requested in March 2015 that the original decision not to pursue the mixed used option be revisited, to satisfy themselves, particularly in the current economic climate, that the full commercial value of the Council’s assets are being realised. As a result an on-site workshop was convened in May to allow Group Leaders to meet with local stakeholders and key Members to explore further the risks and benefits of revisiting options for development of the site. In addition, further enquiries and approaches have been made to partners which are outlined below.

2.2 Workshop

2.2.1 On the 15 May a workshop was held on the site of the Centre. Group Leaders, the Division County Councillor and Ward City Councillor, and Members of the Treasury Working Group were invited along with Members of the East Barnwell Community Association and Officers of both the County Council and City Council. The cover of skills and interests was extensive, including planning, Housing, Estates and Community leadership.

2.2.2 In spite of a huge amount of passion and frustration the workshop was held in good spirit and was participative with all sides being able to express their views. A visit to the location of the current library which is to be relocated was also included as this asset would become available for other purposes as part of the project. At the end of the workshop the Group were asked to identify the reasons that they felt the project should either continue as per the latest proposal (Go) or reasons why a more detailed review of alternative options should be evaluated (Pause). The following was the outcome from that challenge, and are recorded here largely as they were noted at the meeting:

2.2.3 <u>Go</u>:

- It's been a two-year process to get here
- There has been significant positive community engagement to date
- All the options have been evaluated in coming to the preferred proposal
- The case has already been "accepted" not to have mixed residential
- Huge effort and resources have been expended in getting us to where we are
- This would result in a huge waste of time and effort if it didn't proceed
- There would be a potential loss of community support
- There is already a plan in place
- The funding is already in place
- The contractor is in place
- The risks with this proposal are limited
- The project is ready to go
- The proposal provides youth space that is not currently available elsewhere in the community
- There is community interest in ongoing delivery which could be lost if alternative options are pursued
- There is a sustainable community association in place
- Any uncertainty may reduce that support
- Better to proceed in isolation due to delays of potential partners
- There would be risks of planning challenge for any alternative options
- Delays could risk the loss of S106 contributions (currently based on existing provision)

2.2.4 <u>Pause</u>:

- An alternative mixed scheme proposal would enable the assets to deliver an essential revenue stream
- The current proposal hasn't tested the bounds innovative thinking – such as developing underground
- The current funding gap could be addressed through a different mix
- There is a huge housing need in the City – every opportunity should be taken to contribute towards meeting this need
- It is good project management practice to review proposals before they have been implemented. Time has moved on since the project was first conceived. We are in a worsening climate with increasing financial challenges we must

maximise the commercial opportunity of the site. We owe it to all residents of the County

- The current proposal lacks imagination for the locality with some master planning an overall improved proposal could be produced that improves the commercial outcome for partner organisations yet still retains the community requirements of the scheme – this has to be the win-win scenario that we should promote
- Given the Planners positive engagement a pause for review would allow pre-planning application discussion in order to develop the optimum solution to be brought forward.

2.2.5 At the conclusion of the workshop, Councillor Count reassured members of the group that if the County Council decided to relook at or progress mixed use options in more detail, there was an enduring commitment to delivering on the community centre facilities and current plans. The debate was focussed on whether mixed use options could be provided *in addition* to the planned community facilities

2.2.6 Options around developing a phased approach to a more widescale development across the area were discussed

2.3 Other Stakeholder Discussions

2.3.1 Whilst potential partner organisations have been approached previously these could not proceed due to a number of logistical reasons. Given the review of the project that was requested by Group Leaders contact has been made with both NHS PropCo, who own the facility off the B1047, and the vicar of the church abutting the current centre to the West. Both of whom expressed a desire to be involved if alternative options were to be considered if this involved a wider site. Design documents are available that were commissioned some years ago when a whole site, including the other church (the Spiritualist Church), was subject to a design brief. It is worth noting that in previous discussions with the Diocese, a significant concern had been raised about the timescales within which agreement could be sought to develop a wider plan across the site given the number of landowners.

2.3.2 Plans are being developed by Cambridge United FC to extend their site in Abbey for community use. Initial proposals are being developed by Grosvenor who are the contracted developers. Consultations with the community are underway to ensure there is good synergy between the planned developments at the football ground and other local facilities.

2.3.3 As context and in parallel a number of discussions have recently taken place with the City Council, health partners, the Cambridgeshire Constabulary, BeNCH Community Rehabilitation Company all of whom are either looking for accommodation in the City or to looking to work collaboratively with partner organisations.

2.4 Planning and Housing Advice – mixed use

2.4.1 Planning
One of the key issues raised by Group Leaders was the issue of whether the site could accommodate mixed use. Some initial planning advice had indicated that the density required on the Council owned site would make the proposal unlikely to be supported. Since that initial contact the City Council has issued a revised local plan which has identified the site for mixed use. Although the plan has not yet been accepted by the inspector the reason for its non-acceptance was that there was a belief that the Council had not been sufficiently bold in its aspirations around the City fringe. The City Council's Head of Planning attended the workshop and was supportive of mixed use on

the site and was constructive in some lateral thinking over the potential of maximising the opportunity. If it was possible to bring the Church land into the equation the options would be significantly enhanced.

2.4.2 Housing
Approaches have been made to relevant developers (Hill and Coulson) to update estimates of costs of a mixed use scheme, and further discussions with City Council Housing departments have taken place (see below). It has been difficult for a number of reasons to procure accurate and updated information about the figure for the development of mixed use provision, given the complexity and variables involved. However, indicative figures haven't significantly changed the value of the latest business plan options presented in January 2014 (**Appendix One**).

2.4.3 If there is an appetite from Members to look into a mixed use option in more detail then it is recommended a specific piece of work would need to be commissioned to relook at the feasibility study comprehensively. However, indicative costs have been included in section 5 of this report.

2.5 County Council Business Planning

2.5.1 The Council's business planning approach during 2015/16 has defined amongst others three key enablers: Community Resilience, Customer Access to Services and Asset Utilisation. The East Barnwell Community Centre represents an opportunity to bring together these objectives successfully for the County Council. Taking into account the release of two other County Council buildings (Malta Road and the current East Barnwell Library) for commercial benefit, whichever option Members support, will bring fiscal and community benefits to the council. The interplay between the current and long term role of the community in the development and management of aspects of the site, and the commercial and partnership benefits is a finely balanced one.

3.0 SUMMARY OF OPTIONS TO BE CONSIDERED

3.1 Options Available

3.1.1 The following options are available to the Council with a commentary on the potential benefits and issues associated with each option. There may be others which the Committee would want to consider:

3.2 Option 1: Continue with current proposal

3.2.1 <u>Advantages</u>:

- Extensive and long term work already invested through project management and Lead Officer time in stakeholder consultation and engagement on the proposals
- Funding secured
- Project approval received and confirmed at Full Council in February 2014
- Community association fully supportive and engaged
- Contractors have been appointed and are ready to start
- Doesn't preclude the development of the wider site as part of a phased approach to developing the land and facilities
- No additional revenue costs for the County Council, assuming disposal of Malta Road and East Barnwell Library and relocation of teams to the new community centre.

3.2.2 <u>Disadvantages</u>:

- Doesn't provide additional housing

- Doesn't provide the Council with a revenue stream
- Misses the opportunity of a bigger more commercial scheme.

3.3 Option 2: Develop a Council only site mixed development proposal

3.3.1 Advantages:

- Retention of the proposals to develop community facilities and co-location of library and Locality services
- Scheme can proceed at the pace we set
- Will provide additional housing (potentially key worker for Council staff)
- Will provide on-going revenue stream

3.3.2 Disadvantages:

- Would add further delays
- Would jeopardise community support for the scheme
- Could potentially affect agreed funding streams from other sources such as Section 106 and the partnership with the City Council
- Fear that re-design could put at jeopardy some of the community facilities already agree.

3.4 Option 3: Develop proposals for a wider development

3.4.1 Advantages:

- Retention of the proposals to develop community facilities and co-location of library and Locality services
- Maximises the potential for enhanced facilities in deprived community
- Could facilitate the engagement and integration of other agencies in to the proposal
- Will maximise the opportunity for housing (potential key worker for Council staff).

3.4.2 Disadvantages:

- Adds further delay
- Risks losing community support
- Could affect funding streams
- Getting agreement with partner organisations always requires a degree of compromise
- Will require an alternative governance arrangement to be established

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

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

4.2 Helping people live healthy and independent lives

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

4.3 Supporting and protecting vulnerable people.

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

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

5.1.1 Section 1.3 outlines the current committed funds from the County Council and partners. The capital funds for the development of the site are identified in the County Council's Business Plan. The total budget assume that the section 106 funding of £255,000 agreed by Cambridge City Council is retained.

5.1.2 Pursuing the plans as currently agreed would incur no additional investment of the total amount secured of £2,250k (which includes the S106 funds), but would not provide a revenue stream for the County Council in the future.

5.1.3 Costs and revenue streams associated with the possible development of a mixed use scheme have been explored. Alan Carter, the City Council's Housing lead and MD elect of the new Housing Delivery Agency has provided some broad costings using the financial model developed within the City Council. Whilst some broad assumptions on cost and density had to be made the follow outputs were identified:

5.1.4 Assumptions:

- 20 flats (10 one bed, 10 two bed)
- 1000 sq m Community Centre
- Total Scheme Cost £4.8m
- Cost Community Centre £2.250m fully funded as per sources identified in May 2015 Position Statement.
- Cost residential £2.530m funded by prudential borrowing @ 4%

5.1.5 <u>Option 1 - 20 flats let at 80% market rent (includes affordable housing)</u>

- Borrowing repaid in 27 years.
- Alternatively if the debt is refinanced at 27 years the following revenue returns result;
- Year 1 - £26,457
- Annual revenue surplus by Year 5 - £40,769
- By Year 10 - £74,536
- Average annual return over 30 years – 2.8%

5.1.6 <u>Option 2 - 20 flats let at 100% market rent</u>

- Borrowing repaid in 20 years.
- Alternatively if the debt is refinanced at 20 years the following revenue returns result;
- Year 1 - £75,441
- Annual revenue surplus by Year 5 - £105,218
- By Year 10 - £149,620

Average annual return over 30 years – 3.9%

5.1.7 <u>Notes</u>

Option 1 would be more favourable in planning terms and a good argument could be made to support. The housing could be branded as new keyworker housing which would help to fulfil wider obligations for the County Council.

5.1.8 The assumptions in the model are relatively cautious in terms of rental increases and costs have probably been overloaded in the early years – so improved return may be likely in early years. An element of shared ownership or market sale would obviously aid viability but would result in a less sustainable scheme.

5.1.9 Indicative capital receipts of £500k from Malta Road and Barnwell Road Library have been included in the total budget for the development, but it is likely that further exploration of the commercial value of these sites could yield a higher return.

5.2 Statutory, Risk and Legal Implications

5.2.1 There are no significant implications within this category.

5.3 Equality and Diversity Implications

5.3.1 There are no significant implications within this category.

5.4 Engagement and Consultation Implications

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

5.5 Localism and Local Member Involvement

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

5.6 Public Health Implications

5.6.1 There are no significant implications within this category.

Source Documents	**Location**
Appendix 1. Excerpt from Business Case update (January 2014) East Barnwell Business Case (October 2013) Updated East Barnwell Business Case (January 2014)	Marta Maj Marta.Maj@cambridgeshire.gov.uk

APPENDIX 1. OPTIONS APPRAISAL (excerpt from updated Business Plan January 2014)

	Option 1a	Option 1b	Option 1c	Option 2a / 2b
Description	Mixed use scheme	Mixed use scheme	Mixed use scheme	Community hub options 1) Basic 2) Enhanced
Community space	1000 sq m	750 sq m	1000 sq m	Basic – circa 717 sq m (renovation of existing buildings, library new build)
Car parking	14 x residential 17 x community (inc. 2 x disabled)	20 (inc. 2 x disabled)	10 (inc. 2 disabled)	Circa 12
Outdoor space	Limited	MUGA	MUGA	MUGA
Bins / cycles	External	Internal	Internal	External
Residential	20 private units (14 x 2 bed, 6 x 1 bed)	20 private units (14 x 2 bed, 6 x 1 bed)	20 private units (14 x 2 bed, 6 x 1 bed)	None
Estimated total cost of scheme	£4.1m (Planning and design costs, professional fees, finance costs, interests, legal, construction, sales and marketing costs)	£3.9m (Planning and design costs, professional fees, finance costs, interests, legal, construction, sales and marketing costs)	£4.25m (Planning and design costs, professional fees, finance costs, interests, legal, construction, sales and marketing costs)	£1.25m (Option 2a – basic) Renovation of existing buildings Up to £1,855,000 (Option 2b – enhanced) Renovation / new build
Estimated funding gap (mixed use schemes)[1]	£385,000	£195,000	£535,000	£1.25m
Potential funding available	S106: £255,000 [2] Early Years: £300,000 County Youth Service: £50,000	S106: £255,000[2] Early Years: £300,000 County Youth Service: £50,000	S106: £255,000 [2] Early Years: £300,000 County Youth Service: £50,000	EPAM: £1.25 million S106: £255,000[2] Early Years: £300,000 County Youth Service: £50,000
Capital receipts	Capital receipts: **<£700,000** Up to £450,000 (Malta Rd) Up to £250,000 (Library)	Capital receipts: **<£700,000** Up to £450,000 (Malta Rd) Up to £250,000 (Library)	Capital receipts: **<£700,000** Up to £450,000 (Malta Rd) Up to £250,000 (Library)	Capital receipts: **<£700,000** Up to £450,000 (Malta Rd) Up to £250,000 (Library)

[1] Noted that this cost assumes that the provision of community facilities negates the need to provide a percentage of affordable housing. Hill Residential have been asked to provide figures that comply with planning regulations to provide 40% affordable housing; figures not available at this time although this funding gap will increase.

[2] Funding subject to final design approved by East Area Committee July 2014

The following provides and options appraisal, considering the benefits, disbenefits and risks of each scheme:

	Option 1a	Option 1b	Option 1c	Option 2a / 2b
Description	Mixed use scheme	Mixed use scheme	Mixed use scheme	Community hub options a) Basic b)Enhanced
Benefits	• Exceeds project brief for community space required, co-locating CCC services and extending SeeSaw preschool to increase 2 year old places. • Provides residential accommodation in an area of demand • Provides satisfactory car parking for overall scheme	• Meets project brief for community space required, co-locating CCC services and extending SeeSaw preschool to increase 2 year old places. • Provides residential accommodation in an area of demand • Provides satisfactory car parking for overall scheme • Retains and extends MUGA	• Exceeds project brief for community space required, co-locating CCC services and extending SeeSaw preschool to increase 2 year old places. • Provides residential accommodation in an area of demand • Provides satisfactory car parking for overall scheme • Retains and extends MUGA	• Capital bid based on this scheme has been passed by Cabinet/SMT • Meets project brief for community space required, co-locating CCC services and extending SeeSaw preschool to increase 2 year old places. • Provides satisfactory car parking for overall scheme • Retains and extends MUGA • Attracts external grant funding (S106 and Early Years) • Scheme has met with Member approval, including East Area Committee • Scheme is known to be well supported within the local community • Planning permission of single storey scheme likely
Disbenefits	• Limited outdoor space provided, with loss of MUGA • Exacerbating existing traffic congestion within this area of Cambridgeshire • Known resistance to a mixed use scheme from local residents, committee members and Members • Limited dedicated residents' parking bays	• Exacerbating existing traffic congestion within this area of Cambridgeshire • Known resistance to a mixed use scheme from local residents, committee members and Members • No dedicated residents' parking bays • Funding gap	• Exacerbating existing traffic congestion within this area of Cambridgeshire • Known resistance to a mixed use scheme from local residents, committee members and Members • No dedicated residents' parking bays • Funding gap	• Increased use of building could exacerbate congestion within this area of Cambridgeshire • Funding gap to be met by CCC

	• Funding gap			
Risks	• Unknown planning outcome – neighbouring church building refused planning permission for two storey extension • Scale of scheme meets with considerable objection by local residents • Likely to lose external funding due to extended timeframes within this scheme (S106 subject to final plan being submitted to East Area Committee by July 2014). This would result in a greater funding gap. • Lack of designated residents' parking affects viability of scheme	• Unknown planning outcome – neighbouring church building refused planning permission for two storey extension • Scale of scheme meets with considerable objection by local residents • Likely to lose external funding due to extended timeframes within this scheme (S106 subject to final plan being submitted to East Area Committee by July 2014). This would result in a greater funding gap. • Lack of designated residents' parking affects viability of scheme	• Unknown planning outcome – neighbouring church building refused planning permission for two storey extension • Scale of scheme meets with considerable objection by local residents • Likely to lose external funding due to extended timeframes within this scheme (S106 subject to final plan being submitted to East Area Committee by July 2014). This would result in a greater funding gap. • Lack of designated residents' parking affects viability of scheme	• Likely to lose external funding is board decision is deferred. • Level of CCC financial investment required • Significant reputational risk if this project does not go ahead. The project has widespread political interest and support, as well as having a high profile amongst the enthusiastic local community. The centre has been threatened with closure twice in recent years, plus considerable work was carried out in 2008 to investigate the redevelopment of a hub in east Barnwell. Therefore much time and effort has been focused on regaining the trust of the community, whose expectations of what CCC can deliver are now raised.

OVERVIEW OF THE BUSINESS PLANNING PROCESS

To:	**General Purposes Committee**
Meeting Date:	**28th July 2015**
From:	**Sue Grace, Director Customer Service & Transformation**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**This report sets out the Business Planning process and proposed timetable for the forthcoming year. It also identifies the role that the General Purposes Committee will have in the Business Plan setting process for 2016/17 and the responsibilities of the Committee in delivering the current Plan as set out in the Council's Constitution.**
Recommendation:	**It is recommended that the Committee:**

a) notes the Business Planning timetable

b) notes the responsibilities that it has in both the Business Plan Setting Process and the on-going delivery of the Plan.

Officer contact:	
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Tel:	01223 715680

1. BACKGROUND

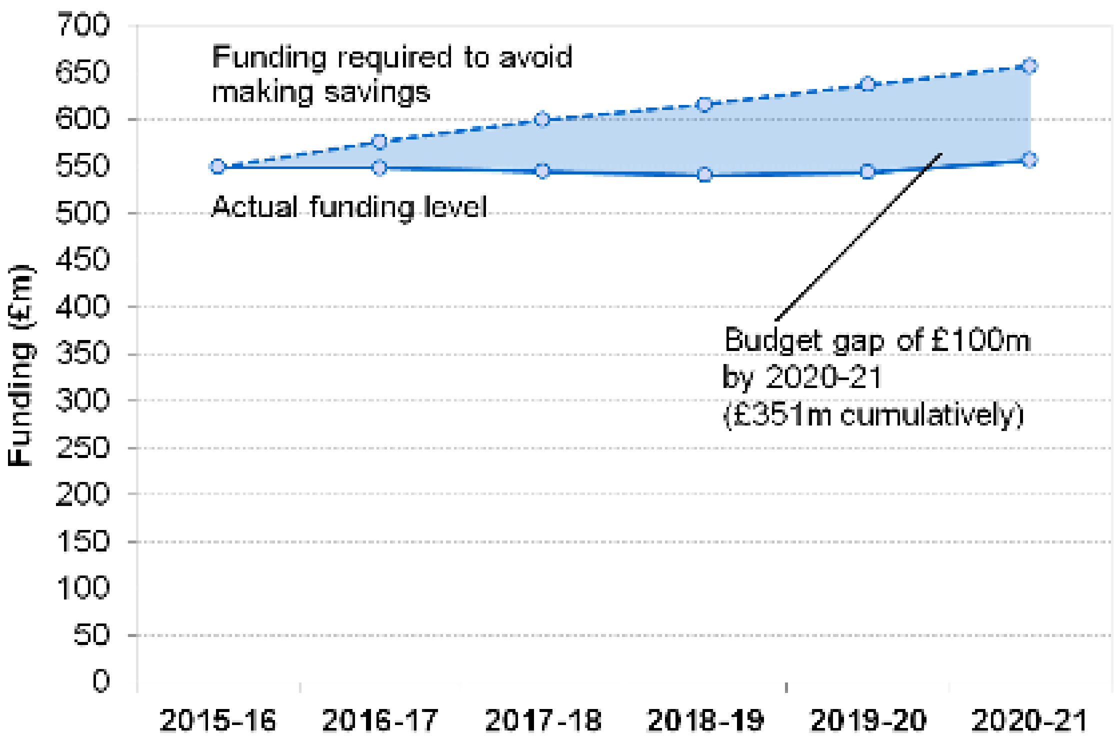
1.1 The Business Plan is approved by the Council in February of each year. The Plan sets out the strategic objectives, financial resources and performance targets for the following financial year. The budget element of the plan sets out cash limits for services for the next five years and is adjusted annually to take account of demography, inflation, and fundingchanges as well as any additional service pressures.

1.2 It is a plan that should link resource allocations with the Council's key priorities and should reflect performance levels with these revised resource levels. Since the Government commenced on a long-term programme of austerity measures the process has understandably focussed on where and how savings will be achieved. Cash limits are allocated to five service blocks and are updated for changes in resource requirements,allocated on the basis of existing budget proportions.

1.3 As part of the evaluation of last year's process, quarterly General Purposes Committee (GPC)/Strategic Management Team (SMT) workshops have been scheduled this year to enable the ongoing discussion of strategic business planning issues between Members and officers.

1.4 As a result of the Criswell/Manning motion approved by Full Council on 14 October 2014, this year the Council is adopting a new approach to business planning which will better reflect the severity of the financial challenge being faced by Cambridgeshire's public services.

1.5 For Cambridgeshire County Council the scale of the challenge is such that on top of the huge savings we have already made, we will need to save around £100m over the next five years whilst the demand for our services will continue to grow rapidly:



1.6 These figures are deeply challenging for Cambridgeshire and its communities. The scale of funding being taken out of local public services is vast. Significant cuts have already been made to Council services, with deeper and tougher cuts to come. The austerity has driven innovation and transformation across the board to protect frontline services as much as possible, but it is inescapable that these reductions will mean fewer people in Cambridgeshire can be supported and those who receive support will get less than they do now.

1.7 Members of the Committee will also be aware that new pressures continue to emerge and will place increasing strain on the Council's future financial position. National policy changes, demographic trends, and local issues are all contributing pressures on the Council's budget.

1.8 As examples to illustrate this issue; the Local Government Association has recently forecast that the introduction of Government's living wage policy could cost councils nationally an extra £1bn by 2020/21, because of increased costs of staff and care providers. Unaccompanied asylum seekers that may end up in the care system, or at least be assessed for care needs, are presenting in increasingly unpredictable numbers and internally we know that demand for home to school transport, and the cost of waste disposal, are growing pressures. The implications of these examples, and other emerging pressures, are not yet fully tested, but could add millions of pounds to the future financial challenge.

1.9 Over recent months GPC Members and officers have together developed the principles of a new 'operating model' which will form the basis of the business planning process this year. The principles are:

- We will retain a bold and ambitious vision for Cambridgeshire – but understanding that our ability to directly provide services will decrease, so we will increasingly need to develop solutions with individuals, communities and partners
- We will identify the outcomes that the Council most wants to achieve for communities, and convene ourselves around these
- We will identify the activities that are most important in enabling us to achieve outcomes, and convene ourselves around these
- We will take a long-term approach to our work with people in Cambridgeshire, and a long-term approach to our strategic planning

1.10 The outcomes that are guiding work to identify budget proposals this year are:

- Older people live well independently
- People with disabilities live well independently
- People at risk of harm are kept safe
- People lead a healthy lifestyle
- The best educational achievement for every child in Cambridgeshire
- The Cambridgeshire economy prospers to the benefit of all Cambridgeshire residents
- People live in a safe environment

1.11 The key enablers that are guiding collaboration across Council services to achieve these outcomes are:

- Building community resilience

- Exploiting digital solutions, making the best use of data and insight
- Having Members and officers who are equipped for the future
- Maximising commercialism and income generation, and making best use of our assets
- Ensuring the majority of customers are informed, engaged and get what they need the first time they contact us

1.12 Since the GPC/SMT workshop in February this year, officers have been assigned as leads to these draft outcomes and enablers, and have been tasked with exploring how the Council can meet its ambitions for Cambridgeshire with significantly less resource over the next five years. This initial thinking and exploration of ideas will form the basis of the way officers will support Committees in making business planning proposals.

1.13 We recognise that outcome led business planning may, over time, require changes to our current approach to setting cash limits across the five service blocks. This will be kept under review as outcome planning progresses.

2. GENERAL PURPOSES COMMITTEE'S ROLE IN BUSINESS PLANNING

2.1 The General Purposes Committee (GPC) has a key responsibility in ensuring that there is adherence to the corporate Business Planning process before the final recommendations are considered by Full Council and for ensuring the Business Plan is delivered once it has been agreed. This report summarises those responsibilities.

The General Purposes Committee has two distinct roles in this process:

a) As a service committee

GPC is responsible for overseeing a number of service activities in the same way as the other service committees. It will therefore have to consider and agree the operational budgets and savings proposals appertaining to those services.

The service responsibilities of the GPC cover the following service areas: -

- LGSS Managed Budgets (IT, Insurance, County Farms etc.)
- Corporate Services (Communications, Transformation etc.) non-LGSS.

b) As a strategic overview

Whilst responsibility for the setting of cash limits and agreeing of budgets rests with Full Council there is a role for GPC to act as a custodian or gatekeeper to ensure that a collective approach is adopted to the development of budget proposals and other issues associated with the Business Plan process. Membership of the GPC will enable challenge and facilitate consistency across the service committees in a forum that is less formal than the Council Chamber.

2.2 The Timetable

2.2 The Business Planning process is a rolling process that covers a five year financial planning horizon. Set out below (Fig 1) is a high level summary of the timelines for the forthcoming annual process. A more detailed summary of key dates in the Business Planning Process is attached at **Appendix A**.The timetable will be flexible over the course of the year, in order to respond to changing factors and the emerging financial position.

2.3 Activities in the timeline have been attributed to the relevant service leading that activity or the democratic point of consideration. All of the activities will in practice however be approached as an integrated corporate programme of activity.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Finance	Drafting Medium Term Financial Strategy (MTFS) & capital strategy	Issue 'in principle' cash limits			Inflation process Issue final cash limits				Members' alternative budget proposals reviewed by Officers		
Research		Demography reviewed and refined			Consultation process undertaken						
Directorates				Demography challenge Develop savings proposals / build on existing proposals working within revised cash limits							
General Purposes Committee				MTFS, capital strategy& cash limits agreed			Consider capital prioritis-ation		Consider full draft plan (all sections)	BP for Council agreed	
Service Committees				Consider/ challenge initial update & early savings plans		Consider draft capital proposals, fees & charges report	Update on business planning position	Review final draft budget tables& final CIAs	Consider any changes since Nov committee		
Target Operating Model (TOM)	Outcome and enabler groups set up	Development of ideas, plans and options		Develop savings proposals							
Informal workshops		Service Committee workshops – Member engagement to informally test TOM and other savings proposals. Includes two GPC workshops during this period.				GPC workshop		GPC workshop		GPC workshop	
Council							Capital strategy agreed				Final BP agreed

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

There are no significant implications within this category.

4.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
The Council's Constitution	http://www.cambridgeshire.gov.uk/info/20050/council_structure/288/councils_constitution
Scheme of Financial Management	http://www.cambridgeshire.gov.uk/site/scripts/google_results.aspx?q=scheme+of+financial+management

Appendix A: Key Business Planning Dates for Members

Date	Description
July	
13 Jul	**SMT** session – enablers and outcomes feedback **final proposals to SMT** *This is the first deadline for all of the outcome and enabler (Operating Model) work, which is being integrated with this year's business planning cycle.*
15 Jul	**Children & Young People Committee Business Planning Seminar** *This session has been organised for Members to be briefed about and discuss the emerging business planning proposals and approach. This is not a formal committee meeting or decision making point but will allow Members to engage early and steer or question initial proposals, outside of a formal meeting setting.*
22 Jul	**Adults Committee Business Planning Seminar** *As above, for the members of the Adults Committee.*
23 Jul	**Group Leaders**consider Medium Term Financial Strategy, Capital Strategy and covering reports, and the Overview of the Business Planning Process *Group Leaders to have sight of final version of Medium Term Financial Strategy and Capital Strategy, and a paper setting out an overview of the business planning process, before they are discussed at General Purposes Committee on 28 July.*
28 Jul	**General Purposes Committee**consider recommended Medium Term Financial Strategy and Capital Strategy from Chief Finance Officer and authorise 'in principle' revenue cash limits and prudential borrowing limits, agree approach to pressures, and consider an overview of this year's business planning process *Report titles:* • *Medium Term Financial Strategy* • *Capital Strategy* • *Overview of the Business Planning Process* *Purpose:* • *To consider and approve the Medium Term Financial Strategy and Capital Strategy* • *To approve indicative revenue cash limits and prudential borrowing limits* • *To agree the approach to pressures* • *To consider the overview of the business planning process for this year and beyond*
August	
N/A	There are currently no plans to use the reserve dates for Service Committees during August for business planning.
September	

1 Sept **Highways & Community Infrastructure Committee** review capital report, committee elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, note demography

This is the stage of the business planning process where Members will be asked to consider the majority of capital proposals for this Service Committee. Members will also be asked to note demography figures and review the fees and charges report.

1 Sept **Adults Committee** (Business planning item – TBC)

3 Sept **Health Committee** review capital report, committee elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, note demography

This is the stage of the business planning process where Members will be asked to consider the majority of capital proposals for this Service Committee. Members will also be asked to note demography figures and review the fees and charges report.

8 Sept **Economy & Environment Committee** review capital report, committee elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, note demography

This is the stage of the business planning process where Members will be asked to consider the majority of capital proposals for this Service Committee. Members will also be asked to note demography figures and review the fees and charges report.

8 Sept **Children & Young People Committee** review capital report, committee elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, note demography

This is the stage of the business planning process where Members will be asked to consider the majority of capital proposals for this Service Committee. Members will also be asked to note demography figures and review the fees and charges report.

10 Sept **General Purposes Committee/SMT workshop**

This session has been organised for Members to be briefed about and discuss the emerging business planning proposals and approach. This is not a formal committee meeting or decision making point but will allow Members to engage, steer and/or question initial proposals, outside of a formal meeting setting.

15 Sept **General Purposes Committee**review capital report,CS & Managed elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, draft of Strategic Framework, note demography

Members of the General Purposes Committee will be asked to review reports on Capital, and fees and charges. GPC will also be asked to review the draft of the business plan's Strategic Framework and note demography information. GPC as its role as Service Committee for Customer Service and Transformation, will also be asked to review capital budget and prioritization tables for the directorate.

22 Sept (reserve) **Highways & Community Infrastructure Committee**to discuss and update members of the Service Committee on the latest business planning position.

This is a reserve committee date, but may be useful to discuss early thinking and plans for business planning proposals.

29 Sept (reserve)	**Adults Committee** review capital report, committee elements of all capital budget tables and prioritisation tables (full drafts), fees & charges report, note demography *This is the stage of the business planning process where Members will be presented with the majority of capital proposals for this Service Committee. Members will also be asked to note demography figures and review the fees and charges report.*
October	
1 Oct (reserve)	**Health Committee** to discuss and update on latest business planning position *This is a reserve committee date, but may be useful to discuss early thinking and plans for business planning proposals.*
6 Oct (reserve)	**Children & Young People Committee** to discuss and update on latest business planning position *This is a reserve committee date, but may be useful to discuss early thinking and plans for business planning proposals.*
6 Oct (reserve)	**Economy & Environment Committee** to discuss and update on latest business planning position *This is a reserve committee date, but may be useful to discuss early thinking and plans for business planning proposals.*
13 Oct	**Full Council** considers recommended Capital Strategy from General Purposes Committee
14 Oct	**Adults Committee Business Planning Seminar (am) and Children & Young People Committee Business Planning Seminar (pm)** *This session has been organised for Members to be briefed about and discuss the emerging business planning proposals and approach. This is not a formal committee meeting or decision making point but will allow Members to engage, steer and/or question initial proposals, outside of a formal meeting setting.*
20 Oct	**General Purposes Committee** to discuss and update committee on latest business planning position, receive a Service Committee Chairs' report on Service Committee discussions on capital, and consider the capital prioritisation report *Members of GPC will be asked to consider the capital prioritisation report and a report from Service Committee Chairs on discussions on capital at September Service Committees. Within its role as Service Committee for Customer Service and Transformation, this may also be an opportunity to discuss early thinking and plans for business planning proposals.*
November	

3 Nov	**Adults Committee** review revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report *This is the stage of the business planning process where Members will be asked to consider the revenue proposals for this Service Committee. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
3 Nov	**Highways & Community Infrastructure Committee** review revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report *This is the stage of the business planning process where Members will be asked to consider the revenue proposals for this Service Committee. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
5 Nov	**Health Committee** review revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report *This is the stage of the business planning process where Members will be asked to consider the revenue proposals for this Service Committee. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
10 Nov	**Children & Young People Committee** review revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report *This is the stage of the business planning process where Members will be asked to consider the revenue proposals for this Service Committee. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
17 Nov	**Economy & Environment Committee** review revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report *This is the stage of the business planning process where Members will be asked to consider the revenue proposals for this Service Committee. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
24 Nov (am)	**General Purposes Committee** review revenue and capital report, CS & Managed elements of all budget tables (final draft), CIAs and Consultation Report *This is the stage of the business planning process where Members will be asked to consider the revenue proposals within GPC's role as Service Committee for Customer Service and Transformation. Members will also be asked to review the associated Community Impact Assessments, the Consultation Report and the capital reports (to consider any changes since capital was reviewed in September).*
24 Nov (pm)	**General Purposes Committee/SMT workshop**

This session has been organised for Members to be briefed about and discuss the emerging business planning proposals and approach. This is not a formal committee meeting or decision making point but will allow Members to engage, steer and/or question initial proposals, outside of a formal meeting setting.

December	
1 Dec (reserve)	**Adults Committee** to consider any amendments since November committee to revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report *This is a reserve committee date that may be useful to consider any changes to business planning proposals since the November committee meeting.*
1 Dec (reserve)	**Highways & Community Infrastructure Committee**to consider any amendments since November committee to revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report *This is a reserve committee date that may be useful to consider any changes to business planning proposals since the November committee meeting.*
8 Dec (reserve)	**Children & Young People Committee**to consider any amendments since November committee to revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report *This is a reserve committee date that may be useful to consider any changes to business planning proposals since the November committee meeting.*
8 Dec (reserve)	**Economy & Environment Committee**to consider any amendments since November committee to revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report *This is a reserve committee date that may be useful to consider any changes to business planning proposals since the November committee meeting.*
10 Dec (reserve)	**Health Committee** to consider any amendments since November committee to revenue and capital report, committee elements of all budget tables (final draft), CIAs and Consultation Report *This is a reserve committee date that may be useful to consider any changes to business planning proposals since the November committee meeting.*
10 or 17 Dec	**Group Leaders** ahead of the 22 Dec GPC, consider covering report and Finance Tables recommended by November/December Service Committees, revised capital prioritisation report, Vision and Priorities and Treasury Management Strategy (with separate covering report as different agenda item).
22 Dec	**General Purposes Committee**review covering report and Finance Tables recommended by November/December Service Committees, revised capital prioritisation report, Vision and Priorities and Treasury Management Strategy

January

5 Jan	**General Purposes Committee** consider impact of Local Government Finance Settlement *Date of announcement of Local Government Finance Settlement TBC.*
TBC Jan	**Members' Seminar** receive briefing on the Business Plan *Date of this session is to be confirmed.*
21 Jan	**General Purposes Committee/SMT workshop** *This session has been organised for Members to be briefed about and discuss the emerging business planning proposals and approach. This is not a formal committee meeting or decision making point but will allow Members to engage, steer and/or question initial proposals, outside of a formal meeting setting.*
26 Jan	**General Purposes Committee** review full Business Plan, make any final adjustments and submit recommendation to Full Council *This is the point in the business planning cycle where members of GPC are asked to review the full Business Plan to make any final adjustments prior to submission to Full Council in February.*
February	
16 Feb	**Full Council** consider recommended Business Plan from General Purposes Committee and any alternative budgets *Full Council will be asked to endorse the final Business Plan for 2016-2021, as recommended by GPC.*
19 Feb	Reserve date for **Full Council** *This is a second opportunity to endorse the Business Plan, should any final adjustments be requested by Full Council on 16 February.*

BUSINESS PLANNING - MEDIUM TERM FINANCIAL STRATEGY

To:	**General Purposes Committee**
Meeting Date:	**28th July 2015**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**This report sets out the Council's Medium Term Financial Strategy for the next five years. This strategy is updated annually at the commencement of the business planning process. Its core purpose is to provide a financial framework within which individual service proposals can develop before Council approves the budget and the Business Plan in February.**
Recommendation:	**It is recommended that General Purposes Committee:**

a) Acknowledges the indicative departmental cash limits;

b) Confirms, in light of the move towards a more corporate approach to Business Planning,the policy for 2016-21 on whether savings arising from service pressures and investments should be:

- **allocated directly to the relevant services; or**
- **allocated corporately and redistributed on the basis of services' budget size.**

c) Recommends the Medium Term Financial Strategy to Council for approval subject to the above recommendations.

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1. BACKGROUND

1.1 The Council has for a number of years adopted an integrated approach to service planning and budget setting.It does this through the business planning process that culminates annually with the Council agreeing the Business Plan in February.

1.2 The Business Plan covers a five year timeline and integrates policy objectives, resource allocations, and performance targets.

1.3 This year, the Councilhas refocused its strategic planning on achieving seven outcomes in order to find new ways of meeting the needs of Cambridgeshire's communities.The Council has taken this step as its approach to addressing the huge challenge it faces of delivering viable services to the residents of Cambridgeshire. The Council's Operating Model considers what the organisation needs to look like by 2020-21 in order to deliver its outcomes in the context of a significant reduction in available resource.

1.4 A combination of continuing reductions in grants, population and demographic increases and inflation means we will have significantly less money available in the coming years than would need to deliver the same services in the same ways as we currently do. This is on the back of substantial efficiency, service cuts and increased charging that has already been implemented as part of the austerity measures.

1.5 The Council has emerged from the last parliament of austerity and now faces another. The £195.5m savings identified between 2011-12 and 2015-16 were achieved by making efficiencies, cutting services and raising charges. The scope to make further efficiencies is minimal.Consequently, the Council now confronts the reality that more severe and widespreadservice cuts are unavoidable.The authority's financial position is such that it would be reckless to suggest otherwise. The decisions that will need to be taken in developing the 2016-21 Business Plan will be unpalatable. Making and implementing these difficult decisions to cut services will test severely the resolve of the Council.

1.6 The Council's scope to make wholesale service cuts is constrained by the statutory responsibility it has to deliver some services. The key areas where budgets are becoming unsustainable are care package budgets which cover a wide range of users from older people through to learning disabilities, SEN and looked after children. The Council does not have the option to simply stop providing services in these areas or to provide less than the statutory requirements. The users of these services are vulnerable people and the Council cannot relinquish its statutory responsibilities for their care.

1.7 For such services, there is very little remaining scope to make simple efficiency savings, i.e., doing the same thing for less money.Even if the Council decide to protect these services by cutting everything else, it is unlikely that the savings that would accrue would meet the savings targets required. The only real answer therefore is to manage demand for these budgets. This means a combination of preventing the need for Council support in the first place or reducing the level of support provided.

1.8 A key component of the Business Plan is the Medium Term FinancialStrategy, which sets the financial framework that services should adopt in the construction of their budget proposals at the start of the business planning process. The MTFS and the Business Plan, including departmental cash limits, are the sole responsibility of Council.General Purposes Committee (GPC) recommends budget proposals to Council but this is in the form of a recommendation which Council must agree, or not, as part of the budget setting decision making process. The draft 2016-21 MTFS can be found in **Appendix A**. The financial estimates underpinning the draft MTFS, including inflation, demography, pressures and funding forecasts, are provisional and will be refined during this year's business planning process prior to consideration by Council in February.

2. PURPOSE AND KEY DEVELOPMENTS

2.1 One of the major functions of the Medium Term Financial Strategy (MTFS) is to set out the Council's projected resources for the next five financial years.It also establishes a framework for the construction of the detailed budget proposals. It does not set out these detailed budgets and the individual savings proposals as these are contained elsewhere in the Business Plan.These proposals will be considered by service committees throughout the Autumn and Winter before being finally approved by Council in February.

2.2 The MTFS does however establish a guide and a context to support services in this work and agrees a number of corporate methodologies for this process.

2.3 The Committee will be aware that the Council currently manages the budgeting process through the allocation of cash limits.These cash limits set the resource envelope within which services must operate.These are issued on a service block basis.

2.4 The Council has used Cash Limits for a number of years.A strict definition of this term simply denotes a defined figure set by the Council that represents the maximum net expenditure a service block can spend.Cash Limits have become synonymous with the Council's incremental, silo-based, approach to budget setting.Thissalami-slicing distribution of savings is not in the long-term interest of the Council.This approach was recognised last year as rapidly reaching the point where it is not fit for purpose and it is this approach that the Operating Model seeks to change.

2.5 The Operating Model is an alternative, cross-cutting, approach being developed to support the 2016-21 business planning process and, at least in the short term, will operate alongside the traditional process.

2.6 Given that this is the first year the Business Plan has been developed using the new outcome-based Operating Model it was felt appropriate to include a section within the MTFS outlining the Operating Model.

2.7 The Business Plan recommended to Council in February will still contain Cash Limits for individual services, but these will be arrived at in a much more cross-cutting, holistic, way that will flex Cash Limits determined using the traditional incremental approach to accommodate the outcome-based proposals generated by the Operating Model approach.

2.8 At this point in the business planning process cash limits should be regarded as provisional as there will be a number of factors that affect the final allocations. Such changes will arise from flexing to reflect the proposals brought forward through the Operating Model approach, as well as changes that could arise from the next Spending Review, changes to legislation, or unforeseen service pressures.

2.9 The Operating Model, whilst providing a more realistic opportunity for producing a balanced budget in the medium term cannot be seen as a panacea to the challenges. Difficult and unpalatable decisions will still be required.These will test the resolve of all Members particularly when there is a direct impact on their local communities.

3. CASH LIMITS AND SAVINGS TARGETS

3.1 Cash Limits are agreed as part of the Business Plan. The limits are agreed on a five year rolling basis and are updated to take account of changes to funding and expenditure, including projections on demography, inflation, and service pressures.

3.2 It is important for the Business Plan to reflect a realistic assessment of likely changes in cost due to inflation, demography and other service pressures as this ensures that the Council considers how it will realistically balance its budget by setting out a clear plan to achieve this through savings proposals.

3.3 The following table sets out the current savings requirement for the organisation as a whole, summarising the factors giving rise to the savings. Note that the overall savings requirement and other figures outlined below will be refined during the course of the business planning process as pressures are identified, assumptions around inflation and demand refreshed, and funding levels published by government.

Reason for Savings	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Total £000
Loss (+) / Gain (-) of funding	7,455	2,710	3,800	-2,939	-12,673	**-1,647**
Inflation	9,863	8,946	9,344	9,237	9,237	**46,627**
Demand	9,935	10,268	10,316	10,667	10,667	**51,853**
Pressures and investments	554	-449	117	100	-	**322**
Capital	4,957	825	35	-841	623	**5,599**
Reserves	313	3,066	-2,814	-2,356	1	**-1,790**
Other	200	-	-	-	-	**200**
Total	**33,277**	**25,366**	**20,798**	**13,868**	**7,855**	**101,164**

3.4 The inclusion of service pressures, and other budgetary changes, within the financial model affects the level of savings that are then redistributed through the Cash Limit methodology. During last year's business planning process this Committee recommended that savings arising from service pressures and investments should be assigned to the specific services to which the pressures and investments relate.

3.5 Given the advent of the new Operating Model, with its strong focus on cross-organisationBusiness Planning, the Committee is asked whether the approach implemented last year is still applicable. Members are therefore asked to recommend the approach to be followed this year as we commence a move away from the old silo based approach to Business Planning:

- Option 1: continue to allocate savings arising from service pressures and investments directly to the individual services to which the pressures and investments relate; or
- Option 2: allocate savings arising from service pressures and investments corporately, to then be distributed across services relative to the scale of their budget in line with the Cash Limit methodology.

3.6 The published 2015-20 Business Plan contains a significant proportion of unidentified savings. As part of this year's business planning process Services have reviewed existing 2015-20 Business Plan proposals to allow quantification of the scale of the savings yet to be identified.

3.7 The following table sets out the current savings requirement for the Council and indicates the level of savings yet to be identified.

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Total £000
Identified savings	17,388	13,319	777	671	-	**32,155**
Unidentified savings	15,889	12,047	20,021	13,197	7,855	**69,009**
Total	**33,277**	**25,366**	**20,798**	**13,868**	**7,855**	**101,164**

3.8 The most pressing focus for this year's business planning process is, naturally, to ensure that the Council has a balanced budget for the forthcoming year.However, the Operating Model approach has a strong focus on designing the future Council of 2020-21 that operates with significantly less resource. Consequently, this business planning process will seek to address unidentified savings across the full five years of the Business Planby setting out an achievable phased transition to that future Council, although it is expected that the detail of proposals will be most fully developedfor 2016-17.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

This report sets out the provisional revenue cash limits and a proposed capital programme for all service areas. Whilst not a direct result of this report there could be impacts associated with the local economy from the detailed proposals that will arise from the aforementioned allocations.

4.2 Helping people live healthy and independent lives

This report sets out the provisional revenue cash limits and a proposed capital programme for all service areas. Whilst not a direct result of this report there could be impacts associated with the people living healthy and independent lives from the detailed proposals that will arise from the aforementioned allocations.

4.3 Supporting and protecting vulnerable people

This report sets out the provisional revenue cash limits and a proposed capital programme for all service areas. Whilst not a direct result of this report there could be impacts associated with supporting and protecting vulnerable people from the detailed proposals that will arise from the aforementioned allocations.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

This report sets out the provisional revenue cash limits and a proposed capital programme for all service areas.The final cash limits will be approved by Council as part of the Business Plan in February 2016.

5.2 Statutory, Risk and Legal Implications

This report sets out provisional revenue cash limits and a proposed capital programme for all service areas. Whilst not a direct result of this report there will be risks associated with implementation of the detailed savings proposals that will come forward as part of the Business Plan.

5.3 Equality and Diversity Implications

This report sets out provisional revenue cash limits and a proposed capital programme for all service areas. Whilst not a direct result of this report there could be equality and diversity implications arising from the detailed proposals and these will be identified in the individual equality and impact assessments of associated with each proposal.

5.4 Engagement and Consultation Implications

There will be a public consultation and engagement process that will support the final Business Plan proposals and these will support the development of the Business Plan to be considered by the Council in February.

5.5 Localism and Local Member Involvement

There are no issues directly arising from this report.

5.6 Public Health Implications

There are no issues directly arising from this report.

Source Documents	Location
Draft Medium Term Financial Strategy 2016-21	Octagon First Floor Shire Hall Cambridge
Council Business Plan 2015-20	http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/90/business_plan_2015_to_2016

Appendix A: Section 3 – Medium Term Financial Strategy

Contents

1) Executive summary

The constituent elements of this Strategy set out the financial picture facing the Council over the coming five years. There are of course a number of uncertainties in the financial forecast including the outcomes of the next spending review.It is clear, however, that the existing austerity forecasts of control over public expenditure will continue, and possibly be expedited.

The landscape of public service provision on which the Council looks out is bleak. Behind: the result of five years of austerity. Ahead: more of the same.The Council has seen a number of years of operating within a very constrained financial environment. As a result, the Council has had to make relatively tough decisions over service levels and charging for services during this period.As we progress through the period covered by the MTFS those decisions become even more challenging. The Council is now in a position of having to consider what might previously have been considered unthinkable. The choices are stark and unpalatable but these very difficult decisions will need to be made as the Council has a statutory responsibility to set a balanced budget each financial year.

Service cuts are unavoidable. The Council will seek to shape the impact on Cambridgeshire's residents so that it affects the most vulnerable the least. Nonetheless, there will be a direct impact on local communities: on libraries and roads, on social care and transport, on learning and public health.

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. Increasingly, the Council will work across service, organisation, and sector boundaries to find ways in which the shrinking resource of the wider public sector can be best used to achieve the outcomes we strive for.The key elements of this Strategy are set out below:

- In light of the unsustainable nature of the methodology used in previous years, a more strategic and cross-cutting outcome-based approach to resource allocation has been developed for incremental implementation from 2016-17;
- For the financial year 2016-17 the Council will use a cash limit approach to budgeting, with cash limits being increasingly flexed to accommodate the outcome-based approach bringing forward more cross-Council and multi-agency proposals;
- Funding for invest to save schemes will be made available via the Business Planning process, or from the Council's General Reserve, subject to robust business cases;
- The Council will 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 approximately 3% of expenditure (excluding schools expenditure);
- 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 backcloth of the Council's new outcome-based approach to Business Planning;
- All opportunities for cross-sector and organisational working that drive end to end efficiencies and/or improvements in service delivery will be pursued as part of the outcome-based approach;
- Business rates pooling will be proposed with those district council's where there is a financial benefit to so do;
- Consideration will be given during each Business Planning process to whether the Council intends to trigger the use of a referendum in order to raise the Council Tax beyond that deemed excessive by the Secretary of State;
- Should the Council decide not to pursue this course of action the Business Plan will be predicated on the maximum permitted increase under regulations issued under Schedule 5 of the 2011 Localism Act;
- The Council will continue to lobby central government for fairer funding, and in particular for a fairer deal for Cambridgeshire's schools.

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 chapterof the Medium Term Financial Strategy explores that backdrop.

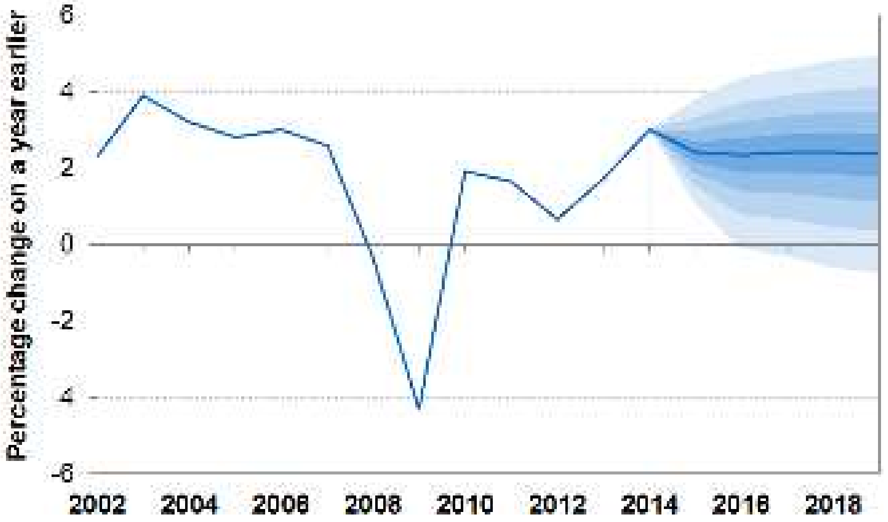
National economic outlook

The economic downturn of 2008 has been followed by a particularly protracted recovery, with the UK experiencing a relatively erratic period of GDP growth between 2010 and 2012. Since the end of 2012 a more sustained recovery has been evident, fuelled both by household consumption and business investment. The UK economy performed more strongly than initially expected during 2013, with GDP growingby 1.7% and surpassing its 2008 pre-crisis peak in the third quarter of 2013. The economy continued to improve during 2014, with growth of 3.0% - the fastest in the G7.

Growth is expected to remain at similar levels during 2015, with the OBR forecasting GDP growth of between 2% and 3% over the medium term.

However, labour productivity remains weak, with the Office of National Statistics estimating that output per hour during 2014 was little changed from 2013. Withsome slackstill evident in the labour market (estimated in the region of 0.5% of GDP) andproductivity remaining well below pre-crisis levels, this may take some time to be absorbed. The International Monetary Fund has warned low productivity is a key risk to the UK's future economic health.

Figure 2.1: GDP Growth (Source: OBR, July2015)

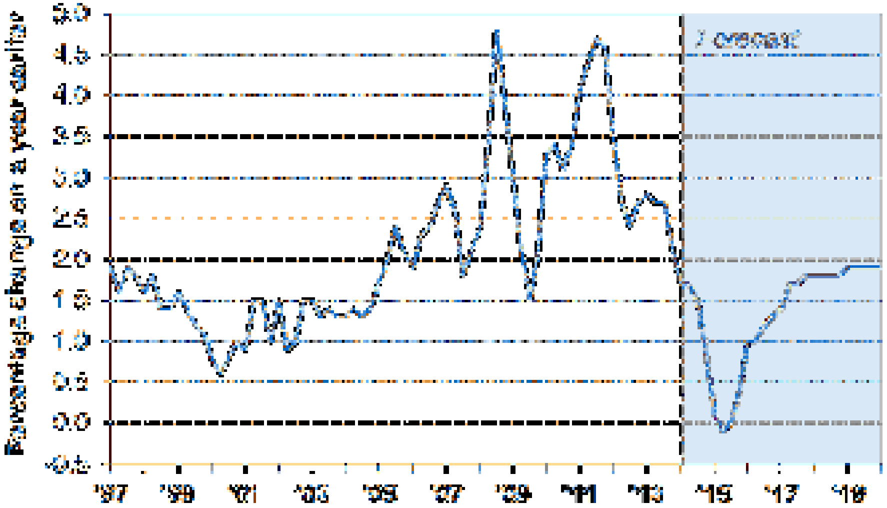


The downturn in the housing and property market after the credit crunch initially caused development to slow and land values have subsequently been struggling to recover. Over the last few years this has negatively affected the ability of the Council to fund capital investment through the sale of surplus land and buildings, or from contributions by developers. Although this situation still exists for the north of the County, recent indications suggest that in south Cambridgeshire the market is showing goods signs of recovery. This is particularly true for the city of Cambridge, where values look to be rising over and above pre-credit crunch levels. This is leading to increased viability of development once againand, therefore, greater developer contributions in these areas.

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, reaching -0.1% in April 2015.Reductions in the price of oil and food have translated into downwards pressure on inflation. However, there are some signs that pay growth may be picking up and the anticipated rise in wages will have the opposite effect, fuelling inflation.Sterling's appreciation is likely to put temporary downward pressure on inflation for the next couple of years and inflation is forecast to rise slowly to the 2% target level over the medium term.

Figure2.2: CPI Inflation (Source: OBR, July 2015)



The latest unemployment rate is 5.6%; with 1.85m people aged 16 to 64 not employed but seeking work.Unemployment has fluctuated around 8% since the financial crisis, but began to fall in the second half of 2013 and is now at its lowest level since 2008. As at July 2015, the number of people claiming Jobseekers Allowance was 0.75m, or 2.3%. In total, 30.98m people were in employment (73.3% of the population aged 16-64).

5.6%

ofthe labour force aged 16 and over could not find a job

73.3%

of people aged 16 to 64 were employed

0.75m

people aged 18 and over were claiming Jobseeker's Allowance

Current OBR forecasts expect unemployment to continue falling slightly during 2015-16 before stabilising at between 5% and 6% over the medium term.

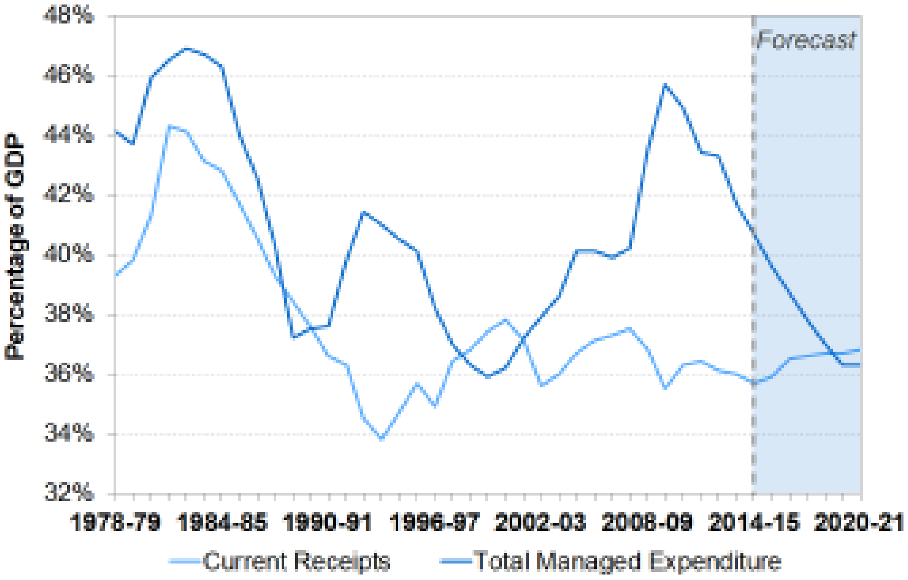
Unemployment is currently below the Bank of England's 7% threshold, above which the Monetary Policy Committee would not consider varying the current 0.5% Base Rate of interest. The Bank of England has indicated that an interest rates rise is on the horizon, but that it will be gradual and limited. The Bank's Governor has suggested that the "new normal" is likely to be around 2.5%, but indications are that this is unlikely to be reached until after 2017.

Public Sector spending

The new government's economic strategy, set out by the Chancellor in July's Summer Budget, remains committed to rebalancing the economy through a programme of austerity. The cyclically-adjusted budget deficit was halved during the last Parliament and the Chancellor has confirmed that deficit reduction will continue at a similar rate of around 1.1% of GDP per year. The latest forecast from the OBR expects the deficit to be replaced with a small surplus by 2019-20.

Public sector net debt is expected to have peaked at 80.8% of GDP in 2014-15 and is forecast to fall to 68.5% of GDP by 2020-21. At its peak, debt will have increased by around 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.

Figure2.3: Total public sector spending and receipts

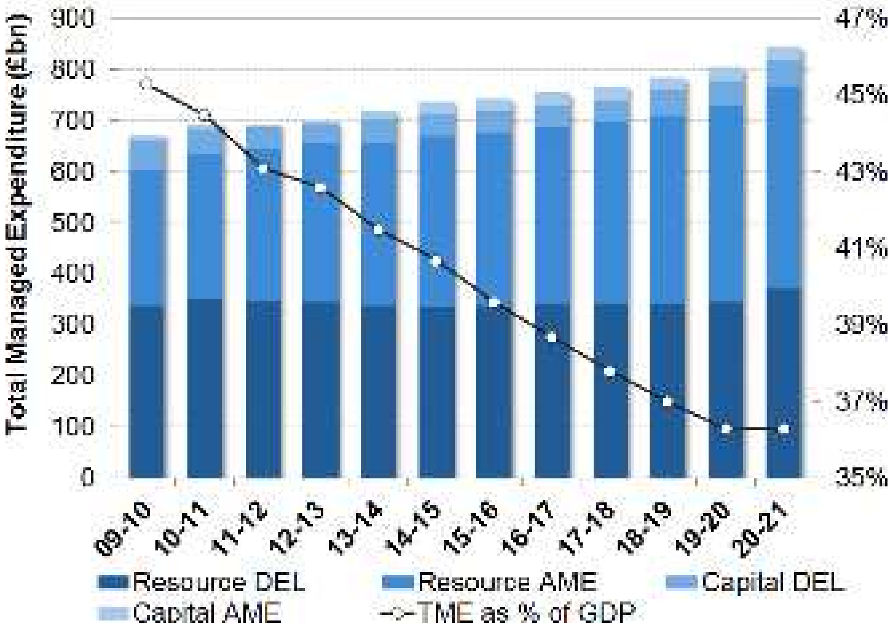


The government plans to eliminate the deficit by a mixture of spending and fiscal consolidation. Current estimates indicate that Total Managed Expenditure will be reduced from 40% of GDP in 2015-16 to 36% of GDP by 2019-20 and remain at that level in 2020-21.

Total Managed Expenditure 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 fiveyears, as shown in Figure 2.4, indicates an overall reduction in revenue Departmental Expenditure Limits until 2018-19, at the expense of increases in Annually Managed Expenditure. Departmental Expenditure Limits are expected to increase from 2019-20 and match GDP growthin 2020-21.

Figure2.4: Total Managed Expenditure



Detailed government spending plans for individual departments are expected to be announced for 2016-17 in the2015Spending Review anticipated this autumn/winter. There is widespread support within local government for the Spending Review to cover more than one year so as to allow local government to plan on the basis of changes to the Resource DEL over the medium term. However, details of the period covered are yet to be announced.

By far the majority of the Department for Communities and Local Government's DEL is allocated to individual local authorities. Our internal modelling of future cuts prudently assumes a similarlevel of reductions to those seen in 2015-16 over the next five years, as set out below, although this is unlikely to be confirmed until the Spending Review.

Table 2.1: Department of Communities and Local Government Departmental Expenditure Limits 2015-16 to 2020-21

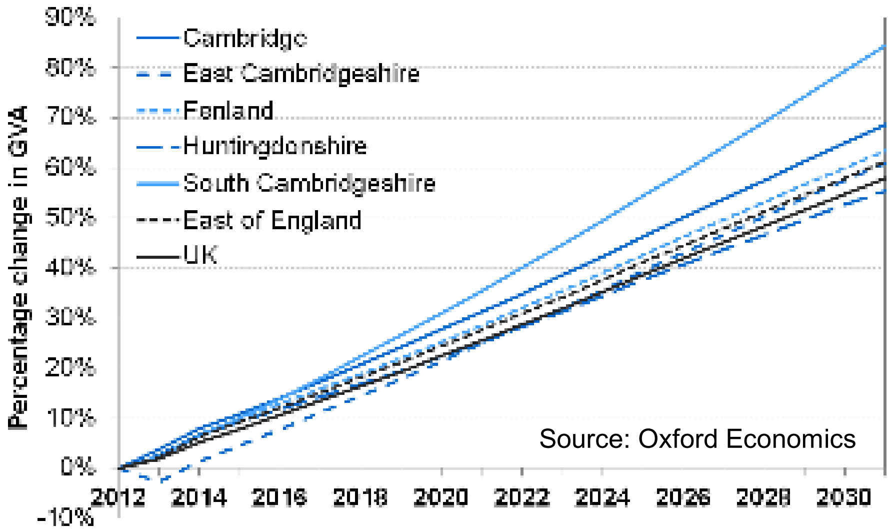
	SR2013	Internal Modelling				
	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
DCLG DEL	20,833	18,081	15,694	13,621	11,822	10,261
% change		-13.2%	-13.2%	-13.2%	-13.2%	-13.2%

Local economic outlook

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

Economic productivity is measured by Gross Value Added (GVA). Calculated on a workplace basis, Cambridgeshire's GVA was £16,529 million in 2013, a 1.2% increase from 2012. Per head of population, GVA was £26,150 in 2013, 19% above the East of England average of £21,897 per head, and 9% above the England average of £24,091 per head.

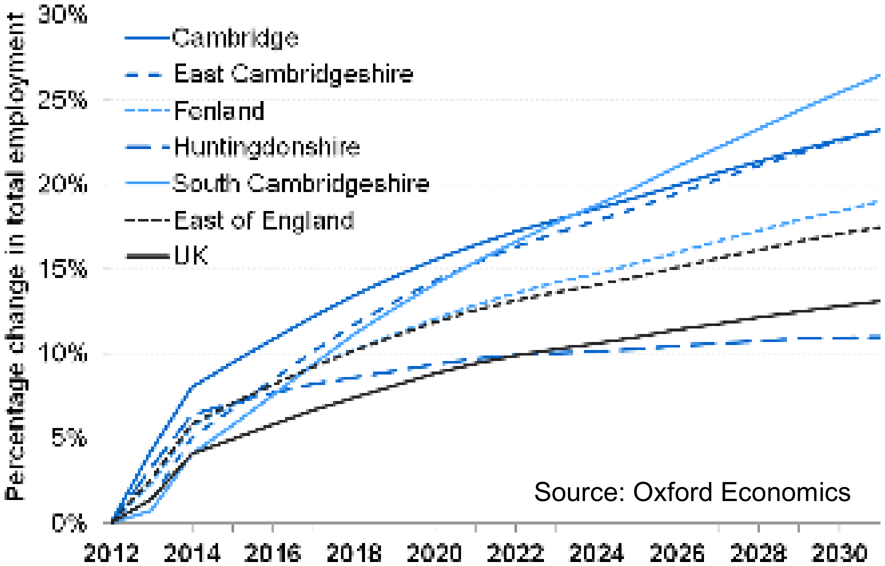
Figure 2.5: GVA growth forecasts for Cambridgeshire by district



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 65% between 2013 and 2031, with the most significant increase in South Cambridgeshire, where GVA is expected to increase by 80%. Enterprise births relative to population have increased for the second year in a row, although this is still below the regional and national enterprise birth rate. All five Cambridgeshire districts have seen an increase in the number of business start-ups during 2013. 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



Cambridgeshire's higher than average employment rate and forecasts for continued employment growth across all districts present a key opportunity for the county. Cambridgeshire has seen a 2.4% rise in the number of private sector jobs during 2013, and a 4.0% rise in public sector jobs in the same period. From an historical perspective, job creation has previously been uneven, with Fenland and Cambridge only seeing limited growth between 2001 and 2011; however both Fenland and Cambridge have seen significant growth during 2013. A significant proportion of Cambridgeshire's jobs are in manufacturing and education.

Cambridge City is seeing rising demand for skilled workers in manufacturing and production sectors due to a rise in orders, although there is a noticeable skills gap developing for the increasing number of vacancies. The low proportion of Cambridgeshire residents qualified to an intermediate skills level (NVQ Level 3) despite the high demand for people with these skills levels within the county is another key employment issue. The county is seeking to address this through school and college business initiatives such as the Fenland Enterprise in Education, CAP Employer Project and the University Technical College at Cambridge Regional College. These initiatives allow business to be directly involved in improving employment prospects for young people.

The new free Wi-Fi network covering central Cambridge has been launched by Connecting Cambridgeshire, as the first step in improving public access to Wi-Fi across the county. Better connectivity is expected to improve productivity.

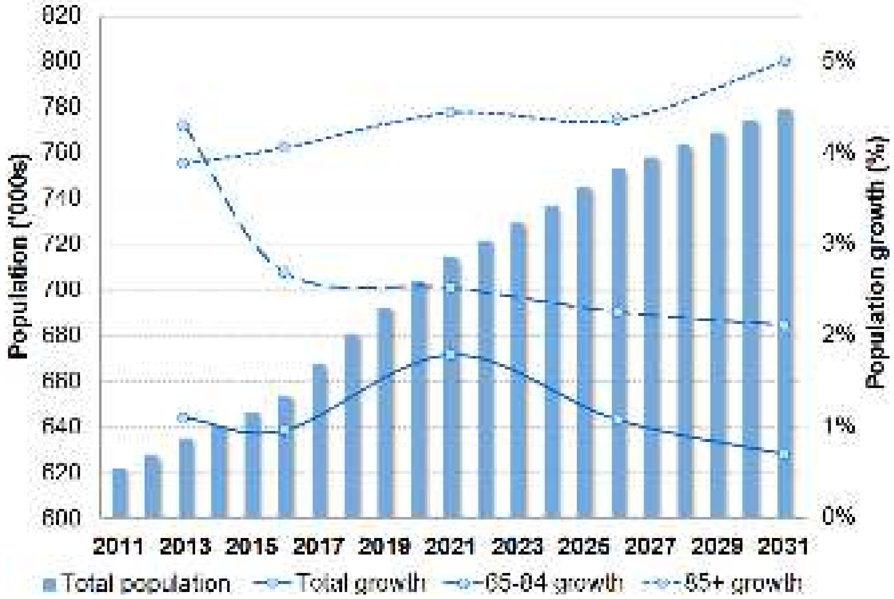
As part of the Budget 2014, Central Government announced their agreement for a Greater Cambridge City Deal which will deliver a step change in investment capability; an increase in jobs and homes with benefits for the whole County and the wider LEP area. The agreement provides a grant of up to £500 million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

Cambridgeshire's growing population

Cambridgeshire is the fastest growing county in the UK, as confirmed by the 2011 census, which showed the county's population as having increased by 68,500 between 2001 and 2011 to 621,200. This equates to 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 driven by increased demography. When this is combined with the Government's austerity drive it creates what has been described as the "perfect storm".Being able to balance our resources 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 25% over the next 20 years. The pattern of growth will not be evenly spread, with most of it occurring in the southern half of the county around Cambridge 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 nearly double over the next 20 years, from 100,300 in 2011 to 176,300 in 2031, 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

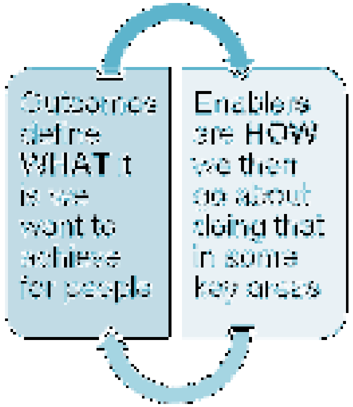


3) Priority outcomes

The Council's Business Plan sets out the means of delivery of the Council's priority outcomes. With diminishing resources and pressures of demographic growth, maintaining the level of funding for the key activities that deliver these outcomes becomes increasingly challenging. The reduced funding available means the Council must focuson those things that it sees as essential to support the delivery of its outcomes.

The Council recognises that it must take a different approach in order to find new ways of meeting the needs of our communities and has refocused its strategic planning this year on achieving seven outcomes. The outcomes do not capture everything that the Council does: they prioritise the areas we must focus our attention on during austere times. The outcomes we will strive to achieve are:

- Older people live well independently
- People with disabilities live well independently
- People at risk of harm are kept safe
- The best educational achievement for every child in Cambridgeshire
- The Cambridgeshire economy prospers to the benefit of all Cambridgeshire residents
- People lead a healthy lifestyle
- People live in a safe environment



The seven outcomes represent what the Council plans to do, with each service making a contribution to achieving planned outcomes either through direct service provision, commissioning, or working with partners. Each outcome is a Council priority and, as such, will be delivered by services working collaboratively with each other.

In order to achieve its outcomes it is critical that the Council delivers its activities effectively. The Council has adopted five enablers to support the delivery of the above outcomes:

- Building community resilience
- Exploiting digital solutions, making best use of data and insight
- Having people (officers and Members) who are equipped for the future
- Maximising commercialism and income generation, and making best use of our assets
- Ensure the majority of customers are informed, engaged and get what they need the first time they contact us

As part of the process leading to the creation of this Business Plan, the Council hasconsidered what it needs to look like in 2020-21 in order to deliver its outcomes in the context of a significant reduction in available resource. An Operating Model has been created that sets out what this future Council will look like and how we will get there. Members and Officers have worked together across all Council services to design an organisation that focuses on the outcomes we want most for our communities and that works together to achieve these.

Vision 2020

This longer term approach to transformation will allow the Council to redesign services more effectively and intelligently, aligning our enabling activities, alongside our partners, to achieve our outcomes. Transformation of the Council's services in line with the Operating Model will be phased over the next five years and will reflect our available revenue and capital resources.

The Council has adopted many common approaches to the increasing financial challenges it faces through:

- Doing all we can to support economic growth and revenue.
- Focusing on managing demand through a targeted approach, emphasising prevention, early intervention and short-term progressive support.
- Enabling local communities to become less dependent upon the Council.
- Continuing to drive efficiencies through changes to the way the Council works through exploiting new technology, consolidation of buildings and services, and the automation of processes.
- Withdrawing from some areas of service provision to focus on the Council's unique contribution.

We will need to build further on these underlying approaches going forward. We will need to become less risk adverse and we will need to maximise the utilisation of our asset base.

The Operating Model is not a panacea but an approach to ensure we maximise the opportunities across the Council and with partners to deliver services in a different way. It is intended to mitigate the impact of a reducing resource pool rather than to eradicate it. The Council will still have to make very difficult decisions over service levels, income generation and asset utilisation. These decisions will affect real people in real communities and, regrettably, are a direct consequence of inadequate funding.

Although the Council considered the MTFS prior to the whole Business Plan, it is still an integral part to the Business Plan and should always be seen as such. The MTFS is of course supported by other strategic documents some of which are also part of the Business Plan and some of which are not. This includes service based strategies support delivery of the outcomes that are to be achieved within the resource envelope provided through the MTFS.

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 3)
- Capital Strategy (Section 7)
- Treasury Management Strategy (Section 8)

As well as outlining the Council's revenue strategy, this Medium Term Financial Strategy includes the organisation's Fees and Charges Policy (see chapter 6) and Reserves Policy (see chapter 7).

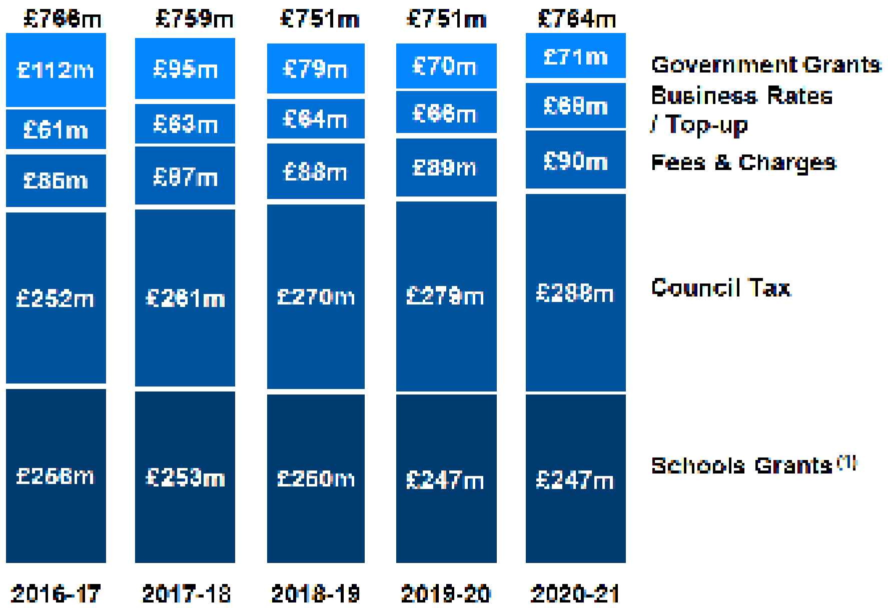
The Council's revenue spending is shaped by our Operating Model, influenced by levels of demand and the cost of service provision, and constrained by available funding.

Funding forecast

Forecasting our financial resources over the medium term is a key aspect of the revenue strategy, allowing us to understanding 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, includinggrants from Central Government and other public agencies,Council Tax, Business Rates and other locally generated income.

In 2016-17, Cambridgeshire will receive £548.4m of funding excluding £217.5m grants retained by its schools. The key sources of funding are Council Tax, for which a provisional increase of 1.99% has been assumed and Central Government funding (excluding grants to schools) which sees a like for like reduction of 5.1% compared to 2015-16.

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

By 2020-21 funding will only be £1.6m higher than in 2015-16

As is evident from Figure4.1, the Council will continue to face a challenging funding environment over the next four years (1.6% reduction in overall gross budget, excluding schools, or 2.0% reduction on a like-for-like basis), before beginning to see a change from 2019-20.Theparameters 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 RPI inflation (0.8% in 2016-17, rising to 3.2% by 2020-21, as per OBR forecasts)
Top-up	• National RPI inflation (0.8% in 2016-17, rising to 3.2% by 2020-21, as per OBR forecasts)
Council Tax	• Level set by Council (1.99% in all years) • Occupied Cambridgeshire housing stock (1.2%-1.4% annual increase, as per District Council forecasts)
Revenue Support Grant	• DCLG Departmental Expenditure Limit (-13.2% in all years)
Other grants	• Grants allocated by individual government departments (overall increase of 5% in 2015-16, due to Care Act and Public Health, then decrease of 3.1% by 2020-21)
Fees & charges	• Charges set by Council (overall 0.9%-3.3% annual increase

Our analysis of revenue resources highlights the implications of a number of government policies designed to shape the local authority funding environment. The continued reduction in government grants, to the degree where this effects a real terms reduction in overall Council funding, is a potent driver for reducing the range of service provision once any remaining efficiencies have been made.

The Business Rates Retention Scheme introduced in April 2013 continues to have a significant impact on incentives. Linking an element of local authority income to a share of the Business Rates collected in their area was designed to encourage Councils to promote economic growth. For county councils, a lower share reduces the incentive somewhat but providesvital stability against the variability of Business Rates. Nevertheless, our 9% share of Cambridgeshire’s Business Ratesremains a key driver towards growth.

In his April 2015 Budget, the 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 is intended to incentivise local authorities to encourage business growth and will allow the Council to retain an additional 9% of any growth in business rates above an agreed “stretch target”. Whilst the County Council has a key role in creating the appropriate environment to stimulate economic growth it is not the planning authority and will therefore continue to work closely with district partners in order to create this growth. While the increased devolution represented by the pilot is to be welcomed, the financial benefit for the Council is expected to be fairly small.

The dwindling Revenue Support Grant no longer tracks changes in relative need between local authorities, but is instead set at 2012-13 levels until the system is reset in 2020.

This creates a contradictory disincentive towards population growth and has an adverse effect on growing counties like Cambridgeshire, which as far as RSG allocations are concerned still has a population of 635,900 in 2016-17, rather than 656,850. In reality, this is mitigated somewhat by the New Homes Bonus, which acts as a clear promoter of housing growth.

The government's Council Tax referendum threshold continues to limit our tax-raising powers, effectively acting as a central government cap on Council Tax income. Council Tax rises above 2% are relatively unaffordable due to a requirement to hold a referendum. This Business Plan assumes the threshold will continue to be set at 2% for the next five years but the current arrangement of annual review by government creates significant uncertainty and there is a real risk the threshold could be lowered in the future.

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. We do however believe that every opportunity should be taken to maximise the revenue-raising capacity of the Council. Our annual review of fees and charges ensures that the Council makes a conscious decision not to increase charges rather than this being the default position.

Spending forecast

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

Inflationary pressures

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

There is not a direct link between the inflation we face and nationally published inflation indicators such as the Consumer Price Index (CPI) due to the more specific nature of the goods and services that we have to purchase. Estimates of inflation have been based on indices and trends, and include specific pressures such as inflationary increases built into contracts. Our medium term plans assume inflation will run at around 0.5% above Treasury CPI forecasts, having taken account of the mix of goods and services we purchase.The table below shows expected overall inflation levels for the Council:

Table 4.2: Inflationary pressures

	2016-17	2017-18	2018-19	2019-20	2020-21
Inflationary cost increase (£000)	9,863	8,946	9,344	9,237	9,237
Inflationary cost increase (%)	2.1%	1.9%	2.0%	2.0%	2.0%

Demographic pressures

Demography is a term used to include all demand changes arising from increased numbers (e.g., clients served, road kilometres), increased complexity (e.g., more intensive packages of care as clients age), and any adjustment for previous years where demography has been under/overestimated. Expected cost increases from demography are shown below:

Table 4.3: Demographic pressures

	2016-17	2017-18	2018-19	2019-20	2020-21
Demographic cost increase (£000)	9,935	10,268	10,316	10,667	10,667
Demographic cost increase (%)	2.1%	2.2%	2.2%	2.3%	2.3%

These figures compare with an underlying population growth of around 1.7% per year (a total increase of 9.0% between 2015-16 and 2020-21). The difference is due to faster growth in certain client groups; changes in levels of need and catch up from previous years.

Other pressures

We recognise that there are some unavoidable cost pressures that we will have to meet. The County Council has considered whether we should fund these from available resources, or whether we should require services to find additional savings themselves to cover these pressures.

Investments

The Council recognises that effective transformation often requires up-front investment and has considered both existing and new investment proposals that we fund through additional savings during the development of this Business Plan.

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/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 2011 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 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.

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

Allocating our resources to address the shortfall

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

What we have does not go as far: inflation will cost us £47m

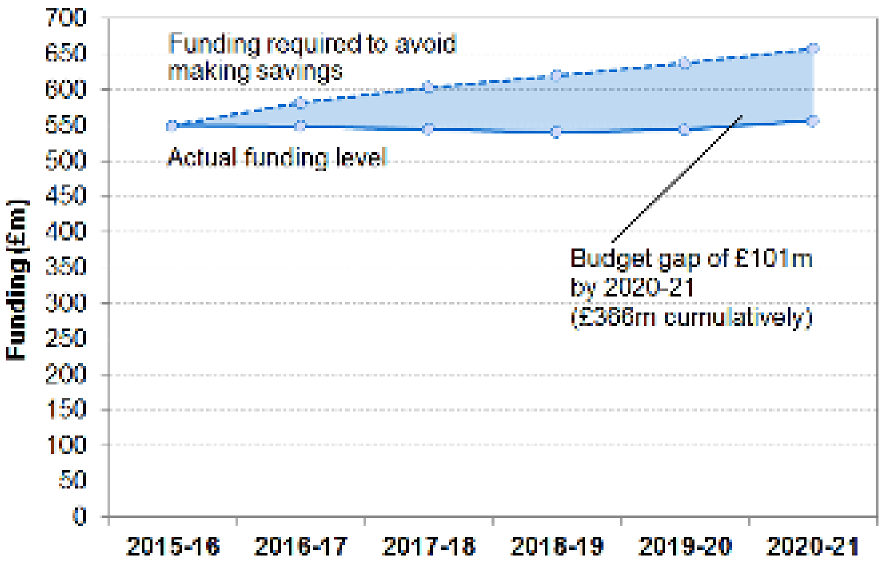
There are more people in the county, with more complex needs: demography will cost another £52m

We need to invest in the infrastructure of our growing county: borrowing to fund capital projects will increase by £6m

But our funding will increase by less than £2m

We need to find **£101m** savings

Figure4.2: Budget gap



Achieving these £101m of savings over the next five yearswill 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 accept therefore that more and more of the budget challenge will bemet through service reductions.

In some cases services have opted to increase locally 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. The following table shows the total amount of savings / increased income necessary for each of the next five years, split according to the factors which have given rise to this budget gap.

Table 4.4: Analysis of budget gap 2016-17 to 2020-21

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Total £000
Loss (+) / Gain (-) of funding	7,455	2,710	3,800	-2,939	-12,673	-1,647
Inflation	9,863	8,946	9,344	9,237	9,237	46,627
Demand	9,935	10,268	10,316	10,667	10,667	51,853
Pressures & Investments	554	-449	117	100	-	322
Capital	4,957	825	35	-841	623	5,599
Reserves	313	3,066	-2,814	-2,356	1	-1,790
Other	200	-	-	-	-	200
Total	**33,277**	**25,366**	**20,798**	**13,868**	**7,855**	**101,164**
Cumulative	**33,277**	**91,920**	**171,361**	**264,670**	**365,834**	

Capital

The Council's Capital Strategy can be found in full in Section 7 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 outcomes outlined within the Council's Strategic Framework. It is also closely related to, and informed by, the Cambridgeshire Public Sector Asset Management Strategy. It is concerned with all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding.

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

Capital funding

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

Central Government and external capital grants have also been heavily impacted during the last few years, as the Government has strived to deliver its programme of austerity. However, as part of the Autumn Statement 2014 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. Therefore, as a general principle, the Business Plan anticipates that overall capital grant reductions will, as a minimum, plateau from 2015-16. Any necessary changes will be made following the results of the Emergency Budget on 8thJuly. However, it is more likely that greater clarity will not be available until the next Spending Review, which is due autumn / winter 2015.

In the last two years, the Department for Education has developed new methodology in order to distribute funding for additional school places, as well as to address the condition of schools. Unfortunately, the new methodology used to distribute Basic Need funding did not reflect the Government's commitment to supply funding sufficient to enable authorities to provide enough school places for every child who needs one.The allocation of £4.4m for 2015-16 and 2016-17 was £32m less than the Council had estimated to receive for those years based on our level of need. Given the growth the County is facing, it was difficult to understand these allocations and, as such, the Council has continued to lobby the Department for Education (DfE) for a fairer funding settlement that is more closely in line with the DfE's commitment. The DfE did acknowledge one error in their calculations which resulted in the Council receiving an additional £3m on top of the original allocation for these years.

The Council has also sought to maximise its Basic Need funding going forward by establishing how the new funding allocation model works and seeking to provide data to the DfE in such a way as to maximise our allocation. This resulted in a significantly improved allocation for 2017-18 of £32.4m. This goes some way to reduce the Council's shortfall, but still does not come close to covering the costs of all of the Council's Basic Need schemes. The DfE have also recently revised the methodology used to distribute condition allocations, in order to target areas of highest condition need. A floor protection has been put in place to ensure no authority receives more than a 20% cut in the level of funding until 2018. The £1.2m reduction in allocation for Cambridgeshire in 2015-16 has hit this floor; therefore from 2018 it is expected that the Council's funding from this area will reduce further.

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

However, as part of the Autumn Statement 2014 the Department for Transport (DfT) announced indicative Highways Maintenance funding for the following six years which included an increase of £5m for the Council for 2015-16, and an additional £2m - £3m for each of the following five years (over the original base). This is not, however, all additional funding, as the increase will in part replace one-off in-year allocations of additional funding that the Council has received in recent years for aspects such as severe weather funding. However, having up-front allocations provides significant benefit to the Council in terms of being able to properly plan and programme in the required work.

The DfT also announced that the Council will have the opportunity to access or bid for funding for an Incentive Element, based on each Council's record in pursuing efficiencies and asset management, and a Challenge Fund for major maintenance schemes. The Council submitted one bid to the new Challenge Fund in January 2015, however this was unsuccessful.

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

Capital expenditure

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

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

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

As part of this year's Business Planning cycle, the Council has also introduced an alternative, cross-cutting approach to deliver the Business Plan that, at least in the short term, will operate alongside the traditional process. In time, it is expected that the Operating Model could have significant implications for the Capital Programme, for example, through the generation of additional Invest to Save schemes.Whilst the Council is still embedding this new process, the majority of the Capital Programme will continue to be developed in line with the 'traditional' process described above.

A summary of the Capital Programme can be found in the following chapter of this Section, with further detail provided by each Service within their individual finance tables (Section 4).

5) 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 5.1 below.

Table 5.1: Total funding 2016-17 to 2020-21

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
Business Rates plus Top-up	60,794	62,248	64,191	66,263	68,465
Council Tax	252,347	260,981	269,713	278,627	287,836
Revenue Support Grant	38,803	25,012	9,024	0	0
Other Unringfenced Grants	32,845	40,741	41,420	41,549	41,961
Dedicated Schools Grant (DSG)	241,907	238,678	235,448	232,219	232,219
Other grants to schools	14,491	14,491	14,491	14,491	14,491
Better Care Funding	13,148	13,148	13,148	13,148	13,148
Other Ringfenced Grants	27,081	16,438	15,674	15,674	15,674
Fees & Charges	84,454	87,221	88,432	89,552	90,401
Total gross budget	**765,870**	**758,958**	**751,541**	**751,523**	**764,195**
Less grants to schools (1)	-256,398	-253,169	-249,939	-246,710	-246,710
Schedule 2 DSG plus income from schools for traded services to schools	38,925	38,935	38,945	38,956	38,967
Total gross budget excluding schools	**548,397**	**544,724**	**540,547**	**543,769**	**556,452**
Less Fees, Charges & Ringfenced Grants	-163,608	-155,742	-156,199	-157,330	-158,190
Total net budget	**384,789**	**388,982**	**384,348**	**386,439**	**398,262**

(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 autumn/winter 2015 the Government is expected to publish a Spending Review covering 2016-17. This will set out detailed grant allocations for individual local authorities which will then be confirmed by the Local Government Finance Settlement announced by the Government in December 2015.

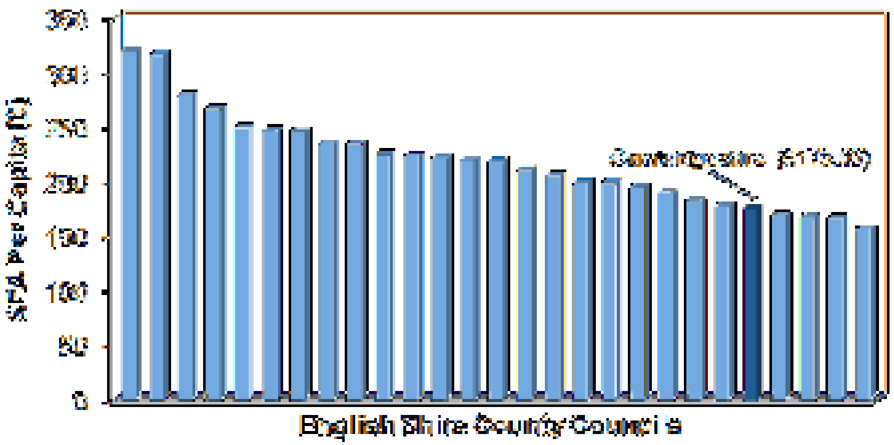
The headline position currently being modelled internally for Cambridgeshire County Council ahead of the Spending Review is a5.1% reduction in Government revenue funding (excluding grants to schools) in 2016-17. This comparison incorporates larger cuts to general funding which are offset slightly by increases in grants targeted to particular areas such as Adult Social Care and Public Health.

Table 5.2: Comparison of Cambridgeshire's 2015-16 and 2016-17 overall Government funding

	2015-16 £000	2016-17 £000
Business Rates plus Top-up	58,705	60,794
Revenue Support Grant	53,669	38,803
Other Unringfenced Grants	11,770	32,845
Better Care Funding	13,148	13,148
Other Ringfenced Grants	44,693	27,081
Government Revenue Funding (excluding schools)	**181,985**	**172,671**
Difference		**-9,314**
Percentage cut		-5.1%

The Council's core government revenue funding is described as its Settlement Funding Assessment (SFA) and comprises Revenue Support Grant, Business Rates and Top-up grant. In 2015-16 Cambridgeshire's SFA award per head of population was the fifth lowest of all shire county councils, at only £175.55 compared to the average of £218.63.

Figure 5.2: County Council SFA per Capita 2015-16



Revenue Support Grant

Within this overall reduction, the cuts to Revenue Support Grant (RSG) are the most severe with the Council's allocation reducing by 27.7% in 2016-17. Although no figures have yet been provided for Revenue Support Grant from 2016-17 onwards, we are forecasting such continued significant cuts to make this an obsolete source of funding by 2019-20. These reductions are based on cuts of 13.2% in the Local Government Spending Control Totals as set out below.

Table 5.3: Government Spending Control Totals 2015-16 to 2020-21

	SR2013			Internal Modelling		
	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Spending Control Total	20,833	18,081	15,694	13,621	11,822	10,261
% change		**-13.2%**	**-13.2%**	**-13.2%**	**-13.2%**	**-13.2%**
Of which RSG (England)	9,509	6,664	4,016	1,594	-579	-2,537
% change		**-29.9%**	**-39.7%**	**-60.3%**	**n/a**	**n/a**
RSG (CCC)	53.7	38.8	25.0	9.0	-	-
% change		**-27.7%**	**-35.5%**	**-63.9%**	**-100.0%**	**0.0%**

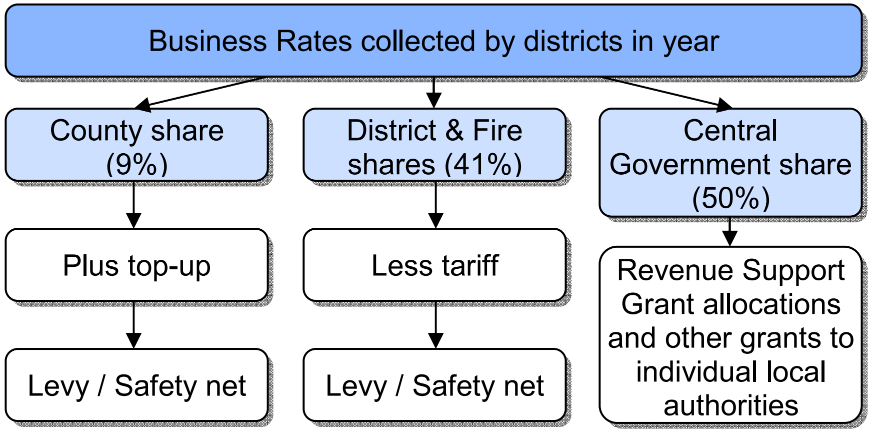
The Spending Control Total has two elements: business rates and RSG. Since business rates are forecast to increase, the cuts to the Spending Control Total must fall entirely on RSG, giving rise to the pronounced reductions illustrated.

Business Rates Retention Scheme

The Business Rates Retention Scheme replaced the Formula Grant system inApril 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 5.1 illustrates how the 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.

Figure 5.1: 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 tariffs and top-ups were set in 2013-14 based on the previous 'Four Block Model' distribution and areincreased annually by September RPI inflation. 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.

In the years where the 50% local share is less than Local Government spending totals, the difference is returned to Local Government via RSG. This is allocated pro-rata to local authorities' funding baseline.

Despite moving to a new funding framework the new model locks in elements of the previous system which are a concern. The relative allocation of top-up and RSG is effectively determined by the 2012-13 Four Block Model distribution. 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 Business Rates Retention Scheme does allow for a welcome re-assessment of areas every seven years, however, the first reset is not due until 2020 at the earliest.

From 2015-16 the Council also benefits from inclusion in a pilot scheme allowing it to retain 100% of growth in business rates within Cambridgeshire above an agreed baseline. The baseline for the pilot scheme is Cambridgeshire's forecast business rates for 2015-16 plus a 0.5% "stretch target". From 2016-17, the baseline will be increased by 0.5% each year and adjusted to reflect the annual change in the small business rates multiplier.

We have used modelling undertaken by Cambridgeshire billing authorities (City and District Councils) to forecast our share of business rates. However, there is a significant risk to the accuracy of these forecasts due to the number of appeals facing the billing authorities and the significant backlog at the Valuation Office.

Council Tax

Cambridgeshire County Council starts the Business Planning Process with a Council Tax rate slightly below the average for all counties. As a consequence of chronic underfunding by central government, the Council has been forced to maximise the income it raises from Council Tax in recent years.

The previous Government first announced Council Tax Freeze grants as part of its Emergency Budget in 2010, which offered a grant equivalent to a 2.5% increase in Council tax for 2011-12 if those councils agreed to freeze Council Tax at 2010-11 levels for one year, with the added protection of offsetting the foregone tax for three more years, to prevent authorities from having to make sharp increases or spending cuts in following years – called the 'cliff edge' effect.

We took advantage of the Council Tax Freeze Grant in 2011-12 but decided not to take up the offers of subsequent grants for a lower level (1%) that do not offer further protection, with the choice being made to set Council Tax at 2.95% in 2012-13 and 1.99% in 2013-14, 2014-15 and 2015-16. These figures were below forecast inflation levels at the time of setting the budget and were close to the Treasury's long-term expected inflation rate. Our decisions in the last four years to increase Council Tax will avoid the need for sharp increases in precepts in the future.

It is anticipated that the Government will announce a further Council Tax Freeze Grant for 2016-17. The Council will carefully considered the Government's offer but, if the value of the grant is similar to those offered in recent years, it is likely to reject it. The value of the grant offered being insufficient to avoid a significant shortfall compared to the Council Tax increases built into last year's Business Plan and taking it would add unsustainably to the already significant budgetary pressure on the Council.

In previous years the County Council has carried out an extensive consultation exercise to inform decisions on Council Tax. The results have consistently indicated general acceptance from taxpayers of the need for small increases in Council Tax. Based on this consistent message,combined with the general improvement in the economy, this year's consultation focuses our limited resources on understanding the public's views on the Council's new outcomes instead. More information about the consultation and its results can be found in Section 5 of the Business Plan.

The current Council Tax Requirement (and all other factors) gives rise to a 'Band D' Council Tax of £1,167.03. This is an increase of 1.99% on the actual 2015-16 level. This figure reflects information from the districts on the final precept and collection fund.

Table 5.4: Build-up of recommended Council Tax Requirement and derivation of Council Tax precept 2016-17

	2016-17 £000	% Rev. Base
Adjusted base budget	**764,808**	
Transfer of function	5,734	
Revised base budget	**770,542**	
Inflation	9,863	1.3%
Demography	9,935	1.3%
Pressures	1,382	0.2%
Investments	4,129	0.5%
Savings	-32,083	-4.2%
Change in reserves/one-off items	2,102	0.3%
Total budget	**765,870**	**99.4%**
Less funding:		
Business Rates plus Top-up	60,794	7.9%
Revenue Support Grant	38,803	5.0%
Dedicated Schools Grant	241,907	31.5%
Unringfenced Grants (including schools)	47,336	6.1%
Ringfenced Grants	40,229	5.2%
Fees & Charges (1)	84,454	11.0%
Surplus/deficit on collection fund	0	0.0%
Council Tax requirement	**252,347**	**32.7%**
District taxbase		216,230
Band D		**1,167.03**

(1)This includes an increase in income of £1,194k, which taken withthe £26,479k savings makes up the £27,673k savings/income requirement.

Taxes for the other bands are derived by applying the ratios found in Table 5.5. For example, the Band A tax is 6/9 of the Band D tax.

Table 5.5: Ratios and amounts of Council Tax for properties in different bands

Band	Ratio	Amount £	Increase on 2015-16 £
A	6/9	778.02	15.18
B	7/9	907.69	17.71
C	8/9	1,037.36	20.24
D	**9/9**	**1,167.03**	**22.77**
E	11/9	1,426.37	27.83
F	13/9	1,685.71	32.89
G	15/9	1,945.05	37.95
H	18/9	2,334.06	45.54

Unringfenced grants

No announcement has yet been made on whether the public health grant will be ring-fenced in 2016-17, apart from the grant for 0-5 public health, which is transferring to the County Council in 2015-16 and 2016-17 and will definitely be ring-fenced. It would, therefore, be prudent to plan for the ring-fence being removed in 2016-17, but not to place too much reliance on this. Planning collaboratively across directorates on an outcomes basis should enable the Council to reach a position where the presence or absence of the ring-fence becomes less important.However there may be a risk that if the ring-fence 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 5.6: Unringfenced grants for Cambridgeshire 2016-17

	2016-17 £000
New Homes Bonus	5,087
Education Services Grant	3,598
Public Health Grant	22,155
Returned New Homes Bonus Topslice	141
Other	1,864
Total unringfenced grants	**32,845**

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 4 of the Business Plan.

Major sources of ringfenced funding include the Healthy Child Programme grant and the Better Care Fund. This pooled fund of £3.8bnnationally took full effect in 2015-16, and is intended to allow health and social care services to work more closely in local areas.

In line with the Secretary of State's announcement as part of the 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 5.1. However, this grant is ringfenced to pass directly on to schools. This plan therefore uses the figure for "total budget excluding grants to schools". The DSG for 2016-17 is yet to be confirmed although we expect it will be reduced from the amount received in 2015-16 as a result of schools converting to academies. The impact will include schools converting from 1 April 2016 as well as the full year effect of schools that converted during 2015-16. As an estimate, based on our knowledge of schools converting to academies, we have used a figure of £241.9m in this report.

Service budgets

We have combined the funding analysis set out in preceding chapters with a detailed review, looking at the costs involved in providing services at a certain level and to specific performance standards. This was used to propose the following changes to cash available over the next five years:

Table 5.7: Changes to service net budgets 2015-16 to 2020-21

	Revised Net Budget 2015-16 (1) £000	Proposed % cash change 2015-16 to 2020-21
Children, Families and Adults Services (CFA)	251,203	0.3%
Economy, Transport and Environment (ETE)	64,009	-5.9%
Corporate & Managed Services (CS)	15,999	-12.3%
Financing Debt Charges	35,460	15.8%
LGSS - Cambridge Office (LGSS)	10,084	-16.1%
Public Health	14,319	0.5% (2)
Environment Agency (EA) Levy	376	0.0%
Total budget	**391,450**	**1.7%**

(1) 2015-16 budget has been revised so that it is comparable to the 2016-17 budget.
(2) The percentage change for Public Health has been adjusted to reflect the removal of the ring-fence on 0-5 public health from 2017-18.

In light of these changes, services have been set the following cash limits (Table 5.8). The cash limit is the amount of money for each of the next five years that services can spend. Within these limits, the budget will balance.

These cash limits include assumptions about the impact of inflation and demographic growth, any developments and the savings we intend to make. Cash limits for each directorate and the policy areas in the above services are shown in the detailed financial tables of Section 4.

Table 5.8: Service net budgets 2016-17 to 2020-21

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
CFA	241,475	237,121	236,362	241,894	251,952
ETE	60,408	58,709	58,265	58,854	60,227
CS	15,476	14,261	14,413	14,135	14,029
Financing Debt Charges (1)	40,417	41,242	41,277	40,436	41,059
LGSS	9,880	9,388	8,863	8,536	8,460
Public Health	14,655	22,717	22,438	22,209	22,160
EA Levy (2)	376	376	376	376	376
Net movement on reserves (3)	2,102	5,168	2,354	-1	-1
Total budget	**384,789**	**388,982**	**384,348**	**386,439**	**398,262**
% Change in budget	4.0%	1.1%	-1.2%	0.5%	3.1%

(1) Financing debt charges refers to the net cost of interest and principal payments on existing and new loans.
(2) EA Levy refers to the contribution to the Environment Agency for flood control and flood mitigation.
(3) Net movement on reserves reflects use of the various reserve funds (see chapter 7).

Capital programme spending

The 2016-17 ten year capital programme worth £708.8m is currently estimated to be funded through £500.6 of external grants and contributions, £55.7m of capital receipts and £152.5m of borrowing (Table 5.9). This is in addition to previous spend of £567.9m on some of these schemes, creating a total Capital Programme value of £1.3 billion. There was originally a funding shortfall, included for 2015-16 and 2016-17 of £30m (reduced from £32m due to carrying forward some grant from 2014-15) as a result of the provisional Basic Need allocation. Whilst some minor additional funding was allocated to the Council following a challenge to the formula it still resulted in a significant funding shortfall. Further work was undertaken as part of the 2015-16 Business Plan to minimise the additional funding requirement by reviewing the phasing requirements and cost provisions. As a result, despite the funding shortfall, the Council managed to reduce the related revenue budget to fund capital borrowing when compared to the Business Plan for 2014-15. This revenue budget is now forecast to spend £40.1m in 2016-17, increasing to £41.1m by 2018-19 and then decreasing to £40.3m by 2020-21. Table 5.9 shows a summary of available funding for the capital programme.

Table 5.9: Funding the capital programme 2016-17 to 2025-26

	Prev. Years £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	Later years £m	Total £m
Grants	231.8	62.9	61.1	58.3	53.7	14.5	82.9	565.2
Contributions	136.9	38.5	36.7	23.8	11.6	51.0	5.6	304.1
General capital receipts	13.3	29.1	6.3	5.7	4.6	4.4	5.6	69.0
Prudential borrowing	142.5	56.4	35.3	9.7	6.5	31.7	56.3	338.4
Prudential borrowing (repayable)	43.4	-25.0	-16.9	-0.8	0.6	-1.6	0.3	0.0
Total funding	**567.9**	**161.9**	**122.5**	**96.7**	**77.0**	**100.0**	**150.7**	**1,276.7**

Section 7 later in the Business Plan sets out the detail of the 2016-17 to 2025-26 capital schemes which are summarised in the tables below. Total expenditure on major new investments underway or planned includes:

- Providing for demographic pressures regarding new schools and children's centres (£596m)
- City Deal schemes (£100m)
- Major road maintenance (£90m)
- Ely Crossing (£36m)
- Rolling out superfast broadband (£30m)
- A14 Upgrade (£25m)
- Housing provision (£18m)
- King's Dyke Crossing (£14m)
- Renewable Energy (£12m)
- Better Care Fund (£6m)
- Soham Station (£6m)
- CFA Management Information System IT Infrastructure (£5m)
- Cambridge Cycling Infrastructure (£5m)
- Waste Facilities – Cambridge Area (£5m)
- County Farms Investment (£5m)

Table 5.10 summarises schemes according to start date, whereas Table 5.11 summarises capital expenditure by service. These tables include schemes that were committed in previous years but are scheduled to complete from 2016-17 onwards.

Table 5.10: Capital programme for 2016-17 to 2025-26

	Prev. Years £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	Later years £m	Total £m
Ongoing	119.6	35.6	34.1	32.7	31.7	11.3	28.5	293.5
Commitments	445.4	112.9	31.9	25.2	22.7	1.1	6.6	645.8
New starts:								
2016-17	1.7	8.7	4.5	0.2	-	-	-	15.1
2017-18	0.6	1.7	38.6	26.5	4.7	1.0	24.0	97.1
2018-19	0.6	3.0	13.4	11.9	5.0	21.4	5.4	60.7
2019-20	-	-	-	0.2	12.9	64.8	30.8	108.7
2020-21	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	0.4	10.9	11.3
2022-23	-	-	-	-	-	-	22.5	22.5
2023-24	-	-	-	-	-	-	22.0	22.0
2024-25	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-
Total spend	**567.9**	**161.9**	**122.5**	**96.7**	**77.0**	**100.0**	**150.7**	**1,276.7**

Table 5.11: Services capital programme for 2016-17 to 2025-26

Scheme	Prev. Years £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	Later years £m	Total £m
CFA	216.8	55.1	68.4	45.6	29.1	90.9	107.2	613.1
ETE	329.0	85.8	47.6	44.7	42.4	7.9	39.8	597.2
CS& Managed	22.1	21.0	6.5	6.4	5.5	1.2	3.7	66.4
LGSS	-	-	-	-	-	-	-	-
Total	**567.9**	**161.9**	**122.5**	**96.7**	**77.0**	**100.0**	**150.7**	**1,276.7**

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

Table 5.12: Invest to Save / Earn schemes for 2016-17 to 2025-26

Scheme	Total Investment (£m)	Total Net Return (£m)
Housing provision (primarily for rent) on CCC portfolio	17.5	16.5
Renewable Energy	12.0	6.2
MAC Market Towns (March)	1.8	7.7
Disposal / Relocation of Huntingdon Highways Depot	1.6	3.6
County Farms Investment	5.0	-[(1)]

(1) Scheme expected to break-even, however additional returns are not yet quantifiable.

6) Cash limits and savings identification

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

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. The approach in Cambridgeshire, to date, has largely been based on the incremental approach. This has had, however, an in-built ability to 'flex' for local circumstances, priorities and pressures.

The incremental approach has the benefit that it provides relative clarity, the framework can be easily agreed, its construction can be managed within the council's existing resource base, and it provides clear savings targets by Directorate. The downside is that other than reflecting demographic pressures it is not a very strategic tool that can redirect resources according to changing priorities.

The incremental model in Cambridgeshire allocates cash limits to Directorates within a five-block model. These blocks are:

- Children Families and Adults
- Economy, Transport and Environment
- Corporate and Managed Services
- Public Health
- LGSS Cambridge Office

Cash limits are issued for the period covered by the medium term financial strategy (rolling five years) in order to provide 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.

Having updated the cash limits, in accordance with the changes set out above, Directorates develop savings proposals in order for their cost of service delivery to be retained within the financial envelope for their Directorate.

It has been widely recognised that the approach followed in previous years to develop cash limits is no longer sustainable in an environment of continuing austerity. Consequently, this year's Business Planning process saw the Council implement a more holistic, end-to-end, cross-cutting approach to developing budget proposals, focusing on delivery of its

Operating Model. Over time, this may well result in a complete re-design of the service delivery model in many areas. The new approach is informed by the work that is currently under way in the Transforming Cambridgeshire Programme but has not necessarily been restricted by it.

During the first phase of the process proposals were developed across the whole Council for achieving each of its Outcomes and delivering each of its Enablers by 2020-21 with significantly less resource. This was driven forward by cross-Directorate groups, each responsible for a specific Outcome/Enabler. The proposals were phased for implementation over the five-year period of the Business Plan.

Phase two of the process began with selection of a range of the proposals put forward for further development. These fed in to the Council's construction of cash limits using the departmental methodology. The new cross-cutting approach runs alongside the incremental approach with any savings generated from theholistic reviews fed through the cash limit allocation methodology and thereby reducing the demand on all services.

Detailed spending plans for 2016-17, and outline plans for later years, are set out within Section 4 of the Business Plan.

7) 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 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.

The MTFS aims to ensure that fees and charges are maintained or,preferably, increased as a proportion of gross expenditure through identifyingincome generatingopportunities, ensuring that charges for discretionaryservices or trading accounts cover costs and ensuring that fees and charges keep pace with price inflation and/or competitor and comparator rates.

In recent years the consumer price index has been increasing by over 3% perannum whilst the Council had applied a standard rate of 2% within its Business Plan assumptions. Over time this difference has been hard to sustain.In some areas there has not been a consistent review mechanism to ensure that the Council considers how income generated through fees and charges can support the delivery of outcomes. A key purpose of the inclusion of a Policy within the Medium Term Financial Strategy is to provide a framework for this process and to deploy a mechanism that requires fees and charges to be reviewed annually.

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 will be reviewed by the relevant Service Committees during September 2015:

- CFA schedule of fees and charges
- CS schedule of fees and charges
- ETE schedule of fees and charges

For business planning purposes all fees and charges are increased in line with the Council's standard inflation rate, which this year has been set at 2% for each of the years covered by the Business Plan. Therefore, even if a decision is taken to not increase some fees and charges the budget shortfall that this creates will need to be bridged through other operational savings.Conversely, if charges are increased above inflation this can contribute to departmental savings targets.

When considering increases services must take into accountelasticities 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.

8) Reserves policy

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 three 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.

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 2016-17 to 2020-21

Balance as at:	31 March 2016 £m	31 March 2017 £m	31 March 2018 £m	31 March 2019 £m	31 March 2020 £m	31 March 2021 £m
General reserve	17.8	16.4	16.4	16.4	16.4	16.4
Earmarked reserves	32.1	30.2	31.5	29.8	29.8	29.8
Schools reserves	22.0	22.0	22.0	22.0	22.0	22.0
Total	**71.9**	**68.6**	**69.9**	**68.2**	**68.2**	**68.2**
General reserve as % of gross non-school budget	3.2%	3.0%	3.0%	3.0%	3.0%	2.9%

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 have 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.

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 2016-17 to 2020-21

Risk	Source of risk	Value £m
Inflation	0.5% variation on Council inflation forecasts.	0.6
Demography	0.5% variation on Council demography forecasts.	0.6
Interest rate change	0.5% variation in the Bank of England Base Rate.	0.1
Council Tax	Inaccuracy in District taxbase forecasts to the same degree as previous year.	tbc
Business Rates	Inaccuracy in District taxbase forecasts of County share of Business Rates to the value which triggers the Safety Net.	2.7
Unconfirmed specific grant allocations	Value of as yet unannounced specific grants different to budgeted figures.	6.6
Academy conversions higher than expected	Impact on Education Services Grant from increase in academy conversions.	0.2
Deliverability of savings against forecast timescales	Savings to deliver Business Plan not achieved.	3.3
Additional responsibilities	Uncertainty around adequate funding of new Care Act responsibilities in the longer term	tbc
Non-compliance with regulatory standards	E.g., Information Commissioner fines.	0.5
Major contract risk	E.g., contractor viability, mis-specification, non-delivery.	tbc
Unidentified risks	n/a	1.8
Balance		**16.4**

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 cash limits 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'sPolicy 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 and recommended on to Council. GPC does not have the delegated authority to agree any changes to the cash limits 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 andrecommendation 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 afinal draft for approval by Full Council.In consultation with relevant Service Committees”

“Authority for monitoring and reviewing the overall performance of theCouncil against its Business Plan”

“Authority for monitoring and ensuring that Service Committees operatewithin the policy direction of the County Council and making anyappropriate 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 cash limit allocated to it for the delivery of services within its responsibility.

Service Committees

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

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

10) Risks

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

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

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

BUSINESS PLANNING - CAPITAL STRATEGY

To:	**General Purposes Committee**
Meeting Date:	**28th July 2015**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**The Council's Capital Strategy details all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding. The Strategy has been revised as part of the 2016-17business planning process, with respect to the new outcome-based Operating Model approach to Business Planning.**
Recommendation:	**General Purposes Committeeis asked to review and recommend to Council:**

a) Revisions to the Capital Strategy to align it with the Operating Model approach, including that prioritisation of capital proposals will be undertaken using an amended version of the Investment Appraisal process that reflects the new outcome-based focus of Business Planning.

b)Whether the advisory limit on the level of debt charges (and therefore prudential borrowing)should be:

- **kept at existing levels, which are higher than the level of debt charges approved in the 2015-20 Business Plan;**
- **reduced to the level of debt charges approved within the 2015-20 Business Plan (and fixed at the 2019-20 level from 2020-21 onwards); or**
- **reduced by 10% of the current long-term figure (£46.0m) to £41.4m in all years.**

c) That borrowing related to Invest to Save/Earn schemes should continue to be excluded from the advisorydebt charges limit.

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1. BACKGROUND

1.1 The Council's Capital Strategy is revised each year to ensure it is fully comprehensive. This year, it is recommended that some amendments are made in order to align the existing capital process with the new Operating Model approach to Business Planning.

1.2 For the 2016-21 business planning process, the Council has refocused its approach to strategic planning in order to find new ways of meeting the needs of Cambridgeshire's communities. The Council's Operating Model considers what the organisation needs to look like by 2020-21 in order to deliver the seven key outcomes that the Council has identified, in the context of a significant reduction in available resource.

2. INTEGRATION OF THE 'TRADITIONAL' APPROACH WITH THE OPERATING MODEL

2.1 The move towards an outcome-based methodology for planning is a significant change for the Council. As a result of this, it is expected to take time to embed the approach, and whilst there might be a reasonable level of output from the outcomes-based model for revenue, given the project lead in time, it is expected to take longer to phase in the change in approach for capital.

2.2 Therefore, it is expected that the traditional process that is utilised for developing the Capital Programme will continue to be necessary. As such, it is recommended within the Capital Strategy (**Appendix A**) that the two processes will run alongside each other, integrating where necessary. For example, any Invest to Save schemes generated through the outcomes work in order to deliver revenue savings, will feed back into the traditional process for developing and prioritising capital schemes.

2.3 In order to ensure that schemes are being prioritised in line with the outcome-based approach, it is proposed that the 'Investment Appraisal' is developed further to accommodate outcomes-based criteria (please see Appendix 4 of the Capital Strategy).

3. SETTING PRUDENTIAL BORROWING LEVELS

3.1 In its role of recommending the final budget to Council, General Purposes Committee (GPC) is responsible for ensuring that the level of borrowing arising from the capital programmes proposed by Service Committees is prudential. Ultimately, if General Purposes Committeedoes not consider borrowing levels to be affordable and sustainable it has the option not to recommend the Business Plan to Council.

3.2 Last year GPC recommended the introduction ofan advisory debt charges limit to effect greater control over the Council's borrowing costs. GPC agreed that it should be reviewed annually towards the beginning of the business planning process, along with the corresponding borrowing limits, and should be amended if required.

3.3 To determine the affordability of the advisory debt charges limit it should be viewed in the context of the rest of the Council's revenue budget so that a judgement can be made on the proportion of funding the Council wishes to spend on borrowing compared withother service priorities. The relative percentages of debt charges and non-debt charges spend, as per the current advisory limit, are outlined in the table below.

	2016-17	2017-18	2018-19	2019-20	2020-21
Debt charges	11.3%	11.4%	11.7%	11.6%	11.3%
Non-debt charges	88.7%	88.6%	88.3%	88.4%	88.7%

3.4 Although the proportion of budget available for spend on debt charges is fairly constant, the non-debt charges budget has to absorb the entirety of the Council's savings challenge. The Council is now in its fifth year of austerity and it is becoming increasingly difficult for Services to make savings, as evidenced by the significant amount of unidentified savings in the current Business Plan. Against this backdrop, it would seem neither affordable nor sustainable to increase the level of debt charges in the current Business Plan any further.

3.5 However, acknowledging the Council's strategic role in stimulating economic growth across the County, e.g., through infrastructure investment, it is recommended that any new, or changes to existing, 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 continue to be excluded from contributing towards the advisory limit. Capital proposals generated through the Operating Model approach to this year's business planning process are anticipated to be on an Invest to Save/Earn basis and therefore meet this criterion. In line with the approach set out in the Capital Strategy last year, General Purposes Committee (GPC) will still need to review the timing of the repayment, in conjunction with the overall total level of debt charges when determining affordability.

3.6 In reviewing thecurrent advisory limit on debt charges, GPC is asked to consider the following as potential options:

- Option 1: keep the advisory limit at existing levels, which are higher than the level of debt charges approved in the 2015-20 Business Plan, thereby retaining the current scope to increase debt charges from those agreed in the 2015-20 Business Plan;
- Option 2: reduce the advisory limit to the level of debt charges approved in the 2015-20 Business Plan, removing the option to increase debt charges above this level; or
- Option 3: reduce the advisory limit by 10% of the current long-term debt charges figure of £46m to £41.4m in all years, in order to reduce the existing pressure on Services to find savings.

3.7 The debt charges figures for the three options, and the corresponding levels of prudential borrowing, are set out in the tables on page 4.

Advisory debt charges limit	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Option 1: Current advisory limit	40.2	44.6	45.4	45.9	46.0	46.0
Option 2: 2015-20 Plan debt charges	36.5	41.1	42.0	42.1	41.3	41.3
Option 3: 10% less than current limit	41.4	41.4	41.4	41.4	41.4	41.4

Corresponding prudential borrowing	2015-16 £m	2016-17 £m	2017-18 £m	Block 1 TOTAL £m	2018-19 £m	2019-20 £m	2020-21 £m	Block 2 TOTAL £m
Option 1: Current advisory limit	100.6	56.1	20.0	**176.7**	20.0	20.0	20.0	**60.0**
Option 2: 2015-20 Plan debt charges	100.6	39.0	18.4	**158.0**	8.9	7.1	30.1	**46.1**
Option 3: 10% less than current limit	100.6	36.0	15.0	**151.6**	15.0	15.0	15.0	**45.0**

These are approximateborrowing figures that would result in the level of debt charges above. Borrowing levels can fluctuate across the years with little effect on the debt charges, as long as the total level of borrowing is not breached. This is why the Capital Strategy sets borrowing limits in three-year blocks, to provide flexibility with funding.

4. OTHER REVISIONS TO THE STRATEGY

4.1 TheInvestment Appraisal scoring mechanism has also been updated to incorporate a new area - adequacy of planning. The more developed and detailed plans are available, the more likely that the project will be delivered to specification, timetable and budget. Therefore this has been reflected in the scoring.

4.2 Given the level of capital slippage that occurs annually (40% in 2014/15), this new element of the appraisal process is deemed necessary. Whilst capital slippage does help the revenue budget, the scale of the slippage has reached levels that are not acceptable. This revision to is intended to bring greater rigor to the process and to help ensure that schemes are only put forward where it is clear that they are deliverable in accordance with the profiled forecasts.

4.3 The Strategy contains a section that summarises the 2015-16 Programme; this will be revised to reflect the 2016-17 Programme once the first set of capital tables have been prepared for the September Services Committees.

5. ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

The following bullet points set out details of implications identified by officers:

- Reducing the advisory limit on debt charges will inevitably have an impact on the Council's ability to drive forward investment in the local economy. However, to minimise the impact it is recommended that 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 limit.

- In addition, the Council is looking to stimulate economic growth through capital investment via other mechanisms, such as the Local Enterprise Partnership and the City Deal.

5.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

5.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

6. SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

This report provides details minor amendments to the process of planning for capital schemes, which has a direct impact on both capital and revenue (through financing costs). Reviewing the advisory debt charges limit will ensure that resources are targeted efficiently, effectively and equitably, and will provide Value for Money.

6.2 Statutory, Risk and Legal Implications

The revised process will ensure that statutory obligations will be met and will help to minimise the risk of borrowing in an unaffordable and unsustainable manner.

6.3 Equality and Diversity Implications

Reviewing the advisory debt charges limit will help and controlling the level of borrowing will help reduce the intergenerational inequality that can be created through undertaking high levels of unsustainable borrowing.

6.4 Engagement and Consultation Implications

There are no significant implications within this category.

6.5 Localism and Local Member Involvement

There are no significant implications within this category.

6.6 Public Health Implications

There are no significant implications within this category.

Source Documents	**Location**
Draft Capital Strategy 2016-17	Octagon First Floor Shire Hall Cambridge
Council Business Plan 2015-20	http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/90/business_plan_2015_to_2016

Appendix A: Section 7 – 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 priorities. 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 priorities outlined within the Council's Strategic Framework. It is also closely related to, and informed by, the Cambridgeshire Public Sector Asset Management Strategy. It is concerned with all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding.

2: Vision and outcomes

The Council achieves its vision of *"Making Cambridgeshire a great place to call home"* through delivery of its Business Plan which targets key priority outcomes. To assist in delivering the Plan the Council needs to provide, maintain and update long term assets (often referred to as 'fixed assets'), which are defined as those that have an economic life of more than one year.

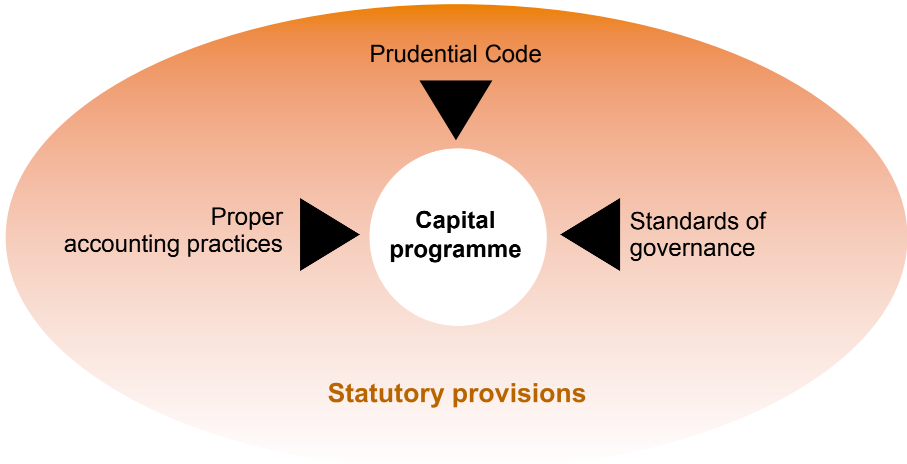
Expenditure on these long term assets is categorised as capital expenditure, and is detailed within the Capital Programme for the Authority. Fixed assets are shaped by the way the Council wants to deliver its services in the long term and they create future financial revenue commitments, through capital financing and ongoing revenue costs.

3: Operating framework

Local Government capital finance is governed and operates under the Prudential Framework in England, Wales and Scotland. The Prudential Framework is an umbrella term for a number of statutory provisions and professional requirements that allow authorities largely to determine their own plans for capital investment, subject to an authority following due process in agreeing these plans and being able to provide assurance that they are prudent and affordable.

The framework is based on the following foundations:

Prudence



4: Capital Expenditure

Capital expenditure, in accordance with proper practice (as defined by CIPFA's Code of Practiceon Local Authority Accounting in the United Kingdom 2015-16) 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 £20,000 for capital expenditure. Expenditure below this limit should be expensed 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.

5: Capital funding

Capital expenditure is financed using a combination of the following funding sources:

Earmarked Funding	Central Government and external grants
	Section 106 (S106), Community Infrastructure Levy (CIL) and external contributions
	Private Finance Initiative (PFI) / Public Private Partnerships (PPP)
Discretionary Funding	Central Government and external grants
	Prudential borrowing
	Capital receipts
	Revenue funding

Explanation of, and further detail on these funding sources is provided in Appendix 2.

The Council will only look to borrow money to fund a scheme either to allow for cashflow issues for schemes that will generate payback (via either savings or income generation), or if all other sources of funding have been exhausted but a scheme is required. Therefore in order to facilitate this, the Council will re-invest 100% of all capital receipts received

[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.

(after funding costs of disposal up to the allowable limit of 4% of receipt) back into the Capital Programme.

6: External environment

The Council uses a mixture of funding sources to finance its Capital Programme. 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. Over the last few 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 exist for the north of the County, recent indications suggest that in south Cambridgeshire the market is showing goods signs of recovery. This is particularly true for the city of Cambridge, where values look to be rising over and above pre-credit crunch levels. This is leading to increased viability of development once again, and therefore greater developer contributions in these areas.

Developer contributions have also been impacted 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 set to continue for large developments). Although this is designed to create a more consistent charging mechanism, it also complicates the ability of the Council to fund the necessary infrastructure requirements created by new development due to the changes in process and the involvement of the city and district councils who have exclusive legal responsibility for determining expenditure. The Council also expects that a much lower proportion of the cost of infrastructure requirements will be met by CIL contributions. Huntingdonshire and East Cambridgeshire District Councils are currently the only districts within Cambridgeshire to have adopted CIL – Cambridge City Council and South Cambridgeshire were due to implement in April 2014, but this is now more likely to be Summer/Autumn 2015, and Fenland District Council has decided not to implement at present. In addition, sinceApril 2015 it is no longer possible to pool more than five developer contributions together on any one scheme, further reducing funding flexibility.

Central Government and external capital grants have also been heavily impacted during the last few years, as the Government has strived to deliver its programme of austerity. However, as part of the Autumn Statement 2014 the Government reconfirmed its commitment to prioritise capital investment over day-to-day spending over the next few years, in line with the policy of capital investment to aid the economic recovery. Therefore, as a general principle, the Business Plan anticipates that overall capital grant reductions will, as a minimum, plateau from 2015-16.Any necessary changes will be made following the results of the Emergency Budget on 8thJuly; however it is more likely that greater clarity will not be available until the next Spending Review, which is due autumn / winter 2015.

Alongside the Local Government Finance Settlement for 2014-15, the then Minister of State for Schools announced capital funding to provide for theincreasing numbers of school-aged children to enable authorities to make sure that there are enough school places for every child who needs one. He also announced that longer-term capital allocations would be made in order to aid planning for school places. Unfortunately, the new methodology used to distribute funding for additional school places did not reflect this commitment as although Cambridgeshire's provisional allocation for 2014-15 was as anticipated, the allocation of £4.4m across the period 2015-16 to 2016-17 was £32m less than the Councilhad estimated to receive for those years according to our need. Almost all of this loss relates to funding for demographic pressures and new communities, i.e., infrastructure that we have a statutory responsibility to provide, and therefore we have 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.The DfE did acknowledge one error in their calculations which resulted in the Council receiving an additional £3m on top of the original allocation for these years.

In addition to lobbying the DfE, the Council has also sought to maximise its Basic Need funding going forward by establishing how the new funding allocation model works and seeking to provide data to the DfE in such a way as to maximise our allocation. This resulted in a significantly improved allocation for 2017-18 of £32.4m. This goes some way to reduce the Council's shortfall, but still does not come close to covering the costs of all of the Council's Basic Need schemes.

The DfE have also recently revised the methodology used to distribute condition allocations, in order to target areas of highest condition need. A floor protection has been put in place to ensure no authority receives more than a 20% cut in the level of funding until 2018. The £1.2m reduction in allocation for Cambridgeshire for 2015-16 has hit this floor; therefore from 2018 it is expected that the Council's funding from this area will reduce further.

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

However, as part of the Autumn Statement 2014 the Department for Transport (DfT) announced indicative Highways Maintenance funding for the next six years which includes an increase of £5m for the Council for 2015-16, and an additional £2m - £3m for each of the following five years (over the original base). This is not, however, all additional funding, as the increase will in part replace one-off, in-year allocations of additional funding that the Council has received in recent years for aspects such as severe weather funding.

However, having up-front allocations provides significant benefit to the Council in terms of being able to properly plan and programme in the required work.

The DfT have also announced that the Council will have the opportunity to access or bid for funding for an Incentive Element, based on each Council's record in pursuing efficiencies and asset management, and a Challenge Fund for major maintenance schemes. The Council submitted one bid to the new Challenge Fund in January 2015, however this was unsuccessful.

At the same time as some external funding is plateauing or reducing, the County's population continues to grow. This places additional strain on our infrastructure through higher levels of road maintenance, increased pressure on the transport network, a rise in the demand for school places, a shortage of homes and additional need for libraries, children's centres and community hubs.

As part of the Budget 2014,Central Government announcedtheir agreement for a Greater Cambridge City Deal which will deliver a step change in investment capability;an increase in jobs and homes with benefits for the whole County and the wider LEP area.The agreementprovides a grant of up to £500million for new transport schemes. However, only £100million of funding is initially guaranteed with the remaining funding dependent on the achievement of certain triggers.

Despite this deal, as with the revenue position, the external operating environment poses a significant challenge to the Council as it determines how to invest in order to meet its outcomes, whilst facing reduced levels of funding in several areas but increasing demands on its infrastructure.

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.

The Making Assets Count (MAC) programme is one of the key partnerships in relation to the overarching Capital Strategy, and 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 Local Transport Plan is a key document and is produced in partnership with the city and district councils. There has been a strong working relationship for many years in this area, which has succeeded in bringing together the planning and transport responsibilities of these authorities to ensure an integrated approach to the challenges facing the County.

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 has been working with the Greater Cambridge /

Greater Peterborough Local Enterprise Partnership (LEP) plus the New Anglia LEP and the South East Midlands LEP, aswell as neighbouring local authorities, the city and district councils and the Department for Transport to agree a funding package for improvements to the A14 between Cambridge and Huntingdon. The Council will continue with this approach where infrastructure improvements are shown to have widespread benefits to our partners.

The Greater Cambridge / Greater Peterborough Local Enterprise Partnership (LEP), is now a key mechanism for distributing Central Government and European funding in order to drive forward and deliver sustainable economic growth, through infrastructure, skills development, enterprise and housing. The LEP strives to do this in partnership with local businesses, education providers and the third sector, as well as the public sector including the Council. The LEP has developed a Strategic Economic Plan in order to bid on an annual basis for a share of the Single Local Growth Fund (SLGF). The LEP submitted a bid to the 2015-16 process, the results of which were announced in July 2014. A number of proposals put forward by the LEP were approved, including £5m for the Council’s King’s Dyke Crossing scheme.The LEP subsequently submitted a bid to the 2016-17 SLGF, which the Government announced in January 2015 was successful and the LEP would be receiving an additional £38m. The LEP agreed to allocate £16m of this funding to the Council’s Ely Crossing Scheme, in addition to a further £1m for work on the Wisbech Access Strategy. This is a new scheme, added to the 2015-15 Capital Programme.

The Council has worked closely with Cambridge City Council, South Cambridgeshire District Council, Cambridge University and the LEP to negotiate the City Deal with Central Government.This has resulted in a changed set of governance arrangements for Greater Cambridge, allowing the County, Cambridge City Council and South Cambridgeshire District Council to pool a limited amount of funding and powers; initially through a Joint Committee with the intention of moving to a Combined Authority should legislation be changed to allow for this. This will help to deliver a more joined-up and efficient approach to the key economic issues facing this rapidly-growing city region.

Due to the introduction of the Community Infrastructure Levy (CIL) on all but large scale developments, the Council will also be working more closely with the city and district councils on the creation of the new infrastructure needed as a result of development. CIL is at the discretion of the Local Planning Authority i.e. the city and district councils, who are responsible for setting the levy and have the final decision on how the funds are spent. However as the County Council has responsibility for the provision of much of the infrastructure resulting from development, it is imperative that it is involved in the CIL governance arrangements of the city and district councils, and that it works closely with these authorities to ensure that it is able to influence investment decisions that affect the Council’s services.

Examples of specific capital schemes currently being delivered in partnership include;

- Rolling out and exploiting better broadband infrastructure across the County; with Peterborough City Council, the district councils, the Local Enterprise Partnership, local businesses and the universities;

- Building the Cambridge Science Park Station; working with Central Government and Network Rail; and
- MAC projects, including a scheme aiming to deliver property-related benefits in key market towns (currently focused on March), including public services, housing, retail and regeneration.This project is being delivered in conjunction with the MAC partners.

8: Asset management

The Council's Capital Strategy inevitably has strong links to the Council's Asset Management Strategy, which provides detail on the framework for operational asset management; this includes defining the principles which guide asset management, its role in supporting service delivery, why property is retained, together with the policies, procedure and working arrangements relating to property assets.

The 2011-2021 Cambridgeshire Public Sector Asset Management Strategy, led by the Making Assets Count Programme, is an innovative and sector-leading document that considers the combined property portfolio of the public sector in Cambridgeshire as a single strategic resource for service delivery.

The Strategy allows partners to effectively collaborate on strategic asset management and rationalise the combined operational property estate. It ensures that property assets and resources are used efficiently and effectively to support the delivery of services to all communities across Cambridgeshire.
The aim of the Strategy is that delivery of the Asset Management Action Plan, through sharing of assets across the public sector in Cambridgeshire, will contribute towards:

- Reducing costs
- Co-locating front and/or back-office services
- Reducing carbon emissions
- Increasing returns on capital
- Opening up investment opportunities
- Improving service delivery to communities
- Taking advantage of lease breaks
- Selling poor quality and surplus estate
- Producing regenerative town centre schemes
- Ensuring opportunities are not lost to the public sector by unilateral decision making by partners

Examples of specific capital schemes recently delivered or being delivered in order to make better use of our property assets include;

- Smarter Business Working (IT), to facilitate flexible working following the consolidation of Castle Court and Shire Hall offices within Shire Hall;
- Renewable Energy Soham, to maximize potential revenue from Council land holdings, helping to secure national energy supplies and helping Government meet carbon reduction targets.

The Capital Strategy also has strong links with the Council's Local Transport Plan (LTP), adopted in March 2011 and refreshed in 2014, covering the period 2011-2031. The Plan sets out the existing and future transport issues for the County, and how the Council will seek to address them.

The LTP demonstrates how the Council's policies and plans for transport contribute towards the vision of the Council, whilst setting a policy framework to ensure that planned, large-scale development can take place in the County in a sustainable way, as well as enabling the Council to take advantage of opportunities that may occur to bring in additional or alternative funding and resources.

The Plan highlights the following eight challenges for transport, as well as the strategy for addressing them:

- Improving the reliability of journey times by managing demand for road space, where appropriate and maximising the capacity and efficiency of the existing network
- Reducing the length of the commute and the need to travel by private car
- Making sustainable modes of transport a viable and attractive alternative to the private car
- Future-proofing the Council's maintenance strategy and new transport infrastructure to cope with the effects of climate change
- Ensuring people – especially those at risk of social exclusion – can access the services they need within reasonable time, cost and effort wherever they live in the County
- Addressing the main causes of road accidents in Cambridgeshire
- Protecting and enhancing the natural environment by minimising the environmental impact of transport
- Influencing national and local decisions on land-use and transport planning that impact on routes through Cambridgeshire

9: Meeting statutory obligations to provide school places

The majority of the schools' 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 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 schools' Programme is prioritised.

Although the geographical areas where places are required is driven by the populations of those areas, 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 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 ensurethat 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, but whilst at the same time providing Value for Money in terms of initial capital investment.

- **Future proofing**

The Council aims to build in the most efficient manner possible in order to minimise financial risk and also to avoid future disruption to schools. In some cases building a school or extension in phases may be the best option; in other situations where it is possible that the need for places will come forward, it may be 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 recommend-ation is made as to the most suitable solution; however the Council also tries to be flexible if circumstances change.

- **Temporary accommodation**

The Council uses temporary 'classroom' accommodation when it is felt that this provides a suitable short-term solution in addressing a need. Such cases include meeting a temporary bulge in population, filling a gap prior to completion of a permanent solution or in an emergency.

- **Home to School Transport**

If the Council has some places available within the County overall, then it has the option of using Home to School Transport (funded by revenue) to transport children from oversubscribed areas to locations where schools do have capacity. The Council tries to minimise the use of this, as it is often an expensive solution. It is also not ideal to require children to travel longer distances to school 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, the child 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 alsorequire public art which can addan 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.

10: 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 process of developing the Programme during each planning cycle has varied over the last few years, influenced by the external environment and the Strategic Framework priorities of the period. As part of the 2014-15 planning process, the Council implemented a structured framework within which to develop the Capital Programme, which is not influenced by these factors (but instead allows them to be taken into account during development of the Programme).

New schemes for inclusion in the Programme are developed by Services (in conjunction with Finance) in line with the outcomes of the Strategic Framework. As stated in the financial regulations, any new capital scheme costing more than £160,000 is appraised as to its financial, human resources, property and economic consequences. The justification and impacts, as well as the expenditure and funding details of these schemes are specified in a Capital Investment Proposal (see pro forma in Appendix 3) which functions as a high level Business Case. 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 Investment Proposal, 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 (see Appendix 4 for specific details of the criteria). This process allows schemes within and across all Services to be ranked and prioritised against each other, in light of the finite resources available to fund the overall Programme and in order to ensure the schemes included within the Programme are aligned to assist the Council with achieving its targeted priority outcomes.

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

As part of the 2016-17 Business Planning cycle, the Council has also introduced an alternative, cross-cutting approach to deliver the Business Plan that,at least in the short term, will operate alongside the traditional process. The Operating Model identifies seven priority outcomes and five key enablers; the priorities highlight the areas the Council believes it should be focusing on, and the enablers how it should go about achieving this. For further detail on the Operating Model, please see the Strategic Framework (Section 2).

In time, it is expected that the Operating Model could have significant implications for the Capital Programme, for example, through the generation of additional Invest to Save schemes. Whilst the Council is still embedding this new process, the majority of the Capital Programme will continue to be developed in line with the 'traditional' process described above.

A summary of the Capital Programme can be found in the Medium Term Financial Strategy section of the Business Plan, with further detail provided by each Service within their individual finance tables (Section 4).

11: 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, partly through the operating model 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 2011 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to guarantee that it achieves this, towards the start of each Business Planning Process, Council determines what proportion of revenue budget is spent on services and the corresponding maximum amount to be spent on financing borrowing. This is achieved by settingan advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan.This in turn can be translated into a limit on the level of borrowing included within the Capital Programme (this limit excludes ultimately self-funded schemes).

In order to afford a degree of flexibility from year to year, changes to the phasing of the borrowing limits is allowed within any three-year block, so long as the advisory aggregate limit remains unchanged. Blocks refer to specific three-year periods, starting from 2015-16, rather than rolling three-year periods. The advisory limit on debt charges and the corresponding limit on borrowing are reviewed each year by GPC to ensure that changing factors such as the level of interest rates, or the external funding environment are taken into account when setting both.

During the 2015-16 Business Planning process, the following debt charges limits and borrowing limits for three-year blocks were set:

	2015-16 (£m)	2016-17 (£m)	2017-18 (£m)	2018-19 (£m)	2019-20 (£m)	2020-21 (£m)	2021-22 (£m)	2022-13 (£m)	2023-24 (£m)
Debt Charges Limits	40.2	44.6	45.4	45.9	46.0	46.0	46.0	46.0	46.0
Three-Year Borrowing Limits	136.2			56.3			60.0		

Once the service programmes have been refined, if the amalgamated level of borrowing and thus debt charges breaches the advisory limit, schemes will either be re-worked in order to reduce borrowing levels, or the number of schemes included will be limited according to the ranking of schemes within the prioritisation analysis.

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 advisoryborrowing 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 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.

12: Managing the Capital Programme

The Capital Programme is monitored in year through monthly reporting, incorporated into the Integrated Resources and Performance Report. Services monitor their programmes using their monthly Finance and Performance reports, which are reviewed by the Service Committees. These feed into the Integrated Report which is submitted to the 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 be 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 withBusiness Planning Process, any new schemes costing more than £160,000 will be appraised as to the financial, human resources, property and economic consequences before detailed estimate provision is made.

New demands and pressures and changes to estimated costs and funding for ongoing schemes will also potentially result in the need for virements between schemes. All virements should be carried out in line with the limits set out in Appendix I of theScheme 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 GPCfor approval as part of the monthly Integrated Resources and Performance Report.Any over spends, whether in year or in relation to the whole scheme, once approved will be funded using applicable external sources and internal, non-borrowing sources first, before using borrowing as a last resort.

13: Summary of the 2015-16 Capital Programme

Total expenditure on major new investments underway or planned includes:

- Providing for demographic pressures regarding new schools and children's centres (£596m)
- City Deal schemes (£100m)
- Major road maintenance (£90m)

- Ely Crossing (£36m)
- Rolling out superfast broadband (£30m)
- A14 Upgrade (£25m)
- Housing provision (£18m)
- King's Dyke Crossing (£14m)
- Renewable Energy (£12m)
- Better Care Fund (£6m)
- Soham Station (£6m)
- CFA Management Information System IT Infrastructure (£5m)
- Cambridge Cycling Infrastructure (£5m)
- Waste Facilities – Cambridge Area (£5m)
- County Farms Investment (£5m)

The 2015-16 ten-year Programme, worth £927.5 million,was budgeted to be funded through £628.0 million of external grants and contributions, £60.2 million of capital receipts and £239.3 million of borrowing. This is in addition to an estimated previous spend of £349.2m on some of these schemes, creating a total Capital Programme value of £1.3 billion. The related revenue budget to fund capital borrowing is forecast to spend £35.5million in 2015-16, increasing to £40.3 million by 2019-20.

The 2015-16 Capital Programme includes the following Invest to Save / Invest to Earn schemes:

Scheme	Total Investment (£m)	Total Net Return (£m)
Housing provision (primarily for rent) on CCC portfolio	17.5	16.5
Renewable Energy	12.0	6.2
MAC Public Property Partnership & Market Towns Project	1.8	7.7
Disposal / Relocation of Huntingdon Highways Depot	1.6	3.6
County Farms Investment	5.0	0*

*Scheme expected to break-even, however additional returns are not yet quantifiable.

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).
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 makes 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. The Coalition Government has announced that this form of capital finance will be redesigned to provide improved value for money.

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. 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 8 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 Proposal (abbreviated)

Reference	
Title	
Proposal Description	
Active/Rejected Proposal	Active Rejected
Planning Cycle	2012-13 2013-14 2014-15 2015-16 2016-17
Responsible Officer	
Lead Portfolio Holder	
Service Area	CFA DSG ETE CS Financing Debt Charges LGSS Public Health
Committee	Adults Adults, C&YP C&YP E&E E&E, H&CI GPC Health H&CI LGSS JC

Status	New Existing Modified
Budget Type	Revenue Capital
Proposal Type	Technical Finance Adjustment Inflation Demography and Demand Pressures Investments Savings Fees, Charges & Ring-Fenced Grants Funding
Justification	
Supporting Information Link	
Supporting Information Link 2	
Internal Impact	
External Impact	
:: FINANCE SECTION ::	
Capital Scheme Category	CFA – Basic Need – Primary CFA – Basic Need – Secondary CFA – Basic Need – Early Years CFA – Adaptions

	CFA – Condition &Maintenance CFA – Building Schools for the Future CFA – Schools Managed Capital CFA – Specialist Provision CFA – Site Acquisition & Development CFA – Temporary Accommodation CFA – Children Support Services CFA – Adults Social Care CS – Corporate Services CS – Managed Services ETE – Integrated Transport ETE – Operating the Network ETE – Infrastructure Management & Operations ETE – Strategy & Development ETE – Other Schemes ETE – Libraries, Archives & Information ETE – City Deal LGSS – LGSS Operational
Capital Scheme Start Year	Committed Ongoing 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23 2023-24 2024-25 2025-26
16-17 Capital Investment	
17-18 Capital Investment	

18-19 Capital Investment	
19-20 Capital Investment	
20-21 Capital Investment	
21-22 Capital Investment	
23-24 Capital Investment	
24-25 Capital Investment	
25-26 Capital Investment	
Later Years Capital Investment	
Link to Capital Funding Template	
Link to Capital Investment Appraisal	
Link to Revenue Proposal	

Appendix 4: Capital Investment Appraisal

Scheme Reference:	B/C.4.001
Scheme Title:	**Ely Crossing**
Service Area:	Economy, Transport and Environment Services
Capital Scheme Category:	ETE - Strategy & Development
Committee:	E&E
Responsible Officer:	Bob Menzies

The 100 available points have been allocated to the criteria below in an attempt to "weight" them in terms of their relative priority to the Council

Criteria	Explanation	Weighting	Scoring (points in brackets)	Score	Justification
Strategic:					
1. Meets Outcomes and Enablers	Based on the number of Strategic Framework Themes that the project meets	12	Number of outcomes addressed: (4) points per outcome up to a maximum of	**8**	n/a
2. Bold Economic Investment	A Bold Economic Investment is a major scheme of importance in Cambridge and Cambridgeshire, particularly in respect to economic growth	15	No (0); Yes (15)	**15**	The Ely level crossing is on the A142 Newmarket - Ely - March Road which is the main link road to East Cambridgeshire and Fenland from the A14 and east coast ports. Delays at the level crossing are a major constraint on the economic development of Ely, East Cambridgeshire and Fenland. Five railway lines that meet at Ely and almost all of the trains require the crossing to be closed. Network Rail are increasing the capacity of the rail junction which will lead to a substantial increase in the number of trains. There will therefore be a significant increase in delays if no action is taken. A major expansion of housing is also planned for Ely. There will therefore be a significant economic disbenefit if no action is taken.

Risk Management / Continuity of Service:

3. Complies with Asset Management Strategy	Projects in accordance with the KEY asset management principles detailed in the Cambridgeshire Public Sector Asset Management Strategy adopted by CCC Cabinet 25 October 2011	5	No (0); Yes (5)	**5**	n/a
4. Urgency of investment in order to meet statutory obligations (e.g. Accessibility, Health & Safety, Education Act, NHS and Community Care Act, etc.)	Projects that will help to meet and address a statutory obligation, including Health and Safety and emergency repairs	15	< 2 years (15); 2 - 5 years (10); > 5 years (5); No statutory obligation (0)	**0**	0
5. Mitigating current / avoiding future business interruption, including service delivery	Based on the level of risk from failure to implement the project and mitigate current business / service interruption or risk of future interruption	10	Risk Assessed as: Red (10); Yellow/Brown (5); Green (0)	**10**	0

Promotes Partnership / Joint Working:

6. External, cross-cutting partnership benefits - with public, private or voluntary sector	Projects to be carried out in partnership with other agencies or departments	5	No (0); Yes (5)	**5**	The project has been developed in partnership with Network Rail and ECDC. It will mitgate the impact of train service improvements on the highway network, support growth in Ely and more directly by removing through traffic from the area and facilitate ECDC proposed Ely gateway enhancement project.

Adequacy of Planning:

7. Business Case	The more detailed plans are available, the more likely that the project will be delivered to specification, timetable and budget.	4	Basic SharePoint Proposal (0); Clear statement of need exists (2); Outline Business Case exists (4)	**2**	

Financial:

8. Life of the Asset	Based on the life of the asset that will be created by the project	7	Asset Life: < 5 years (0); 5 - 10 years (3); 11 - 25 years (5); > 25 years (7)	**7**	n/a
9. Value for money - produces revenue savings / generates revenue income	Where investment in the project qualifies as an Invest to Save or Invest to Earn Initiative, a measure of the estimated revenue savings / income generation (including impact on debt charges of any capital receipts)	15	Net annual savings or income as % of total capital cost: 0% (0); <100% (5); 100% - 200% (10); > 200% (15)	**0**	0
10. Is part or fully funded from either externally generated resources (e.g. grants) or capital receipts from disposals	Based on the proportion of funding for the project from non-borrowing sources	12	Percentage of capital cost funded by non-borrowing: <5% (0); 5 - 79% (Proportional); 80% + (12)	**5**	0

Total	**100**		55

Additional Information:

Timing Flexibility	n/a
Alternative Methods of Delivery	n/a
Details of Alternative Methods of Delivery	n/a

SOHAM, NORTHERN GATEWAY, MARKETING UPDATE

To:	**General Purposes Committee**
Meeting Date:	**28th July 2015**
From:	**Chief Finance Officer & Head of Strategic Assets**
Electoral division(s):	**Soham and Fordham Villages**
Forward Plan ref:	**N/A** *Key decision:* **No**
Purpose:	**To update the Committee on the marketing of Council-owned land in Soham Northern Gateway.**
Recommendation:	**General Purposes Committee is asked to note the current situation in respect of marketing of Council owned land in the Soham Northern Gateway.**

	Officer contact:
Name:	Chris Malyon/Roger Moore/
Post:	CM: Chief Finance Officer RM: Head of Strategic Assets SC: Strategic Development Manager
Email:	Chris.malyon@cambridgeshire.gov.uk Roger.moore@cambridgeshire.gov.uk stephen.conrad@cambridgeshire.gov.uk
Tel:	CM: 01223 699796 RM: 01223 507268 SC: 01223 699091

1. BACKGROUND

1.1 The County Council owns circa 70 acres of land in the North of Soham at Shade Common. (**Appendix 1**) Two plots of land shown as (Plot A - 1.41 ac and B - 2.88 ac) on the attached plan (**Appendix 2**) are allocated for employment uses in the East Cambridgeshire Local Plan, and two further plots (C - 7.79 ac and D - 2.92 ac) are considered to have potential for development although not allocated at present.

1.2 At General Purposes Committee on 6th January, the Chief Finance Officer reported that the land was about to be market tested. The disposal of the four parcels was authorised with the agreement of detailed terms being delegated to the Chief Finance Officer and the Chairman of the General Purposes Committee (GPC). Officers undertook to provide an update on the marketing and any outcomes to GPC in July.

1.3 The Council appointed Carter Jonas to undertake the marketing on its behalf. The marketing consisted of some four months of extensive advertising, sale boards and direct approach to a variety of potentially interested parties held on the agent's database. (see confidential **Appendix 3**) There was widespread and diverse interest including convenience stores, fuel stations, industrial use and family pubs

1.4 At the closing date for Best and Final offers on 5th June only one formal offer was received for Plot D from a party who had put forward an offer previously. The offer is subject to obtaining planning permission as well as several other terms. The agents were of the view that the offer could be improved and have continued to negotiate terms with the potential purchaser with the approval of the Chairman of GPC and the Chief Finance Officer. It is anticipated that subject to the agent's final recommendation, they will be able to approve final heads of terms for part of parcel D shortly. This will hopefully progress to a disposal.

2. MAIN ISSUES

2.1 To note progress in marketing the Council's land in the Soham Northern Gateway for employment uses.

2.2 The Council could continue to market plots A, B & C although not as intensively and report interest to the Chief Finance Officer and Chairman of GPC. Many of those who had shown initial interest said that at this time Ely was a more attractive prospect but that they might be interested again when the proposed new housing was built in Soham, say in 5 years' time.

2.3 A report has been commissioned from Carter Jonas to understand the commercial market in Soham in more detail, and to examine opportunities for bringing forward development or sales on this land.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

The sale of this land will create employment opportunities. There is also potential for new housing to meet the recognised shortfall.

3.2 Helping people live healthy and independent lives

There are no significant implications within this category.

3.3 Supporting and protecting vulnerable people

There are no significant implications within this category.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

There are no significant implications within this category.

4.2 Statutory, Risk and Legal Implications

The buyer takes the risk in securing planning for part of Plot D.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

Normal planning consultation required.

4.5 Localism and Local Member Involvement

The following bullet points set out details of implications identified by officers:

- The Local members are Councillor Josh Schuman and Councillor James Palmer, who have been kept informed of progress as appropriate.

4.6 Public Health Implications

There are no significant implications within this category.

Source Documents	**Location**
Site location plans	Available in 1st floor octagon
GPC report 6th January 2015	***http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=10881***

Centre of Plan: TL58067498

Cambridgeshire County Council

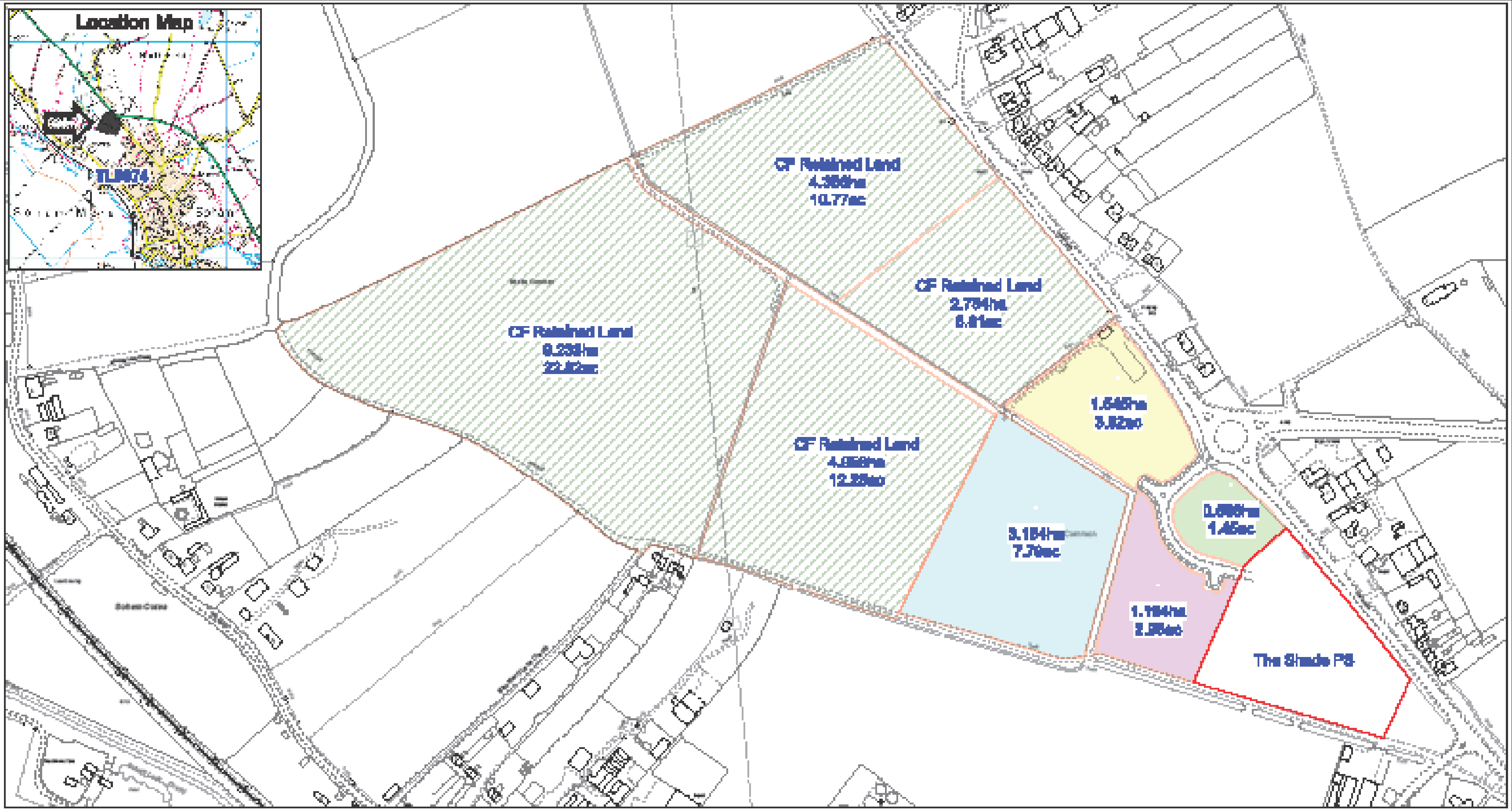
LGSS

Land at The Shade, Soham

PREPARED BY: IDM	DATE: 26-01-2015
SCALE: 1:2500 @ A4	2826
PLAN NO: SC/IM/139A - Rev.1	

N

Appendix 2



Centre of Plan: TL58067498

Cambridgeshire County Council

LGSS

Land at Shade Common, Soham

PREPARED BY: IDM

DATE: 17-06-2014

SCALE: 1:5000 @ A4

PLAN No: SC/IM/139

Agenda Item No:11

BUSINESS CASE FOR THE FORMATION OF THE GREATER CAMBRIDGE CITY DEAL HOUSING DEVELOPMENT AGENCY

To:	**General Purposes Committee**		
Date:	**28 July 2015**		
From:	**Chris Malyon, Chief Finance Officer**		
Electoral division(s):	**Cambridge City Electoral Divisions**		
Forward Plan ref:	**N/A**	*Key decision:*	**No**
Purpose:	**To consider the Business Case for the formation of the Housing Development Agency (HDA).**		
Recommendation:	**General Purposes Committee is asked to:**		

(a) Make comment on the business case for the establishment of the HDA;

(b) Agree to the establishment of the HDA and the associated governance arrangements contained within the business case;

(c) Request that the City Deal Board agree to the establishment of a Company construct for the HDA to become operational by the end of 2016; and

(d) The detail of the company and its governance be brought back to this Committee for ratification in due course

	Officer contact:
Name:	Chris Malyon
Post:	Chief Finance Officer
Email:	chris.malyon@cambridgeshire.gov.uk
Tel:	01223 699796

1. BACKGROUND

1.1 The City Deal Board has approved in principle to pump-prime the funding of a Housing Development Agency (HDA).The purpose of the HDA is to be a shared service, governed by the local authority partners to the City Deal that will bring together a team with the required skills; knowledge and experience to efficiently and effectively;

a) Make best use of land and funding made available by the City Deal partners to deliver new housing

b) Acquire new housing land and deliver additional housing through innovative partnership and funding mechanisms

1.2 The HDA is not intended to own assets. However, there is the potential for a whole range of joint venture arrangements and development agreements to emerge led and facilitated by the HDA. These would combine the City Deal partners' resources to attract private finance investment and potentially involve other landowners, house-builders and developers and Registered Providers. As well as efficiency, there is the opportunity for the HDA to deliver additionality by working up schemes and partnerships around land and funding that would not otherwise happen.

1.3 The establishment of the HDA now will also ensure the City Deal partners are well placed to utilise and apply quickly any new resource or financial freedoms that may emerge in future.

1.4 The housing development process is market led with much affordable housing tied to the delivery of market housing through planning policy. In the negotiations prior to the City Deal it was highlighted that to rely solely on private developers and house-builders and partner Registered Providers (housing associations) to deliver the Local Plan housing numbers was a risk to further economic growth and therefore a risk to the City Deal. The complete collapse of new market house-building and consequential lack of provision of Affordable Housing during the 2008 economic downturn is evidence of this point.

1.5 The housing 'asks' argued through the City deal process were not agreed. Despite this, and continuing efforts to lobby for greater financial freedoms, the concept of a Housing Development Agency has evolved as an operational model as a response to the continuing pressures in the local housing market.

1.6 The Business Case proposes the following objectives for the HDA;

a) To deliver the commitment contained within the City Deal to deliver an additional 1,000 dwellings on exception sites by 2031.

b) To deliver the new homes identified in Cambridge City Council and South Cambridgeshire District Council approved Housing Revenue Accounts new build strategies – approximately 2,000 new homes.

c) To deliver new homes for Ermine Street Housing, the new private limited company created by South Cambridgeshire District Council, subject to the approval of its long term plan – potentially approximately 1,000 new homes. (The City Council is also currently considering the investment of General Fund capital in Intermediate Housing).

d) To act on land and funding opportunities proposed by the County Council and the University and Colleges meeting aspirations to retain a long term stake in any development and the draw-down of revenue income streams.

2. OPTIONS

2.1 Three ways of setting up the HDA are illustrated in the Business Case.The preferred option put forward by both district councilsis Option 2, the Shared Service Model, as this is believed to be the quickest way for the HDA to become operational. The argument is that this model will quickly deliver robust team capacity corralled to achieve a common purpose minimising due diligence in respect of human resource and legal work associated with the set-up of a new legal company structure.

2.2 The County Council have consistently stated that its preferred vehicle was a company constructi.e. option 3. It is the view of officers that this will improve clarity and transparency and will enable the function to operate in a more commercial environment and attract the skills set that are necessary to deliver more commercially driven opportunities.

2.3 Whilst presenting the report to the Assembly meeting the Executive Director for Corporate Services of South Cambridgeshire Council stated that it was intended to move to a company construct but to date no commitment has been given as to the timing of this potential change. The district councils have stated that adopting a shared service model would not preclude a move to Option 3.This does not indicate that changing the model is a priority and there is a risk that unless the County sets this as a requirement from the outset it may not be progressed.

3. IMPLICATIONS

3.1 In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

3.2 Financial and other resources

3.2.1 The Business case demonstrates how the HDA will be financially self-sustaining within three years.There are three inter-related factors that will dictate the operation and financing of the HDA. Operational (revenue) costs can be covered by fees charged to each (capital) development scheme. The operational income will therefore be dependent on the number of schemes that the HDA is managing. The number of schemes that can be managed will, in turn, be dependent on the HDA team capacity (skills, knowledge and experience) available. An understanding of this circular relationship between number of schemes; fee income and Agency team staffcapacity is fundamental to the Business Case and how the HDA is sustainable in the long term.

3.2.2 It should be noted that in practice a variable fee structure will apply depending on the type ofscheme and the input required by the HDA to manage the scheme's delivery. For thepurposes of the Business Case a flat rate 3% fee has been assumed.

3.2.3 The Business Case assumes the HDA will deliver a minimum of 4000 new homes to 2031 which equates to the completion of an average 250 per year.The completion of 250 new homes a year would generate an annual income for the HDA of £1,350,000 based on the following assumptions;

Unit Cost - £180,000 per unit
Annual Capital Cost - £45m
Fee – 3% of Capital Cost

3.2.4 It is important to be clear that the control of each project specification, budget and approval remains with the land owning partner unless it is agreed otherwise. The authority of the land owning partner to proceed will be required at different stages of the development process. The 'milestone' decisions will vary from scheme to scheme and will need to be agreed as part of the Development Brief for each scheme. Each authority will only fund the HDA for schemes that the HDA delivers for each authority.

3.3 **Staffing**

3.3.1 Due process will need to be followed in respect of any existing staff that transfer to the HDA.The following HDA team is proposed to deliver at least 250 new homes a year. The HDA team would need to operate flexibly over the Greater Cambridge area but it is anticipated that each City Deal partner would have a senior person in the HDA as their 'account' manager.

- Managing Director – overall managerial responsibility for the delivery of the City Deal objectives

- Assistant Director – assist the Managing Director to develop and manage the HDA and assist with new business opportunities. Lead the delivery of some projects.

- 2 x Housing Development Managers – lead the delivery of teams and projects

- 3 x Housing Project Officers and Planning Officer – project manage schemes with the assistance of Trainees as directed by the managers.

- 3 x Trainee Project Officers – assist the project management of schemes

- Commercial Director – lead on the marketing and sales of intermediate housing and where applicable market housing products delivered through the HDA.

- 2 x Sales and Development Administrator - peripatetic administrative support for the HDA

3.3.2 Helpfully the authorities are not starting from a zero base in terms of schemes, fee potential and staff. The Business Case for the HDA proposes a transition from existing small in-house teams managed independently by local authority partners to a single shared service model and how £400,000 pump-priming funding from City Deal facilitates this transition.

3.3.3 The Business Case details different options through which the HDA could be governed. The recommendation is to move as quickly as possible to the shared service model. The recommendation is made on the basis that this will be the quickest route to establish the robust team capacity needed to achieve a common purpose and will minimise the due diligence in respect of human resource and legal work associated with the set-up of a new legal company structure.

3.3.4 A target date to achieve a shared service is April 2016. In the interim it is proposed to establish a HDA Board to oversee the transition to the full shared service. The HDA Board will fit within the wider governance structure for shared service that is emerging across the local authorities. From August 2015 consideration will be given to secondment of staff into the shadow HDA structure and to buy in other resource on a temporary basis to deliver existing projects and programmes.

3.4 **Risk Management**

3.4.1 The Business Case illustrates headline risks in establishing the HDA.

4. FUTURE BUSINESS MODEL

4.1 When the opportunity of creating a public sector resource pool, that was accessible to City Deal partner organisations, to support the delivery of housing related projects was first raised it was against the backcloth of developing a separate organisation. The original proposal was that a company construct would be established with three local authorities being the shareholders of the venture.

4.2 The County Council were supportive of this approach as it provided a competitive alternative to commissioning works from the private sector and ensured that any profits (and by implications risks) remained within the public sector.

4.3 For good reasons of expediency the current proposal is to establish a shared service offer. This will avoid any delays caused by establishing a separate organisation. There is already a healthy pipeline and there is nothing to be gained in delaying this process. However the benefits of adopting a more commercial construct for the delivery vehicle still hold true.

4.4 It is therefore proposed that, subject to GPC agreement, the County Council should support the shared service approach as set out in the business case in order to expedite ‘trading’. However the County Council would still wish to see this move to a company construct at a time that is deliverable but one that will not fetter the initialisation of the resource pool. It is therefore suggested that a target date of the end of 2016 should be set as the date at which the County Council would expect the new company to become operational.

5. ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

The creation of both a public sector vehicle to deliver public sector developments in the locality will retain the economic benefit of this proposal locally rather than being distributed through national, or potentially international organisations.

5.2 Helping people live healthy and independent lives

Greater public sector input into housing design projects will promote whole life housing thereby facilitating independent living.

5.3 Supporting and protecting vulnerable people

As above.

6. SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

The pump prime funding for the establishment of the HDA is already built into the Business Plan. On-going support will be funded through individual developments that will be subject to their own business case.

6.2 Statutory, Risk and Legal Implications

There are no significant implications within this category

6.3 Equality and Diversity Implications

There are no significant implications within this category.Schemes that the HDA manages will be subject to Environment Impact Assessments (EIAs).

6.4 Engagement and Consultation Implications

Consultation and communication has been mainly with City Deal partners and interested organisations such as Cambridge Ahead and the Local Enterprise Partnership.

6.5 Localism and Local Member Involvement

There are no significant implications within this category.

6.6 Public Health Implications

There are no significant implications within this category.

Source Documents	**Location**
Business Case for the formation of the Greater Cambridge City Deal Housing Development Agency	Appendix

Appendix

Greater Cambridge City Deal Housing Workstream

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

Version History

Version	Date	Description
1.0	13 April 2015	
2.0	22 April 2015	
3.0	5 May 2015	
4.0	8 May 2015	Draft for CEOs
5.0	26 May 2015	Assembly Final

Table of Contents

1.0 Executive Overview

33,000 new homes are planned by 2031 in the draft Cambridge and South Cambridgeshire Local Plans. The delivery of these homes is dependent on market forces and as such represents a risk to the City Deal's objectives.

The Housing Development Agency is proposed as an operational model through which the City Deal partners' collective resource in terms of land, finance and staff skills can be applied to complement the market driven housing development process and to smooth the peaks and troughs of market delivery.

As well as efficiency, there is the opportunity for the Housing Development Agency to deliver additional housing by working up schemes and partnerships around land and funding that would not otherwise happen.

The Business Case for the Housing Development Agency is based on a target programme of at least 4,000 homes by 2031 which equates to an average of 250 homes per year.

The Business Case proposes a transition from existing small in-house teams managed independently by local authority partners to a single shared service model that will quickly deliver robust team capacity corralled to achieve a common purpose.

A target date to achieve a shared service is April 2016. In the interim it is proposed to establish an officer Board to oversee the transition that will fit with the governance structure for shared services that is emerging across the local authorities and from as early as August 2015 use a combination of existing staff and bought in resources to deliver the existing projects and programmes.

2.0 The Purpose of the Housing Development Agency

CITY DEAL LED HOUSING DEVELOPMENT

2.1 The housing development process is market led with much Affordable Housing tied to the delivery of market housing through Planning policy. In the negotiations prior to the City Deal it was highlighted that to rely solely on private developers and house-builders and partner Registered Providers (housing associations) to deliver the Local Plan housing numbers, was a risk to further economic growth and therefore a risk to the City Deal. The complete collapse of new market house-building and consequential lack of provision of Affordable Housing during the 2008 economic downturn is evidence of this point.

2.2 The main housing 'asks' of central government under the City Deal were about additional public funding and greater flexibility to apply funding to deliver greater certainty that the new housing required will be provided. In other words, to have some public led delivery to complement the market driven housing development process and to smooth the peaks and troughs of market delivery.

2.3 The housing ‘asks’ were not agreed. Despite this, and continuing efforts to lobby for greater financial freedoms, the concept of a Housing Development Agency (HDA) has evolved as an operational model through which the partners’ collective resource in terms of land, finance and staff skills can be applied to the optimal benefit of the wider City Deal objectives.

2.4 The purpose of the HDA is therefore to be a shared agency, governed by the local authority partners to the City Deal that will bring together a team with the required skills; knowledge and experience to efficiently and effectively;

a. Make best use of land and funding made available by the City Deal partners to deliver new housing

b. Acquire new housing land and deliver additional housing through innovative partnership and funding mechanisms

2.5 The HDA is not intended to own assets. However, there is the potential for a whole range of joint venture arrangements and development agreements to emerge led and facilitated by the HDA. These would combine the City Deal partners’ resources to attract private finance investment and potentially involve other landowners, house-builders and developers and Registered Providers. As well as efficiency, there is the opportunity for the HDA to deliver additionality by working up schemes and partnerships around land and funding that would not otherwise happen.

2.6 The establishment of a the HDA now will also ensure the City Deal partners are well placed to utilise and apply quickly any new resource or financial freedoms that may emerge in future.

3.0 Housing and Economic Success

THE HOUSING ISSUE – A REMINDER

3.1 The reason why a housing dimension was considered as central to the City Deal is clearly illustrated in the following extracts from the negotiating document produced in 2013.

> “…(economic) success to date has created housing supply & affordability constraints, and chronic transport congestion, that threaten to choke off further economic growth”
>
> “Shortage of available and affordable housing within reasonable journey time of key employment centres - this has driven unsustainable housing prices (purchase and rental), meaning that many key workers cannot afford to live in, or within reasonable journey times of, our key job sites.”

"We need to achieve:
The right number, types and tenures of housing (market, rented, social), in the right places, well-connected to employment centres (both virtually and physically), so that workers can find the housing they need, and can get to work to take up the jobs essential to economic success."

3.2 The following headline key market indicators show that two years on, housing locally is increasingly less affordable;

- Average house prices Cambridge (Dec 14) - £428,251 (up 12% in a year)
- Average house prices South Cambs (Dec 14) - £354,719 (up 15% in a year)
- Lower quartile house prices in Cambridge are 15.7 times lower quartile incomes
- Lower quartile house prices in South Cambs 11.1 times lower quartile incomes
- Market rents have increased by about 3 to 5% in across Greater Cambridge over the last 12 months although rents of 2 bed properties in Cambridge have increased by nearer 10%.

(Source: Cambridge Sub-Region Housing Market Bulletin – April 2015.)

3.3 The two local planning authorities (Cambridge City and South Cambridgeshire) have provided for an additional 33,000 new homes by 2031 in their submitted local plans, currently going through examination in public. 13,200 of the new homes are required to be Affordable Housing.

The local need and planned supply of new housing is not repeated here in full but is illustrated in the following documents;

Cambridge Sub-Region Strategic Housing Market Assessment 2013

www.cambridgeshireinsight.org.uk/housing/shma/shma-current-version

Local Plan Review Documents

www.cambridge.gov.uk/local-plan-review

www.scambs.gov.uk/services/local-plan

4.0 Objectives.

1,000 NEW HOMES…….and more

RIGHT HOUSES - RIGHT PLACE - RIGHT TIME

4.1 To complement the current market led delivery of housing and to drive certainty into the delivery of new housing, together with the prospect of delivering more homes into the future, will require a collective shift in thinking and action to achieve. The HDA will be the focus for the energy and imagination that is needed for this public sector drive to make sure the right houses are provided in the right place at the right time to support the growth of Greater Cambridge.

4.2 The following objectives are therefore proposed for the HDA;

a. To deliver the commitment contained within the City Deal to deliver an additional 1,000dwellings on exception sites by 2031.

b. To deliver the new homes identified in Cambridge City Council and South Cambridgeshire District Council approved Housing Revenue Accounts new build strategies – approximately 2,000 newhomes.

c. To deliver new homes for Ermine Street Housing, the new private limited company created by South Cambridgeshire District Council, subject to the approval of its long term plan – potentially approximately 1,000 newhomes. (The City Council is also currently considering the investment of General Fund capital in Intermediate Housing)

d. To act on land and funding opportunities proposed by the County Council and the University and Colleges meeting aspirations to retain a long term stake in any development and the draw down of revenue incomestreams.

4.3 Taken together this represents a build programme of at least 4,000 homes with the potential to deliver up to 8,000 if the land and funding opportunities allow. Over a 16 year period to 2031 4,000 homes equates to 250 homes per year which is the target rate of delivery used in this HAD Business Case.

5.0 The Benefits of the HDA

WHAT DIFFERENCE WILL THE HDA MAKE?

5.1 Both Cambridge City and South Cambridgeshire District Councils have a need todeliver their own Housing Revenue Account (HRA) build programmes. The early stages of these developmentshave involved a relatively small but a growing number of properties and have beendelivered by a small in house team together with support from external agencies tohelp provide the technical advice and assistance required to take schemes forward.

5.2 The County Council need to identify development partners to unlock the potential of their land holdings.The volume of new builds to be delivered through HRA funding is projected to growexponentially requiring extra staff resources which would push up staffing costs to
both councils in addition to paying fees to external agencies. In addition the same technical skills will be required to take forwardthe build programme of the County Council,ErmineStreet Housing, and other emerging City Deal Joint Ventures (JVs) or

Special Purpose Vehicles (SPVs), including the recent proposal for the city council to invest General Fund (GF) capital in housing, ErmineStreet Housing

5.3 The establishment of the HDA would enable the effective and efficient delivery of these various new build programmes and avoid duplication of skills within small fragmented teams. As the new housing programmes ramp up and the team increases in capacity there will be less reliance on external consultants. The HDA would ensure good project management and control over costs as well asgenerating a potential revenue surplus for the City Deal partners.

5.4 To repeat, as well as efficiency, there is the opportunity for the HDA to deliver additionality by working up schemes and partnerships around land and funding that would not otherwise happen.

6.0 The Operation and Financing of the Housing Development Agency

SCHEMES = FEES = HDA TEAM CAPACITY = FEES = SCHEMES

6.1 There are three inter-related factors that will dictate the operation and financing of the HDA. Operational (revenue) costs can be covered by fees charged to each (capital) development scheme. The operational income will therefore be dependent on the number of schemes that the HDA is managing. The number of schemes that can be managed will, in turn, be dependent on the HDA team capacity (skills, knowledge and experience) available. An understanding of this circular relationship between number of schemes; fee income and Agency team staff capacity is fundamental to the Business Case and how the HDA is sustainable in the long term.

6.2 It should be noted that in practice a variable fee structure will apply depending on the type ofscheme and the input required by the HDA to manage the scheme's delivery. For thepurposes of the Business Case a flat rate 3% fee has been assumed.

6.3 **Target Schemes and Homes**

The delivery of the minimum 4000 new homes set out in 3 above equates to the completion of an average 250 per year.

6.4 **Target Fee Income**

The completion of 250 new homes a year would generate an annual income for the HDA of £1,350,000 based on the following assumptions;

Unit Cost - £180,000 per unit
Annual Capital Cost - £45m
Fee – 3% of Capital Cost

6.5 **Target HDA Team**

The following HDA team is proposed to deliver at least 250 new homes a year. The HDA team would need to operate flexibly over the Greater Cambridge area but it is anticipated that each City Deal partner would have a senior person in the HDA as their ‘account’ manager.

Managing Director – overall managerial responsibility for the delivery of the City Deal objectives

Assistant Director – assist the Managing Director to develop and manage the HDA and assist with new business opportunities. Lead the delivery of some projects.

2 x Housing Development Managers – lead the delivery of teams and projects

3 x Housing Project Officers and Planning Officer – project manage schemes with the assistance of Trainees as directed by the managers.

3 x Trainee Project Officers – assist the project management of schemes

Commercial Director– lead on the marketing and sales of intermediate housing and where applicable market housing products delivered through the HDA.

2 x Sales and Development Administrator- peripatetic administrative support for the HDA

Appendix 1 shows the skill and knowledge set required within the HDA Team in relation to the housing development process that it will manage.

6.6 The HDA team fully costed equates to a fee charge of approximately 2% of capital development cost on 250 new homes based on the assumptions in 4.3 above. Assuming an average 3% fee allows a 1% charge to cover other specialist development costs such as up-front legal costs; procurement costs; specialist planning advice etc. with any surplus recyclable to pump-prime further activity.

Appendix 2 shows the target HDA team and specialist development costs, fully costed.

7.0 Transition from Existing Staffing to Target HDA Team

TRANSITION

7.1 This section of the Business Case will explain why pump-priming of £400,000 is essential to build on the capacity of the existing staff teams to deliver the target number of new homes. It is important to understand three key accounting practices that will apply to the HDA as follows;

a. Fees cannot be charged for revenue costs incurred if a scheme does not proceed.
b. Fees cannot be charged for more than the actual revenue costs incurred
c. It is the practice of the social housing development sector to draw down fees at two stages in a scheme – once the construction has started on site and when the construction has completed.

Points a. and c. above in particular mean that taken in isolation the project management cost of each scheme runs with an operational revenue deficit until the scheme reached near completion. However, once a programme of schemes is established the aggregation of fee income and timing of fees received results in a sustainable Business Plan.

7.2 Helpfully we are not starting from a zero base in terms of schemes, fee potential and staff. The City Council has an established new build programme and staff team; South Cambs DC has its Property Company and a significant list of development sites and the County has at least two major development sites that have been approved to be brought forward. The University and Colleges have expressed an interest in developing some of their land or investing funding using the HDA.

7.3 **Existing Schemes**– The following table provides a summary of committed schemes and known potential schemes that could be delivered through the HDA.

New Homes by Year of Completion	2015.16	2016.17	2017.18
City Council	78	161	86
SCDC	35	64	58
Total	113	225	144

The above does not include the known potential County sites at Worts Causeway and Burwell as these will not complete until 2018.19 at the earliest.

Appendix 3 provides more detail of committed schemes and known potential schemes.

7.4 **Immediate Fee Potential –** The schemes shown in 4.4 above would generate the following fee income.

Fee Income	2015.16	2016.17	2017.18
City Council	£357,020	£261,791	£458,100
SCDC	£53,604	£160,931	£329,357
Total	£410,624	£422,722	£787,457

7.5 **Transition from Current Staff Capacity the HDA Team**

The following is a summary of the existing staff capacity within the district councils.

Housing Development Manager (City)

Housing Development Officer (City)
Trainee Housing Development Officer (City)
Housing Development Manager (SCDC)
Plus miscellaneous staff that contribute to the housing development function

Appendix 2 shows the target HDA Team.

The following table summarises the transitional costs and income to move from the current staff capacity in 2015.16 to the target HDA Team in 2017.18 that is self-sustaining through fee income. The table shows that as well as no longer relying on City Deal funding, the HDA has the potential to generate a surplus in 2017.18.

	2015.16	2016.17	2017.18
(A) HDA Staff Team Cost	£439,314	£547,334	£640,225
(B) Specialist Development Costs eg up-front legal; procurement; specialist consultant etc.	£171,310	£75,388	£80,000
(C) Fees Income (charged to capital projects)	£410,624	£422,722	£787,457
(D) City Deal Funding	£200,000	£200,000	£0
Balance (A+B)-(C+D)	£0	£0	£67,232 (Surplus)

8.0 Governance Models and Option Appraisal

GOVERNANCE

8.1 There is a spectrum of models through which the HDA could be governed as illustrated by following headline SWOT analysis of three options.

In either model it is important to state that the control of each project specification, budget and approval remains with the land owning partner unless it is agreed otherwise.

8.2 The recommendation is to move as quickly as possible to Option 2, the Shared Service Model. The recommendation is made on the basis that this will be the quickest route to establish the robust team capacity needed to achieve a common purpose and will minimise the due diligence in respect of human resource and legal work associated with the set-up of a new legal company structure. This would not preclude a move to Option 3 in due course.

8.3 A target date to achieve a shared service is April 2016. In the interim it is proposed to establish a HDA Board to oversee the transition to the full shared service. The HDA Board will fit within the wider governance structure for shared service that is emerging across the local authorities. From August 2015 consideration will be given to secondment of staff into the shadow HDA structure and to buy in other resource on a temporary basis to deliver existing projects and programmes.

8.4 The operation of the HDA is not location dependent. It is proposed that a core office base be established but that the HDA Team would be peripatetic.

8.5 **Option 1 - Collaborative Model**

Under this model all staff remain with their partner authorities and operate primarily to deliver their host authority projects. City Deal partners agree to co-operate to ensure as far as is possible that partner operations do not conflict and are not counter-productive to the delivery of the City Deal housing objectives.

Strengths

- There would be no set up or costs associated with reorganising the staff teams.
- Decision making on the prioritisation of their projects would clearly remain with each partner.

Weaknesses

- Each partner authority is likely only to be able to afford small and therefore less robust staff teams with built in inefficiencies in terms of management and structure.
- It will be harder for each partner to recruit the wide range of skills required in an effective staff team
- There is the potential that partners will compete for same staff

Opportunities

- No obvious opportunities that are unique to this model

Threats

- Working collaboratively, but still independently, partner housing development programmes will be less flexible to adapt to any significant change in the external policy or funding environment.

8.6 **Option 2 - Shared Service Model**

Under this model the staff team would be brought together within a single management structure. There would be a legal agreement between the partners to capture the common purpose and objectives of the shared service, with a governing body with representation from the three local authorities overseeing its operation. One partner would need to be appointed to lead the shared service.

Strengths

- Having a single staff team will generate management and operational efficiencies.
- The collective staff resource of the partners will be focused on delivering the housing objectives of the City Deal.
- Recruitment and retention will be aided by the focus on the common objectives.
- Monitoring of outputs and outcomes will be aided by the presence of a single governing body.
- This model fits with the emerging governance structure for a number of other shared services already set up or being worked on by partners.

Weaknesses

- There will be up-front costs to bring existing staff together in a single structure.
- Unless thought through thoroughly from the outset, it will complex to bring the shared service to an end.

Opportunities

- A single, larger shared housing development agency will have a greater presence in the development market place and would be better placed to deliver the additionality of working up schemes and partnerships around land and funding that would not otherwise happen.
- This model lends itself as a practical transitional model to use to ease the move from current management and organisation of the partners current programmes.

Threats

- No obvious threats that are specific to this model.

8.7 **Option 3 - Wholly Partner Owned Local Company Model**

Strengths

- Having a single staff team will generate management and operational efficiencies.
- The collective staff resource of the partners will be focused on delivering the housing objectives of the City Deal.
- A pay and conditions structure can be implemented that is in tune with market and will aid recruitment and retention.
- Monitoring of outputs and outcomes will be aided by the presence of a single governing body.

Weaknesses

- There may a perception that the Company is too far removed from the democratic decision-making process.

Opportunities

- There may be Tax advantages but these will need to be worked through once the HDA is established.

Threats

- No obvious threats that are specific to this model.

9.0 Risks and Issues

RISK AND MITIGATION

Risk	Mitigation
National policy imposing further restrictions on local authority direct delivery of new housing eg restrictions on setting up companies to avoid RTB.	Lobbying of government through City Deal and Devolution debates.
Delay in completion of schemes results in fee income not being achieved.	Careful planning of the timing of the programme of schemes. Close systematic monitoring of scheme progress. Having a larger programme of schemes will lessen the impact of the slippage in the programme.
Difficulty in recruiting the skilled and experienced personnel required in a competitive market.	The profile and robustness of the HDA will represent a better offer to attract staff. Investigate application of market supplement to local authority pay structure.
Perceived lack of control of land owning or funding City Deal partners.	Land owning or funding City Deal partners retain of project specification, budget and approval. Project delivery monitored by Board.

End

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RECRUITMENT STRATEGY REPORT

To:	**General Purpose Committee**		
Meeting Date:	**28th July 2015**		
From:	**Adrian Loades, Executive Director: Children, Families and Adults Services**		
Electoral division(s):	**All**		
Forward Plan ref:	**N/A**	*Key decision:*	**No**
Purpose:	**To inform Members of the steps being taken by Children, Families and Adults Services to recruit and retain social care staff.**		
Recommendation:	**Following consideration by Adults and Children and Young People Committees, the Committee is asked to:**		

a) review and comment on the proposed measures to improve recruitment and retention of social care staff.

b) approve the in-year revenue virement of £0.74m set out in paragraph 5.1.1 and confirm that the future full year costs (£1.59m) will be addressed by Children, Families and Adults through the Business Planning process.

	Officer contact:
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1.0 BACKGROUND

1.1 Across Children, Families and Adults Services (CFA) the recruitment and retention of staff in social care, in both qualified and unqualified roles, presents an increasing challenge. Due to the significance of this problem members of the committee previously requested information regarding the measures being undertaken to tackle this challenge.

1.2 There are a total of 449 Full Time Equivalent (FTE) social work posts across CFA. CFA currently employ 380 FTE permanent social work staff across directorates (see table below for breakdown but please note this is based on headcount not FTE).

Directorate **Job Title (Headcount) Permanent Staff**	**Older People and Mental Health**	**Adult Social Care**	**Children's Social Care**
Care Manager	58	63	0
Social Worker	54	1	43
Unit Social Worker	0	0	76
Senior Social Worker	32	4	32
Consultant Social Worker	0	0	44
Team Manager	0	6	12
Total	**144**	**74**	**207**
Total			**425**

1.3 As of June 2015 there are 69 FTE vacancies across the social work workforce (see table below for breakdown) as shown below. This is a vacancy rate of 15%. This level of vacancy could be a significant risk to safeguarding the welfare of children, families and adults and the ability to meet the County Council's (CCC) statutory responsibilities. To ensure that there are always appropriate levels of staff and that risks are managed, CFA recruits agency workers to meet service capacity needs. Agency staff are intended as a short term solution to quickly and flexibly fill a gap in recruitment. However, an inability to recruit permanent social workers has resulted in an over reliance on agency social workers. Whilst agency workers are often of good quality, a significant number of agency staff in a team can cause problems in terms of continuity of service and adherence to local processes.

Job Title (FTE) Vacancies	**Older People and Mental Health**	**Adult Social Care**	**Children's Social Care**
Care Manager	9.3	12.8	
Social Worker	9.5	4.5	
Unit Social Worker			7.5
Senior Social Worker	9.5		4
Consultant Social Worker			10
Team Manager	0	0	2
Total	28.3	17.3	23.5
Total			**69.1**

1.4 Failure to provide a well-qualified and effective workforce is flagged as a residual red risk in the CFA risk register and has been for some time. Maintaining the current situation is not an option; unless action is taken to improve the recruitment and retention of social workers and reduce the risk to CFA our reliance on agency workers will continue. This situation will only exacerbate in the long term as more staff leave CCC for other organisations or to become agency staff themselves; this could result in CCC having to pay the same staff significantly higher agency rates with no guarantee of their commitment to CCC.

1.5 A recruitment and retention strategy is being developed (see **Appendix 1**) for both Children's and Adults Social Care Services as the issues are largely the same in both areas. As a consequence this paper has been taken to both the Children and Young People's Committee and the Adult's Committee for review and comment on the proposed measures to improve recruitment and retention of social care staff. Both Committees have reviewed and agreed the draft recruitment and retention strategy and the arrangements for funding the outcome of the re-evaluation of Social Worker posts.

2.0 THE CASE FOR CHANGE

2.1 The success of overall CFA social care strategy of prevention and demand management is reliant on having a stable high quality social care workforce who are committed to the CFA strategic vision. Having the right staff with the right skills is key to the achievement of the overarching strategic goals for Children's Social Care (CSC) as set out in the Social Work Working For Families programme and of Older People and Mental Health (OPMH) and Adult Social Care (ASC) Services as set out in the Transforming Lives Programme. High quality social work reduces demand for more intensive and expensive care packages and prevents the need for more invasive social work such as taking children into care.

2.2 Successful delivery of these strategies will not only ensure children, families and adults remain safe and independent, but investing in our social work workforce is in line with the developing strategy for business planning over the next five years to secure savings by minimising demand on high cost services.

2.3 CCC has comparatively low pay rates for all levels of social workers compared to other local authorities in the Eastern Region (see **Appendix 2**). These low pay rates are a key reason why we are unable to recruit and retain sufficient levels of permanent staff. From the latest report of 19 relevant leavers, eight recorded salary as a main or contributing factor for leaving. Similarly some existing social work staff have left the organisation to move into the agency market, 12 CSC social workers left CFA employment for the agency market in 2014. The lower pay rates offered by CCC are causing a loss of current permanent staff and make the recruitment of a permanent workforce extremely challenging.

2.4 The inability to fill permanent posts has resulted in the wide use of agency staff. Agency staff are significantly more expensive than CFA permanent staff. For example the average 1 FTE CFA children's social worker costs CCC £34,720 per year (including on costs), whereas the average 1FTE agency children's social worker costs CCC £78,000 per year. In the last financial year CFA spent £3.1 million on agency staff. Of this, £1.8 million was for CSC agency staff and £1.3 for ASC and OPMH agency staff. Because the recruitment and retention issues are worsening and the use of agency staff is increasing the financial position will continue to deteriorate in the next few years if we do not take the appropriate steps. Taking action now to improve recruitment and retention will mitigate additional business planning pressures which would result from the current trends continuing unchecked.

2.5 CCC have signed memorandums of co-operation with regional authorities to help take a more collaborated and strategic approach to the management of agency and permanent worker supply and demand. For example, all regional authorities have agreed to cap rates of pay for both adults and children's agency social workers. Although a positive and significant step in helping to manage supply and demand of social workers, this capped rate does not improve our situation when comparing CCC permanent staff pay rates to other Eastern Region authorities.

2.6 A reliance on agency staff may limit the implementation of the CFA strategies because they are less likely to have the same commitment to CFA social work delivery models as permanent staff due to the short term and flexible nature of their employment status. Furthermore, although agency staff are often of good quality and can bring additional value due to the variety of experiences, there is less guarantee of stability because they do not have to agree to CCC terms and conditions of employment.

3.0 SOCIAL CARE RECRUITMENT AND RETENTION STRATEGY

3.1 The current recruitment and retention situation is unsustainable. If we do not address our ability to recruit and retain a permanent social care workforce we will be unable to manage demand on our services which will lead to an escalation in more intrusive and expensive social care support. This will result in poor outcomes for the most vulnerable people and additional pressures on budgets.

3.2 To overcome the challenges of recruitment and retention of staff, Children's Social Care, Older People and Mental Health and Adult Social Care services are taking a joint approach in the development of a Social Care Recruitment and Retention Strategy. The strategy is under development (see **Appendix 1**) but the proposed measures of how we are going to improve recruitment and retention are detailed below.

3.3 Cross Directorate Working

3.3.1 The CSC, OPMH and ASC Service Directorates will take a joint approach to recruitment across all CFA social care services. A joint approach is a significant benefit to all services as it enables a greater sharing of knowledge across the directorates and is a more efficient use of resource to ensure best practice for the recruitment and retention of high quality staff. A joint approach also offers ways of exploring options to actively enable more movement between the services. To take forward the strategy and proactively address the issue of recruitment and retention, a cross directorate Strategic Recruitment and Workforce Development Board and Social Work Recruitment and Retention Task and Finish Group have been established.

3.4 Re-evaluation of roles

3.4.1 As previously noted, CCC pay comparatively low pay rates compared to other local authorities in the region. This is presenting an increasing challenge for CFA as it is hard to attract permanent workers when other organisations, who we are advertising alongside, are offering more money for the same position.

3.4.2 As part of a standard review of roles, Human Resources have recently re-evaluated all social work qualified posts resulting in an uplift in grade and salary for each role. Re-evaluation of the roles had not been undertaken for a considerable period of time, during which time the roles have evolved. On average the re-grade will result in an uplift of 9.8%. Using the current modelling the re-grading based on movement upwards to the new grade has been modelled as having an additional cost of up to £1,590,000. The salary re-grades will bring CCC to a more competitive position by aligning more closely to regional average salaries which will significantly contribute to an improvement in the CFA recruitment offer and improved staff retention.

3.4.3 The additional cost of re-grading staff roles will be met within existing CFA financial resources and will not create an additional corporate pressure in business planning. The uplift in salary for the 2015/16 financial year will be funded via CFA reserves, the allocation of some Care Act funding and savings from reducing agency staff. Details of the finances are in **Appendix 3**. In the longer term the additional cost will be met through the delivery of savings to CFA budgets, with stable and high quality social work teams supporting reductions in demand for high cost services.

3.5 Recruitment Marketing

3.5.1 Officers will continue to improve marketing of social work job opportunities to ensure we are reaching as many potential employees as possible. All avenues of marketing will be considered and will focus on the key benefits of working for CCC, such as training opportunities to further professional development and the benefits of living and working in Cambridgeshire.

3.5.2 Work is already underway to improve our marketing via an improved online presence. The new social care recruitment pages on the corporate website went live in June and can be viewed via the following link: http://www.cambridgeshire.gov.uk/homepage/188/social_care_jobs

3.5.3 CFA social care services will also improve recruitment marketing by attending job fairs, building more links with universities and colleges and exploring further marketing and advertising campaigns such as radio advertising.

3.6 Workforce Development

3.6.1 The workforce development offer across CFA is integral to our recruitment and retention efforts. Workforce development not only encourages staff loyalty as staff benefit from training that will enhance their career but also improve practice as staff progress in knowledge and experience.

3.6.2 Officers from CSC, ASC and OPMH are working closely with the workforce development team to better integrate the Council's training offer into our recruitment marketing. A new model is being created which lays out clear training pathways for progression and opportunities for professional development on an annual basis based on consultation with social workers and consideration of the needs of the organisation. Within CSC, a task and finish group has already been convened to consider Unit Development and Induction programmes

3.7 Employee Recognition Scheme

3.7.1 It is proposed to introduce an employee recognition scheme across CFA as part of a retention initiative to reward and recognise employees who show commitment and loyalty beyond their normal day jobs. It is proposed that there will be a three monthly nomination process used to identify employees for their commitment and loyalty to the service, incorporating CCC's vision and values. The CFA management Team will consider the nominations and choose who should be formally recognised and receive an award.

3.7.2 The scheme will provide a way to recognise and reward the extra contribution of employees. A more publically appreciated workforce will make staff feel more valued in their roles, improve morale and retention rates which will contribute to efforts to manage demand on social care services.

3.8 Progress Monitoring

3.8.1 To monitor the effectiveness of the Recruitment and Retention Strategy, recruitment rates and staff turnover will be monitored quarterly through a report produced by Human Resources by the cross directorate Strategic Recruitment and Workforce Development Board. Equivalent reports are currently produced by LGSS for Northamptonshire.

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

4.1.1 Improving recruitment and retention of high skilled, quality staff will help more vulnerable individuals and families regain independence and help them back into employment, education or training.

4.2 Helping people live healthy and independent lives

4.2.1 Investing in the recruitment and retention of social workers will ensure that, if needed, people have access to the best social care support that will improve their health and enable them to remain healthy and independent without the continuing support of services.

4.3 Supporting and protecting vulnerable people

4.3.1 Staffing social care services with high quality, permanent staff will ensure we are providing the right care and support at the right time to protect vulnerable children, families and adults within our community.

4.3.2 In order to ensure we can continue to support and protect vulnerable people in line with CFA overarching strategy it is necessary to implement a long term strategy to ensure the maintenance of a highly skilled workforce.

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

5.1.1 Implementing the staff re-grade has been modelled as having an additional cost of up to £1,590,000 in a full year. If the staff re-grading is implemented from 1st October 2015, and agency expenditure can be reduced by 20% from 1st January 2016, the cost will be met for this financial year from savings from reduced agency spend, Care Act funding and CFA reserves. Committee is asked to approve the in-year virement of £0.74m to fund the re-grading of staff. The full year costs from 2016-17 onwards will be met within CFA resource. Please see **Appendix 3** for further details.

5.2 Statutory, Risk and Legal Implications

5.2.1 Failure to implement the recruitment and retention strategy will result in CFA social care services being at greater risk of being unable to attract and retain high quality permanent staff. This will result in a continued reliance on agency staff and an ongoing overspend and a lower quality of support to service users putting them at additional risk of remaining vulnerable

5.3 Equality and Diversity Implications

5.3.1 The recruitment and retention strategy maintains CFA social care services commitment to fairness, equality and diversity within the workforce and service users.

5.4 Engagement and Consultation Implications

5.4.1 This report built on previous formal and informal consultations with staff including evidence gathered through exit interviews and discussions with staff. A wider consultation with staff on the strategy will be undertaken.

5.5 Localism and Local Member Involvement

5.5.1 There are no significant implications within this category. Spokes have been consulted.

5.6 Public Health Implications

5.6.1 There are no significant implications within this category.

Source Documents	Location
Adult Social Care Transforming Lives	http://www.cambridgeshire.gov.uk/info/20166/working_together/579/delivering_the_care_act/3
Cambridgeshire Older People Strategy	http://www.cambridgeshire.gov.uk/info/20166/working_together/577/strategies_and_plans
Social Work: Working for Families	http://www.cambridgeshire.gov.uk/info/20107/children_s_social_care/376/social_work_working_for_families

Cambridgeshire County Council

STRATEGY UNDER DEVELOPMENT

Draft Recruitment and Retention Strategy CFA Social Care Services

2015

1.0 Introduction/Vision/Purpose

The strategy sets out how Cambridgeshire County Council will improve the recruitment and retention of permanent social care staff to enable Cambridgeshire Social Care service to deliver an excellent service to children, families and adults.

2.0 Where we are now

Across CFA the recruitment and retention of staff in social care, in both qualified and unqualified roles, presents an increasing challenge. As of June 2015 there are 69 FTE vacancies across the social work workforce. This level of vacancy is a significant risk to safeguarding the welfare of children, families and adults. To ensure there are always appropriate levels of staff, CFA recruit agency workers to meet service capacity needs. Agency staff are intended as a short term solution to quickly and flexibly fill a gap in recruitment. However, an inability to recruit permanent social workers has resulted in a reliance on agency social workers. This reliance has a negative impact on the overarching CFA strategy, the quality of service delivery and is an additional cost to CFA social care services.

Strategic Impact

The success of CFA social care strategy of prevention and demand management is reliant on high quality social care. Having the right staff with the right skills is key to the success of the Children'sSocial Care, Older People's and Mental Health and Adults Social Care strategic vision. High quality social work reduces demand for more intensive and expensive care packages and prevents the need for more invasive social work such as taking children into care. Therefore, investing in our permanent workforce is in line with the overall strategy for business planning.

Children's Social Care: Working For Families supports families by a social care unit, rather than individual workers. A high quality, committed social care workforce is essential for the success of the unit model. The unit model provides a seamless service for families so that should one social worker be unavailable, the other members of the unit are equipped to provide the appropriate support tailored to the family's needs and support them back to independence.

Adult Social Care Transforming Lives strategy, which will be critical to the delivery of the Older People's Strategy, is a social work model that is proactive, preventative and personalised. The success of this model is reliant on having the right staff with the right skills that have a personal investment in achieving the aims of the Transforming Lives Strategy. Successfully implemented, Transforming Lives model enables people to exert choice and control and ultimately to live healthy, fulfilled, socially engaged and independent lives.

Successful delivery of CFA Children's Social Care Working for Families, the Older People's Strategy and Transforming Lives strategies will help people to remain safe and also equip people to live as independently as possible. These strategies will therefore decrease demand and result in improved lives for many children, families and adults and create increased savings for CCC. However, lack of ability to fill permanent posts and therefore wide use of agency staff jeopardises the success of the overarching CFA strategy.

Service Implications

Lack of ability to recruit and retain permanent social work staff has huge impact on the quality of service delivery. Due to the very short notice period of agency staff there is very rarely enough time for suitable handover of cases to new workers and can present challenges in ensuring that strategic changes are delivered.This results in a lack of continuity for the people and families we support and partners. This lack of consistent support threatens the level of trust between the service user and social care services and risks a reversal of any progress made by the individual or family and therefore can necessitate further intervention by social care.

Permanent, committed staff enable team members to recognise and build on each other's strengths which helps enhance service delivery and improve staffprofessional development through peer support. Constant changes can unsettle team and the regular reallocation of cases and/or having to induct or update new workers on cases threatens the quality of support and lowers staff morale. Regular changes in teams also impact manager's ability to lead and improve practice within their teams as they will have to spend a lot of their time getting to know new workers strengths and capabilities to ensure they are confident to support families, adults and older people.

Cost Implications

The inability to recruit and retain permanent staff has a huge impact on the cost to CFA as agency staff are significantly more expensive than permanent staff. For example, the average 1 FTE CFA children's social worker cost CCC £34,720 per year (including on costs), whereas the average 1FTE agency children's social worker costs CCC £78,000 per year – over twice the cost of a CFA social worker.

At the present time Children's Social Care (CSC) teams incur significant overspends on their budgets due to the cost of agency workers. In financial year 2014/15 children's social care had an overspend of £894k due to the cost of agency workers. Both the Access and Children in Need Teams are currently projected to overspend approximately £400k each in 2015/16.

In the Older People's and Mental Health (OPMH) and Adults Social Care (ASC) the use of agency staff has not led to an overspend because of funding from existing resources due to staff vacancies and additional funding to support legislative change. However, with agency staff costing significantly more than CFA social workers this presents a missed opportunity for not only better support to individuals and families via permanent staff, but also the opportunity for savings.

Furthermore, CCC have comparatively low pay rates for all levels of social workers compared to other local authorities. These low pay rates are a key reason to why we are unable to recruit and retain sufficient levels of permanent staff; from the latest report of 19 relevant leavers, eight recorded salary as a main or contributing factor for leaving. Similarly some existing social work staff have left the organisation to move into the agency market; 12 CSC social workers left CFA employment for the agency market in 2014. The lower pay rates offered by CCC are causing a loss of current permanent staff and make the recruitment of a permanent workforce extremely challenging.

3.0 How we will achieve our vision

To overcome the challenges of recruitment and retention of staff and successfully deliver the strategic vision, CFA Social Care services propose the following four improvements to increase the levels of CCC permanent social care staff.

Re-evaluation of roles

Cambridgeshire County Council has comparatively low pay rates for all levels of social workers compared to other local authorities. These low pay rates are a key reason to why we are unable to recruit and retain sufficient levels of permanent staff. Recent work undertaken by Human Resources has re-evaluated all social work qualified posts resulting in uplift in grade for each role. Re-evaluation of the roles has not been undertaken for a considerable period of time, during which time the roles have evolved with increasing responsibilities.

Reducing agency spend will be a significant challenge and there will always be a requirement for some agency workers to cover periods of absence. It is anticipated that a realistic timescale of two years to reduce agency spend to 30%. Therefore additional resource will be required to secure the increased pay scale and some agency workers.

Employee Recognition Scheme

We will introduce an employee recognition scheme across CFA as part of a retention initiative to reward and recognise employees who show commitment and loyalty beyond their normal day jobs. The scheme will provide a way to recognise and reward the extra contribution of employees. A more publically appreciated workforce will make staff feel more valued in their roles, improve morale and retention rates which will contribute to reducing demand on overall social care services.

It is recommended that up to 20 winners would be selected each time (80 per year). The winners would receive a £50 voucher plus one additional day's holiday.

Recruitment Marketing

Officers will continue to improve marketing of social work job opportunities focusing on the key benefits of working for CCC such as training opportunities to further professional development and the benefits of living and working in Cambridgeshire. This will be achieved through an improved online presence to enhance digital recruitment, attending jobs fairs and building links with universities and colleges. Officers will also explore further marketing and advertising campaign opportunities.

To enhance digital recruitment, officers have undertaken a review of the recruitment webpage on the CCC corporate site. This review will improve the customer journey and makes the case more clearly for the benefits of working for CCC social care, such as training opportunities to further professional development and the benefits of living and working in Cambridgeshire. Once an improved website is in place we will begin by using free marketing tools available to us, such as: the front of the corporate website, Facebook, Twitter and Linked In. We will then explore the benefits of paid advertising opportunities on social media or search engines. Advertising through social media is low cost compared to other forms of advertising and can also target specified audiences to enhance its effect.

We will undertake the necessary actions to attend jobs fairs and to cost these events. It is proposed that officers will attend the Compass Jobs Fair in London on 30th November 2015. These are designed for Social Workers to view the latest employment, training and career development opportunities in Social Work.Another proposal being explored is a 'Cambridgeshire Jobs Fair' which we ourselves host in March 2016.

Social care directorates will continue to work closely with Anglia Ruskin University (ARU) in 2015/16 to offer placements within Cambridgeshire. Although we will maintain close links with ARU we need to forge closer links with other regional universities. This will be achieved by attending careers events and delivering presentations on the career opportunities at CCC to other universities and colleges. A number of universities have already been contacted to explore these options.

Furthermore, a joint recruitment approach between Children's and Adult's services can be effective in a number of areas of advertising outside the digital strategy. We will consider advertising options such as: using local newspapers or magazines as part of a recruitment drive, radio adverts or a Youtube video advertising what it is like to be a social worker in Cambridgeshire.

Workforce development

CCC's workforce development offer across CFA is integral to our recruitment and retention efforts. Workforce development not only encourages staff loyalty as staff benefit from training that will enhance their career but will also improve practice as staff progress in knowledge and experience. This will help to reduce demand on services as staff become more effective at supporting children families and adultsOfficers from CSC, ASC and OPMH are already working closely with the workforce development team to integrate the Councils training offer into our recruitment marketing. Officers are aiming to create a model which lays out clear training pathways and opportunities on an annual basis based on consultation with social workers and a consideration of the needs of the organisation. Within CSC a task and finish group has already been convened to consider Unit Development and Induction programmes.

It is essential that the Assessed and Supported Year of Employment ASYE programme forsocial workers in their first year of practice is laid out clearly and trainees are aware of the training opportunities and support they will receive if they come to Cambridgeshire. This will incentivise ASYE staff to join CCC and ensure that if recruited they continue to develop their skills in a supportive environment, thereby encouraging them to stay working at CCC as they gain experience. An ASYE programme has been developed across CSC and ASC in line with the new knowledge and skills framework

4.0 How do we know we've been successful

The outcomes to establish whether CCC is improving recruitment and retention of staff are:

- More permanent staff recruited and remaining with CCC therefore a better ratio of permanent staff to agency
- Improved service user feedback/less complaints received regarding staff quality
- Staffing budgets remain within allocated resource
- Successful delivery of CFA social care strategies

Progress Monitoring

To monitor the effectiveness of the Recruitment and Retention Strategy, recruitment rates and staff turnover will be monitored by a report produced by Human Resources. Equivalent reports are currently produced by LGSS for Northamptonshire.

5.0 Delivering the strategy

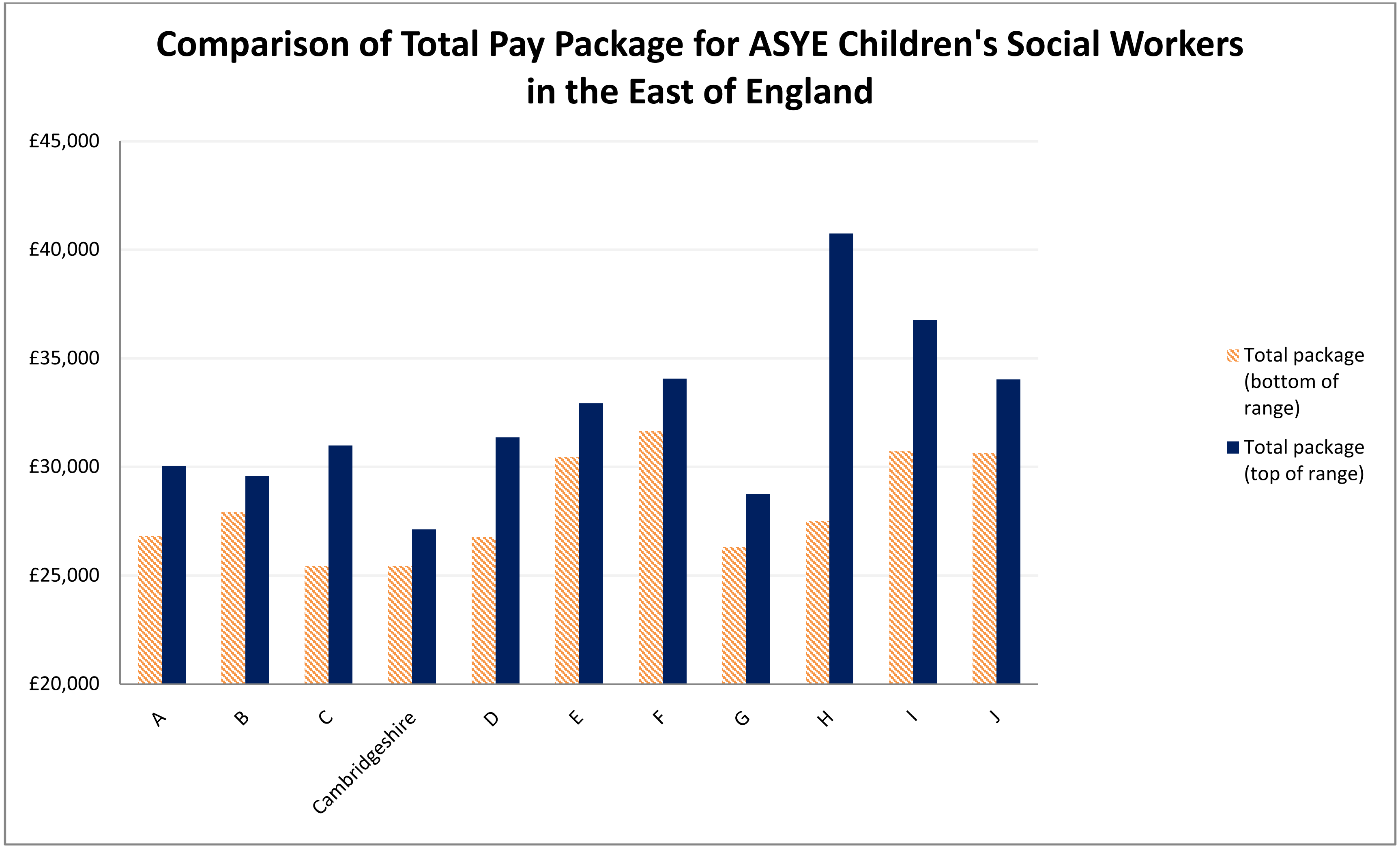
CSC, OPMH and ASC will take a joint approach to recruitment across all CFA social care services in collaboration with LGSS (Human Resources). A joint approach is a significant benefit to all services as it enables a greater sharing of knowledge across the directorates and is a more efficient use of resource to ensure best practice for the recruitment and retention of high quality staff.

To enable cross directorate working a strategic recruitment and workforce development board has been created which is proactively addressing the issue of recruitment and retention and the development of relevant skills and expertise.

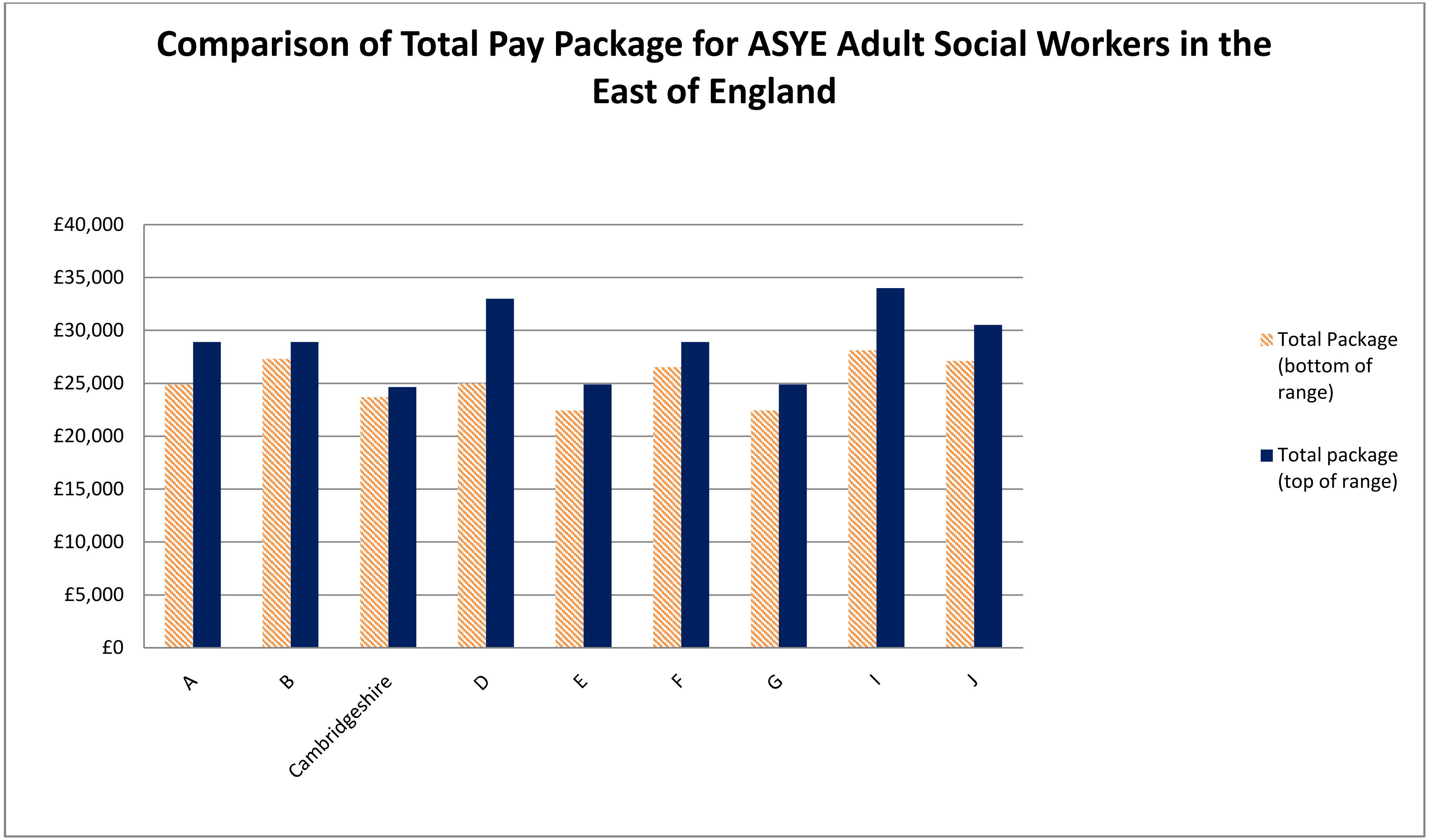
In addition, a Social Work Recruitment and Retention Task and Finish Group isbeing established to take forward any actions to deliver the strategy. The Social Care Recruitment and Retention Task and Finish Group will work collaboratively with partners, other working groups and colleagues to maximise the recruitment and retention of social workers across CFA. A Service Director will take on a role as ‘Recruitment Lead’, working across both directorates and chairing the Task and Finish Group.

1.0 Assessed and Supported Year in Employment (ASYE) (Newly Qualified Social Workers)

Children's Social Work

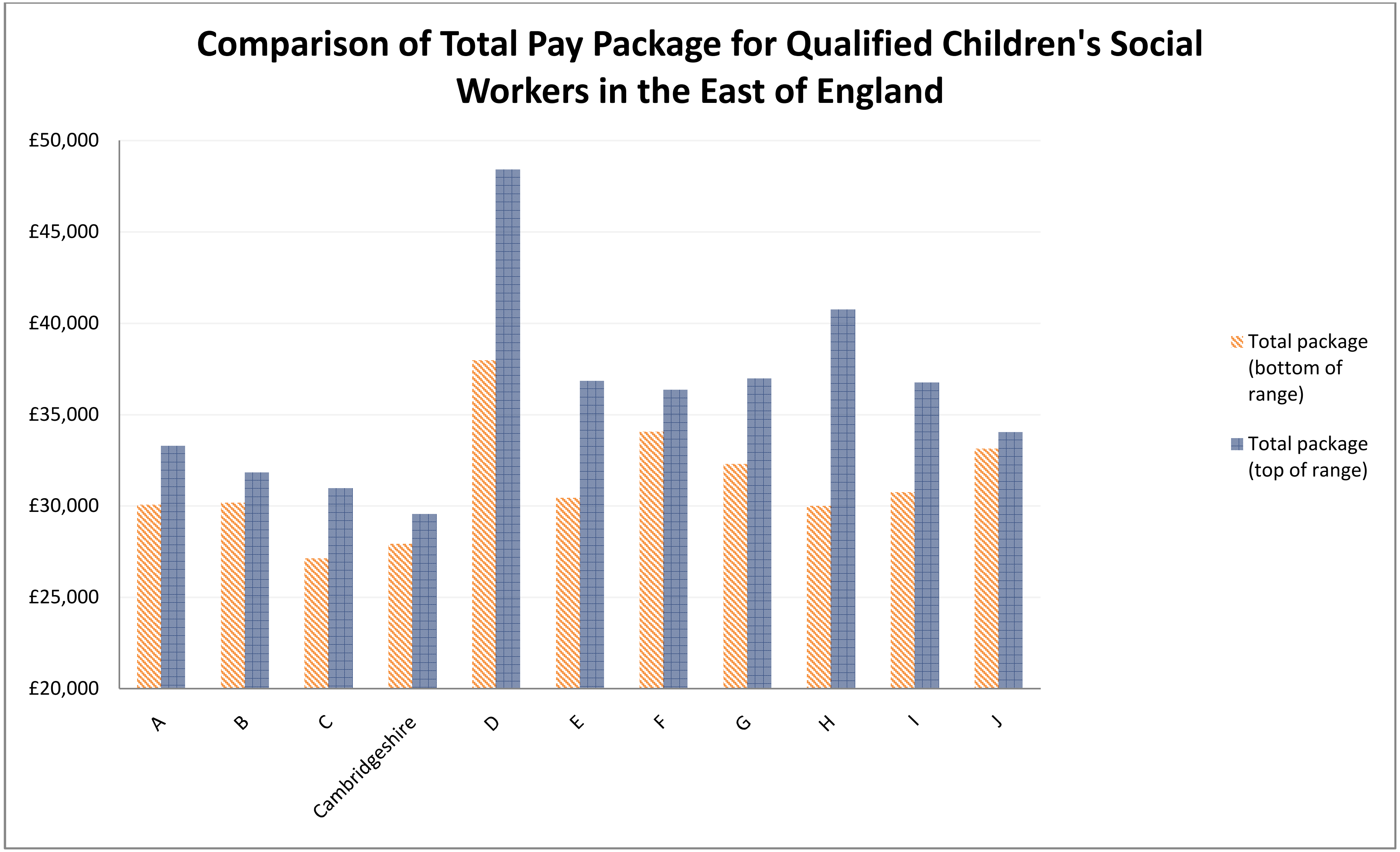


Adult Social Work

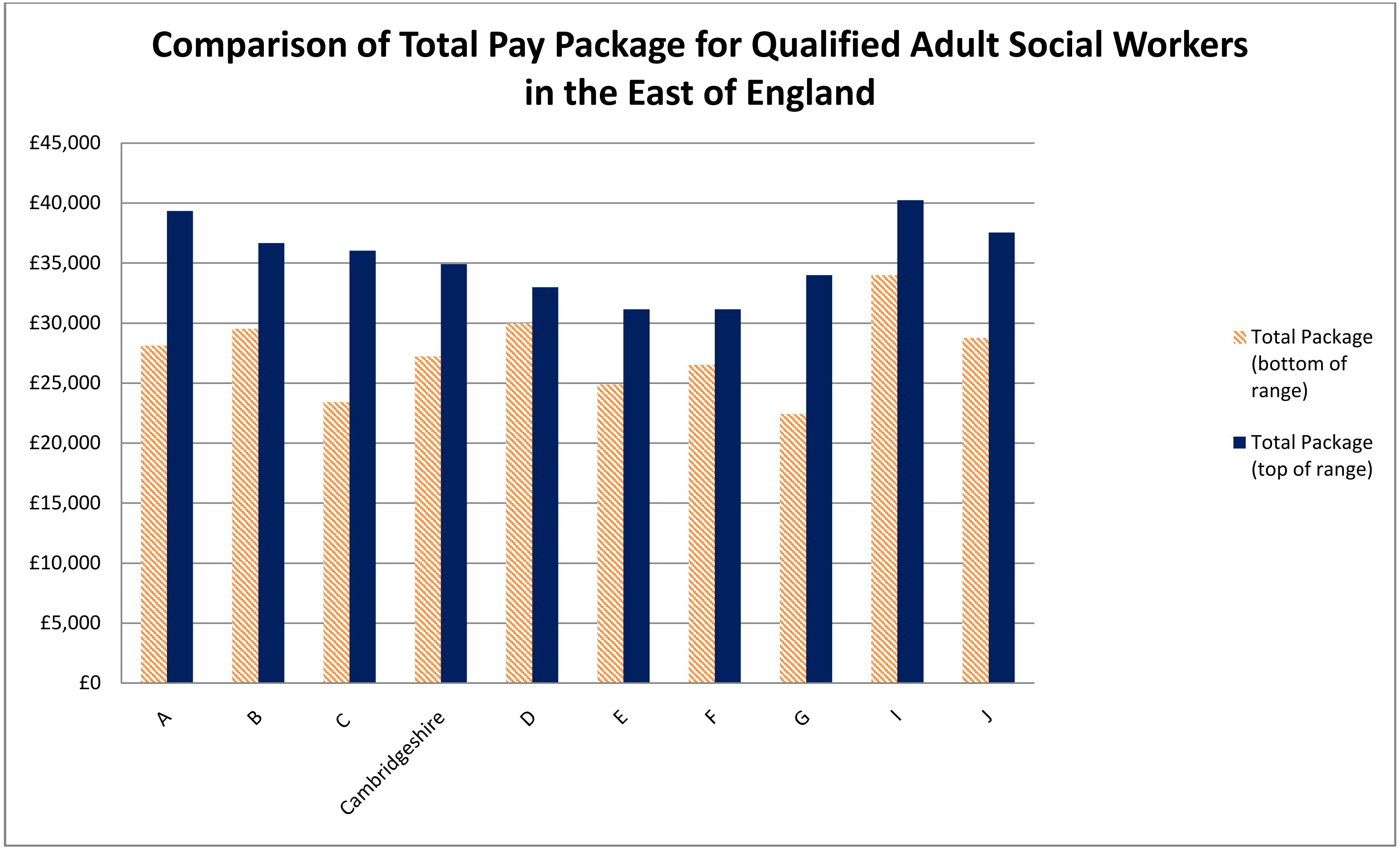


2.0 Qualified Social Workers

Children's Social Work

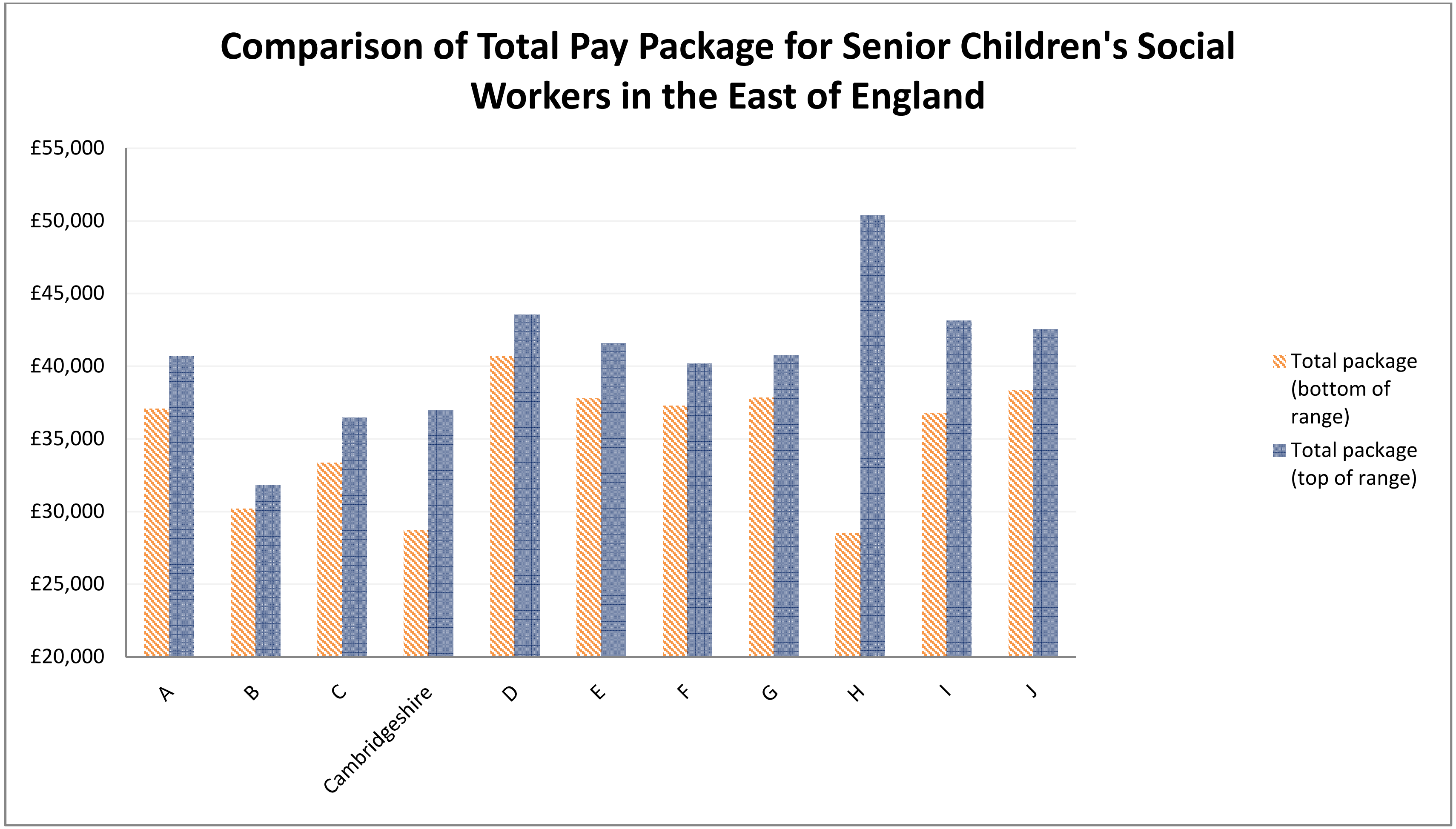


Adults Social Work

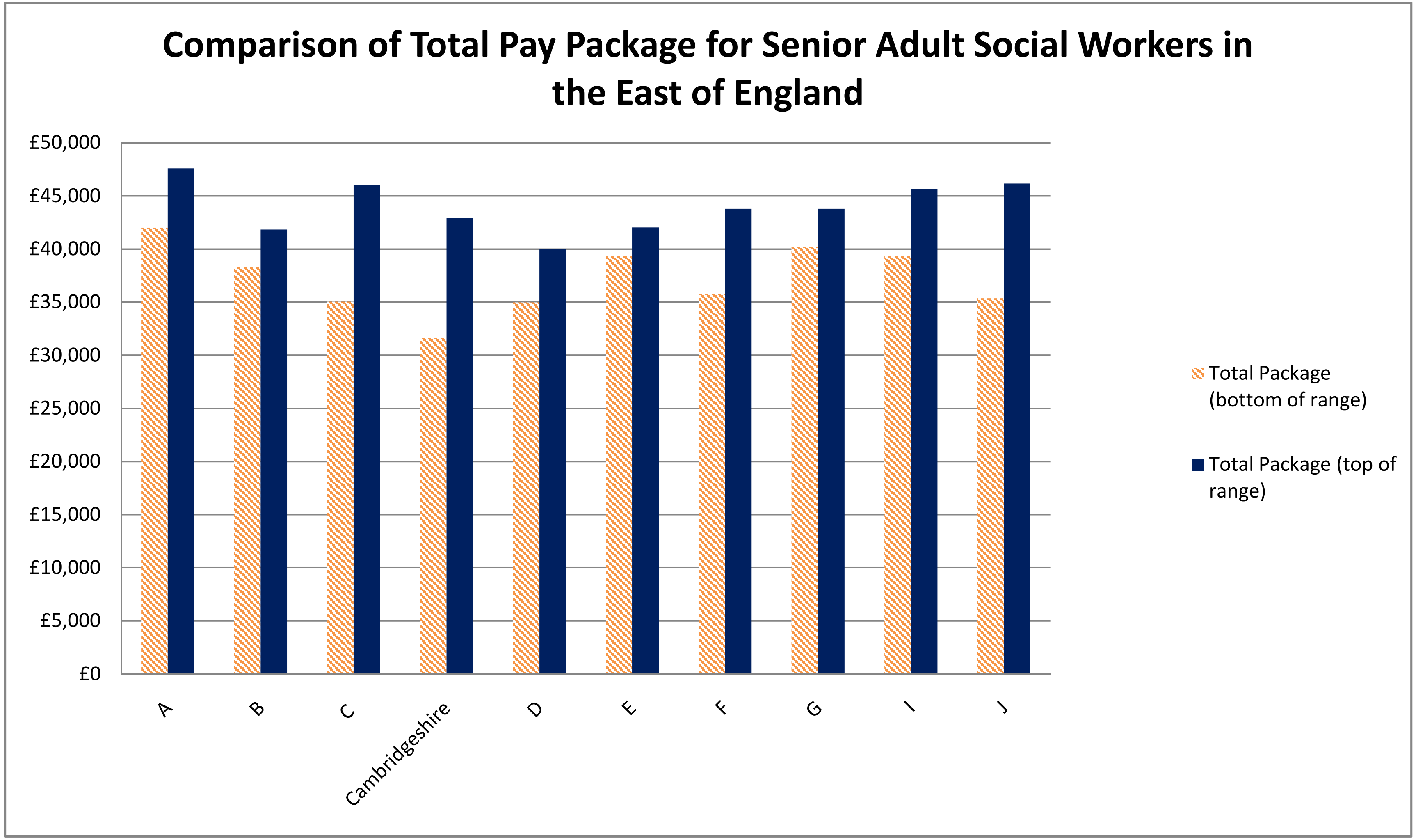


3.0 Senior Practitioners

Children's Social Work



Adult Social Work



Finance **Appendix 3**

Scenario		Children £000K	Adults £000K	TOTAL £000K
	Additional Annual costs of re-grading	**811**	**779**	**1,590**
1	Savings assuming 20% reduction in agency	141	110	
	Net Cost	670	669	**1,339**
2	Savings assuming 50% reduction in agency	352	275	
	Net Cost	459	504	**963**
3	Savings assuming 80% reduction in agency	564	440	
	Net Cost	247	339	**586**
4	Savings assuming 100% reduction in agency	705	550	
	Net Cost	106	229	**335**

2015-16 Additional Costs

If the staff re-grading is implemented from 1st October 2015, and agency expenditure can be reduced by 20% from 1st January 2016, the following details the additional costs in 2015-16 (note this does not address the underlying £1.2m overspend in Children's Social Care).

Additional cost of staff	£0.80m
Saving from reduced agency	£0.06m
Net cost to CFA	£0.74m

2015-16 Funding

Care Act	£0.14m
CFA Reserves	£0.60m
Available funding	£0.74m

The full-year cost from 2016-17 onwards will be met within CFA resource by additional savings linked to the quality improvements made by securing a permanent workforce. The re-grading proposal will not create an additional pressure for business planning and will be offset by additional savings through reduced agency spend and successful demand management.

COUNTY FARMS ESTATE STRATEGIC REVIEW

To:	**General Purposes Committee**
Meeting Date:	**28th July 2015**
From:	**Chief Finance Officer and Head of Strategic Assets**
Electoral division(s):	**All**
Forward Plan ref:	**N/A** *Key decision:* **No**
Purpose:	**To consider a strategic review of the Council's 34,000 acre estate.**
Recommendation:	**The Committee endorses the proposal to carry out a review of the County Farms Estate on the basis set out in this report, in consultation with Treasury Strategy Review Working Group.**

	Officer contacts:
Name:	Roger Moore/John Macmillan /Hugo Mallaby
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1. BACKGROUND

1.1 The Council owns a 34,000 acre rural estate, the largest of its kind in England and Wales with over 200 tenants. The origins of the Estate date back over 100 years.

1.2 The Estate's strategy has been reviewed on a regular basis with the most recent review being a Member-led scrutiny panel in 2011 which concluded that the Council obtained good value for money. Previous reviews were completed in 2001 and 2005.

1.3 Further reviews have been delayed until the ongoing changes to the European Union's Common Agricultural Policy became clearer. The new Basic Payment Scheme has come into effect, with farmers making their first claims under the new scheme in June 2015.

1.4 Ongoing fiscal constraints on the Council have driven the need to increase revenue and capital returns across all of its assets to supplement reductions in central Government grant, and the rural estate with its steadily increasing revenues is making an important contribution.

1.5 The current policies encourage new farming entrants onto the estate, with 80 new businesses formed in the last 15 years; new tenants for this period had an average age of 30 when they first started. The estate's rent roll has increased from £2.755 million to £4.024 million since the scrutiny review of 2011 whilst the surplus has increased by 65% to £3.173million in the same period.

1.6 Previous reviews have taken up to 6 months to complete, involved a cross party Member group, meeting with different stakeholders and occupied several members of staff.

1.7 External consultants have previously advised on reviews, with a full involvement initially but in recent reviews providing challenge and external validation.

2. MAIN ISSUES

2.1 Extent of Review

2.1.1 A thorough review is proposed, which will allow members to consider how the Estate is managed in future and will look at the following areas:

- The estate's current capital value.
- Categorising future strategic development potential.
- How much income the estate could potentially generate if it was run with different objectives. i.e. a solely financial focus
- Investigate renewable energy schemes on better quality land to include Grades I and II.
- Non-financial objectives.
- Benchmarking the estate with others in the public and private sectors.

2.1.2 A combination of internal and external resource will be used to carry out the strategic review. The Estate valuation, which is a detailed and time consuming task, will be carried out externally.

2.1.3 It is proposed that regular updates are given to the Treasury Strategy Review Working Group on the progress and direction of the review.

2.2 Capital Value

2.2.1 The Council is under a statutory duty to provide a rolling annual valuation of the estate to the Chartered Institute of Public Finance and Accountancy, with valuations for each Farm Management Plan (FMP) updated on a five yearly basis. The method of valuation is prescribed and is meant to provide a book value only, but this type of valuation does not provide the information required to benchmark the estate's financial performance and its current market value.

2.2.2 A market valuation will be commissioned.

2.3 Categorising future strategic development potential

2.3.1 Development potential is continuously reviewed however a strategic review of the Estate offers an opportunity to step back and take an overall view highlighting opportunities which may exist in the short, medium or long term and in particular strategic land, where the potential for development may be long term. i.e. more than 15 years away.

2.3.2 Existing and proposed District/City Council local plans will be reviewed to identify potential development opportunities and areas where representations should be made to influence future plans. Internal and external market intelligence will also be used.

2.4 Revised Estate objectives

2.4.1 The estate currently has 193 tenants running farming and other businesses. Farm diversification enterprises vary from children's nurseries, a care farm, farm shops, educational initiatives and agricultural machinery engineering, with income generated increasing by £1.269 million (46%) since the scrutiny review in 2011.

2.4.2 Land when vacant has been let to established tenants to create more viable farms and to new entrants to provide the next generation of tenant farmers. When appropriate, public access and care for the environment is encouraged.

2.4.3 A different approach might be to let land to the highest bidder, which may be to well-established private sector landowners; to consider large scale contract farming rather than tenancies or to discontinue public access or environmental schemes, which may impact on the revenue or capital values.

2.4.4 The review will:

- Examine estate objectives to determine alternatives for revenue and capital,
- Examine Estate objectives to determine alignment with wider Council policies

2.5 Renewable Energy

2.5.1 The review will look at potential renewable energy opportunities across the estate, including the possibility of extending the creation of field-scale solar parks to higher quality Grade I and Grade II agricultural land by assessing Government policy and taking specialist external advice. Previously only lower quality Grade 3 and below was considered.

2.6 Non-financial objectives

2.6.1 The current objectives encourage multi uses of the estate for, amongst other things, the environment (including woodland), public access and rural business opportunities by encouraging new entrants into farming and other rural enterprises. Approximately 60% of existing tenants have environmental schemes on their farms, including some managed directly by the Council, who receive the grant monies associated with these schemes.

2.6.2 The review will look at:

- potential opportunities for new farming and rural business tenants on the estate.
- the wider benefits to the local community, including care for the environment , woodland creation and management and promotion of public access across the estate.
- employment opportunities across the estate.

2.7 Benchmarking

2.7.1 The estate's performance will be benchmarked with other public and private sector estates using external consultants' benchmarking tools, and the Savills/IPD property benchmarking index, which also compares different land uses – i.e. residential and commercial uses.

3. OUTLINE PROGRAMME

- **General Purposes Committee:** Presentation of paper 28th July
- **Consultations:** With stakeholders, possible engagement of external contractors and collation of information – **3 months**.
- **Initial Report:** Presenting results of consultations and setting out proposals to General Purposes Committee (GPC) for comments – **1 month**.
- **Responses to Queries** from GPC members – **1 month**.
- **Final Report:** for approval by GPC – **the following GPC Meeting**.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

The estate currently supports over 200 small businesses across the county

3.2 Helping people live healthy and independent lives

The estate provides 3,216km of public rights of way and 42km of permissive routes across the County with benefits for exercise, leisure and health.

3.3 Supporting and protecting vulnerable people

The surplus generated by the estate helps to support front line services provided by the Council.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The cost of engaging external consultants.

Quotations will be sought from external consultants to value the estate on a "Market Value" basis and for both carrying out the whole review and for acting as a sounding board – in effect a non-executive director role.

Consideration has been given as to whether the report could be delivered within a shorter timeframe if the entire scope of the review were to be placed with an external consultant. It has been concluded that this would be unlikely. Consultants would rely on Council staff to provide background information and insights to the extent that there is duplication of effort. Also if consultants are procured for the whole review there will be a delay before they are procured and before work could commence.

The cost of obtaining market reference data including market valuations is estimated to be between **£50,000 and £75,000**; the cost of delivery for completing the whole review, if instructed separately from the valuation, is estimated at **£60,000 to £75,000,** although savings would be expected from economies of scale if both elements are awarded to a single consultant.

4.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

The review process will engage with local stakeholders, including tenants and members.

4.5 Localism and Local Member Involvement

Local members will be invited to engage with the consultations.

4.6 Public Health Implications

There are potential implications to public access and environmental policies and features on the estate.

Source Documents	Location
County Farm management maps	1st Floor Octagon Shire Hall

FINANCE AND PERFORMANCE REPORT – OUTTURN 2014-2015

To:	**General Purposes Committee**		
Date:	**28th July 2015**		
From:	**Director of Customer Service and Transformation** **Chief Finance Officer**		
Electoral division(s):	**All**		
Forward Plan ref:	**N/A**	*Key decision:*	**No**

Purpose:

To present to General Purposes Committee (GPC) the Outturn Finance and Performance report for Corporate Services and LGSS Cambridge Office for 2014-15.

The report is presented to provide GPC with an opportunity to comment on the financial and performance outturn position for the Service.

To present to Committee details of the intended uses of Corporate Services carry forward account in 2015-16 and future financial years.

Recommendation:

The Committee is asked to:

a) review, note and comment on the report;

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

	Officer contact:
Name:	Ian Smith
Post:	Strategic Finance Manager
Email:	Ian.smith@cambridgeshire.gov.uk
Tel:	01223 699807

1. BACKGROUND

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

2. OUTTURN REPORT

2.1 Attached as **Appendix A**, is the Outturn Finance and Performance report for 2014-15.

2.2 Corporate Services (including LGSS managed and financing costs) underspent on revenue by £250,000, after a number of yearend adjustments had been taken into account (see 2.6 below).

2.3 The LGSS Operational budget underspent by £327,000. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee.

2.4 There were seven significant variances by value (over £100,000) for Corporate Services / LGSS Managed at yearend, these were in relation to:

- County Offices overspent by £484,000, this mostly related to a saving built into the 2013-14 budget associated with the closure of further properties on the County's estate;
- the IT Managed budget, overspent by £202,000, this reflects the difficulty encountered achieving the £600,000 saving built into the 2014-15 budget; a new contract for mobile phones was put in place late in the financial year, which contributed to the savings target, but the part year saving in 2014-15 was not sufficient to meet the whole ask. There is not expected to be a problem in future years, now that the revised contract is in place;
- Building Maintenance overspent by £240,000 as a result of the cost of reactive building maintenance work being higher than anticipated when the budget was set;
- The Authority wide miscellaneous budget overspent by £251,000 as a result of a change in process for evaluating bad debt, that has resulted in a higher corporate provision than in previous years;
- Communications and Community Engagement underspent by £150,000 as a result of salary savings, higher income levels than budgeted and general efficiencies;
- The Transformation Fund where as a result of less costs than provided for, for Section 188 redundancies, an underspend of £732,000 was recorded; and
- County Farms which underspent by £147,000 as a result of increased rental income following a rent review.

2.5 The debt charges and interest budget underspent by £1.962 million, as a result of cash balances being higher than anticipated during the year and a one-off interest payment in relation to delayed Section 106 payments.

2.6 Three yearend adjustments were made to the accounts to create additional capacity in 2015-16, these related to:

- A reserve to the value of £893k to mitigate against potential contract disputes;
- A reserve to the value of £56k in respect of back-scanning work; and
- A reserve to the value of £1.0m in respect of anticipated costs associated with the implementation of the new Operating Model for Business Planning.

2.7 Corporate and LGSS Managed underspent on capital by £9.826 million.

2.8 This was the result of significant (by value) underspends on a number of projects. Many of these have been reported in previous reports and include:
- the East Barnwell Community Hub;
- the Making Assets Count (MAC) Market Towns Project;
- the Trumpington Land Option;
- County Farms viability;
- the Sawston Community Hub;
- Optimising IT for Smarter Business;
- Shire Hall Campus;
- Carbon Reduction; and
- Other Schemes.

2.9 In addition at yearend there is one further significant (by value over £500,000) underspend this in relation to IT Infrastructure Investment, where the profile of spend has been impacted by the commencement of an Enterprise Agreement with Microsoft, which has deferred the payment for licences until August 2015.

2.10 Corporate Services / LGSS have eleven performance indicators at yearend one of these had a red status, three were amber with seven green.

2.11 The indicator with a red status related to the "total debt as a percentage of turnover", which was 13.9% against a target of 10%.

3. CORPORATE SERVICES SERVICE RESERVES

3.1 At the end of 2015-16, there was £1.02 million in the Corporate Services Service carry forward account.

3.2 Corporate Services has developed proposals to use the reserves to fund projects in 2015-16 and future years. These proposals are detailed in the below table.

Operational saving requirement	**Area of Service**	**£'000**	**Description**
New Proposals			
Transformation Support	Customer Service & Transformation (CS&T) Directorate	418	It is proposed to retain the balance of CS&T operational savings in lieu of Business Planning work underway to scope and consult with services regarding the level of core 'corporate' support and transformation support required from CS&T.

Committed Costs			
Carry forward funding for Implementation of new Customer Relationship Management System	Digital Strategy	150	£250k was allocated in 2014/15 to fund implementation of the new Customer Relationship Management System. The system is due to go live shortly and so £150k is required in 2015/16 to complete delivery.
Carry forward funding for Digital-by-Default	Digital Strategy	165	Roll-forward of Business Planning investment to fund delivery of Digital by Default agenda across the Council.
Funding for Service Transformation Team	Service Transformation	256	Second year of funding for the Service Transformation team, as agreed by General Purposes Committee in July 2014.
Digital Delivery Assistant	Digital Strategy	31	Funding for 12 months fixed-term post to support transition arrangements for Cambs.net and help explore future options as detailed in the Customer Service & Transformation consultation response.
Total		**1,020**	

3.3 Committee is asked to approve these proposals so they can be forwarded to the Chief Finance Officer for agreement.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

4.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

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

5.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

5.3 Equality and Diversity Implications

There are no significant implications within this category.

5.4 Engagement and Consultation Implications

There are no significant implications within this category.

5.5 Localism and Local Member Involvement

There are no significant implications within this category.

5.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
CS and LGSS Cambridge Office Budgetary Control Reports Performance Management Reports & Corporate Scorecards Capital Monitoring Reports	Room 301 Shire Hall Cambridge

Appendix A

Corporate Services and LGSS Cambridge Office

Finance and Performance Report – Outturn 2014/15

1. SUMMARY

1.1 Finance

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

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

Monthly Indicators	Red	Amber	Green	Total
March(Number of indicators)	1	3	7	11

2. INCOME AND EXPENDITURE

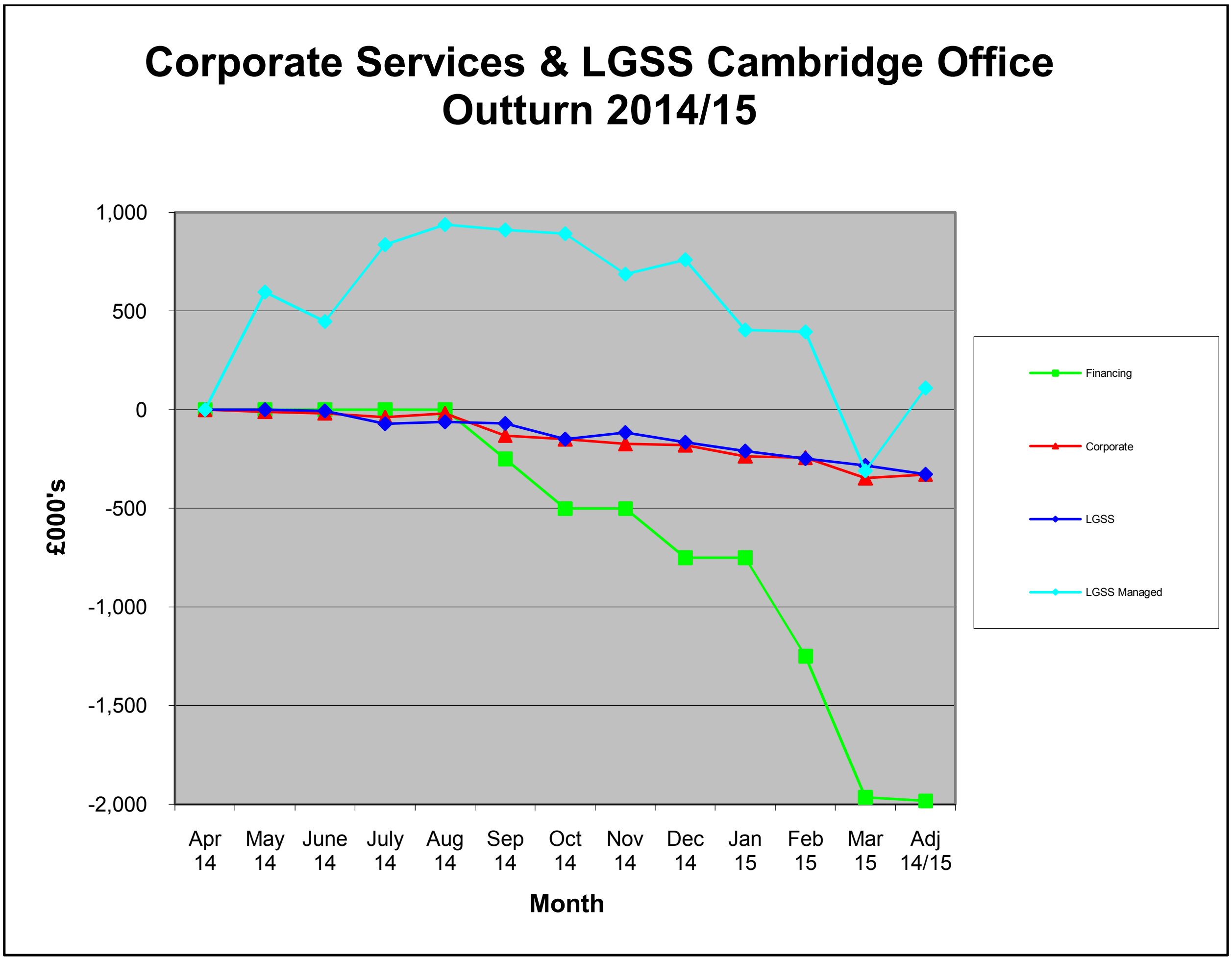
2.1 Overall Position

Forecast Variance - Outturn (Mar) £000	Directorate	Current Budget for 2014/15 £000	Actual for 2014/15 £000	Variance 2014/15 £000	Variance 2014/15 %
-347	Corporate Services	3,577	3,249	-328	-9
-310	LGSS Managed	-1,957	-1,847	110	6
-1,965	Financing Costs	34,151	32,169	-1,982	-6
0	Year-end Adjustments	0	1,949	1,949	0
-2,622	**Sub Total**	**35,771**	**35,520**	**-250**	
-282	LGSS Cambridge Office	12	-315	-327	-2,696
-2,904	**Total**	**35,783**	**35,206**	**-577**	

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for year-end 2014/15can be found in CS appendix 1.

The service level budgetary control report for LGSS Cambridge Office foryear-end 2014/15can be found inLGSS appendix 1

Further analysis of the results can be found in CS appendix 2 and LGSS appendix 2



2.2.1 Significant Issues – Corporate Services

- The overall position for Corporate Services for 2014/15 was an underspend of £328k.

- There were no new exceptions to report at year-end.

2.2.2 Significant Issues – LGSS Managed

- The overall position for LGSS Managed for 2014/15 was an overspend of £110k.

- County Farms generated an additional surplus of £147k due to an increase in rent following completion of 60 rent reviews. In addition, five holdings were successfully let at higher rent levels than anticipated. Planned maintenance also increased, but at a slower pace thanthe increase in income.

- The Authority-wide Miscellaneous budget had an overspend of £251k. This represented an increase of £622kfrom the March reported figure,reflecting the following year-end adjustments:

    - The Council's central provision for bad debt was increased by £506k; and

    - Net balances of £116k were written-back from a number of redundant balance sheet accounts.

2.2.3 Significant Issues – Financing Costs

- The overall position for Financing Costs for 2014/15 was an underspend of £1.982 million.

- There were no new exceptions to report at year-end.

2.2.4 Significant Issues – Year-end Adjustments

- General Purposes Committee will be asked to approve the following year-end adjustments as part of the Integrated Resources and Performance Report. These adjustments have been included in the reported figures.

    - A reserve to the value of £893k to mitigate against potential contract disputes;
    - A reserve to the value of £56k in respect of back-scanning work; and
    - A reserve to the value of £1.0m in respect of anticipated costs associated with the implementation of the new Operating Model for Business Planning.

2.2.5 Significant Issues – LGSS Cambridge Office

- The overall position for LGSS Cambridge Office for 2014/15 was anunderspend of £327k after equalisation.

- The year-end deficit / surplus on LGSS operational budgets is subject to a sharing arrangement with Northamptonshire County Council (NCC). The consolidated year-end position resulted in a £54k outturn equalisation payment from CCC to NCC.

- HR Policy and Strategy had an underspend of £114k resulting from in-year vacancy management (£55k); additional income generated from traded work with maintained schools and academies (£58k) and other general efficiencies (£1k).

- The Legal Team struggled to achieve its budgeted surplus in 2014/15. Over the past four years the team has made significant increases in productivity, but further improvements in 2014-15 proved harder to achieve. Work is ongoing to seek additional efficiencies through better use of technology, but this was hampered in year by a number of factors. This, coupled with the loss of significant fee earning through other staffing circumstances, resulted in an overspend of £134k.

2.3 Additional Income and Grant Budgeted this Period (De minimis reporting limit = £30,000)

There were no items above the de minimis reporting limit recorded during the closedown period.

A full list of additional grant income for Corporate Services and LGSS Managed can be found in CS appendix 3.

A full list of additional grant income for LGSS Cambridge Office can be found in LGSS appendix 3.

2.4 Virements and Transfers to / from Reserves (including Operational Savings Reserve) (De minimis reporting limit = £30,000)

The following virements have been made this month:

Corporate Services:

	£	Notes
Virement from Corporate Services to reserves	-150,000	Corporate Services Operational Savings Transfer – Customer Relationship Management System unspent funding
Virement from Corporate Services to reserves	-165,000	Corporate Services Operational Savings Transfer - Digital by Default unspent funding
Virement from Corporate Services to CFA and ETE	-2,733,520	Corporate Allocations 2014/15*

LGSS Managed:

	£	Notes
Virement from LGSS Managed to CFA and ETE	-9,464,570	Corporate Allocations 2014/15*

LGSS Cambridge Office:

	£	Notes
Virement from reserves to LGSS Cambridge Office	66,553	LGSS Operational Savings - Redundancy & Pensions capital costs
Virement from LGSS Cambridge Office to CFA and ETE	-10,657,340	Corporate Allocations 2014/15*

*To allow for accurate completion of Government & CIPFA statistical returns, we are required to charge certain corporate overheads to direct services. These recharges relate to the net cost of a significant element of Corporate Services, LGSS Managed and LGSS Cambridge Office. The charges are transferred to services at year end with matching budget, therefore there is no impact on final outturn variance.

A full list of virements made in the year to date for Corporate Services, LGSS Managed and Financing Costs can be found in CS appendix 4.

A full list of virements made in the year to date for LGSS Cambridge Office can be found inLGSS appendix 4.

3. BALANCE SHEET

3.1 Reserves

A schedule of the Corporate Services and LGSS Managed reserves can be found in CS appendix 5.

A schedule of the LGSS Cambridge Office Reserves can be found in LGSS appendix 5.

3.2 Capital Expenditure and Funding

Expenditure

- Corporate Services had a capital budget of £185k in 2014/15, with spend during the year of £99k. This equated to an overall programme underspend of £86k for the year, and the total scheme variances amounted to £0k across the programme.

  There were no new exceptions to report at year-end.

- LGSS Managed had a capital budget of £13.4m in 2014/15, with spend during the year of£3.6m.This equated to an overall programme underspend of £9.7m for the year, and the total scheme variances amountedto £8.7m underspend across the programme.

  There were no new exceptions to report at year-end.

- LGSS Cambridge Office had a capital budget of £412k in 2014/15, with spend during the year of£203k. This equated to an overall programme underspend of £209k for the year, and the total scheme variances amounted to £0k across the programme.

  There were no new exceptions to report at year-end.

Funding

- Corporate Services hadbudgeted capital funding of £185k in 2014/15. As reported above, the Corporate Services budget had an underspend of £86k, which resulted in a reduced requirement for funding of this amount.

- LGSS Managed hadbudgeted capital funding of £13.3m in 2014/15. As reported above, the LGSS Managed budget had an underspend of £9.7m, which resulted in a reduced requirement for funding of this amount.

- LGSS Cambridge Office hadbudgeted capital funding of £412k in 2014/15. As reported above, the LGSS Cambridge Office budget had an underspend of £209k, which resulted in a reduced requirement for funding of this amount.

A detailed explanation of the position for Corporate Services and LGSS Managed can be found in CS appendix 6.

A detailed explanation of the position for LGSS Cambridge Office can be found in LGSS appendix 6.

4. PERFORMANCE

4.1 The table below outlines key performance indicators for Customer Services and Transformation and LGSS Managed Services.

Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG status	Direction of travel	Comments
Customer Service and Transformation										
Proportion of FOI requests responded to within timescales	Monthly	High	%	13/04/15	March 2015	95%	93.0%	Amber	↓	In 2014/15 we received 1166 FOI Requests where 1105 were responded to on time and 61 were not (95%). The number of requests received that have been directed to information that has already been published by the council has increased from 10 requests in 2013/14 to 49 requests in 2014/15. *From 1 April 2015, target will be amended to 90%.*
For context only - number of FOI requests received annually	*Annually*	*Low*	*Num*	*13/04/15*	*1 April 2014 - 31 March 2015*	*N/A**	*1166*	*N/A*	*N/A*	*2013/14 - 1153* *2012/13 – 899* *2011/12 – 917* *2010/11 - 834*
Proportion of customer complaints received in the month before last that were responded to within minimum response times	Monthly	High	%	17/04/15	1 - 28 February 2015	90%	83.1%	Amber	↓	Number of customer complaints for February 2015 = 77 <u>Breakdown of February 2015 figures</u> CFA received 33 complaints of which 2 failed to meet the target of responding within timescales. This month's figure is 93.94%. ETE received 43 complaints of which 11 failed to meet the target of responding within timescales. This month's figure is 74.42%. CS&T received no complaints. LGSS received 1 complaint which was responded to within timescales. This month's figure is 100.00%.
For context only - number of complaints received annually per thousand population	*Annually*	*Low*	*Num*	*N/A***	*1 Apr 2014 - 31 Mar 2015*	*N/A**	*N/A***	*N/A*	*N/A*	*Data to be reported on in May 2015 for period of 1 April 2014 - 31 March 2015*
Proportion of all transformed transaction types to be completed online by 31 March 2015***	Annually	High	%	13/04/15	1 Jan to 31 Mar 2015 (Q4)	75%	70.5%	Amber	↑	<u>Q4 2014/15 figures</u> Jan 15 - 71.2% Feb 15 - 67.5% Mar 15 - 72.5% Some technical problems have caused some downtime (especially in February). As a wider range of services are being deployed this figure is expected to move towards green.
LGSS Managed Services										
Strategy and Estates – capital receipts target managed and achieved	Quarterly	High	%	14/01/15*	1 Oct - 31 Dec 2014 (Q3 2014)	98% (£3.888 m gross)	185.6%	Green	↓	*Q4 data unavailable at time of publishing report Data to be next reported on in May 2015 for Q4 and year-end.
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	14/01/15*	1 July - 31 December 2014 (Q2 & Q3)	95% (£3.625 m gross)	98.0%	Green	←→	*Q4 data unavailable at time of publishing report Q1 2014/15 - 98.0% Data to be next reported on in May 2015 for Q4 and year-end.
IT – availability of Universal Business System****	Quarterly	High	%	24/04/15	1 January - 31 March 2015 (Q4)	95%	100.0%	Green	↑	Q3 2014/15 - 99.7% Q2 2014/15 - 99.8% Q1 2014/15 - 99.7%
IT – incidents resolved within Service Level Agreement	Quarterly	High	%	24/04/15	1 January - 31 March 2015 (Q4)	90%	100.0%	Green	↑	Q3 2014/15 - 96.0% Q2 2014/15 - 91.0% Q1 2014/15 - 95.0%

4.2 The table below outlines key performance indicators for LGSS Cambridge Office

Measure	Reporting frequency	What is good	Unit	Data last entered	Target	Actual	RAG status	Direction of travel	Comments	Year end RAG
LGSS Cambridge Office										
Percentage of invoices paid within term for month	Monthly	High	%	01/04/15	97.5%	98.4%	Green	↓	99.5% reported last period	N/A
Percentage of invoices paid within term cumulative for year to date	Monthly	High	%	01/04/15	97.5%	97.6%	Green	↓	99.7% reported last period	Green
Total debt as a percentage of turnover	Monthly	Low	%	01/04/15	10.0%	13.9%	Red	↓	15.7% reported last period	Green
Percentage of debt over 90 days old	Monthly	Low	%	01/04/15	20.0%	8.4%	Green	↑	8.3% reported last period	Green

CS APPENDIX 1 – Corporate Service Level Budgetary Control Report

The variances to the end of Closedown 2014/15 for Corporate Services, LGSS Managed and Financing Costs were as follows:

Forecast Variance - Outturn (Mar) £000	Service	Current Budget for 2014/15 £000	Actual for 2014/15 £000	Variance £000	Variance %
	Corporate Services				
-41	Corporate Director	-2,315	-2,358	-43	2
-85	Business Transformation	2,694	2,608	-86	-3
-34	Chief Executive's Office	430	392	-38	-9
-176	Communications & Community Engagement	1,910	1,760	-150	-8
0	Elections	204	204	0	0
-11	Redundancy, Pensions & Injury	945	934	-11	-1
0	Grant Income	-292	-292	0	0
-347		**3,577**	**3,249**	**-328**	**-9**
	LGSS Managed				
292	Building Maintenance	204	443	240	118
-20	County Farms	-2,770	-2,918	-147	-5
461	County Offices	6,546	7,030	484	7
-82	Effective Property Asset Management	275	217	-58	-21
0	External Audit	169	170	0	0
0	Insurance	-516	-516	0	0
287	IT Managed	1,801	2,003	202	11
-60	Members' Allowances	1,004	941	-63	-6
0	OWD Managed	125	93	-32	-26
-16	Subscriptions	135	100	-34	-26
-800	Transformation Fund	1,000	268	-732	-73
-371	Authority-wide Miscellaneous	-9,829	-9,577	251	3
0	Grant Income	-100	-100	0	0
-310		**-1,957**	**-1,847**	**110**	**6**
	Financing Costs				
-1,965	Debt Charges and Interest	34,151	32,169	-1,982	-6
0	Year-end Adjustments	0	1,949	1,949	0
-2,622	**CORPORATE SERVICES TOTAL**	**35,771**	**35,520**	**-250**	**-1**
	MEMORANDUM - Grant Income				
0	Public Health Grant - Corporate Services	-138	-138	0	0
0	Public Health Grant - LGSS Managed	-100	-100	0	0
0	Open Data Breakthrough Fund	-33	-33	0	0
0	Release of data & Breakthrough Funding 2014/15	-92	-92	0	0
0	Other Corporate Services Grants	-29	-29	0	0
0		**-392**	**-392**	**0**	**0**

CS APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

<table>
<tr><th rowspan="2">Service</th><th rowspan="2">Current Budget £'000</th><th rowspan="2">Actual £'000</th><th colspan="2">Variance</th></tr>
<tr><th>£'000</th><th>%</th></tr>
<tr><td>Communications & Community Engagement</td><td>1,910</td><td>1,760</td><td>-150</td><td>-8%</td></tr>
<tr><td colspan="5">Communications and Community Engagement had an underspend of £150k. This was due to salary savings across the Service (-£52k), general efficiencies (-£55k), and income levels being greater than costs in the Research Team (-£85k). The underspend was partially offset by creation of a provision in relation to the sewerage compound at Earith Bridge travellers site (+£43k).</td></tr>
<tr><td>Building Maintenance</td><td>204</td><td>443</td><td>+240</td><td>+118%</td></tr>
<tr><td colspan="5">Reactive building maintenance spend across the property portfolio exceeded budget in 2014/15 by £240k. Property Operations identified an under-accrual in relation to 2013/14 works that contributed towards the overspend.</td></tr>
<tr><td>County Farms</td><td>-2,770</td><td>-2,918</td><td>-147</td><td>-5%</td></tr>
<tr><td colspan="5">County Farms generated an additional surplus of £147k due to an increase in rent following completion of 60 rent reviews. In addition, five holdings were successfully let at higher rent levels than anticipated.Planned maintenance also increased, but at a slower pace thanthe increase in incomes</td></tr>
<tr><td>County Offices</td><td>6,546</td><td>7,030</td><td>+484</td><td>+7%</td></tr>
<tr><td colspan="5">County Offices had an overspend of £484k. A savings target of £736k was allocated in the 2013/14 Business Planning linked to a reduction in the Council's property portfolio, with £597k as the balance of savings to be identified at the start of 2014/15. Savings of £120k were achieved during the year, resulting from the part-year closure of Dryden House and Castle Court. In addition, there was a one-off windfall from Libraries' rates rebates (£150k) and savings of £43k on utilities across the portfolio. These in-year savings were partly offset by an accrual of £200k in respect of Dryden House dilapidations.</td></tr>
<tr><td>IT Managed</td><td>1,801</td><td>2,003</td><td>+202</td><td>+11%</td></tr>
<tr><td colspan="5">The 2014/15 Business Plan included a £600k savings target against IT Managed budgets. IT Services have delivered £398k savings against budgets for which they are directly responsible (telephony, PC refresh and CPSN) and have been reviewing contract arrangements for other IT related contracts across Cambridgeshire.

The recent renewal of the mobile telephony contract will produce significant savings towards the outstanding target in future years. Centralisation of the budgets will only be implemented in 2015/16, and as such the part-year savings applicable to 2014/15 accrued to service budgets rather than this budget.</td></tr>
</table>

<table>
<tr><th>Service</th><th>Current Budget £’000</th><th>Actual £’000</th><th colspan="2">Variance
£’000 %</th></tr>
<tr><td>Transformation Fund</td><td>1,000</td><td>268</td><td>-732</td><td>-73%</td></tr>
<tr><td colspan="5">The Transformation Fund incurred £1.094 million of costs as a result of Section 188 redundancies in 2014/15, resulting in an underspend of £732k.</td></tr>
<tr><td>Authority-wide Miscellaneous</td><td>-9,829</td><td>-8,684</td><td>+251k</td><td>+3%</td></tr>
<tr><td colspan="5">The Authority-wide Miscellaneous budget had an overspend of £251k. This represented an increase of £622k from the March reported figure, reflecting the following year-end adjustments:

• The Council’s central provision for bad debt was increased by £506k; and
• Net balances of £116k were written-back from a number of redundant balance sheet accounts.</td></tr>
<tr><td>Debt Charges & Interest</td><td>34,151</td><td>32,169</td><td>-1,982</td><td>-6%</td></tr>
<tr><td colspan="5">Financing Costs had an underspend of £1.982 million on the debt charges budget. Of this, £1.33 million was largely due to the decision to delay long term borrowing until 2015-16 and instead utilise cash balances, which resulted in a favourable variance for interest payable. In addition we experienced higher than forecast levels of cash balances throughout the year, so consequently interest receivable was also greater than originally budgeted. An underspend on the Minimum Revenue Provision also contributed significantly, as a result of lower than expected levels of prudential borrowing in previous years. This saving is in addition to the £1 million reduction in the debt charges budget approved in the Business Plan in the expectation of slippage in the capital programme.

In March, the Council received full payment of the Section 106 contributions for the Addenbrookes 2020 site (£8.5 million). Accumulated accrued interest of £635k was also paid earlier than expected, increasing the 2014/15 underspend.</td></tr>
<tr><td>Year-end Adjustments</td><td>0</td><td>1,949</td><td>+1,949</td><td>0%</td></tr>
<tr><td colspan="5">General Purposes Committee will be asked to approve the following year-end adjustments as part of the Integrated Resources and Performance Report. These adjustments have been included in the reported figures:

• A reserve to the value of £893k to mitigate against potential contract disputes;
• A reserve to the value of £56k in respect of back-scanning work; and
• A reserve to the value of £1.0m in respect of anticipated costs associated with the implementation of the new Operating Model for Business Planning.</td></tr>
</table>

CS APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which was not built into base budgets.

Grant	Awarding Body	Expected Amount £000
Grants as per Business Plan	Public Health	238*
Open Data Breakthrough Fund	Local Government Association	33
Release of Data & Breakthrough Fund	Cabinet Office	92**
Non-material grants (+/- £30k)	Various	29
Total Grants 2014/15		**392**

* The Public Health grant allocation for Corporate Services has been reduced by £27k, compared to the Business Plan figure of £265k.

** The Release of Data & Breakthrough Fund grant award was £122k. Of this amount, £92k was applied to fund revenue activity in 2014/15.The unapplied funding will be carried forward and it is expected that £10k will be applied in 2015/16, with the balance of unused funding being returned.

CS APPENDIX 4 – Virements and Budget Reconciliation

Corporate Services:

	£000	Notes
Budget as per Business Plan	**5,851**	
Transfer HealthWatch function to CFA	-429	
Transfer post from Chief Executive's Office to Democratic Services	-30	
Corporate Services Operational Savings Transfer – Customer Relationship Management System	250	
Corporate Services Operational Savings Transfer - Service Transformation Funding	256	
Corporate Services Operational Savings Transfer - Digital by Default	184	
Corporate Services Operational Savings Transfer - Grants to Voluntary Organisations	48	
Transfer HealthWatch function back from CFA	429	
Corporate Services Operational Savings Transfer – Customer Relationship Management System unspent funding	-150	
Corporate Services Operational Savings Transfer - Digital by Default unspent funding	-165	
Corporate Services Corporate Allocations	-2,734	
Non-material virements (+/- £30k)	65	
Current Budget 2014/15	**3,577**	

LGSS Managed:

	£000	Notes
Budget as per Business Plan	**9,670**	
Transfer funding for County Farms investment post to LGSS Cambridge Office	-50	
Transfer funding for County Farms staff to LGSS Cambridge Office	-85	
Right-sizing Rural Estates staffing establishment	-119	
ETE insurance charges funding	-1,525	
CFA insurance charges funding	-421	
LGSS Managed Corporate Allocations	-9,464	
Non-material virements (+/- £30k)	38	
Current Budget 2014/15	**-1,957**	

Financing Costs:

	£000	Notes
Budget as per Business Plan	**34,142**	
Non-material virements (+/- £30k)	9	
Current Budget 2014/15	**34,151**	

CS APPENDIX 5 – Reserve Schedule

1. Corporate Services Reserves

Fund Description	Balance at 31 March	Movements in 2014-15	Balance at 31/03/15	Notes
	£'000	£'000	£'000	
General Reserve				
Corporate Services Carry-forward	1,314	-295	1,020	1
subtotal	1,314	-295	1,020	
Equipment Reserves				
Postal Service	50	0	50	
subtotal	50	0	50	
Other Earmarked Funds				
Travellers Support Officer	50	-5	45	
Shape Your Place - Fenland Grant	0	18	18	2
Green Spaces	0	10	10	3
Election Processes	0	180	180	4
Cambs & Peterborough Resilience Forum	13	-13	0	
EDRM Project	274	0	274	
subtotal	336	191	527	
Short Term Provisions				
Transforming Cambridgeshire	1,000	0	1,000	
Earith Bridge Travellers Site	0	43	43	
subtotal	1,000	43	1,043	
TOTAL	**2,701**	**-61**	**2,640**	

Notes

1 The year-end position reflects the Corporate Services underspend of £328k and £692k unused operational savings which will need to be carried forward to 2015/16. Details on operational savings allocated in 2014/15 can be found in CS Appendix 4.

2 The unapplied balance of the Fenland Social Media Cohesion grant was transferred to earmarked reserves at year end. It is expected this will be applied during 2015/16.

3 The unapplied balance of Heritage Lottery Funding for the Cambridgeshire Local Nature Partnership was transferred to earmarked reserves at year end. It is expected this will be applied during 2015/16.

4 The underspend on the Elections budget was transferred to the earmarked reserve. This is to ensure that sufficient funding is available for the 4-yearly County Council election.

2. LGSS Managed Reserves

Fund Description	Balance at 31 March 2014	Movements in 2014-15	Balance at 31/03/15	Notes
	£'000	£'000	£'000	
Equipment Reserves				
Corporate Infrastructure Replacement & Renewals	79	83	162	
Corporate ICT Assets	475	0	475	
Corporate Telephony	5	0	5	
subtotal	559	83	642	
Other Earmarked Funds				
Manor school site demolition costs	0	139	139	1
CPSN Partnership Funds	0	59	59	
subtotal	0	198	198	
Short Term Provisions				
Carbon Trading Provision	459	-459	0	2
Insurance Short-term Provision	1,180	0	1,180	
External Audit Costs	0	154	154	
Insurance MMI Provision	400	-368	32	
Back-scanning Reserve	0	56	56	
Contracts General Reserve	0	893	893	3
Operating Model Reserve	0	1,000	1,000	4
Redundancy Provision	826	-826	0	5
subtotal	2,866	451	3,316	
Long Term Provisions				
Insurance Long-term Provision	4,718	0	4,718	
subtotal	4,718	0	4,718	
SUBTOTAL	**8,143**	**731**	**8,874**	
Capital Reserves				
P&P Commissioning (Property)	472	0	472	
Blackwell Travellers Site	9	0	9	
subtotal	481	0	481	
TOTAL	**8,624**	**731**	**9,355**	

Notes

1. Rental income from Bellerbys buildings on Manor School site being held to offset demolition costs when the lease expires in 2021.
2. A specific provision was created in lieu of carbon trading credits to be purchased for 2013/14 and was drawn-down during 2014/15.
3. A proposed contracts general reserve was created, as reported in Section 2.2.4.
4. A proposed reserve was created in respect of fututre costs associated with the implementation of the Operating Model for Business Planning, as reported in Section 2.2.4.
5. The specific provision for Section 188 redundancy costs was drawn-down to cover costs incurred in 2014/15.

CS APPENDIX 6 – Capital Expenditure and Funding

Capital Expenditure – Previously Reported Exceptions

Corporate Services & LGSS Managed Capital Programme 2014/15					TOTAL SCHEME	
Original 2014/15 Budget as per BP £000	Scheme	Revised Budget for 2014/15 £000	Actual Spend 2014/15 £000	Variance 2014/15 £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
	Corporate Services					
-	Electronic Record Management	155	99	(56)	300	-
-	Other Schemes	30	-	(30)	40	-
-		**185**	**99**	**(86)**	**340**	**-**
	LGSS Managed					
1,110	EPAM - Shire Hall Campus	1,101	399	(702)	6,824	-
-	EPAM - Fenland	130	(110)	(240)	6,596	(1,145)
804	EPAM - Local Plans Representations	814	470	(344)	1,548	-
1,000	EPAM - County Farms Viability	1,009	422	(587)	8,031	-
600	EPAM - Building Maintenance	600	599	(1)	8,567	-
625	EPAM - Sawston Community Hub	625	39	(586)	1,250	-
1,150	EPAM - East Barnwell Community Hub	1,200	31	(1,169)	2,350	-
232	EPAM - Other Committed Projects	456	289	(167)	2,043	(431)
600	EPAM - Renewable Energy Soham	600	111	(489)	10,245	-
300	EPAM - Housing Provision on CCC Portfolio	300	133	(167)	17,500	-
950	EPAM - Trumpington Option Land	950	-	(950)	950	(950)
75	EPAM - Disposal / Relocation of Huntingdon Highways Depot	75	-	(75)	1,625	-
1,000	EPAM - MAC Market Towns Project	1,000	-	(1,000)	7,000	(5,220)
1,470	Carbon Reduction	1,143	19	(1,124)	1,673	(652)
1,100	Optimising IT for Smarter Business Working	1,100	299	(801)	2,100	-
600	IT Infrastructure Investment	988	230	(758)	2,400	-
-	Cambridgeshire Public Sector Network	411	222	(189)	5,554	-
-	Microsoft Enterprise Agreement	-	402	402	1,500	-
590	Other Schemes	848	54	(794)	2,368	(298)
12,206		**13,350**	**3,610**	**(9,740)**	**90,124**	**(8,697)**
12,206	**TOTAL**	**13,535**	**3,709**	**(9,826)**	**90,464**	**(8,697)**

The EPAM – Shire Hall Campus scheme had an in-year underspend of £0.7m. This was due to delays in progressing the Shire Hall lift works due to archaeology findings (£0.3m) and lower than expected costs associated with the closure of Castle Court. It is expected that there will be a total scheme underspend relating to Castle Court closure, but this has not yet been confirmed.

Residual work on the Awdry House site was still to be completed at year-end. A reduction in the estimated cost of final retention payments increased the total scheme underspend, reported as £0.9m in 2013/14, to £1.1m.

The EPAM – County Farms Viability scheme had an in-year underspend of £0.6m. Delays in recruiting resource to support the scheme, coupled with reduced interest from tenants to undertake building improvement works, resulted in fewer business cases coming forward against the available funding during 2014/15.

The EPAM – Sawston Community Hub scheme had an in-year underspend of £0.6m. The slippage was due to an extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the Business Plan and does not reflect a reduction in total scheme costs.

Similarly, the EPAM – East Barnwell Community Hub scheme had an in-year underspend of £1.2m due to an extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the Business Plan. This does not reflect a reduction in total scheme costs.

The EPAM – Trumpington Option Land scheme did not proceed in 2014/15, resulting in an underspend of £1.0m. Going forward, the project will be incorporated within the wider City Deal schemes under the Economy, Transport and Environment capital programme.

The MAC Public Property Partnership & Market Towns project was reassessed and it was concluded that the Property Partnership would not be developed over the next few years as MAC wished to focus on more practical projects. The deliverability of the various Market Town projects were re-evaluated in light of this decision and it was decided to focus on taking the March Market Town project forward. This resulted in an in-year underspend of £1.0m, and a total scheme underspend of £5.2m. As a result, the scheme budget wasadjusted as part of the 2015/16 Business Planning process.

The works planned under the Carbon Reduction scheme were reviewed and a new schedule was agreed. The majority of costs will be incurred in 2015/16 and so there was an in-year underspend of £1.1m. The agreed workplan is expected to deliver a total scheme underspend of £0.65m.

The Optimising IT for Smarter Business Working scheme had an in-year underspend of £0.8m. This reflected an updated spend profile for the purchase of equipment to support the Smarter Business programme, and is not expected to result in a reduction in total scheme costs.

The IT Infrastructure Investment scheme had an in-year underspend of £0.8m. Timing of spend on this scheme has been significantly impacted by commencement of the Enterprise Agreement with Microsoft; many of the licences due to be paid were deferred until August 2015 when they will be paid in conjunction with other commitments under the Enterprise Agreement. It is therefore not expected that this in-year underspend will result in a reduction in total scheme costs.

Capital Funding – Previously Reported Exceptions

Corporate Services & LGSS Managed Capital Programme 2014/15				
Original 2014/15 Funding Allocation as per BP £000	**Source of Funding**	**Revised Funding for 2014/15 £000**	**Actual Funding 2014/15 £000**	**Actual Funding Variance 2014/15 £000**
	Corporate Services			
-	Capital Receipts *	-	99	99
-	Prudential Borrowing	185	0	(185)
-		**185**	**99**	**(86)**
	LGSS Managed			
4,669	Capital Receipts	4,669	3,610	(1,059)
1,000	Other Contributions	1,000	-	(1,000)
6,537	Prudential Borrowing	7,681	(0)	(7,681)
12,206		**13,350**	**3,610**	**(9,740)**
12,206	**TOTAL**	**13,535**	**3,709**	**(9,826)**
-	Capital Receipts - Application to other Services **	-	1,510	1,510

* Excess capital receipts achieved by LGSS Managed were applied to Corporate Services to reduce prudential borrowing requirements.

** Excess capital receipts achieved by LGSS Managed were applied to Children, Families and Adults Services to reduce prudential borrowing requirements.

The level of capital receipts achieved in 2014/15 exceeded the 2014/15 Business Plan expectation of £4.7m by £0.7m, of which £0.27m was applied to Corporate Services and LGSS Cambridge Office schemes, and £1.5m was applied to Children, Families and Adults Services. This resulted in a reduction in prudential borrowing in 2014/15. General Purposes Committee will be asked to approve the change from the Business Plan expectation as part of the outturn Integrated Resources and Performance Report.

The inclusion of the EPAM – Trumpington Option Land scheme within the City Deal schemes resulted in a corresponding £1.0m reduction in funding (other contributions) in relation to this scheme.

As the result of the reported slippage on the LGSS Managed capital programme, the overall prudential borrowing requirement reduced by £7.7m.

LGSS APPENDIX 1 – Service Level Budgetary Control Report

The variances to the end of Closedown 2014/15 for LGSS Cambridge Officewere as follows:

Forecast Variance - Outturn (Mar) £000	Service	Current Budget for 2014/15 £000	Actual for 2014/15 £000	Variance £000	Variance %
	LGSS Cambridge Office				
	Central Management				
-33	Service Assurance	351	317	-34	-10
198	Trading	-8,239	-8,050	189	2
157	LGSS Equalisation	-403	-349	54	0
0	Grant Income	-350	-350	0	0
322		**-8,642**	**-8,432**	**210**	**2**
	Finance				
-33	Chief Finance Officer	-9,555	-9,593	-37	0
-16	Strategic Finance	30	14	-16	-54
-75	Strategic Assets	915	837	-78	-9
6	CF, ETE, CS & LGSS Finance	679	668	-11	-2
-78	CFA Finance	1,319	1,239	-81	-6
0	Pensions Service	0	0	0	0
-196		**-6,612**	**-6,836**	**-223**	**3**
	People, Transformation & Transactional				
-145	HR Business Partners	1,230	1,088	-142	-12
-40	HR Policy & Strategy	407	293	-114	-28
0	LGSS Programme Team	1,942	1,943	1	0
0	Organisational & Workforce Development	467	469	2	0
0	Revenues and Benefits	2,266	2,266	0	0
0	Transactional Services	1,655	1,736	81	5
-185		**7,967**	**7,795**	**-172**	**-2**
	Law , Property & Governance				
-45	Audit & Risk Management	888	849	-39	-4
-139	Democratic & Scrutiny Services	499	350	-149	-30
75	Legal Services	-375	-241	134	36
-25	Procurement	339	314	-26	-8
-30	Property Operations & Delivery	932	926	-6	-1
-164		**2,283**	**2,197**	**-86**	**-4**
-59	IT Services	5,016	4,961	-54	-1
-282	**Total LGSS Cambridge Office**	**12**	**-315**	**-327**	**-2696**
	MEMORANDUM - Grant Income				
0	Public Health Grant	-220	-220	0	0
0	Counter Fraud Initiative Grant	-130	-130	0	0
0		**-350**	**-350**	**0**	**0**

LGSS APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget £'000	Actual £'000	Variance £'000	%
Trading	-8,306	-8,050	+189	+2%
There was a shortfall of £189k on the trading position which related to the requirement for additional trading activity in 2014/15. This pressure was mitigated within LGSS by operational underspends.				
HR Business Partners	1,230	1,088	-142	-12%
There was an underspend of £145k on the HR Business Partners budget. One-off income opportunities were realised with various customers, the additional work having been absorbed within existing operations. In addition, a number of vacancies were held within the People Service providing further in-year savings.				
HR Policy & Strategy	407	293	-114	-28%
HR Policy and Strategy had an underspend of £114k as a result of; in-year vacancy management (£55k); additional income generated from traded work with maintained schools and academies (£58k) and other general efficiencies (£1k).				
Democratic & Scrutiny Services	499	350	-149	-30%
Democratic & Scrutiny Services had an underspend of £149k. £69k of this related to staff turnover, with other general office underspends of £24k also contributing to the overall position. In addition, staff savings identified for 2015/16 were achieved early, resulting in a further underspend of £56k.				
Legal Services	-375	-241	+134	+36%
The Legal Team struggled to achieve its budgeted surplus in 2014/15. Over the past four years the team has made significant increases in productivity, but further improvements in 2014-15 proved harder to achieve. Work is ongoing to seek additional efficiencies through better use of technology, but was hampered in year by a number of factors. This, coupled with the loss of significant fee earning through other staffing circumstances, resulted in an overspend of £134k.				

LGSS APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which is not built into base budgets.

	Awarding Body	Expected Amount £'000
Grants as per Business Plan	Public Health	220
Counter Fraud Initiative	DCLG	130
Non-material grants (+/- £30k)		0
Total Grants 2014/15		**350**

LGSS APPENDIX 4 – Virements and Budget Reconciliation

	£'000	Notes
Budget as per Business Plan	10,351	
Funding for County Farms investment post from LGSS Managed	50	
Transfer post from Chief Executive's Office to Democratic Services	30	
Transfer funding for County Farms staff	85	
Transfer funding for CCS HR Support	50	
Right-sizing Rural Estates staffing establishment	119	
Transfer of CCS finance support from LGSS Finance to CCS	-104	
LGSS Operational Savings - Redundancy & Pensions capital costs	67	
LGSS Cambridge Office Corporate Allocations	-10,657	
Non-material virements (+/- £30k)	22	
Current Budget 2014/15	**12**	

LGSS APPENDIX 5 – Reserve Schedule

Fund Description	Balance at 31 March 2014	Movements in 2014-15	Balance at 31/03/15	Notes
	£'000	£'000	£'000	
General Reserve				
LGSS Cambridge Office Carry-forward	1,116	-113	1,003	1
subtotal	1,116	-113	1,003	
Equipment Reserves				
Legal Services	85	-85	0	
subtotal	85	-85	0	
Other Earmarked Funds				
Counter Fraud Initiative	0	130	130	2
subtotal	0	130	130	
SUBTOTAL	**1,201**	**-67**	**1,134**	
Capital Reserves				
Legal Services	30	-30	0	
subtotal	30	-30	0	
TOTAL	**1,231**	**-97**	**1,134**	

Notes

1. The year-end position reflects the LGSS Cambridge Office underspend of £327k and £676k unused operational savings which will need to be carried forward to 2015/16. Details on operational savings allocated in 2014/15 can be found in LGSS Appendix 4.
2. The Counter Fraud Initiative grant was unapplied in 2014/15 and so the balance was transferred to the earmarked reserve.

LGSS APPENDIX 6 – Capital Expenditure and Funding

Capital Expenditure – Previously Reported Exceptions

LGSS Cambridge Office Capital Programme 2014/15					TOTAL SCHEME	
Original 2014/15 Budget as per BP £000	Scheme	Revised Budget for 2014/15 £000	Actual Spend 2014/15 £000	Variance 2014/15 £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
-	R12 Convergence	382	173	(209)	600	-
-	Other Schemes	30	30	-	30	-
-	**TOTAL**	**412**	**203**	**(209)**	**630**	**-**

There are no previous exceptions to report.

Capital Funding – Previously Reported Exceptions

LGSS Cambridge Office Capital Programme 2014/15				
Original 2014/15 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2014/15 £000	Actual Funding 2014/15 £000	Actual Funding Variance 2014/15 £000
-	Capital Receipts *	-	173	173
-	Other Contributions	30	30	-
-	Prudential Borrowing	382	0	(382)
-	**TOTAL**	**412**	**203**	**(209)**

* Excess capital receipts achieved by LGSS Managed were applied to LGSS Cambridge Office to reduce prudential borrowing requirements.

There are no previous exceptions to report.

FINANCE AND PERFORMANCE REPORT – MAY 2015

To:	**General Purposes Committee**
Date:	**28th July 2015**
From:	**Director of Customer Service and Transformation** **Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**N/A** *Key decision:* **No**
Purpose:	**To present to General Purposes Committee (GPC) the May 2015 Finance and Performance report for Corporate Services and LGSS Cambridge Office.** **The report is presented to provide GPC with an opportunity to comment on the projected financial and performance outturn position, as at the end of May 2015.**
Recommendation:	**The Committee is asked to review, note and comment on the report.**

	Officer contact:
Name:	Chris Malyon
Post:	Chief Finance Officer
Email:	Chris.malyon@cambridgeshire.gov.uk
Tel:	01223 699796

1. BACKGROUND

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

2. MAIN ISSUES

2.1 Attached as **Appendix A** is the May 2015 Finance and Performance report. This is the first report for the 2015-16 financial year.

2.2 At the end of May, Corporate Services (including the LGSS managed and financing costs) was forecasting a yearend underspend on revenue of £308,000.

2.3 The LGSS Operational budget was reporting breakeven position at yearend. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee.

2.4 There are three significant forecast outturn variances by value (over £100,000) being reported for Corporate Services / LGSS Managed, these are in relation to:

- County Offices where a £501,000 overspend is being forecast, this mostly relates to a £400,000 saving target built into the 2015-16 budget associated with the closure of further properties on the County's estate, (this has been partly achieved, but further work is still required to identify the balance), but also cost pressures on Children Centres, where we have started to receive business rate bills for the first time.
- The Authority wide miscellaneous budget, where an overspend of £160,000 is forecast due to an anticipated deficit on the additional employer pensions contribution; and
- County Farms, where a £140,000 underspend is forecast due to increased rents following a rent review.

2.5 The debt charges and interest budget is currently predicting a yearend underspend of £870,000, as it is now expected that cash balances will be higher than originally anticipated during the year.

2.6 At the end of May, Corporate and LGSS Managed was forecasting no yearend variations on capital in 2015-16.

2.7 Corporate Services / LGSS have eleven performance indicators, of these one is currently at red status, three are amber with seven green.

2.8 The indicator currently with a red status relates to the "total debt as a percentage of turnover", which is currently 13.5% against a target of 10%.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

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

4.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
CS and LGSS Cambridge Office Budgetary Control Report (May 2015) Performance Management Report & Corporate Scorecard (May 2015) Capital Monitoring Report (May 2015)	Room 301 Shire Hall Cambridge

Appendix A

Corporate Services and LGSS Cambridge Office

Finance and Performance Report – May 2015

1. SUMMARY

1.1 Finance

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

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

Monthly Indicators	Red	Amber	Green	Total
May(Number of indicators)	1	3	7	11

2. INCOME AND EXPENDITURE

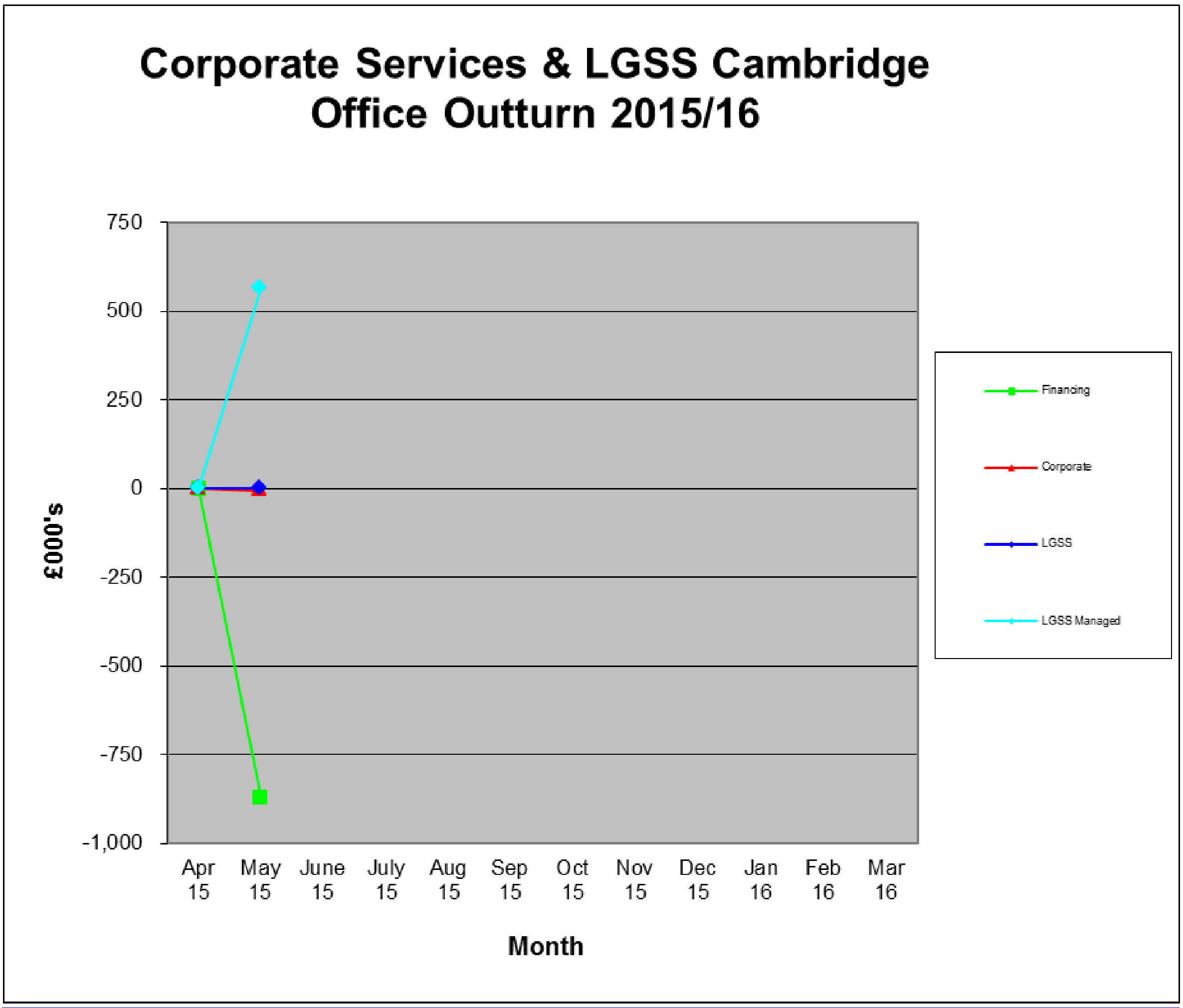
2.1 Overall Position

Forecast Variance - Outturn (Apr) £000	Directorate	Current Budget for 2015/16 £000	Current Variance £000	Current Variance %	Forecast Variance - Outturn (May) £000	Forecast Variance - Outturn (May) %
0	Corporate Services	5,567	-13	-1	-4	0
0	LGSS Managed	9,877	-229	-5	566	6
0	Financing Costs	35,460	-2,995	0	-870	-2
0	**Sub Total**	**50,903**	**-3,236**		**-308**	
0	LGSS Cambridge Office	9,849	926	107	0	0
0	**Total**	**60,753**	**-2,311**		**-308**	

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for May 2015can be found in CS appendix 1.

The service level budgetary control report for LGSS Cambridge Office for May 2015can be found in LGSS appendix 1

Further analysis of the results can be found in CS appendix 2 and LGSS appendix 2



2.2.1 Significant Issues – Corporate Services

- Corporate Services is currently predicting a year-end underspend of £4k.
- There are no new exceptions to report this month.

2.2.2 Significant Issues – LGSS Managed

- LGSS Managed is currently predicting a year-end overspend of £566k.
- County Farms is forecasting an additional surplus of £140k due to an increase in rent following completion of 60 rent reviews during 2014/15.
- County Offices is forecasting an overspend of £501k. Full-year savings have now been realised in respect of the closure of Dryden House (£203k) and the cessation of Castle Court running costs(£347k).The prior-year savings target for a reduction of the property portfolio has therefore been fully achieved and progress is being made towards the new 2015/16 target (£400k), with a balance of £379k to be identified.

  A pressure has been identified in relation to business rates charges for the Children's Centre portfolio. These properties have not previously been subject to business rates, but the sites have beenreassessed and it has been determined the Council is liable for payments dating back to 2010/11. This has resulted in a pressure of £175k in 2015/16, with the ongoing unfunded pressure being £35k.In addition, there is a small pressure of £4k resulting from the cancellation of prior year invoices that had been disputed.

These pressures have been partially offset by a £42k reduction in the anticipated cost of Dryden House dilapidations and a £13k business rates rebate for Unit 3, The Meadows.

- Authority-wide miscellaneous is forecasting an overspend of £160k due to a forecast deficit in additional employer pension contributions. This is monitored via the balance sheet each month, but any surplus or deficit at year end is written back to revenue.

2.2.3 Significant Issues – Financing Costs

- Financing costs are currently predicted to be underspent by £870k. At this early stage in the year an underspend of £870k is forecast for Debt Charges. This is largely as a result of a favourable variance for interest payable which has been included on the assumption that the Council will experience significant slippage in the capital programme, as it has done in past years. Initial projections for the Minimum Revenue Provision (MRP) charge also contribute to this underspend, along with lower than budgeted interest recharged internally.

2.2.4 Significant Issues – LGSS Cambridge Office

- LGSS Cambridge Office is currently predicting a breakeven position. Any year-end deficit / surplus is subject to a sharing arrangement with Northamptonshire County Council, with an equalisation adjustment processed accordingly at year-end. This will be incorporated into the report as outturn figures become available during the course of the year.

- There are no exceptions to report this month.

2.3 Additional Income and Grant Budgeted this Period (De minimis reporting limit = £30,000)

There were no items above the de minimis reporting limit recorded in May.

A full list of additional grant income for Corporate Services and LGSS Managed can be found in CS appendix 3.

A full list of additional grant income for LGSS Cambridge Office can be found in LGSS appendix 3.

2.4 Virements and Transfers to / from Reserves (including Operational Savings Reserve) (De minimis reporting limit = £30,000)

The following virements have been made this month to reflect changes in responsibilities:

Corporate Services:

	£	Notes
Transfer of Travellers Support budget to ETE	-51	
Transfer Green Spaces budget to ETE	-55	
Non material virements (+/- £30k)	0	

LGSS Managed:

	£	Notes
Transfer of City Deal funding from New Homes Bonus to corporate ownership (ETE)	717	
Non material virements (+/- £30k)	16	

LGSS Cambridge Office:

	£	Notes
Non material virements (+/- £30k)	-15	

A full list of virements made in the year to date for Corporate Services, LGSS Managed and Financing Costs can be found in CS appendix 4.

A full list of virements made in the year to date for LGSS Cambridge Office can be found in LGSS appendix 4.

3. BALANCE SHEET

3.1 Reserves

A schedule of the Corporate Services and LGSS Managed reserves can be found in CS appendix 5.

A schedule of the LGSS Cambridge Office Reserves can be found in LGSS appendix 5.

3.2 Capital Expenditure and Funding

Expenditure

- Corporate Services has a capital budget of £386k in 2015/16 and there is spend to date of £13k. It is currently expected that the programme will be fully spent at year-end and the total scheme variances will amount to £0k across the programme.

  There are no exceptions to report for May.

- LGSS Managed has a capital budget of £15.3m in 2015/16 and there is spend to date of £-363k. It is currently expected that the programme will be fully spent at year-end and the total scheme variances will amount to an underspend of £2.8m across the programme.

  There are no new exceptions to report for May.

- LGSS Cambridge Office has a capital budget of £209k in 2015/16 and there is spend to date of £0k. It is currently expected that the programme will be fully spent at year-end and the total scheme variances will amount to £0k across the programme.

  There are no new exceptions to report for May.

Funding

- Corporate Services has capital funding of £386k in 2015/16. This incorporates £86k funding for schemes carried-forward from 2014/15, to be approved as part of the overall 2014/15 capital programme carry-forward in the Integrated Finance & Performance Report.

- LGSS Managed has capital funding of £15.3m in 2015/16. This incorporates £3.9m funding for schemes carried-forward from 2014/15, to be approved as part of the overall 2014/15 capital programme carry-forward in the Integrated Finance & Performance Report.

- LGSS Cambridge Office has capital funding of £209k in 2015/16.This incorporates £209k funding for schemes carried-forward from 2014/15, to be approved as part of the overall 2014/15 capital programme carry-forward in the Integrated Finance & Performance Report.

A detailed explanation of the position for Corporate Services and LGSS Managed can be found in CS appendix 6.

A detailed explanation of the position for LGSS Cambridge Office can be found in LGSS appendix 6.

4. PERFORMANCE

4.1 The table below outlines key performance indicators for Customer Services and Transformation and LGSS Managed Services.

Measure	Reporting frequency	What is good	Unit	Data last entered	Target	Actual	RAG status	Direction of travel	Comments
Customer Service & Transformation									
Proportion of FOI requests responded to within timescales	Monthly	High	%	09/06/15	90.0%	98.0%	Green	↑	
For context only - number of FOI requests received annually	Annually	Low	Num	13/04/15	N/A*	1,166	N/A	N/A	Data reported retrospectively for year-end 2014/15
Proportion of customer complaints received in the month before last that were responded to within minimum response times	Monthly	High	%	27/04/15	90.0%	87.5%	Amber	↑	
For context only - number of complaints received annually per thousand population	Annually	Low	Num	27/04/15	N/A*	1.68	N/A	N/A	Data reported retrospectively for year-end 2014/15
Proportion of all transformed transaction types to be completed online by 31 March 2015***	Annually	High	%	13/04/15	75.0%	70.5%	Amber	↑	
Deprivation measure - Number of physically active adults (narrowing the gap between Fenland and others)	Annually	High	%	N/A	51% (2015) 52% (2016)	49.5% (2014)	TBC	N/A	Data reported retrospectively for 2014
LGSS Managed Services									
Strategy and Estates – capital receipts target managed and achieved	Quarterly	High	%	10/06/15	98% (£4.6m gross)	118.0%	Green	N/A	Data reported retrospectively for year-end 2014/15
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	10/06/15	95% (£3.9m gross)	103.8%	Green	N/A	Data reported retrospectively for year-end 2014/15
IT – availability of Universal Business System****	Quarterly	High	%	24/04/15	95.0%	100.0%	Green	↑	Data reported retrospectively for year-end 2014/15
IT – incidents resolved within Service Level Agreement	Quarterly	High	%	24/04/15	90.0%	100.0%	Green	↑	Data reported retrospectively for year-end 2014/15

The full scorecard for Customer Services and Transformation and LGSS Managed Services can be found at CS appendix 7.

4.2 The table below outlines key performance indicators for LGSS Cambridge Office

Measure	Reporting frequency	What is good	Unit	Data last entered	Target	Actual	RAG status	Direction of travel	Comments
LGSS Cambridge Office									
Percentage of invoices paid within term for month	Monthly	High	%	01/04/15	97.5%	99.8%	Green	N/A	
Percentage of invoices paid within term cumulative for year to date	Monthly	High	%	01/04/15	97.5%	99.8%	Green	N/A	
Total debt as a percentage of turnover	Monthly	Low	%	01/04/15	10.0%	13.5%	Red	↑	23.4% reported last period
Percentage of debt over 90 days old	Monthly	Low	%	01/04/15	20.0%	20.1%	Amber	↓	15.0% reported last period

CS APPENDIX 1 – Corporate Service Level Budgetary Control Report

The variances to the end of May 2015 for Corporate Services, LGSS Managed and Financing Costs are as follows:

Forecast Variance - Outturn (Apr) £000	Service	Current Budget for 2015/16 £000	Expected to end of May £000	Actual to end of May £000	Current Variance £000	Current Variance %	Forecast Variance - Outturn (May) £000	Forecast Variance - Outturn (May) %
	Corporate Services							
0	Director, Policy & Business Support	1,083	274	269	-5	-2	-4	0
0	Chief Executive	296	45	44	0	-1	0	0
0	Corporate Information Management	433	90	87	-3	-3	0	0
0	Customer Services	1,286	180	177	-3	-2	0	0
0	Digital Strategy	511	20	20	0	2	0	0
0	Research	293	70	68	-2	-2	0	0
0	Service Transformation	0	42	42	0	-1	0	0
0	Smarter Business	136	22	22	0	-1	0	0
0	Strategic Marketing, Communications & Engagement	551	116	116	0	0	0	0
0	Elections	198	10	10	0	0	0	0
0	Redundancy, Pensions & Injury	926	185	186	1	1	0	0
0	Grant Income	-146	-44	-44	0	0	0	0
0		**5,567**	**1,011**	**998**	**-13**	**-1**	**-4**	**0**
	LGSS Managed							
0	Building Maintenance	1,108	186	71	-115	-62	0	0
0	City Deal	717	0	0	0	0	0	0
0	County Farms	-3,174	44	-235	-279	-633	-140	4
0	County Offices	5,527	2,791	2,918	127	5	501	9
0	Effective Property Asset Management	121	77	0	-77	-100	0	0
0	External Audit	179	30	-2	-32	-107	0	0
0	Insurance	1,483	0	0	0	0	0	0
0	IT Managed	1,834	706	972	266	38	45	2
0	Members' Allowances	1,000	164	155	-9	-6	0	0
0	OWD Managed	128	36	15	-20	-57	0	0
0	Subscriptions	106	18	71	54	305	0	0
0	Transformation Fund	1,000	298	-129	-427	-143	0	0
0	Authority-wide Miscellaneous	-53	-6	277	284	4550	160	301
0	Grant Income	-100	-25	-25	0	0	0	0
0		**9,877**	**4,318**	**4,089**	**-229**	**-5**	**566**	**6**
	Financing Costs							
0	Debt Charges and Interest	35,460	0	-2,995	-2,995	0	-870	-2
0	**CORPORATE SERVICES TOTAL**	**50,903**	**5,329**	**2,092**	**-3,236**	**-61**	**-308**	**-1**
	MEMORANDUM - Grant Income							
0	Public Health Grant - Corporate Services	-136	-34	-34	0	0	0	0
0	Public Health Grant - LGSS Managed	-100	-25	-25	0	0	0	0
0	Other Corporate Services Grants	-10	-10	-10	0	0	0	0
0		**-246**	**-69**	**-69**	**0**	**0**	**0**	**0**

CS APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

<table>
<tr><th rowspan="2">Service</th><th>Current Budget</th><th colspan="2">Current Variance</th><th colspan="2">Forecast Variance - Outturn</th></tr>
<tr><th>£'000</th><th>£'000</th><th>%</th><th>£'000</th><th>%</th></tr>
<tr><td>County Farms</td><td>-3,174</td><td>-279</td><td>-633%</td><td>-140</td><td>-4%</td></tr>
<tr><td colspan="6">County Farms is forecasting an additional surplus of £140k due to an increase in rent following completion of 60 rent reviews during 2014/15.</td></tr>
<tr><td>County Offices</td><td>5,527</td><td>127</td><td>5%</td><td>+501</td><td>+9%</td></tr>
<tr><td colspan="6">County Offices is forecasting an overspend of £501k. Full-year savings have now been realised in respect of the closure of Dryden House (£203k) and the cessation of Castle Court running costs (£347k). The prior-year savings target for a reduction of the property portfolio has therefore been fully achieved and progress is being made towards the new 2015/16 target (£400k), with a balance of £379k to be identified.

A pressure has been identified in relation to business rates charges for the Children's Centre portfolio. These properties have not previously been subject to business rates, but the sites have been reassessed and it has been determined the Council are liable for payments dating back to 2010/11. This has resulted in a pressure of £175k in 2015/16, with the ongoing unfunded pressure being £35k. In addition, there is a small pressure of £4k resulting from cancellation of prior year invoices that had been disputed.

These pressures have been partially offset by a £42k reduction in the anticipated cost of Dryden House dilapidations and £13k business rates rebate for Unit 3, The Meadows.</td></tr>
<tr><td>Authority-wide Miscellaneous</td><td>-53</td><td>284</td><td>4,550%</td><td>160</td><td>301%</td></tr>
<tr><td colspan="6">Authority-wide miscellaneous is forecasting an overspend of £160k due to a forecast deficit in additional employer pension contributions. This is monitored via the balance sheet each month, but any surplus or deficit at year end is written back to revenue.</td></tr>
<tr><td>Financing Costs</td><td>35,460</td><td>-2,995</td><td>0%</td><td>-870</td><td>-2%</td></tr>
<tr><td colspan="6">Financing Costs are showing an underspend of £870k. At this early stage in the year an underspend of £870k is forecast for Debt Charges. This is largely as a result of a favourable variance for interest payable which has been included on the assumption that the Council will experience significant slippage in the capital programme, as it has done in past years. Initial projections for the Minimum Revenue Provision (MRP) charge also contribute to this underspend, along with lower than budgeted interest recharged internally.</td></tr>
</table>

CS APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which was not built into base budgets.

Grant	Awarding Body	Expected Amount £000
Grants as per Business Plan	Public Health	236*
Non-material grants (+/- £30k)	Various	10**
Total Grants 2015/16		**246**

* The Public Health grant allocation for Corporate Services has been reduced by £29k, compared to the Business Plan figure of £265k.

** This relates to grant funding received during 2014/15, where conditions have now been met and so funding has been applied.

CS APPENDIX 4 – Virements and Budget Reconciliation

Corporate Services:

	£000	Notes
Budget as per Business Plan	**5,673**	
Transfer of Travellers Support budget to ETE	-51	
Transfer Green Spaces budget to ETE	-55	
Current Budget 2015-16	**5,567**	

LGSS Managed:

	£000	Notes
Budget as per Business Plan	**9,144**	
Transfer of City Deal funding from New Homes Bonus to corporate ownership (ETE)	717	
Non-material virements (+/- £30k)	16	
Current Budget 2015-16	**9,877**	

Financing Costs:

	£000	Notes
Budget as per Business Plan	**35,460**	
Non-material virements (+/- £30k)	0	
Current Budget 2014/15	**35,460**	

CS APPENDIX 5 – Reserve Schedule

1. Corporate Services Reserves

Fund Description	Balance at 31 March 2015	Movements in 2015-16	Balance at 31/05/15	Forecast Balance at 31 March 2016	Notes
	£'000	£'000	£'000	£'000	
General Reserve					
Corporate Services Carry-forward	1,020	0	1,020	422	1
subtotal	1,020	0	1,020	422	
Equipment Reserves					
Postal Service	50	0	50	50	
subtotal	50	0	50	50	
Other Earmarked Funds					
Travellers Support Officer	45	0	45	0	3
Shape Your Place - Fenland Grant	18	0	18	0	
Green Spaces	10	0	10	0	3
Election Processes	180	0	180	368	2
EDRM Project	274	0	274	0	
subtotal	527	0	527	368	
Short Term Provisions					
Transforming Cambridgeshire	1,000	0	1,000	955	4
Earith Bridge Travellers Site	43	0	43	0	3
subtotal	1,043	0	1,043	955	
TOTAL	**2,640**	**0**	**2,640**	**1,795**	

Notes

1 The year-end position reflects the Corporate Services underspend of £4k and £602k expected use of operational savings as follows - CRM system (£150k), Digital by Default (£165k), Service Transformation Team (£256k), Digital Delivery Assistant (£31k).

2 The underspend on the Elections budget will be transferred to the earmarked reserve. This is to ensure that sufficient funding is available for the four-yearly County Council election.

3 The Travellers Support Officer, Green Spaces and Transforming Cambridgeshire balances are expected to transfer to ETE.

4 The current year-end position reflects £45k planned use for a post in CS&T.

2. LGSS Managed Reserves

Fund Description	Balance at 31 March 2015 £'000	Movements in 2015-16 £'000	Balance at 31/05/15 £'000	Forecast Balance at 31 March 2016 £'000	Notes
Equipment Reserves					
Corporate Infrastructure Replacement & Renewals	162	0	162	162	
Corporate ICT Assets	475	0	475	475	
Corporate Telephony	5	0	5	5	
subtotal	642	0	642	642	
Other Earmarked Funds					
Manor school site demolition costs	139	0	139	139	1
CPSN Partnership Funds	59	0	59	0	
subtotal	198	0	198	139	
Short Term Provisions					
Insurance Short-term Provision	1,180	0	1,180	1,180	
External Audit Costs	154	0	154	154	
Insurance MMI Provision	32	0	32	0	
Back-scanning Reserve	56	0	56	0	
Contracts General Reserve	893	0	893	0	
Operating Model Reserve	1,000	0	1,000	0	
Redundancy Provision	0	0	0	0	
subtotal	3,316	0	3,316	1,335	
Long Term Provisions					
Insurance Long-term Provision	4,718	0	4,718	4,718	
subtotal	4,718	0	4,718	4,718	
SUBTOTAL	**8,874**	**0**	**8,874**	**6,834**	
Capital Reserves					
Effective Property Asset Management Receipts	0	120	120	0	2
General Capital Receipts	0	140	140	0	2
P&P Commissioning (Property)	472	0	472	472	
Blackwell Travellers Site	9	0	9	0	
subtotal	481	260	741	472	
TOTAL	**9,355**	**260**	**9,615**	**7,306**	

Notes

1 Rental income from Bellerbys buildings on Manor School site is being held to offset demolition costs when the lease expires in 2021.

2 Capital Receipts achieved in 2015/16 will be used to fund the capital programme at year-end.

CS APPENDIX 6 – Capital Expenditure and Funding

Capital Expenditure

Original 2015/16 Budget as per BP £000	Scheme	Revised Budget for 2015/16 £000	Actual Spend (to May) £000	Forecast Spend - Outturn (May) £000	Forecast Variance - Outturn (May) £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
	Corporate Services & LGSS Managed Capital Programme 2015/16					TOTAL SCHEME	
	Corporate Services						
-	Electronic Record Management	56	13	56	-	300	-
300	Essential CCC Business Systems Upgrade	300	-	300	-	300	-
-	Other Schemes	30	-	30	-	40	-
300		**386**	**13**	**386**	**-**	**640**	**-**
	LGSS Managed						
550	EPAM - Shire Hall Campus	937	43	937	-	6,524	(314)
-	EPAM - Fenland	20	(45)	20	-	6,596	(1,145)
45	EPAM - Local Plans Representations	389	4	389	-	1,548	-
1,000	EPAM - County Farms Viability	1,182	(91)	1,182	-	5,000	(396)
600	EPAM - Building Maintenance	600	1	600	-	6,000	-
1,180	EPAM - Sawston Community Hub	1,206	4	1,206	-	1,250	-
1,742	EPAM - East Barnwell Community Hub	1,911	1	1,911	-	2,000	-
-	EPAM - Other Committed Projects	167	(300)	167	-	2,043	(264)
203	EPAM - Renewable Energy Soham	242	-	242	-	12,030	-
200	EPAM - Housing Provision on CCC Portfolio	367	3	367	-	17,500	-
50	EPAM - Disposal / Relocation of Huntingdon Highways Depot	125	-	125	-	1,625	-
630	EPAM - MAC Market Towns Project	630	-	630	-	1,780	-
-	Carbon Reduction	593	14	593	-	1,673	(650)
1,840	Optimising IT for Smarter Business Working	2,216	-	2,216	-	3,375	-
950	IT Infrastructure Investment	1,708	2	1,708	-	2,400	-
-	Cambridgeshire Public Sector Network	189	-	189	-	5,554	-
500	Microsoft Enterprise Agreement	500	-	500	-	1,902	-
500	Implementing IT Resilience Strategy for Data Centres	500	-	500	-	500	-
1,000	Communications & Storage Infrastructure Refresh	1,000	-	1,000	-	1,000	-
395	Other Schemes	792	1	792	-	1,095	(57)
11,385		**15,274**	**(363)**	**15,274**	**-**	**81,395**	**(2,827)**
11,685	**TOTAL**	**15,660**	**(350)**	**15,660**	**-**	**82,035**	**(2,827)**

Previously Reported Exceptions

As reported in 2014/15, a reduction in the estimated cost of final retention payments for the Awdry House site has increased the predicted total scheme underspend to £1.1m,.

The works planned under the Carbon Reduction scheme were reviewed in 2014/15 and a new schedule was agreed. As reported in 2014/15, the agreed work plan is expected to deliver a total scheme underspend of £0.65m.

Capital Funding

Corporate Services & LGSS Managed Capital Programme 2015/16				
Original 2015/16 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2015/16 £000	Forecast Spend - Outturn (May) £000	Forecast Funding Variance - Outturn (May) £000
	Corporate Services			
300	Prudential Borrowing	386	386	-
300		**386**	**386**	**-**
	LGSS Managed			
4,531	Capital Receipts	4,531	4,531	-
255	Developer Contributions	255	255	-
6,599	Prudential Borrowing	10,488	10,488	-
11,385		**15,274**	**15,274**	**-**
11,685	**TOTAL**	**15,660**	**15,660**	**-**

Previously Reported Exceptions

There are no previous exceptions to report.

CS Appendix 7 – Performance Scorecard

Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG status	Direction of travel	Comments	Year end RAG (2014-15)
Customer Service and Transformation											
Proportion of FOI requests responded to within timescales	Monthly	High	%	09/06/15	1 - 31 May 2015	90%	98.0%	Green	↑	**Year-end 2014-15** In 2014/15 we received 1166 FOI Requests where 1105 were responded to on time and 61 were not (95%). The number of requests received that have been directed to information that has already been published by the council has increased from 10 requests in 2013/14 to 49 requests in 2014/15. *As of 1 April 2015, target amended to 90% (previously 95%).*	Green
For context only - number of FOI requests received annually	*Annually*	*Low*	*Num*	*13/04/15*	*1 April 2014 - 31 March 2015*	*N/A**	*1166*	*N/A*	*N/A*	** No target or RAG status for this indicator. Purpose is to set the context.* *2013/14 - 1153* *2012/13 – 899* *2011/12 – 917* *2010/11 - 834* *Running total will be collected quarterly. Data to be next reported on in July 2016 for Q1 2016/17.*	**N/A**
Proportion of customer complaints received in the month before last that were responded to within minimum response times	Monthly	High	%	27/04/15	1 - 31 March 2015	90%	87.5%	Amber	↑	Number of customer complaints for March 2015 = 64 Breakdown of March 2015 figures CFA received 23 formal complaints of which 1 case remains outstanding but could still be responded to within Social Care response timescales. Excluding this one case, this month's figure is 95.65%. ETE received 41 complaints of which 7 failed to meet the target of responding within timescales. As at the 24th April 2015, 6 of these cases have been closed. The remaining case is with responsible teams for investigation. This month's figure is 82.92%. CS&T received no complaints. LGSS received no complaints. **Year-end 2014-15** Across all directorates, 1064 complaints were received in the period 1 Apr 2014 to 31 Mar 2015. 909 of these were responded to within the timescales, giving an overall percentage of **85.43%**. By directorate, this breaks down as: CFA received 479 complaints, of which 443 were responded to within timescales (92.48%). ETE received 552 complaints, of which 438 were responded to within timescales (79.34%). CS&T received 31 complaints, of which 27 were responded to within timescales (87.10%). LGSS received 2 complaints, of which 1 was responded to within timescales (50.00%).	Amber
For context only - number of complaints received annually per thousand population	*Annually*	*Low*	*Num*	27/04/15	*1 April 2014 - 31 March 2015*	*N/A**	*1.68***	*N/A*	*N/A*	** No target or RAG status for this indicator. Purpose is to set the context.* *** Based on Cambridshire Insight mid-2013 population estimate of 635,100 residents* *Data to be next reported on in May 2016 for period of 1 April 2015 - 31 March 2016*	**N/A**

Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG status	Direction of travel	Comments	
Proportion of all transformed transaction types to be completed online by 31 March 2015***	Annually	High	%	13/04/15	1 January to 31 March 2015 (Q4)	75%	70.5%	Amber	↑	Q4 2014/15 figures Jan 15 - 71.2% Feb 15 - 67.5% Mar 15 - 72.5% Some technical problems have caused some downtime (especially in February). As a wider range of services are being deployed this figure is expected to move towards green. Q3 2014/15 - 63.7% **Year-end 2014-15** Year end 2014/15 - 60.7% *To be next reported on in July 2015 for Q1 2015/16*	Red
Deprivation measure - Number of physically active adults (narrowing the gap between Fenland and others)	Annually	High	%	N/A	1 April 2015 - 31 March 2016	51% (2015) 52% (2016)	49.5% (2014)	TBC	N/A	New indicator identified by GPC in response to the deprivation motion passed by Council in July 2014. Indicator shared with Public Health.	N/A
LGSS Managed Services											
Strategy and Estates – capital receipts target managed and achieved	Quarterly	High	%	10/06/15	1 April 2014 - 31 March 2015	98% (£4.6m gross)	118.0%	Green	N/A	The market has been improving and a revised forecast was taken to Group Leaders in December 2014, indicating that the likely capital receipts for the year would be now be between £6m (high likelihood) and £10m (medium likelihood). **Year-end 2014-15** £5.429million was collected against a profiled target of £4.6m.	Green
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	10/06/15	1 April 2014 - 31 March 2015	95% (£3.9m gross)	103.8%	Green	N/A	**Year-end 2014-15** £4,047,237 was collected on time against a target of £3.9m.	Green
IT – availability of Universal Business System****	Quarterly	High	%	24/04/15	1 January - 31 March 2015 (Q4)	95%	100.0%	Green	↑	Q3 2014/15 - 99.7% Q2 2014/15 - 99.8% Q1 2014/15 - 99.7% Data to be next reported on in July 2015 for Q1 2015/16.	Green
IT – incidents resolved within Service Level Agreement	Quarterly	High	%	24/04/15	1 January - 31 March 2015 (Q4)	90%	100.0%	Green	↑	Q3 2014/15 - 96.0% Q2 2014/15 - 91.0% Q1 2014/15 - 95.0% Data to be next reported on in July 2015 for Q1 2015/16.	Green

LGSS APPENDIX 1 – Service Level Budgetary Control Report

The variances to the end of May 2015 for LGSS Cambridge Office are as follows:

Forecast Variance - Outturn (Apr) £000	Service	Current Budget for 2015/16 £000	Expected to end of May £000	Actual to end of May £000	Current Variance £000	Current Variance %	Forecast Variance - Outturn (May) £000	Forecast Variance - Outturn (May) %
	LGSS Cambridge Office							
	Central Management							
0	Service Assurance	69	10	10	0	4	0	0
0	Trading	-8,809	-1,247	-177	1,071	86	0	0
0	LGSS Equalisation	701	-144	0	144	0	0	0
0	Grant Income	-419	-254	-254	0	0	0	0
0		**-8,457**	**-1,635**	**-420**	**1,215**	**74**	**0**	**0**
	Finance							
0	Chief Finance Officer	1,027	147	151	5	3	0	0
0	Professional Finance	2,013	456	418	-38	-8	0	0
0	Strategic Assets	846	153	138	-15	-10	0	0
0	Pensions Service	0	-1,304	-1,311	-6	0	0	0
0		**3,885**	**-549**	**-604**	**-55**	**10**	**0**	**0**
	People, Transformation & Transactional							
0	HR Business Partners	1,277	234	198	-35	-15	0	0
0	HR Policy & Strategy	315	68	19	-49	-72	0	0
0	LGSS Programme Team	1,880	305	377	72	23	0	0
0	Organisational & Workforce Development	343	79	62	-17	-21	0	0
0	Revenues and Benefits	2,327	383	286	-97	-25	0	0
0	Transactional Services	1,165	391	114	-277	-71	0	0
0		**7,307**	**1,461**	**1,057**	**-404**	**-28**	**0**	**0**
	Law , Property & Governance							
0	Audit & Risk Management	758	154	188	34	22	0	0
0	Democratic & Scrutiny Services	466	75	58	-17	-23	0	0
0	LGSS Law Ltd	-372	74	-171	-244	-332	0	0
0	Procurement	314	32	30	-2	-8	0	0
0	Property Operations & Delivery	701	242	242	0	0	0	0
0		**1,868**	**577**	**347**	**-230**	**-40**	**0**	**0**
0	IT Services	5,247	1,011	1,411	400	40	0	0
0	**Total LGSS Cambridge Office**	**9,849**	**865**	**1,791**	**926**	**107**	**0**	**0**
	MEMORANDUM - Grant Income							
0	Public Health Grant	-220	-55	-55	0	0	0	0
0	Counter Fraud Initiative Grant	-199	-199	-199	0	0	0	0
0		**-419**	**-254**	**-254**	**0**	**0**	**0**	**0**

LGSS APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget £'000	Current Variance £'000	%	Forecast Variance - Outturn £'000	%
There are no significant variances to report this month for LGSS Cambridge Office.					

LGSS APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which is not built into base budgets.

	Awarding Body	Expected Amount £'000
Grants as per Business Plan	Various	419*
Non-material grants (+/- £30k)		0
Total Grants 2014/15		**419**

* The Counter Fraud Initiative Fund grant received in 2015/16 is £9k more than the Business Plan figure of £190k.

LGSS APPENDIX 4 – Virements and Budget Reconciliation

	£'000	Notes
Budget as per Business Plan	9,864	
Non-material virements (+/- £30k)	-15	
Current Budget 2015-16	**9,849**	

LGSS APPENDIX 5 – Reserve Schedule

Fund Description	Balance at 31 March 2015	Movements in 2015-16	Balance at 31/05/15	Forecast Balance at 31 March 2016	Notes
	£'000	£'000	£'000	£'000	
General Reserve					
LGSS Cambridge Office Carry-forward	1,003	0	1,003	1,003	1
subtotal	1,003	0	1,003	1,003	
Other Earmarked Funds					
Counter Fraud Initiative	130	0	130	0	2
subtotal	130	0	130	0	
SUBTOTAL	**1,134**	**0**	**1,134**	**1,003**	
TOTAL	**1,134**	**0**	**1,134**	**1,003**	

Notes

1. The year-end position reflects the LGSS Cambridge Office predicted breakeven position and £0k expected use of operational savings.
2. The Counter Fraud Initiative grant was unapplied in 2014/15 and so the balance was transferred to the earmarked reserve.

LGSS APPENDIX 6 – Capital Expenditure and Funding

Capital Expenditure

LGSS Cambridge Office Capital Programme 2015/16					TOTAL SCHEME	
Original 2015/16 Budget as per BP £000	Scheme	Revised Budget for 2015/16 £000	Actual Spend 2015/16 £000	Variance 2015/16 £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
-	R12 Convergence	209	-	-	600	-
-	**TOTAL**	**209**	**-**	**-**	**600**	**-**

Previously Reported Exceptions

There are no previous exceptions to report.

Capital Funding

LGSS Cambridge Office Capital Programme 2014/15				
Original 2015/16 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2015/16 £000	Forecast Spend - Outturn (May) £000	Forecast Funding Variance - Outturn (May) £000
-	Prudential Borrowing	209	209	-
-	**TOTAL**	**209**	**209**	**-**

Previously Reported Exceptions

There are no previous exceptions to report.

APPOINTMENTS TO OUTSIDE BODIES, INTERNAL ADVISORY GROUPS AND PANELS, AND PARTNERSHIP LIAISON AND ADVISORY GROUPS

To:	**General Purposes Committee**		
Meeting Date:	**28 July 2015**		
From:	**Chief Executive**		
Electoral division(s):	**All**		
Forward Plan ref:	**Not applicable**	*Key decision:*	**No**

Purpose: **To consider appointments to outside bodies, internal advisory groups and panels, and partnership liaison and advisory groups.**

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

(i) review and agree the appointments to outside bodies as detailed in Appendix 1.

(ii) agree appointments to the Member Development Panel and the Council's Diversity Group, and review and continue to refer appointments to the other internal advisory groups and panels, as detailed in Appendix 2, to the relevant policy and service committee.

(iii) review and agree appointments, and continue refer appointments to the other partnership liaison and advisory groups, as detailed in Appendix 3, to the relevant policy and service committee.

	Officer contact:
Name:	Michelle Rowe
Post:	Democratic Services Manager
Email:	michelle.rowe@cambridgeshire.gov.uk
Tel:	01223 699180

1. BACKGROUND

1.1 The County Council's Constitution states that the General Purposes Committee has

- Authority to nominate representatives to Outside Bodies other than the Cambridgeshire and Peterborough Fire Authority, the County Councils' Network Council and the Local Government Association.

- Authority to determine the Council's involvement in and representation on County Advisory Groups. The Committee may add to, delete or vary any of these advisory groups, or change their composition or terms of reference.

1.2 At its meeting on 20 May 2014, General Purposes Committee:

- reviewed and agreed the appointments to outside bodies as detailed in Appendix 1.

- agreed appointments to the Member Development Panel, and reviewed and referred appointments to the other internal advisory groups and panels, as detailed in Appendix 2, to the relevant service committee.

- reviewed and agreed appointments, and referred appointments to the other partnership liaison and advisory groups, as detailed in Appendix 3, to the relevant service committee.

2. APPOINTMENTS

2.1 The outside bodies where appointments are required are set out in **Appendix 1** to this report. It is proposed that the Committee should review whether the Council should continue to be represented on any of these bodies. The Committee's attention is drawn to the following:

- a request from Councillor Mason to step down as the Council's representative on the Conservators of the River Cam;

- two vacancies on Ditchburn Place/Stanton House Management Committee, (shall we inform the relevant contact that we only need one place?);

- one vacancy on Evelyn Boake Charitable Trust (Cherry Trees Club), (shall we inform the relevant contact that we only need one place?);

- one vacancy on Relate Cambridge, (shall we inform the relevant contact that we no longer wish to be represented?);

- one vacancy on St Columba Centre Management Committee, (shall we inform the relevant contact that we no longer wish to be represented?);

2.2 The internal advisory groups and panels where appointments are required are set out in **Appendix 2** to this report. It is proposed that the Committee should review whether the Council should continue to be represented on any of these bodies, agree appointments to the Member Development Panel, and refer the remaining appointments to the relevant policy and service committee.

Notification has been received recently that the Council's Diversity Group should be added to this list. There are currently two vacancies on this Group for a UKIP and Independent Member representatives.

2.3 The partnership liaison and advisory groups where appointments are required are set out in Appendix 3 to this report. It is proposed that the Committee should review whether the Council should continue to be represented on any of these bodies, agree appointments where appropriate, and refer the remaining appointments to the relevant policy and service committee. The Committee needs to appoint a representative to the Fenland Crime and Reduction Partnership. The Conservative Group has nominated Councillor Samantha Hoy. The Economy and Environment Committee have asked for the Eastern Agri-Tech Programme Delivery Board to be transferred from outside bodies to partnership liaison and advisory groups and that this should be an appointment for the Economy and Environment Committee to make.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority. Some of the bodies such as the Local Transport Board and the Connecting Cambridgeshire Delivery Group have an impact.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority. Some of the bodies such as the Huntingdon Association for Community Transport Board and the Cambridgeshire Children's Trust have an impact.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority. Some of the bodies such as the Adoption Panel and the Cambridgeshire Carers Partnership Board have an impact.

4. SIGNIFICANT IMPLICATIONS

4.1 There are no significant implications within these categories:

- Resource Implications
- Statutory, Risk and Legal Implications
- Equality and Diversity Implications
- Engagement and Consultation Implications
- Localism and Local Member Involvement
- Public Health Implications

Source Documents	Location
Appointments to Outside Bodies: General Purposes Committee Appointments to Internal Advisory Groups and Panels Appointments to Partnership Liaison and Advisory Groups	Room 117, Shire Hall, Cambridge

Appendix 1

CAMBRIDGESHIRE COUNTY COUNCIL
APPOINTMENTS TO OUTSIDE BODIES: GENERAL PURPOSES COMMITTEE

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Cambridge & County Folk Museum Management Committee To provide a social history museum service for the County with special emphasis on schools.	4+	1	**Councillor G Kenney** (Con)	Polly Hodgson Curator 01223 355159 polly@folkmuseum.org.uk
Cambridge & District Citizens Advice Bureau Management Committee To provide free, confidential and impartial advice to the public. Its aim is to ensure that the public does not suffer through lack of knowledge of their rights and responsibilities or of the services available to them.	4 – 6	1	**Councillor L Nethsingha** (LD)	Rachel Talbot Chief Executive 01223 222660 rachelT@cambridgecab.org.uk
Cambridge Airport Consultative Committee The purpose of the Consultative Committee is to provide an effective forum for discussion about all matters concerning the operation and development of Cambridge Airport.	3	1	**Councillor P Sales** (Lab)	Terry Holloway, Group Support Executive 01223 373227 TH@Marcamb.co.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Cambridge Council for Voluntary Service Cambridge CVS is an independent registered charity, set up by local organisations as an infrastructure and network organisation to help and support community and voluntary groups in Cambridge City and South Cambridgeshire.	4	1 Observer Status	**Councillor L Nethsingha** (LD)	Jez Reeve General Secretary 01223 464696 enquiries@cambridgecvs.org.uk
Cambridge Sports Hall Trust Management Committee A management committee administering the running of the Kelsey Kerridge Sports Hall in Cambridge.	6	1	**Councillor A Walsh** (Lab)	Peter Jakes Company Secretary 01223 462226
Cambridgeshire and Peterborough Association of Local Councils (CAPALC) District Committees: • East Cambridgeshire • Fenland • Huntingdonshire • South Cambridgeshire The District Associations have a direct feed into the strategic direction and governance of CAPALC as each of the District Association chairmen have a seat on the CAPALC Board.	4	1 to each	**Councillor P Brown** (Con) **Councillor S Count** (Con) **Councillor R Hickford** (Con) **Councillor M Shuter** (Con)	Ian Dewar Chief Executive 01480 375629

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Cambridgeshire & Peterborough Young Farmers Clubs To provide training and social facilities for young members of the community.	6	1	**Councillor D Brown** (Con)	Kim Bullen County Organiser 01480 830907 cambsyoungfarmers@btconnect.com
Cambridgeshire Police and Crime Panel The role of the panel is to scrutinise the Police and Crime Commissioner.	7 approx.	3	**1. Cllr M McGuire** (Con) **2. Cllr P Reeve** (UKIP) **3. Cllr M Shellens** (LD)	Paulina Ford Senior Governance Officer Peterborough City Council 01733 452508 Paulina.Ford@peterborough.gov.uk
Camsight Cam Sight is a charity working with blind and partially sighted people within Cambridgeshire.	4	1	**Councillor S Rylance** (UKIP)	Anne Streather Chief Executive 01223 420033 anne@camsight.org
Centre 33 Centre 33 is a longstanding charity supporting young people in Cambridgeshire up to the age of 25 through a range of free and confidential services.	4	1	**Councillor F Onasanya** (Lab)	Melanie Monaghan Chief Executive 01223 314763 help@centre33.org.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Conservators of the River Cam The Conservators are the statutory navigation authority for Cambridge between the Mill Pond in Silver Street to Bottisham Lock with lesser responsibilities up-stream to Byron's Pool.	4	1	**Vacancy**	Dr Phillipa Noon River Manager 01223 863847 river.manager@camconservators.org.uk
Ditchburn Place/Stanton House Management Committee Ditchburn Place is a mixed housing development on Mill Road, Cambridge that is close to a wide range of shops and community facilities. Stanton House provides sheltered housing.	2	3	**1. Councillor A Walsh** (Lab) **2. Vacancy** **3. Vacancy**	Jill Frost Manager 01223 314 800 lynnem@cambridge.gov.uk
Duxford Neighbours Forum Liaison meeting with the Director of the Museum.	2	1	**Councillor P Topping** (Con)	Lyn Dobson Business Planning and Finance Manager 01223 835000 Ldobson@iwm.org.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
East of England Local Government Association Children's Services and Education Portfolio-Holder Network The network brings together the lead members for children's service and education from the 11 strategic authorities in the East of England. It aims to: • give councils in the East of England a collective voice in response to consultations and lobbying activity • provide a forum for discussion on matters of common concern and share best practice • provide the means by which the East of England contributes to the work of the national LGA and makes best use of its members' outside appointments.	4	1	**1. Councillor D Brown** (Con) **2. Councillor J Whitehead** (Lab)	Cinar Altun 01284 758321 Cinar.altun@eelga.gov.uk
East of England Local Government Association Resource Portfolio Holders Board Non-executive networking group of Resources Portfolio Holders.	4	1	**Councillor R Hickford** (Con)	Cinar Altun 01284 758321 Cinar.altun@eelga.gov.uk
ESPO Management Committee Purchasing and contracting service for 10 member Authorities.	4	2	1. **Councillor D Connor** (Con) 2. **Councillor R Hickford** (Con)	Mr B Holihead Committee Officer Leicestershire County Council County Hall Glenfield Leicester LE3 8RA

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
ESPO Management Committee - Budget Sub Committee	As required	1	**Councillor R Hickford** (Con)	Mr B Holihead Committee Officer Leicestershire County Council County Hall Glenfield Leicester LE3 8RA
Evelyn Boake Charitable Trust (Cherry Trees Club) A charity established for the relief of the aged – in particular for the building and repair of a club or clubs in Cambridge for persons over 60 years of age or for purchasing or leasing land for that purpose.	1	2	**1. Councillor A Walsh** (Lab) **2. Vacancy**	J R Flint Trustee
Haddenham Foundation of Elizabeth March An educational charity to help people under 25 years of age entering further education, preparing to enter a profession, trade or calling (including social and physical training) and to provide equipment at the local school. One of the persons listed represents the County Council but is not an elected Member.	3	2	**1. Councillor B Hunt** (Con) **2. Mr Andy Graham**	Mrs L Peacock 01353 740038
Hinchingbrooke Country Park Joint Group To monitor the operation of Hinchingbrooke Country Park.	2	1	**Councillor P Brown** (Con)	Helen Taylor Hunts District Council 01480 388008 Helen.Taylor@huntingdonshire.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Huntingdon Freemen's Trust A charity assisting individuals and organisations falling within the Huntingdon Town Council area only. **[Term of Office is for four years from 20 May]**	11	1	**Councillor M Shellens** (LD)	Ruth Black Clerk to the Charity 01480 414909 clerk@huntingdonfreemen.org.uk
Hunts Forum of Voluntary Organisations Hunts Forum of Voluntary Organisations is an umbrella body for voluntary and community groups in Huntingdonshire. It is an independent, non-profit making group formed from a coalition of local voluntary organizations and run by an elected committee of voluntary sector representatives. It supports voluntary and community organisations with information, advice and training.	4	2	**1. Councillor S Criswell** (Con) **2. Councillor P Downes** (LD)	Julie Farrow Hunts Forum of Voluntary Organisations 01480 420601 julie@huntsforum.org.uk
Isle of Ely Society for the Blind Provides advice and support to people with low vision and their families. Undertakes lunch clubs, outings and bowling events.	4	1	**Councillor F Yeulett** (Con)	Janet Fisher 01354 656726 ioesb@live.co.uk
Local Transport Board To agree and oversee the delivery of a programme of major transport schemes which will help to support the sustainable growth and continued prosperity of the Greater Cambridge Greater Peterborough area.	As required / at least quarterly	3	**1. Councillor Ian Bates** (Con) **2. Councillor Ed Cearns** (LD) **3. Councillor Roger Hickford** (Con)	Dearbhla Lawson Head of Service for Transport and Infrastructure Policy and Funding 01223 714695 dearbhla.lawson@cambridgeshire.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
London Stansted Corridor Consortium Board A group of authorities and organisations in a corridor from London to Cambridge and Peterborough who are lobbying for improved infrastructure and connectivity.	4	1	**Councillor I Bates (Con)**	J McGill Director NELSA and London Stansted Cambridge Consortium 020 84895282 John.McGill@haringey.gov.uk
Manea Educational Foundation Established to provide grants and financial assistance for people up to the age of 25 years living within the Parish of Manea.	2	1	**Councillor D Connor** (Con)	Ro King Treasurer/Secretary Nking38167@aol.com
March Educational Foundation Assistance to persons under the age of 25 who are resident in the Parish of March.	3 – 4	1	**Councillor J Clark** (Con)	Mr R C Gill Clerk to the Trustees
Mobilising Local Energy Investments in Cambridgeshire and Peterborough – Project Advisory Board The Partnership includes Cambridgeshire County Council, Peterborough City Council, Cambridge City Council, South Cambridgeshire District Council, Huntingdonshire District Council and Cambridge University. The project provides capacity in the local authorities involved to pilot public sector projects to deliver energy-generating schemes and retrofit projects.		1	**Councillor M Shuter** (Con)	Sheryl French MLEI Project Director Cambridgeshire County Council sheryl.french@cambridgeshire.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Needhams Foundation, Ely Needham's Foundation is a Charitable Trust, the purpose of which is to provide financial assistance for the advancement of education, to schools and individuals in the City of Ely. One of the persons listed represents the County Council but is not an elected Member.	2	2	**1. Mrs V Hearne-Casapieri** **2. Councillor M Rouse** (Con)	Tracey Coulson Correspondent to the Foundation 01353 669244 philipcoulson@tesco.net
Relate Cambridge Relate Cambridge is part of a national organisation (www.relate.org.uk) working with people for nearly 70 years to build better relationships.	3	1	**Vacancy**	Claire Nunes 01223 365129 admin@relatecambridge.org.uk
Reserve Forces and Cadets Assoc. for East Anglia To raise, recruit and administer the Territorial Army Volunteer Reserve and Cadet Forces.	2	1	**Councillor M McGuire** (Con)	Mr T. G. Louth Springfield Tyrells 250 Springfield Road CHELMSFORD CM2 6BU
Rural Cambridgeshire Citizens' Advice Bureau Management Committee To promote any charitable purpose for the benefit of the community in Huntingdonshire, Fenland and East Cambridgeshire and the advancement of education, the protection of health and the relief of poverty, sickness and distress.	2	1	**Councillor B Hunt** (Con)	Beverley Howard Bureau Manager 0845 1306442 www.ruralcambscab.org.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Shepreth School Trust Provides financial assistance towards educational projects within the village community, both to individuals and organisations.	4	1	**Councillor S van de Ven** (LD)	Caroline Pepper 01763 263321 cpepper@totalise.co.uk
Soham & District Sports Association Management Committee Charity providing sport for the local community.	4	1	**Councillor J Palmer** (Con)	Carol Brannan 01353 722662 sdsa@rosspeers-sportscentre.co.uk
Soham Moor Old Grammar School Foundation Registered charity promoting the education of young people attending Soham Village College who are in need of financial assistance or to providing facilities to the Village College not normally provide by the education authority.	2	1	**Councillor J Schumann** (Con)	Graham Loasby 01353 721113 gralow@btinternet.com
St Columba Centre Management Committee To provide therapy and care for people with emotional difficulties and psychiatric illnesses.	2	1	**Vacancy**	Dan Jones Centre Director St Columba Group Therapy Centre StColCentr@aol.com

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
St Neots Museum Management Committee Provides advice and management support to St Neots Museum for the benefit of the local community.	2	1	**Councillor B Chapman** (Con)	Clive Thompson Chairman 01480 214163 stneotsmuseum@tiscali.co.uk
Thomas Squire Charity Provision of special benefits and scholarships for pupils of the Elm and Emneth Endowed School which are not normally provided by the local Education Authority.	1	1	**Councillor G Gillick** (UKIP)	Susan Lambert 01945 773779 Slambert58@sky.com
Trigg Charity Trust (Melbourn) The Trigg Charity provides financial assistance to local schools / persons for their educational benefit.	2	1	**Councillor S van de Ven** (LD)	Gillian Morland 01763 260616 Gillian.morland@virgin.net
Warboys Old Village School Board Trust To make grants to the Village School, youth groups and individuals for educational purposes. Applicants must reside within the Warboys parish boundary.	3	1	**Councillor M Tew** (UKIP)	Linda Sawyer Clerk to the Trustees 01487 822357 Linda.sawyer48@btinternet.com

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Wisbech & Fenland Museum A public museum involved in educational projects, historical archives and special exhibitions relating to the collection and local personalities. The person listed represents the County Council but is not an elected Member.	6 – 10	2	**Mr M Gibson**	William Knowles Honorary Secretary 01945 583817 info@wisbechmuseum.org.uk
Wisbech Community Development Trust Community facilities provided within the Oasis Community Centre, Wisbech.	tbc	1	**Councillor P Clapp** (UKIP) ***[Request to have officer also attend with observer status]***	Chairman Wisbech Community Development Trust The Oasis Centre 01945 461526
WREN [Waste Recycling Environmental] WREN is a not-for-profit business that helps benefit the lives of people who live close to landfill sites by awarding grants for environmental, heritage and community projects.	3	1	**Councillor D Giles** (Ind)	Peter Cox Managing Director 01953 718202 wren@wren.org.uk

Appendix 2

CAMBRIDGESHIRE COUNTY COUNCIL
APPOINTMENTS TO INTERNAL ADVISORY GROUPS AND PANELS

Key to approval of appointment:

General Purposes Committee	
Adults Committee	
Children and Young People Committee	
Economy and Environment Committee	
Health Committee	
Highways and Community Infrastructure Committee	

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Adoption Panel The function of the Adoption Panel is to make quality and appropriate recommendations, and to review recommendations proposed by the Adoption Service. This is in relation to whether the child should be placed for adoption; whether a prospective adopter(s) is suitable to adopt a child; and whether the child should be placed for adoption with a particular prospective adopter.	11	2	**1. Councillor P Brown** (Con) **2. Councillor G Kenney** (Con)	Barbro Loader Adoption Partnership Manager Barbro.Loader@cambridgeshire.gov.uk
Cambridgeshire Admission Forum The role of the Forum is to consider and advise on the fairness of admission arrangements for schools in Cambridgeshire.	2	2	**1. Councillor D Harty** (Con) **2. Councillor J Whitehead** (Lab)	Ruth Yule Democratic Services Officer ruth.yule@cambridgeshire.gov.uk 01223 699184

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Cambridgeshire Carers Partnership Board The role of the Cambridgeshire Carers Partnership Board is to develop, co-ordinate and monitor services and support delivered to carers across Cambridgeshire.	6 approx	1	**Councillor F Yeulett** (Con)	Elaine Fleet Commissioning Manager (Carers) Children, Families & Adults 01223 715572 Elaine.Fleet@cambridgeshire.gov.uk
Cambridgeshire Culture Steering Group The role of the group is to give direction to the implementation of Cambridgeshire Culture, agree the use of the Cambridgeshire Culture Fund, ensure the maintenance and development of the County Art Collection and oversee the loan scheme to school and the work of the three Cambridgeshire Culture Area Groups.	3	3	1. **Councillor D Harty** (Con) 2. **Councillor N Kavanagh** (Lab) 3. **Councillor L Nethsingha** (LD)	Keith Grimwade Service Director - Learning 01223 507165 Keith.Grimwade@cambridgeshire.gov.uk
Cambridgeshire Schools Forum The Cambridgeshire Schools Forum exists to facilitate the involvement of schools and settings in the distribution of relevant funding within the local authority area	6	3 Observer Status	1. **Councillor P Downes** (LD) 2. **Councillor D Harty** (Con) 3. **Councillor J Whitehead** (Lab)	Rob Sanderson Democratic Services Officer rob.sanderson@cambridgeshire.gov.uk 01223 699181

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Corporate Parenting Executive Board			**Councillor J Whitehead** (Lab)	
Cromwell Museum Management Committee The Museum Management Committee's function is to both act as a representative body that advises the officer responsible for the Museum, and as a point of liaison between the Museum and other interested parties.	2	3	1. **Councillor P Brown** (Con) 2. **Councillor P Downes** (LD) 3. **Councillor J Wisson** (Con)	Ruth Yule Democratic Services Officer ruth.yule@cambridgeshire.gov.uk 01223 699184
Cycling Safety Working Group An ad-hoc working group to review and suggest improvements to cycling safety within the County. The Group consists of four Members and representatives from Road Safety, Transport Strategy, Road Engineering and Public Health.	As required	5	1. **Councillor S Criswell** (Con) 2. **Councillor N Kavanagh** (Lab) 3. **Councillor A Taylor** (LD) 4. **Councillor J Schumann** (Con) 5. **Councillor S van de Ven** (LD)	Amanda Mays Road Safety Manager Amanda.mays@cambridgeshire.gov.uk 01223 715923
Diversity Group Exists to act as the co-ordinating body to further the Council's role as a community leader, helping build a stronger, healthier, more inclusive society, which values diversity and recognises the contribution that those from different groups and backgrounds can make by championing and supporting the delivery of the Council's Single Equality Strategy and underpinning action plan across all parts of the organisation.	Quarterly		1. **Councillor E Cearns** (LD) 2. **Councillor A Dent** (C) 3. **Councillor J Scutt** (L) 4. **Vacancy** (UKIP) 5. **Vacancy** (Ind.)	

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Fostering Panel Recommends approval and review of foster carers and long term / permanent matches between specific children, looked after children and foster carers.	2 all-day panel meetings a month	2	**1. Councillor D Connor** (Con) **2. Councillor J Wisson** (Con)	Jill Blose Service Manager for Fostering & Adoption 01480 372494 Jill.Blose@cambridgeshire.gov.uk
General Purposes Committee – Consultation Working Group The purpose of the group is to consider the statutory requirements placed on the organisation to consult and then to consider cost effective ways to support the whole organisation in discharging its duties (including in relation to the County Council's Business Plan). This will include the possibility of establishing a residents' panel.	3	5	1. **Councillor A Lay** (UKIP) **2. Councillor L Nethsingha** (LD) **3. Councillor J Schumann** (Con) **4. Councillor J Whitehead** (Lab) **5.**	M Soper Research and Performance Team Manager Michael.Soper@cambridgeshire.gov.uk 01223 715312
Huntingdon and Godmanchester Market Town Strategy- steering group A transport strategy document focusing solely on the Huntingdon area. It envisages small-medium scale transport schemes to be delivered over the coming years.	4 approx	1	**Councillor P Brown** (Con)	James Barwise Transport & Infrastructure Officer James.Barwise@cambridgeshire.gov.uk 01223 703522

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Local Highway Improvement Scheme – Member Working Group To review the current Local Highways Improvement Scheme (LHIS) to ensure that the scheme best meets community needs, given the overall limitations on highway budgets.		11	**Councillor R Butcher** (Con) **Councillor D Connor** (Con) **Councillor S Criswell** (Con) **Councillor R Hickford** (Con) **Councillor N Kavanagh** (Lab) **Councillor J Palmer** (Con) **Councillor P Reeve** (UKIP) **Councillor M Rouse** (Con) **Councillor A Taylor** (LD) **Councillor A Walsh** (Lab) **Councillor S van de Ven** (LD)	Richard Lumley Richard.Lumley@cambridgeshire.gov.uk 01223 703839
Member Development Panel Oversees the training and development for Members.	As required	6	**1. Councillor I Bates (Con)** **2. Councillor P Bullen (UKIP)** **3. Councillor S Criswell (Con)** **4. Councillor L Nethsingha (LD)** **5. Councillor P Sales (Lab)** **6. Councillor M Smith (Con)**	Michelle Rowe Democratic Services Manager michelle.rowe@cambridgeshire.gov.uk 01223 699180
New Street Ragged School Trust Management of the Cambridge Learning Bus, which visits Cambridge City schools to provide additional learning experiences for primary aged children.	2	1	**Councillor L Nethsingha** (LD)	Keith Grimwade Service Director – Learning Keith.Grimwade@cambridgeshire.gov.uk 01223 507165
Places Planning Project Board An internal meeting bringing together all services involved with school and setting place planning.	6	1	**1. Councillor D Harty** (Con) **2. Councillor J Whitehead** (Lab)	Keith Grimwade Service Director – Learning Keith.Grimwade@cambridgeshire.gov.uk 01223 507165

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Public Service Reform Member Reference Group **(originally set up as the Rewiring Public Services Group)** Forum for updating Members on the development of options for the reform of public services.	6	9	1. **Councillor P Bullen** (UKIP) 2. **Councillor S Bywater** (UKIP 3. **Councillor E Cearns** (LD) 4. **Councillor S Count** (Con) 5. **Councillor S Criswell** (Con) 6. **Councillor J Hipkin** (Ind) 7. **Councillor N Kavanagh** (Lab) 8. **Councillor M Leeke** (LD) 9. **Councillor M Mason** (Ind) 10. **Councillor P Sales** (Lab)	Lynsey Barron Executive Officer Lynsey.barron@cambridgeshire.gov.uk 01223 699060
Standing Advisory Council for Religious Education (SACRE) To advise on matters relating to collective worship in community schools and on religious education.	As required	3	1. **Councillor E Cearns** (LD) 2. **Councillor T Orgee** (Con) 3. **Councillor J Scutt** (Lab)	Keith Grimwade Service Director – Learning Keith.Grimwade@cambridgeshire.gov.uk 01223 507165
Transitions Partnership Board To enable young people aged between 14 and 25 years, with additional needs who are eligible under fairer access to care legislation, to move successfully into the adult world through strategic planning and inter-agency co-operation. To ensure that robust Transition arrangements are in place across the County and deliver consistent outcomes.	3	2	1. **Councillor S Bywater** (UKIP) 2. **Councillor G Kenney** (Con) One appointment from Adults Committee and one from Children and Young People's Committee.	Hannah Fox Executive Officer Hannah.Fox@cambridgeshire.gov.uk 01223 715685

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Treasury Strategy Review Working Group A Working Group established to review the investment framework as set out in the Treasury Management Strategy to ascertain whether there was a greater risk appetite for alternative investment opportunities with a higher return than the current approach. The Group is to review all investment vehicles, including property, and to make recommendations to Council for any proposed changes if deemed appropriate.	As and when	5	1. **Councillor P Bullen** (UKIP) 2. **Councillor R Hickford** (Con) 3. **Councillor J Hipkin** (Ind) 4. **Councillor L Nethsingha** (LD) 5. **Councillor A Walsh** (Lab)	Chris Malyon Chief Finance Officer Chris.malyon@cambridgeshire.gov.uk 01223 699796
Virtual School Management Board The Virtual School Management Board will act as "governing body" to the Head of Virtual School, which will allow the Member representative to link directly to the Corporate Parenting Partnership Board.		1	1. **Councillor G Kenney** (Con) 2. **Councillor S van de Kerkhove** (Ind)	Keith Grimwade Service Director – Learning Keith.Grimwade@cambridgeshire.gov.uk 01223 507165

CAMBRIDGESHIRE COUNTY COUNCIL
Appendix 3
APPOINTMENTS TO PARTNERSHIP LIAISON AND ADVISORY GROUPS

Key to approval of appointment:

General Purposes Committee	
Adults Committee	
Children and Young People Committee	
Economy and Environment Committee	
Health Committee	
Highways and Community Infrastructure Committee	
Committee Approval Not Required	

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
A47 Alliance Steering Group To act as a special interest group to support the strategic case for improvements on the A47 corridor between the port at Great Yarmouth and the A1. The A47 Alliance shall support the transport authorities along the route, the New Anglia Local Enterprise Partnership (LEP) and the Greater Cambridge Greater Peterborough LEP. **A47 Corridor Feasibility Study: Stakeholder Reference Group Meeting** The role of the Group is to ensure that stakeholders' views are captured and considered during the Department for Transport's study process, particularly at key points in its work and during the development of the study's key outputs.	2 TBC	1	**Councillor I Bates** (Con)	Democratic Services Norfolk County Council 0344 800 8020 Fiona Semple Department for Transport 01234 796343 fiona.semple@highways.gsi.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Anglian (Central) Regional Flood and Coastal Committee The Regional Flood and Coastal Committee is a body through which the Environment Agency carries out its work on flood risk management and is responsible for: • maintaining or improving any watercourses which are designated as main rivers; • maintaining or improving any tidal defences; • installing and operating flood warning systems; • controlling actions by riparian owners and occupiers which might interfere with the free flow of watercourses; • supervising Internal Drainage Boards.	2	2	**1. Councillor I Bates** (Con) **2. Councillor M Mason** (Ind)	Amy Inman External Relations Officer Environment Agency 01733 464389 amy.inman@environment-agency.gov.uk
Anglian (Northern) Regional Flood and Coastal Committee See above description. Cambridgeshire shares a seat on this Committee with Peterborough City Council and Rutland County Council. Cambridgeshire County Council currently attends these meetings as an observer only.	4 – 5	1	**Councillor R Butcher** (Con)	Amy Inman External Relations Officer Environment Agency 01733 464389 amy.inman@environment-agency.go.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Barrington Cement Works and Quarry Liaison Group The aim of this group is to develop and maintain lines of communication between the site operator, the County Council & other regulatory bodies and the local community in order that matters of concern can be resolved in a timely and non-confrontational manner.	2-3	2	1. **Councillor S Kindersley** (LD) 2. **Councillor S Van de Ven** (LD)	Ian Southcott UK Community Affairs Manager Cemex 01788 517323 Ian.southcott@cemex.com
Barrington Light Railway Sub group The aim of this group is to develop and maintain lines of communication between the site operator, the County Council & other regulatory bodies and the local community in order that matters of concern can be resolved in a timely and non-confrontational manner.	As required	2	1. **Councillor S Kindersley** (LD) 2. **Councillor S Van de Ven** (LD)	Ian Southcott UK Community Affairs Manager Cemex 01788 517323 Ian.southcott@cemex.com
Cambridge BID Board A five-year initiative set up by Cambridge businesses/organisations to ensure continued investment in Cambridge City Centre	4	1	**Councillor M Shuter** (Con)	Emma Thornton Head of Tourism and City Centre Management Cambridge City Council 01223 457446 Emma.Thornton@cambridge.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Cambridge Car Club Steering Group The purpose of this Steering Group is to oversee the management and plan the expansion of a car club in Cambridge. The car club contract was awarded to *Streetcar* 2007. *Streetcar* provides and manages vehicles in 6 locations in Cambridge, for hire by the general public at a reasonable cost. The Steering Group is made up of officers and Members from Cambridge City and Cambridgeshire County Councils, together with representatives from the car club operator *Streetcar.*	2	1	**Councillor G Kenney** (Con)	Matthew Bowles Planning Policy & Transport Officer Cambridge City Council 01223 457172 Matthew.Bowles@cambridge.gov.uk
Cambridge Local Health Partnership The Partnership has been established to identify local health and social care priorities in Cambridge and to feed these back into the network and develop local actions.	6	1	**Councillor J Whitehead** (Lab)	Jas Lally Cambridge City Council 01223 Jas.lally@cambridge.gov.uk
Cambridge University Hospitals NHS Foundation Trust Board of Governors The Board of Governors represents patients, public and staff. The majority of the Governors are elected by the membership. Governors provide a direct link to the local community and represent the interests of members and the wider public in the stewardship and development of the Trust.	4	1	**Councillor R Hickford** (Con)	Fraser Rogers, Membership Manager NHS Foundation Trust Office 01223 245151 Foundation.Trust@addenbrookes.nhs.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Cambridge University Technical College A specialist science college for 14-19 year olds providing a curriculum closely aligned to the local and national labour markets in Biomedical and Environmental Science and Technology		1	**Councillor P Topping (Con)**	Miss A Constantine Chair of Governors UTC Cambridge Robinson Way CAMBRIDGE CB2 0SZ Tel: 01223 969004 Email: aconstantine@camre.ac.uk
Cambridgeshire Children's Trust The Cambridgeshire Children's Trust is a partnership which brings together all organisations that work with children, young people and families in a shared commitment to improving children's lives and life chances, through working collaboratively or collectively to achieve improvements.	2	1	**Councillor J Whitehead** (Lab)	Ruth Yule Democratic Services Officer ruth.yule@cambridgeshire.gov.uk 01223 699184
Cambridgeshire Consultative Group for the Fletton Brickworks Industry (Whittlesey) The aim of this group is to develop and maintain lines of communication between the site operator, the County Council & other regulatory bodies and the local community in order that matters of concern can be resolved in a timely and non-confrontational manner.	2	1	**Councillor R Butcher** (Con)	Diane Munday Secretary, Hanson Building Products 01733 359148 Diane.munday@hanson.com

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Cambridgeshire Flood Risk Management Partnership The partnership is required by legislation - namely the Flood and Water Management Act 2010.	4	1	**Councillor I Bates** (Con)	Sass Pledger – Environmental Programme Manager 01223 699976 Sass.pledger@cambridgeshire.gov.uk
Cambridgeshire Future Transport A joint initiative with partners from across Cambridgeshire and Peterborough working to find solutions to the County's transport challenges.	2	7	1. **Councillor A Bailey** (Con) 2. **Councillor I Bates** (Con) 3. **Councillor R Hickford** (Con) 4. **Councillor J Hipkin** (Ind) 5. **Councillor N Kavanagh** (Lab) 6. **Councillor P Reeve** (UKIP) 7. **Councillor S van de Ven** (LD)	Paul Nelson Public Transport Manager 01223 715608 paul.nelson@cambridgeshire.gov.uk
Cambridgeshire Horizons Board Cambridgeshire Horizons still exists as a Limited company to oversee three "live" Rolling Fund investments, two loans and one equity investment, with an initial total value of £20.5m, to support a number of growth projects and developments around Cambridgeshire.	1	1	**Councillor I Bates** (Con)	Graham Hughes Executive Director ETES 01223 715660 graham.hughes@cambridgeshire.gov.uk
Cambridgeshire Improvement Board Established following the inspection of the Council's children's services by Ofsted in September 2012. It has overseen the delivery of a comprehensive improvement plan.		2	**1. Councillor D Brown** (Con) **2. Councillor J Whitehead** (Lab)	

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Cambridgeshire Museums Advisory Partnership The Cambridgeshire Museums Advisory Partnership is a county wide consultative committee working to support and develop museums in the county. It is made up of museum practitioners, councillors and officers from the Districts and County Council who work with museums.	2	4	1. **Councillor D Harty** (Con) 2. **Councillor M Rouse** (Con) 3. **Vacancy** 4. **Vacancy**	Gordon Chancellor Museums Partnership Officer 01223 699402 gordon.chancellor@cambridgeshire.gov.uk
Cambridgeshire Music Hub A partnership of school music providers, led by the County Council, to deliver the government's National Plan for School Music.	3	1	1. **Councillor D Harty** (Con) 2. **Councillor L Nethsingha** (LD)	Keith Grimwade Service Director – Learning 01223 507165 Keith.Grimwade@cambridgeshire.gov.uk
Cambridgeshire and Peterborough Joint Strategic Planning and Transport Member Group To steer the development of joint strategic planning and transport work across Cambridgeshire & Peterborough, following the abolition of the requirement to produce any form of strategic spatial plan.	4	2	1. **Councillor I Bates** (Con) 2. **Councillor D Jenkins** (LD)	Dearbhla Lawson/ Juliette Richardson Head of Transport Infrastructure Policy and Funding 01223 714695 Dearbhla.Lawson@cambridgeshire.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Cambridgeshire and Peterborough Military Covenant Board The Armed Forces Covenant Board aims to improve the outcomes and life choices of military personnel, reservists, their families and veterans living in Cambridgeshire and Peterborough. The Covenant Board also aims to enhance the relationship between civilian and military communities.	4	1	**Councillor M McGuire** (Con)	Sue Grace Corporate Director of Customer Service and Transformation 01223 715680 Sue.grace@cambridgeshire.gov.uk
Cambridgeshire and Peterborough NHS Foundation Trust Provides mental health and specialist learning disability services across Cambridgeshire and Peterborough. Also provides some specialist services on a regional and national basis. Partners are Cambridgeshire County Council, Peterborough City Council, NHS Cambridgeshire and NHS Peterborough.	4	1	**Councillor P Brown** (Con)	David Edwards Chair 01223 726759 Linda.Aschettino@cambsmh.nhs.uk
Carers Partnership Board Aims to maintain a strategic overview of the support provided by Family Carers across Cambridgeshire.	6	1	**Councillor G Kenney** (Con)	

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Chesterton Station Interchange The aim of this group is to develop and maintain lines of communication between the site operator, the County Council & other regulatory bodies and the local community in order that matters of concern can be resolved in a timely and non-confrontational manner.	As required	1	**Councillor I Manning** (LD)	Adrian Shepherd Project Manager 01223 728368 Adrian.Shepherd@cambridgeshire.gov.uk
Child Poverty Champions Group	3	1	**Councillor S Bywater** (UKIP)	Lisa Faulkner Strategy Manager, Strategy and Commissioning 01223 729162 lisa.faulkner@cambridgeshire.gov.uk
Children's Health Joint Commissioning Board	6	2	1. **Councillor G Kenney** (Con) 2. **Councillor L Nethsingha** (LD)	Meredith Teasdale Service Director: Strategy and Commissioning 01223 714568 Meredith.teasdale@cambridgeshire.gov.uk
College of West Anglia Governing Body One up to sixteen members who appear to the Corporation to have the necessary skills to ensure that the Corporation carries out its functions under article 3 of the Articles of Government.	5	1	**Councillor S Count** (Con) [4 year appointment]	Rochelle Woodcock Clerk to the Corporation The College of West Anglia 01553 815288 rwoodcock@col-westanglia.ac.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Community Safety Strategic Board A Board of responsible authorities informing on crime and disorder issues across the County with the aim of reducing crime through joint working.	2	1	**Councillor M McGuire** (Con)	Vickie Crompton 01223 699834 Vickie.crompton@cambridgeshire.gov.uk
Connecting Cambridgeshire Delivery Group The Delivery Group was formed in 2011 and has been very successful in bringing wider public sector, industry and academic experience and support to the programme.	3-4	2	1. **Councillor I Bates** (Con) 2. **Councillor B Chapman** (Con)	Noelle Godfrey Connecting Cambridgeshire (Superfast Broadband) 01223 699011 noelle.godfrey@cambridgeshire.gov.uk
Connecting Cambridgeshire Steering Group A "virtual" group which receives a formal update report on a quarterly basis and will only be convened by exception is there is a substantive issue to discuss – ie significant change to programme, contract etc.	N/A	1	**Councillor I Bates** (Con)	Noelle Godfrey Connecting Cambridgeshire (Superfast Broadband) 01223 699011 noelle.godfrey@cambridgeshire.gov.uk
County Advisory Group on Archives and Local Studies The County Archives and Local Studies Advisory Group exists to provide a forum for those who share an interest in the preservation and use of the documentary heritage of Cambridgeshire (including the historic county of Huntingdonshire).	3	4	1. **Councillor P Ashcroft** (UKIP) 2. **Councillor B Ashwood** (LD) 3. **Councillor P Brown** (Con) 4. **Councillor M Mason** (Ind)	Gordon Chancellor Museums Partnership Officer 01223 699402 gordon.chancellor@cambridgeshire.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Crime and Disorder Reduction Partnerships Statutory Crime and Disorder Reduction Partnerships (CDRPs, also known as Community Safety Partnerships) were set up in each district council area of Cambridgeshire in 1998. The partnerships are responsible for carrying out a three yearly audit to review the levels and patterns of crime, disorder and misuse of drugs, to analyse and consult on the results, and subsequently develop a three-year strategy for tackling crime and disorder and combating the misuse of drugs. • Cambridge City • East Cambridgeshire • Fenland • Huntingdonshire • South Cambridgeshire	3-4	1 on each	Councillor J Scutt (Lab) Councillor D Brown (Con) **Vacant** Councillor P Reeve (UKIP) Councillor D Jenkins (LD)	Tricia Ager Drug & Alcohol Action Team 01223 699680 Tricia.Ager@cambridgeshire.gov.uk
Eastern Agri-Tech Programme Delivery Board Oversees the spending of the grant funding to develop the agritech industry in the corridor from Cambridge to Norwich	12	1	**Councillor I Bates** (Con) **Substitute – Councillor M Shuter** (Con)	Martin Lutman Agri-Tech Project Manager 01480 277180 Martin.lutman@gcgp.co.uk
East-West Rail Consortium Central Section Member Steering Group The Consortium consists of numerous Local Authorities promoting the development of a rail link between Oxford and Cambridge	To be agreed	1	**Councillor I Bates** (Con) Councillor E Cearns (Lib Dem) to act as substitute member	Bob Menzies Head of Major Infrastructure Delivery Bob.Menzies@cambridgeshire.gov.uk 01223 715664

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Enterprise Zone Steering Group Established to review progress in the delivery of the Enterprise Zone at Alconbury with the developers, both urban and civic.	6	1	**Councillor I Bates** (Con)	Graham Hughes Executive Director of Economy and Environment 01223 715660 Graham.hughes@cambridgeshire.gov.uk
European Metal Recycling (EMR) Liaison Group (Snailwell) The aim of this group is to develop and maintain lines of communication between the site operator, the County Council & other regulatory bodies and the local community in order that matters of concern can be resolved in a timely and non-confrontational manner.	2	2	**1. Councillor J Palmer** (Con) **2. Councillor J Schumann** (Con)	Peter Vasey Operations Manager, EMR 01638 720377 Peter.Vasey@emrgroup.com
F40 Group F40 represents a group of the poorest funded education authorities in England where government-set cash allocations for primary and secondary pupils are the lowest in the country.	TBC	1 +sub	**Councillor D Harty** (Con) **Sub:** **Councillor P Downes** (LD)	Meredith Teasdale Service Director: Strategy and Commissioning 01223 714568 Meredith.teasdale@cambridgeshire.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Fenland Association for Community Transport (FACT) Board The purpose of the Board of FACT is to (a) monitor current progress to date, to have an overview of current services and provide advice where required, suggest improvements, and (b) to steer FACT (and HACT, its parallel service in Huntingdonshire) towards meeting future need, including new initiatives, projects, potential sources of funding	4	1	**Councillor M McGuire** (Con)	Jo Philpott Fenland Association for Community Transport Ltd 01354 661234 www.fact-cambs.co.uk
Great Fen Steering Committee Steering Group to oversee and guide the development of the Great Fen Project.	6 approx	1 Observer status	**Vacancy** County Council Officer attends: (K Day)	Kate Carver Great Fen Project Manager The Wildlife Trust for Bedfordshire, Cambridgeshire & Northamptonshire 01954 713513
Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership Management Board The LEP Board comprises 14 leaders of industry, education and the public sector. With a business Chair, six further business representatives from a range of locations and backgrounds, five local authority representatives, one education representative and one voluntary sector/ social enterprise representative.	9 approx	1	**Councillor S Count** (Con) *This single appointment is through competitive voting open to the leaders of the 13 councils involved. It is therefore not in Cambridgeshire County Council's gift to appoint a representative.*	Greater Cambridge Greater Peterborough Enterprise Partnership, The Incubator, Alconbury Weald Enterprise Campus, Alconbury Airfield, Huntingdon, Cambridgeshire, PE28 4WX

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Greater Peterborough Partnership The Greater Peterborough Partnership is Peterborough's Local Strategic Partnership, bringing together representatives from the public, private, faith, community and voluntary sectors to work collectively towards the vision and priorities of the Sustainable Community Strategy. The GPP is not a delivery body but it aims to unite people and organisations behind a shared vision of a bigger and better Peterborough. Its role is to facilitate joined up work and to ensure that the work of the individual partners is targeted at the agreed priorities.	3	1	**Councillor M McGuire** (Con)	Sarah Dade Greater Peterborough Partnership 01733 865042 sarah@gpp-peterborough.org.uk
Growth Delivery Joint East Cambridgeshire District Council/Cambridgeshire County Council Member liaison group Members & officers from both authorities advising on growth and infrastructure issues for East Cambridgeshire including Section 106 & Community Infrastructure Levy funding.	4	3	**1. Councillor I Bates** (Con) **2. Councillor J Palmer** (Con) **3. Councillor D Brown** (Con)	Dearbhla Lawson/ Juliette Richardson Head of Transport Infrastructure Policy and Funding Dearbhla.Lawson@cambridgeshire.gov.uk 01223 714695
Highways and Improvement Panels Established to consider and make recommendations to the Highways and Community Infrastructure Committee on the allocation of funds for locally led minor highway improvements.				Richard Lumley Head of Local Infrastructure and Street Management richard.lumley@cambridgeshire.gov.uk 01223 703839

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
East Cambridgeshire Rural Panel	1	4	1. **Councillor B Hunt** (Con) 2. **Councillor J Palmer** (Con) 3. **Councillor M Rouse** (Con) 4. **Councillor J Schumann** (Con)	
Fenland Rural Panel	1	5	1. **Councillor R Butcher** (Con) 2. **Councillor D Connor** (Con) 3. **Councillor S Count** (Con) 4. **Councillor A Lay** (UKIP) 5. **Councillor S Rylance** (UKIP)	
Huntingdonshire Rural Panel	1	6	1. **Councillor P Brown** (Con) 2. **Councillor P Bullen** (UKIP) 3. **Councillor S Criswell** (Con) 4. **Councillor D Giles** (Ind) 5. **Councillor M McGuire** (Con) 6. **Councillor P Reeve** (UKIP)	
South Cambridgeshire Rural Panel	1	6	1. **Councillor S Frost** (Con) 2. **Councillor R Hickford** (Con) 3. **Councillor D Jenkins** (LD) 4. **Councillor S Kindersley** (LD) 5. **Councillor T Orgee** (Con) 6. **Councillor M Smith** (Con)	

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Huntingdon Association for Community Transport (HACT) Board The purpose of the Board of HACT is to (a) monitor current progress to date, to have an overview of current services and provide advice where required, suggest improvements, and (b) to steer HACT (and FACT, its parallel service in Fenland) towards meeting future need, including new initiatives, projects, potential sources of funding.	4	1	**Councillor M McGuire** (Con)	Jo Philpott Fenland Association for Community Transport Ltd Tel: 01354 661234 www.hact-cambs.co.uk
Huntingdon BID Board BID is the town management vehicle for Huntingdon. It is an arrangement where businesses in a defined area agree improvements they want to make, over and above what the public agencies have to do. The fund is ring fenced and used solely to deliver the agreed set of projects and activities voted on by the businesses within the BID area.	10	1	**Councillor P Brown (Con)**	Katy Sismore BID Huntingdon Manager sue@bidhuntingdon.co.uk Tel: 01480 450250
Huntingdon & Godmanchester Market Town Transport Strategy Member Steering Group Task and finish group appointed to steer development of Market Town Transport Strategy.	As required	3	**1. Councillor P Brown** (Con) **2. Councillor G Wilson** (LD) **3. Councillor M Shellens** (LD)	Jeremy Smith Transport and Infrastructure Strategy Manager Jeremy.Smith@cambridgeshire.gov.uk 01223 715483

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Huntingdonshire Growth & infrastructure Group Member/ officer & key infrastructure partners group advising on infrastructure and growth issues for Huntingdonshire including Community Infrastructure Levy & Section 106 funding.	4	1	**Councillor I Bates** (Con)	Dearbhla Lawson Head of Transport Infrastructure Policy and Funding Dearbhla.Lawson@cambridgeshire.gov.uk 01223 714695
Joint Consultative Committee (Teachers) The Joint Committee provides an opportunity for trade unions to discuss matters of mutual interest in relation to educational policy for Cambridgeshire with elected Members	2	6	**Councillor J Whitehead** (Lab) **Councillor F Onasanya** (Lab) **Councillor P Downes** (Lib Dem) **Councillor D Divine** (UKIP) **Councillor S van de Kerkhove** (Independent) **Councillor D Brown** (Con)	Ruth Yule Democratic Services Officer Ruth.yule@cambridgeshire.gov.uk 01223 699184
Joint East Cambridgeshire District Council and Cambridgeshire County Council Member and Officer Steering Group for Planning and Transport The purpose of the Group is to discuss the development of the Transport Strategy for East Cambridgeshire and the Community Infrastructure Levy.	4	3	**Councillor I Bates (Con)** **Councillor D Brown (Con)** **Councillor J Schumann (Con)** Councillor M Shuter (Con) to act as substitute for Councillor Bates	Jack Eagle Lead Transport and Infrastructure Officer Jack.Eagle@cambridgeshire.gov.uk 01223 703269
Joint Strategic Transport and Spatial Planning Group Provides co-ordination of spatial planning and integrated transport strategy for Cambridge City and South Cambridgeshire and an oversight of Growth Strategy	4	3	**Councillor I Bates** (Con) **Councillor J Hipkin** (Ind) **Councillor D Jenkins** (Lib Dem) Cllrs E Cearns (Lib Dem), M Mason (Ind) and J Reynolds (Con) to act as substitute members	Glenn Burgess Committee Manager Cambridge City Council Glenn.Burgess@cambridge.gov.uk 01223 457169

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Local Access Forum Cambridgeshire County Council has established a Local Access Forum, as required under the Countryside Rights Of Way Act (CROW) 2000. The Forum represents the interests of everyone who lives and works in the countryside and is trying to strike a balance between conserving it, working it and helping people to enjoy it.	4	2	**1. Councillor M Loynes** (Con) **2. Councillor P Topping** (Con)	Phil Clarke Community Greenspaces Manager phil.clarke@cambridgeshire.gov.uk 01223 715686
Local Councils Liaison Committee To provide a forum for regular consultation and discussion between the County Council and representatives of the Cambridgeshire and Peterborough Association of Local Councils about issues of mutual interest (including joint initiatives and local or national issues). In particular it will serve as a mechanism for the County Council to liaise and consult with local Councillors on matters that will potentially affect the local communities represented by CPALC.		5	**Chairman of Council** **Vice-Chairman of Council** **Councillor P Downes** (LD) **Councillor M McGuire** (Con) **Councillor P Reeve** (UKIP)	Ruth Yule Democratic Services Officer ruth.yule@cambridgeshire.gov.uk 01223 699184

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Local Safeguarding Children's Board LSCBs have been established by the government to ensure that organisations work together to safeguard children and promote their welfare. In Cambridgeshire this includes Social Care Services, Education, Health, the Police, Probation, Sports and Leisure Services, the Voluntary Sector, Youth Offending Team and Early Years Services.		1	**Councillor J Whitehead** (Lab)	
Local Strategic Partnerships **Fenland Strategic Partnership** The Fenland Strategic Partnership aims to make a difference by working better together across different sectors. The partnership has consulted extensively with the local community to identify the most important issues specific to Fenland.	2	1	**Councillor S Count** (Con)	Fenland District Council Fenland Hall County Road MARCH

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Huntingdonshire **Hunts Thematic Groups** • ***Children and Young People*** • ***Growth & Infrastructure*** • ***Health & Wellbeing*** • ***Community Safety Partnership***	4 3-4 3-4 3-4 3-4	1 1 1 1 1	**Councillor M McGuire** (Con) **Councillor P Bullen** (UKIP **Councillor I Bates** (Con) **Delegate to Chief Executive in consultation with Group Leaders** **Councillor P Brown** (Con)	Mrs C Deller Huntingdonshire District Council
Learning Disabilities Partnership Board Membership of the Board comprises clients, service users, carers and staff from the County Council, social care, National Health Service and voluntary sector organisations	6	1	**Councillor G Kenney** (Con)	
Making Assets Count Reference Group MAC is governed by a Programme Board, which has representation from all the main partners. A Members Reference Group steers and inputs to the programme, and is made up of Councillors and other key representatives from partner organisations.	Quarterly	1	**Councillor S Count** (C) **Sub – Councillor M McGuire** (C) ***(Membership is automatically leader with leader to nominate his or her sub)***	David Bethell Programme Manager – Making Assets Count (MAC) 01223 715687 david.bethell@cambridgeshire.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Mental Health Governance Board Provide the strategic governance overview of the delegated Service as set out in the Section 75 Agreement.	Bi-monthly	1	**Councillor L Nethsingha** (LD)	Charlotte Wolstenholme Business Support Assistant 01223 715940 charlotte.wolstenholme@cambridgeshire.gov.uk
Natural Cambridgeshire Natural Cambridgeshire consists of a broad range of local organisations, businesses and people whose aim is to bring about improvements in their local natural environment.	4	1	**Councillor M Shuter** (Con)	Phil Clark Community Greenspaces Officer 01223 715686 philip.clark@cambridgeshire.gov.uk
Needingworth Quarry Liaison Group The aim of this group is to develop and maintain lines of communication between the site operator, the County Council & other regulatory bodies and the local community in order that matters of concern can be resolved in a timely and non-confrontational manner.	2	4	**1. Councillor P Bullen** (UKIP) **2. Councillor S Criswell** (Con) **3. Councillor K Reynolds** (Con) **4. Vacancy**	Brian Chapman Lands and Planning Manager, Hanson 07977 493360 Brian.Chapman2@hanson.biz
Neighbourhood Forums (South Cambs)	3	-	No formal representation on these Panels and all local Councillors are invited to attend	John Fuller Community Engagement Manager Parkside Police Station Cambridge
Area Committees (Cambridge City)	Meetings held approx every 8 weeks		Local Councillors are invited to attend	Terry Jordan Neighbourhood Panel Liaison Officer 01223 699685 Terry.Jordan@cambridgeshire.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Neighbourhood Forums (Fenland) • *Wisbech and District* • *Chatteris and District* • *March and District* • *Whittlesey and District*	4	1 1 1 1	No appointments made as groups may no longer exist	Terry Jordan Neighbourhood Panel Liaison Officer 01223 699685 Terry.Jordan@cambridgeshire.gov.uk
Older People Partnership Board Comprises representatives from age sector organisations, voluntary organisations and statutory authorities with responsibility for older people's issues.	6	1	**Councillor S Crawford** (Lab)	
Papworth Foundation Trust Board NHS foundation trusts are not-for-profit, public benefit corporations. They are part of the NHS and provide over half of all NHS hospital and mental health services. The County Council is represented on the Board as a nominated Governor.	4	1	**Councillor M Smith** (Con)	Mary MacDonald Trust Secretary Mary.macdonald@papworth.nhs.uk
Physical Disability and Sensory Impairment Partnership Board The Board comprises people with physical disability and sensory impairments, carers, local voluntary organisations and staff from the Adults Department within the County Council		1	**Councillor M Smith** (Con)	

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
RECAP Board (formerly Waste and Environment Forum) RECAP (Recycling in Cambridgeshire & Peterborough) is a partnership of authorities across Cambridgeshire & Peterborough working together to provide excellent waste and recycling services to meet local needs. The RECAP Board is the Member level group of this partnership.	4	1	**Councillor R Hickford** (Con) **Sub – Councillor P Reeve** (UKIP)	Rob Sanderson Democratic Services Officer 01223 699181 rob.sanderson@cambridgeshire.gov.uk
Regional Transport Forum Members & officers from Local Transport Authorities & key partners meeting to discuss Transport & infrastructure Policy & Funding Issues across East Anglia.	4	1	**Councillor I Bates** (Con)	Dearbhla Lawson Head of Transport Infrastructure Policy and Funding Dearbhla.Lawson@cambridgeshire.gov.uk 01223 714695
Road Safety Partnership Strategic Management Board The Partnership (CPRSP) is a public sector initiative formed in April 2007 to provide a single point of contact for the provision of road safety work and information.	3	1	**Councillor S Criswell** (Con)	Amanda Mays Road Safety Manager 01223 715923 Amanda.mays@cambridgeshire.gov.uk

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Traffic Penalty Tribunal (formerly National Parking Adjudication Service) The Traffic Penalty Tribunal is an independent tribunal whose impartial, independent Adjudicators consider appeals by motorists and vehicle owners whose vehicles have been issued with penalty charges, removed or towed away or immobilised by a Council in England or Wales (excluding London) that enforces parking contraventions under the Traffic Management Act 2004.	As required	1 + sub	**Councillor R Hickford** (Con) Sub TBC	Philip Hammer Parking Operations Manager 01223 727903 Philip.hammer@cambridgeshire.gov.uk
Warboys Landfill Site Liaison Group The aim of this group is to develop and maintain lines of communication between the site operator, the County Council & other regulatory bodies and the local community in order that matters of concern can be resolved in a timely and non-confrontational manner.	1-2	1	**Councillor M Tew** (UKIP)	Mark Farren Managing Director, Woodford Waste Management Services Ltd 01487 824240 Mark.Farren@woodfordrecycling.co.uk
Waterbeach Waste Management Park Liaison Group The aim of this group is to develop and maintain lines of communication between the site operator, the County Council & other regulatory bodies and the local community in order that matters of concern can be resolved in a timely and non-confrontational manner.	2-3	1	**Councillor M Leeke** (LD)	Tim Marks Planning Manager, ameycespa 01223 815463 Tim.Marks@ameycespa.com

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS
Whitemoor Distribution Centre, March (Network Rail) The aim of this group is to develop and maintain lines of communication between the site operator, the County Council & other regulatory bodies and the local community in order that matters of concern can be resolved in a timely and non-confrontational manner.	As required	1	**Cllr S Count** (Con)	Tony Masciopinto Depot Manager 01733 559729 Tony.masciopinto@networkrail.co.uk
Woodhatch Farm Waste Recycling Site Liaison Group (Ellington) The aim of this group is to develop and maintain lines of communication between the site operator, the County Council & other regulatory bodies and the local community in order that matters of concern can be resolved in a timely and non-confrontational manner.	As required	2	1. **Councillor S Bywater** (UKIP) 2. **Councillor P Downes** (LD)	Kelly Howe Planning & Contracting Assistant, Mick George Ltd 07824 991151 Kellyh@mickgeorge.co.uk

GENERAL PURPOSES COMMITTEE AGENDA PLAN	Published on 1st July 2015 **Agenda Item No.17**	Cambridgeshire County Council

Notes

Committee dates shown in bold are confirmed.
Committee dates shown in brackets and italics are reserve dates.

The definition of a key decision is set out in the Council's Constitution in Part 2, Article 12.
* indicates items expected to be recommended for determination by full Council.
+ indicates items expected to be confidential, which would exclude the press and public. Additional information about confidential items is given at the foot of this document.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.
The agenda dispatch date is six clear working days before the meeting.

Committee date	Agenda item	Lead officer	Reference if key decision	Spokes meeting date	Deadline for draft reports	Agenda despatch date
[25/08/15] Provisional Meeting	*To be used for training for Chairmen/women, Vice-Chairmen /Women and Spokes*				12/08/15	14/08/15
15/09/15	1. Minutes – 28/07/15	M Rowe	Not applicable		02/09/15	04/09/15
	2. Treasury Management Q1 Report	M Batty	Not applicable			
	3. Risk Management Update	Sue Grace	Not applicable			
	4. Integrated Resources and Performance Report (July)	P Emmett	2015/038			
	5. Resources and Performance Report (July) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			

Committee date	Agenda item	Lead officer	Reference if key decision	Spokes meeting date	Deadline for draft reports	Agenda despatch date
	6. Business Planning – Review Capital Report*	C Malyon	Not applicable			
	7. Cambridgeshire County Council Strategy for Supporting New Communities	A Howard	2015/050			
20/10/15	1. Minutes – 15/09/15	M Rowe	Not applicable		07/09/15	09/09/15
	2. Business Planning – Review Revenue Report	C Malyon	Not applicable			
24/11/15	1. Minutes – 20/10/15	M Rowe	Not applicable		11/11/15	13/11/15
	2. Treasury Management Q2 Report	M Batty	Not applicable			
	3. Integrated Resources and Performance Report (September)	P Emmett	2015/039			
	4. Resources and Performance Report (September) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			
	5. Business Planning – Review Revenue and Capital Report	C Malyon	Not applicable			
	6. Local Energy Investment and Delivery Cambridgeshire, ESIF Project	S French	2015/024			
22/12/15	1. Minutes – 24/11/15	M Rowe	Not applicable		09/12/15	11/12/15
	2. Business Planning – Review covering report and finance tables	C Malyon	Not applicable			
05/01/16	1. Minutes – 22/12/15	M Rowe	Not applicable		17/12/15	21/12/15
	2. Business Planning – Consider impact of Local Government Finance Settlement	C Malyon	Not applicable			

Committee date	Agenda item	Lead officer	Reference if key decision	Spokes meeting date	Deadline for draft reports	Agenda despatch date
26/01/16	1. Minutes – 05/01/16	M Rowe	Not applicable		13/01/16	15/01/16
	2. Risk Management Update	Sue Grace	Not applicable			
	3. Integrated Resources and Performance Report (November)	P Emmett	2016/004			
	4. Resources and Performance Report (November) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			
	5. Business Planning – Review Full Business Plan*	C Malyon	Not applicable			
[23/02/16] Provisional Meeting					10/02/16	12/02/16
15/03/16	1. Minutes – 26/01/16	M Rowe	Not applicable		02/03/16	04/03/16
	2. Treasury Management Q3 Report	M Batty				
	3. Integrated Resources and Performance Report (January)	P Emmett	2016/002			
	4. Resources and Performance Report (January) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			
[26/04/16] Provisional Meeting					13/04/16	15/04/16
31/05/16	1. Minutes – 15/03/16	M Rowe	Not applicable		18/05/16	20/05/16
	2. Treasury Management Outturn Report	M Batty				

Committee date	Agenda item	Lead officer	Reference if key decision	Spokes meeting date	Deadline for draft reports	Agenda despatch date
	3. Integrated Resources and Performance Report (March)	P Emmett	2016/003			
	4. Resources and Performance Report (March) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			

Notice made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in compliance with Regulation 5(7)

Decisions to be made in private as a matter of urgency in compliance with Regulation 5(6)

1. At least 28 clear days before a private meeting of a decision-making body, public notice must be given which must include a statement of reasons for the meeting to be held in private.
2. At least 5 clear days before a private meeting of a decision-making body, further public notice must be given which must include a statement of reasons for the meeting to be held in private, details of any representations received by the decision-making body about why the meeting should be open to the public and a statement of the Council's response to such representations.
3. Where the date by which a meeting must be held makes compliance with the above requirements impracticable, the meeting may only be held in private where the decision-making body has obtained agreement from the Chairman of the Council.
4. Compliance with the requirements for the giving of public notice has been impracticable in relation to the business detailed below.

Forward plan reference	Intended date of decision	Matter in respect of which the decision is to be made	Decision maker	List of documents to be submitted to the decision maker	Reason for the meeting to be held in private
2015/034	28/07/15	Milton Road Library Redevelopment+	General Purposes Committee	Report of LGSS Director of Finance	Information relating to the financial or business affairs of any particular person (including the authority holding that information).

5. The Chairman of the Council has agreed that the Committee may hold a private meeting to consider the business referred to in paragraph 4 above because the meeting is urgent and cannot reasonably be deferred for the reasons stated below.

Date of Chairman's agreement	Matter in respect of which the decision is to be made	Reasons why meeting urgent and cannot reasonably be deferred

For further information, please contact Quentin Baker on 01223 727961 or Quentin.Baker@cambridgeshire.gov.uk

Agenda Item No:18

GENERAL PURPOSES COMMITTEE TRAINING PLAN

To:	**General Purposes Committee**
Meeting Date:	**28 July 2015**
From:	**Corporate Director: Customer Service and Transformation**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**The General Purposes Committee is asked to note the progress in developing a committee training plan to date. This is a forward look at development topics proposed for 2015/16.**
Recommendation:	**The General Purposes Committee is asked to:**

a) agree the training plan that has been developed as set out as Appendix 1 to this report.

b) consider if there are any other areas of the Committee's remit where members feel they require additional training.

	Officer contact:
Name:	Sue Grace
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Email:	Sue.grace@cambridgeshire.gov.uk
Tel:	01223 715680

1.0 BACKGROUND

1.1 At the meeting of the Council held on 24 March 2015, it was agreed that each service committee should consider and approve its own training plan at every meeting. Members of the Constitution and Ethics Committee were concerned about the low take up at training events and were keen that Members should be accountable publicly for their attendance. It was also thought that taking the training plan to the committee meeting would facilitate the organisation of training at a time convenient for the majority of committee members

2.0 General Purposes Committee Plan

2.1 For the General Purposes Committee the development of a training plan has been considered in light of the strategic functions of the Committee, as well as the service-based functions for Customer Service and Transformation and LGSS Managed.

2.2 Following discussion with Group Leaders an initial draft of development topics to be included within the training plan has been developed, and these have are included as **Appendix one**. Once Committee Members have approved the training plan, suitable details and dates for each session will be identified.

3.0 ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4.0 SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The General Purposes Committee (GPC) training plan will be developed to bring a greater Member understanding of the strategic resource issues facing the Council.

4.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.3 Equality and Diversity Implications

The GPC training plan, as drafted for this report, includes equality and diversity specifically as a topic for further Member development.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

There are no significant implications within this category.

Source Documents	**Location**
Council Agenda and Minutes – 24 March 2015	Room No:106 Shire Hall Castle Hill Cambridge CB3 0AP

GENERAL PURPOSES COMMITTEE TRAINING PLAN	The Training Plan below includes topic areas for GPC approval. Following sign-off by GPC the details for training and development sessions will be worked up.	

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
	Strategic finance and budgeting	Members will gain a more detailed understanding of the strategic financial management of the Council's budget, and the future challenges associated.		TBC	Chris Malyon				
	The Council's asset portfolio and approach to asset management	Background knowledge on the Council's asset portfolio, and understanding of the approaches taken to best utilise this		TBC	Chris Malyon				
	Background to services provided by Customer Service & Transformation	Members will gain an insight into the range of frontline and back-officer services provided across CS&T		TBC	Sue Grace				
	Understanding Health and Social Care integration	*Collaboration with Service Committee development around the Better Care Fund to be explored*		TBC	TBC				
	Regional governance	Understanding the range of regional governance		TBC	TBC				

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
		structures that exist across Cambridgeshire, such as the LEP. Also understanding potential future models of governance for local public services							
	Equality and Diversity responsibilities	Understanding the responsibilities the Committee has to comply with equality legislation and to provide services for all Cambridgeshire communities		TBC	TBC				

BURWELL, DEVELOPMENT OF LAND IN NEWMARKET ROAD

To:	**General Purposes Committee**		
Meeting Date:	**28th July 2015**		
From:	**Chief Finance Officer& Head of Strategic Assets**		
Electoral division(s):	**Burwell**		
Forward Plan ref:	**2015/055**	*Key decision:*	**Yes**
Purpose:	**To update the Committee on proposals for the development of the Council's land at Newmarket Road in Burwell, and seek approval to enter into appropriate agreements to progress the proposals through to implementation.**		
Recommendation:	**General Purposes Committee is asked to authorisethe Chief Finance Officer, in consultation with the Chairman of General Purposes Committee (GPC) and the Treasury Strategy Review Working Group to enter into appropriate agreements outlined in this report required to implement the development by the Council of the land at Newmarket Road in Burwell.**		

	Officer contact:
Name:	Roger Moore
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Email:	Roger.moore@cambridgeshire.gov.uk
Tel:	01223507268

1. BACKGROUND

1.1 The County Council owns 67 acres of Grade 2 agricultural land at Slade Farm in Newmarket Road in Burwell, which is part of a larger area of 455 acres at Slade Farm.

1.2 The land has been allocated in the recently adopted East Cambridgeshire Local Plan shown on the allocation plan at the end of this report, and the Council will shortly be submitting an outline planning application for the development of approximately 350 new homes on the site. The Council's directly appointed planning consultants, Pegasus, have already carried out significant archaeological and ecological reports, and other technical studies to support the application including producing a Masterplan.

1.3 The Council has been progressing the allocation of the site for a number of years, and as the project has come closer to fruition, has commissioned reports from consultants GVA to confirm the viability of the development, and to test the most effective way of bringing forward the development of the site.

1.4 In response to the growing budget pressures, and an increased appetite for risk, further proposals have been explored which would see the Council retaining full ownership of the land with houses through a wholly-owned Special Purpose Vehicle (SPV) set up as a separate company, which would manage the development and construction phase of the project.

1.5 The Council would retain ownership of the completed development, including the affordable and social housing element, and would manage the properties for rent, through a related Management Company. There may be some freehold sales of parts of the site depending on the final viability model and requirements of the planning consents.

1.6 The current viability model shows that a 100% rented scheme across the site would be viable, and this is summarised in the latest presentation from consultants GVA at confidential **Appendix 1**. Further viability modelling has been commissioned and the progress of the project will be conditional on a positive outcome to this work. The broad parameters of the 100% rented scheme are detailed in the viability model and summarised in the confidential Appendix 1.

1.7 The proposals for this site have been developed in consultation with Members: previously with the appropriate Cabinet Member, and subsequently with Group Leaders, and lately the Treasury Strategy Review Working Group. The latest proposals for the Council-led development of the site are an innovative response to the current economic crisis, and are being explored contemporaneously by a number of other local authorities. The final structure and programme for implementation is therefore as yet undefined or untested, but Members have expressed the desire to push ahead with the scheme, learning from experience, and accepting any negative impact on returns as a result, as a guide as to how to improve similar future projects.

1.8 Although the SPV is intended as a commercial and investment vehicle, Members propose to outline a set of parameters or 'design principles' which will govern the approach to the type of development the Council will carry out on its own land. Examples of these will be adherence to Local Plan policies on affordable housing, quality of development, such as the provision of Lifetime

Homes, and adherence to s.106 and CIL requirements laid out by statutory authorities

2. MAIN ISSUES

2.1 In order to progress the project through to implementation, the Council will need to enter into a number of different types of agreement and contract, and it is proposed that the authority to enter into these is delegated to the Chief Finance Officer in consultation with Members as outlined above.

The recommendation is that the General Purposes Committee authorises the Chief Finance Officer, in consultation with the Chairs of GPC and of the GPC Investment Risk Reference Group to enter into appropriate agreements outlined in this Report, required to implement the development by the Council of the land at Newmarket Road in Burwell

2.2 The possible contracts and agreements will include:-

- S.106 and other planning agreements
- Establishment of one or more Companies, regulated by law
- Contracts for the provision of specialist technical advice and consultancy
- Funding agreements with Public Works Loan Board
- Construction contracts for the development of infrastructure and new homes
- Contracts for letting, and freehold disposal if required
- Any other agreement required to enable the project to progress

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

The development at Burwell will provide jobs in the local area during construction phase, management of the completed homes, and will provide homes for workers throughout the area

Retaining ownership of the completed housing units provides the potential for the County Council to discuss the proposed use of parts of the development as Key Worker housing for County Council employees

3.2 Helping people live healthy and independent lives

The Council proposes to build ‘Lifetime Homes’ to a standard which will allow residents to stay in their homes for the longest possible time. The Council will meet its statutory requirements for provision of supporting Open Space and other facilities through the planning system.

3.3 Supporting and protecting vulnerable people

Retaining ownership of the completed housing units provides the potential for the County Council to discuss the proposed use of parts of the development to provide specialist housing to meet established Care needs.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The report above sets out details of significant financial implications in confidential Appendix 1.

The Council does not currently have the skills or capacity to manage this project in addition to its Business as Usual workload. Additional resources will be required to provide an in-house client function for the project, and to resource the SPV.

The Council will forward fund the capital construction costs, which will be repaid from rental income from the completed development.

4.2 Statutory, Risk and Legal Implications

The Council will accept and manage financial risk as part of these proposals. The housing market can be volatile, and the property development market is dependent on economic conditions for funding, resource and financial returns. Generally the property market performs well over the long term, but can be subject to short term volatility and fluctuations in demand and consequently in value.

The Council will establish separate legal entities as part of these proposals, and will be required to abide by the law governing such entities.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

Full engagement and consultation will be undertaken with the local communities as part of the local planning process. The Local District and Parish Councils have already been engaged in the process and are fully supportive of the proposals.

4.5 Localism and Local Member Involvement

The following bullet points set out details of implications identified by officers:

- The Local member is Councillor David Brown, who has been kept informed of progress with the site.
- The Parish Council were involved in preparing and are supportive of the Masterplan.

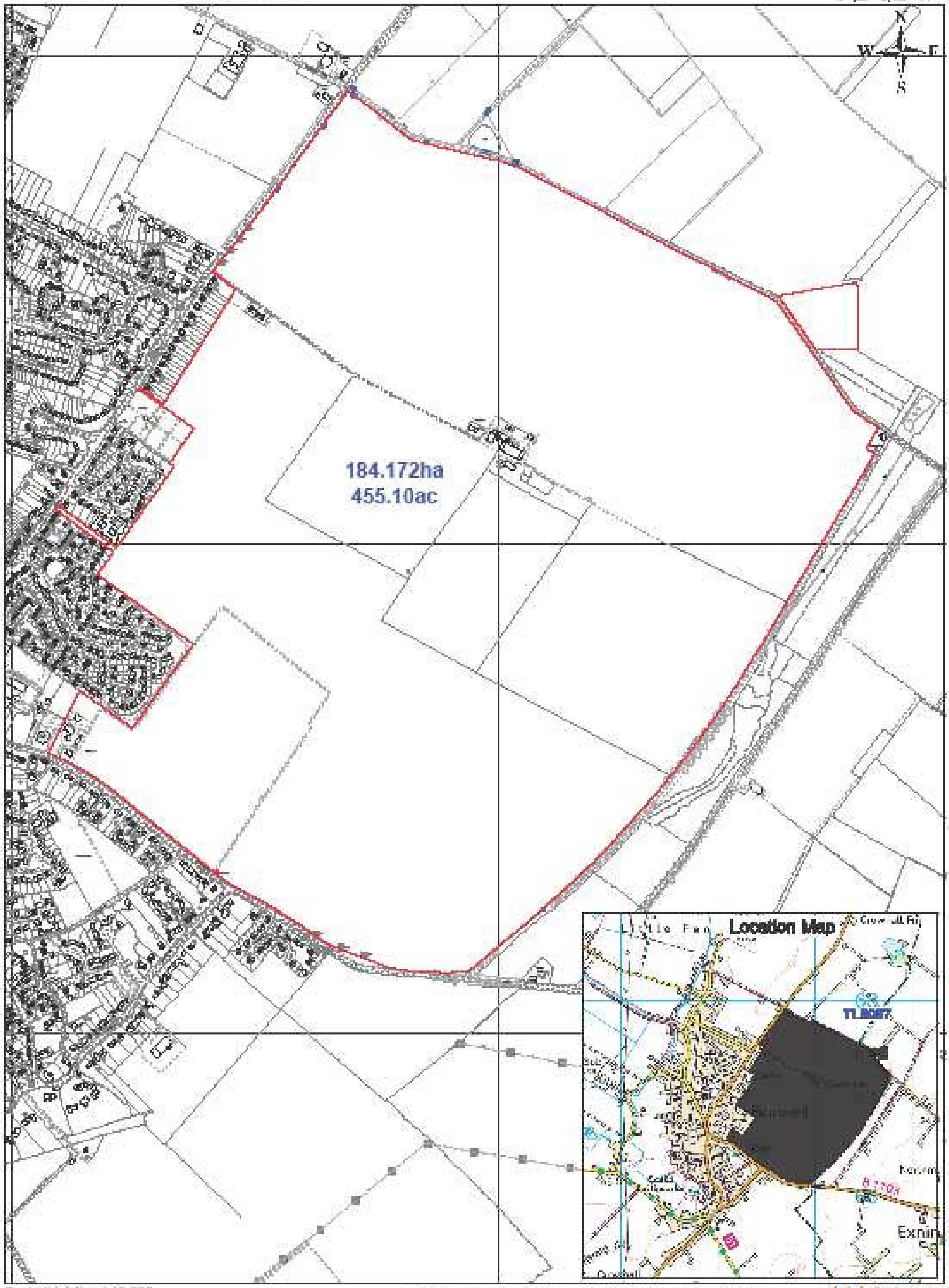
4.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
Plans attached.	Head of Strategic Assets


KEY
THE VILLAGE GREEN INTEGRATED LEAP PLAY SPACE
SPORTS HUB 3.6HA
NEAP
R5
R4
R6
R3
R2
R1
R7
R8
R9
R10
R11
R12
R13
R14
R15
R16
R17
R18
R19
R20
R21
R22
BURWELL, CAMBRIDGESHIRE - DEVELOPMENT FRAMEWORK PLAN
Pegasus

CCC Slade Farm, Burwell



Scale (at A4): 1:10,000
Date: 5th December 2013
By: bs270
File: \\CCC.Cambridgeshire.gov.uk\gis\Res\Ppd\Estates\COUNTY FARMS\Misc\13-12-05 Slade,Burwell-Area.wor (Job No.2723)

CAMBRIDGE, MILTON ROAD COMMUNITY HUB

To:	**General Purposes Committee**
Meeting Date:	**28th July 2015**
From:	**Executive Director: Economy, Transport & Environment and Chief Finance Officer**
Electoral division(s):	**West Chesterton**
Forward Plan ref:	**2015/034** *Key decision:* **Yes**
Purpose:	**To decide on the preferred procurement option for progressing the proposed replacement of Milton Road Library in Cambridge, and the construction of a new Community Hub building.**
Recommendation:	**General Purposes Committee authorises *either***

a) Do nothing – Cambridgeshire County Council maintains delivery from the existing library building; *or*

b) Market test – Cambridgeshire County Council reviews the parameters for delivering a viable and sustainable scheme for the provision of a new library and community building, procuring delivery of the scheme through part disposal (long leasehold) of the site on the open market; *or*

c) Implement existing project – Cambridgeshire County Council enters into an agreement with the construction company currently providing advice to the project to deliver existing plans, on terms to be agreed by the Director of Finance, in consultation with the Chairman of General Purposes Committee; *or*

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

	Officer contact:
Name:	Christine May/Roger Moore
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Tel:	CM: 01223 703521 RM: 01223 507268

1. BACKGROUND

1.1 Milton Road Library was built in 1936 and is located in West Chesterton Division, Cambridge. The Library serves customers mainly from North Cambridge and neighbouring villages. Around 54%[1] of all the library's users live in West Chesterton and East Chesterton Divisions. Current performance indicators show that Milton Road Library ranks 8th highest out of the 25 community libraries across the county in terms of the number of items borrowed and 6th highest in terms of the number of visitors.

1.2 The library holds regular events, such as children's storytimes, reading groups, school visits and public talks. There are currently no partner services delivered at the library, however leaflets and notice boards provide information on various services available locally. Local County Councillors use the library building outside normal operating hours for Councillor Surgeries and public meetings. The building is also used as a polling station for all local and parliamentary elections. The library service generates a (very small) income from hiring the building to other organisations, but the potential is limited by the character and condition of the current building.

1.3 There are currently 23 volunteers based at the Library, including 12 self-service support volunteers. There is also an active friends group, Friends of Milton Road Library, who already play an important role in supporting the library through advocacy, fundraising for library furniture and equipment, organising talks and activities, and providing a regular programme of storytelling for children. The Friends have provided crucial support and encouragement for the Community Hub project, having led a bid for City Council's 106 funding, and delivered many of the consultation events. They are actively considering options for developing the partnership with Cambridgeshire County Council further, including becoming a charity or merging with an existing local charity.

1.4 DEVELOPMENT OF THE LIBRARY AS A COMMUNITY HUB

1.4.1 In 2010/11, Milton Road Library was identified by the Council as one of 13 libraries shortlisted for possible closure or to become community run. As a result, there was extensive campaigning from the local community, largely led by the Friends of Milton Road Library, to keep the library open. The intention to close any libraries in the county was subsequently abandoned following new leadership at the Council and a new strategy to develop a 21st Century Library Service. An approach to develop libraries as Community Hubs was pursued instead. This recognises the important role that libraries play in local communities, and seeks to make library buildings even more useful to the community by providing a range of services and facilities that are tailored to local community needs, with the hub acting as the 'face to face channel' for council services. Milton Road Library was one of several libraries that were identified for development into a Community Hub, especially given the structural problems with the building and the opportunity that redevelopment would provide to refocus the use of the building.

1.4.2 In Autumn 2013, an options appraisal was submitted to the Effective Property Asset Management (EPAM) Board. Three options were evaluated, and

[1] 2010 data from previous snapshot survey

EPAM accepted the recommendation to redevelop the site, and approved further work to progress this option.

1.4.3 On 20 January 2015 Highways and Community Infrastructure Committee approved a draft strategy for the future of the library service, *Library Services in Cambridgeshire: Developing our approach for the future*. The creation of further Community Hubs is a key element of the "Maximising the use of our assets" theme of the strategy.

1.4.4 The community has been consulted in different forms on what they feel is lacking in the area and what can be improved. With regards to facilities, there is local demand for a community room, which can be used flexibly by the community, library and other partners, and creates some income through hire. Other facilities needed include a kitchenette, community notice board and community garden with children's play space.

1.5 BUILDING ISSUES

1.5.1 Over the years the library has had structural problems manifested in movement and noticeable cracks in walls. This is most likely caused by thermal movement of the concrete roof, during long periods of cold (when the roof contracts) or heat (when the roof expands). In addition, roots from the mature trees near the building have caused drainage problems and cracking in the pavement outside the building.

1.5.2 There have been several structural engineering surveys carried out at the site in recent years. The survey reports from 2013, 2008, 2006 and 2003 (relevant extracts are in the Project Implementation Document referred to in Source Documents below) explore the site issues and make recommendations. The most recent report indicates that movement is continuing, resulting in more extensive cracking and peeling of plaster from the walls. In the survey report from May 2013, Atkins advises that there is no economic solution to thermal movement of the concrete roof, which will move by about 3 to 4mm each year. Also, settlement at the front of the building could increase rapidly at any time, requiring local underpinning of the affected areas. Atkins concludes:

"… the building is uneconomic to repair to give a continued useful life. We therefore recommend that the building is used for as long as it remains serviceable but that either alternatives premises is sought or funds found to redevelop the site."

1.5.3 Officers estimate that any major works would cost the Council between £200k - £300k. In addition, any large-scale repairs such as these would need to conform to higher modern building standards, which could raise this estimate even further. This option also relies heavily on the assumption that the building would last for another 35 years at least, which could be annulled if other underlying problems arose.

1.6 DELIVERING A COST-NEUTRAL SCHEME

1.6.1 In 2012 at Great Shelford the Council secured a new long leasehold library at nominal cost funded by the disposal of the site to a housing association who built 5 key worker flats above. That project was a partnership between Bedford Pilgrims Housing Association (BPHA) and a private developer, Hill.

1.6.2 A similar approach is proposed at Milton Road library with flats above and a new community room part funded by up to £100,000 s106 funding from Cambridge City Council. The City Council funding is time limited and will require substantial progress on the project before autumn 2015 or risk losing the funding and the room.

1.6.3 Discussions about the replacement of the current Milton Road library began in 2012 and BPHA, who had initiated the Great Shelford scheme, provided an initial appraisal. It was clear that following Government grant changes, a scheme with key worker houses was unlikely to generate sufficient funds to provide a scheme that would be cost neutral or at minimal cost to the Council.

1.6.4 Based on the Council's experience at Great Shelford, Hill[2] (Hill) was asked if they could produce options for a viable scheme, work that they did at their own risk. They concluded that there was a feasible project that would deliver the following benefits:

- A new library building at nil cost to Cambridgeshire County Council (however cost of partial fit out would be carried by Cambridgeshire County Council).
- A new community room at nil cost to Cambridgeshire County Council, supported by s106.
- Cambridgeshire County Council will retain the freehold of the whole site.
- Provision of private flats.

1.6.5 Cambridgeshire County Council would grant a long lease of the flats to the developer to enable them to sell the flats to make the capital return on the project. The grant of the long lease will be at a peppercorn, in return for the construction of the library and community room, which would remain in County Council ownership.

1.6.6 The library and community room elements would be designed in such a way that they could be converted to alternative uses should the proposed uses no longer be required.

1.6.7 Hill, at their own expense, obtained pre planning application advice from Cambridge City Council's, Planning Department. The complexity of the project necessitated two rounds of pre planning applications and required significant design work. In June 2014 the City Council's Senior Planner wrote to Hill and said 'In conclusion, and on balance, I consider that this scheme, with amendments, could be supported subject to full consultation of neighbours and consultees'.

2. MAIN ISSUES

2.1 The Committee is asked to decide the most appropriate route forward for the Council in the current circumstances. Because the information needed to make this judgement is dependent on commercial and market factors, and this information will influence the way in which the Council implements the project, the detail of the background to each option is set out in a confidential **Appendix 1**, with a summary of the advantages and disadvantages of each

[2] Hill Residential Ltd are niche developer providing a blend of design, planning, construction and marketing skills

option at confidential **Appendix 2**.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The report above sets out details of significant implications in confidential Appendix 1 and Appendix 2.

4.2 Statutory, Risk and Legal Implications

The report above sets out details of significant implications in confidential Appendix 1 and Appendix 2.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

The report above sets out details of significant implications in confidential Appendix 1 and Appendix 2.

4.5 Localism and Local Member Involvement

The following bullet points set out details of implications identified by officers:

- Local Members and the local community have been consulted and engaged through the life of this project.

4.6 Public Health Implications

There are no significant implications within this category.

Source Documents	**Location**
• Jan – Sept 2013 - Consultation overview • Combined feedback summer 2013 – Young People, Online, Primary School • Brief for Milton Road Library and Community Hub- drawn up in consultation with the community Steering Group	All available in: Room SH008, Shire Hall, Cambridge