

Thursday, 20 October 2022

Democratic and Members' Services

Fiona McMillan
Monitoring Officer

10:00

New Shire Hall
Alconbury Weald
Huntingdon
PE28 4YE

**The Red Kite Room, New Shire Hall, Alconbury Weald,
Huntingdon, PE28 4YE
[Venue Address]**

AGENDA

Open to Public and Press

CONSTITUTIONAL MATTERS

1. Apologies for absence and declarations of interest

*Guidance on declaring interests is available at
<http://tinyurl.com/ccs-conduct-code>*

2. Minutes - 30th September 2022 and Action Log

[Strategy and Resources meeting 30/09/2022](#)

Minutes – 30th September 2022 and Action Log - Appendix

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3. Petitions and Public Questions

KEY DECISIONS

- | | | |
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| 4. | Integrated Finance Monitoring Report for the period ending 31 August 2022 | 7 - 48 |
| 5. | Adult Social Care IT System Procurement | 49 - 54 |
| 6. | Mobile Phone Reprocurement | 55 - 58 |
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OTHER DECISIONS | | |
| 7. | Business Planning update for 2023-28 | 59 - 88 |
| 8. | Draft Anti-Fraud & Corruption Policy and Draft Anti-Money Laundering Policy | 89 - 176 |
| 9. | Corporate Performance Report | 177 - 204 |
| 10. | Strategy and Resources Committee Agenda Plan and Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels | 205 - 208 |
| 11. | Exclusion of Press and Public
<i>To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed - information relating to the financial or business affairs of any particular person (including the authority holding that information)</i>
KEY DECISION | |
| 12. | Property acquisitions in Impington and St Neots (circulated separately) | |

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 Chair of the

Council and political Group Leaders which can be accessed via the following link or made available on request: [Filming protocol hyperlink](#)

Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting [Democratic Services](#) 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: [Procedure Rules hyperlink](#)

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Meetings are streamed to the Council's website: [Council meetings Live Web Stream hyperlink](#)

The Strategy and Resources comprises the following members:

Councillor Lucy Nethsingha (Chair) Councillor Elisa Meschini (Vice-Chair) Councillor Chris Boden Councillor Steve Corney Councillor Steve Count Councillor Steve Criswell Councillor Lorna Dupre Councillor Mark Goldsack Councillor Neil Gough Councillor Richard Howitt Councillor Samantha Hoy Councillor Edna Murphy Councillor Tom Sanderson Councillor Alan Sharp and Councillor Graham Wilson

Clerk Name:	Michelle Rowe
Clerk Telephone:	01223699180
Clerk Email:	michelle.rowe@cambridgeshire.gov.uk

STRATEGY AND RESOURCES COMMITTEE MINUTES-ACTION LOG

This is the updated action log as at 12th October 2022 and captures the actions arising from the most recent Strategy and Resources Committee meeting and updates Members on the progress on compliance in delivering the necessary actions.

Minutes of 30th September 2022					
Minute number	Item title	Responsible officer(s)	Action	Comments	Completed
90.	Integrated Finance Monitoring Report for the Period Ending 31 July 2022	T Kelly S Howarth	The need to consider, if required, at the October meeting if additional funding is necessary to support bus services in the county.		

Integrated Finance Monitoring Report for the period ending 31 August 2022

To: Strategy & Resources Committee
Meeting Date: 20 October 2022
From: Service Director: Finance & Procurement

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2022/022

Outcome: The Committee will have received information setting out the current financial position of the Council enabling it to assess delivery of the Council's business plan. It will also have made decisions around the allocation of resources. Overall, this will contribute to good financial management and stewardship of public funds.

Recommendation: Strategy & Resources Committee (S&R) is recommended to:

- a) Note funds receivable under Homes for Ukraine and related grant streams and their earmarking and deployment, as set out in section 3.1, delegating authority to the section 151 officer to forward funding to District Councils and to Schools in compliance with the grant parameters; and
- b) Provide a delegated approval to the s151 Officer for a limited 12-month period to be able to authorise a 5% variation on cost changes on schemes within the capital programme reaching Milestone 4, as set out in section 4.4.2.

Officer contact:

Name: Stephen Howarth
Post: Head of Finance
Email: stephen.howarth@cambridgeshire.gov.uk
Tel: 01223 507126

Member contacts:

Names: Councillors Nethsingha & Meschini
Post: Chair/Vice-Chair
Email: Lucy.Nethsingha@cambridgeshire.gov.uk
Elisa.Meschini@cambridgeshire.gov.uk
Tel: 01223 706398

1. Background

- 1.1 The purpose of this report is to present financial and performance information to assess progress in delivering the Council's Business Plan.

2. Main Issues

- 2.1 Please see the attached Integrated Finance Monitoring Report for the period ending 31 August 2022 at Appendix A and the Corporate Services Finance Monitoring Report for the period ending 31 August 2022 at Appendix B.

3. Alignment with corporate priorities

3.1 Environment and Sustainability

Please see the Environment and Climate Change Implications outlined in 4.8 below.

3.2 Health and Care

There are no significant implications for this priority.

3.3 Places and Communities

There are no significant implications for this priority.

3.4 Children and Young People

There are no significant implications for this priority.

3.5 Transport

There are no significant implications for this priority.

4. Significant Implications

4.1 Resource Implications

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

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There is a risk to the council's financial position from unfunded legislative changes and government reforms, particularly changes to adult social care, per section 1.2.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

- 4.5 Engagement and Communications Implications
There are no significant implications within this category.
- 4.6 Localism and Local Member Involvement
There are no significant implications within this category.
- 4.7 Public Health Implications
There are no significant implications within this category.
- 4.8 Environment and Climate Change Implications on Priority Areas
- 4.8.1 Implication 1: Energy efficient, low carbon buildings.
Status: Neutral
Explanation: There are no significant implications within this category.
- 4.8.2 Implication 2: Low carbon transport.
Status: Neutral
Explanation: There are no significant implications within this category.
- 4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Status: Neutral
Explanation: There are no significant implications within this category.
- 4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Status: Neutral
Explanation: There are no significant implications within this category.
- 4.8.5 Implication 5: Water use, availability and management:
Status: Neutral
Explanation: There are no significant implications within this category.
- 4.8.6 Implication 6: Air Pollution.
Status: Neutral
Explanation: There are no significant implications within this category.
- 4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.
Status: Neutral
Explanation: There are no significant implications within this category

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Stephen Howarth

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? No
Name of Officer: Not applicable

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? No
Name of Legal Officer: Not applicable

Have the equality and diversity implications been cleared by your EqIA Super User? No
Name of Officer: Not applicable

Have any engagement and communication implications been cleared by Communications?
No
Name of Officer: Not applicable

Have any localism and Local Member involvement issues been cleared by your Service Contact? No
Name of Officer: Not applicable

Have any Public Health implications been cleared by Public Health? No
Name of Officer: Not applicable

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer? Yes
Name of Officer: Emily Bolton

5. Source documents

- 5.1 Source documents
 - P&E Finance Monitoring Report (August 22)
 - P&C and PH Finance Monitoring Report (August 22)
 - CS Finance Monitoring Report (August 22)
 - Capital Monitoring Report (August 22)
 - CCC Debt Reporting Pack (August 22)
 - CCC Prompt Payment KPIs (August 22)

Appendix A

Integrated Finance Monitoring Report August 2022

Contents

Section	Item	Description
1	Executive Summary	<p>A high-level summary of key information covering both revenue and capital.</p> <p>Narrative on key issues in affecting the financial position, both corporately and across the directorates.</p>
2	Revenue Budget	<p>Provides a more detailed summary of the revenue position by directorate, as well as additional information on:</p> <ul style="list-style-type: none"> • The position of our Dedicated Schools Grant • The Savings Tracker (next update at the end of quarter 2)
3	Revenue Funding Changes	<p>This section highlights any new in-year changes to revenue budgets or funding that have taken place or that are proposed for agreement by Committee.</p>
4	Capital Programme	<p>Provides a detailed summary of the capital position by directorate, as well as capital variations budgets and capital funding changes.</p> <p>Any changes to funding or budgets for the capital programme that are proposed for noting or agreement by Committee will be reported here.</p>
5	Balance Sheet	<p>Key information about the Council's balance sheet, including reserves, borrowing and debt.</p>
6	Treasury Management	<p>Update on the Council's treasury management position. At the end of Q2 and Q4 this will form a separate report as it requires consideration by Full Council.</p>
Appx 1	Revenue – commentaries on exceptions	<p>Detailed commentaries on forecast revenue variances by exception</p>
Appx 2	Capital – commentaries on exceptions	<p>Detailed commentaries on forecast capital variances by exception</p>
Appx 3	Budget transfers between services	<p>Breakdown of movements between services in 2022/23</p>
Appx 4	Reserves & provisions	<p>Schedule of reserves held</p>

1. Executive Summary

- 1.1 This report sets out the main overall management accounts for the Council, and presents financial and other information to assess the Council's financial position and delivery of the business plan.

The Council's financial accounts are produced annually and are available on our [website](#).

The Council's total service budgets for 2022/23 are:

- Revenue: £456m net budget
- Capital: £167m (with a total programme of over £1bn)

The table below shows the key forecast information by service:

Service	Revenue Budget Variance £000	Revenue Budget Variance %	Net Capital Budget Variance £000	Net Capital Budget Variance %
People & Communities	44	0.0%	-2,049	-3.0%
Place & Economy	526	0.8%	0	0.0%
Corporate Services	1,656	6.0%	0	0.0%
Public Health	0	0.0%	-	-
Capital Financing	0	0.0%	-	-
Funding Items	0	0.0%	-	-
Net Spending Total	2,227	0.5%	-2,049	-1.2%

Note: headings reflect the organisation of services in August 2022. Organisational changes will be reflected from October's monitoring report.

Between 2021/22 and 2022/23, significant budget growth has been provided for:

Item	Change for 2022/23 £000
Inflation	9,991
Demand growth	9,615
Pressures	16,236
Investments	7,253

In setting this year's budget, this growth had to be met through additional taxation, savings and government funding. We also have significant budget gaps over the next few years, including at least £28m in 2023/24, before the effects of significant inflationary pressures are applied.

Detailed financial information about each service area is contained in the relevant Finance Monitoring Report. These can be found published at each scheduled committee meeting, and on the [Council's website](#).

Summary financial information in this report is presented with the assumption that any accompanying recommendations to committees will be agreed.

1.2 Key Issues

We are currently forecasting a small (0.5%) overspend for 2022/23, mainly due to the effects of the expected level of public sector pay inflation for this year, which exceeds the estimates used in budgeting. This is in the context of large budget increases that were planned in for this year as noted above, alongside uncertainty due to the impacts of inflation and patterns of demand.

In June, the Council allocated additional resources to meet expected inflationary pressures this year, mainly driven by energy prices and some of our large contracts that are linked to national inflation indices. It also created a reserve to meet unexpected inflationary pressures. Other than with pay inflation, we do therefore expect to be able to meet the costs of inflation on our revenue budgets this financial year as things stand. It remains a significant concern, however, in looking ahead to setting our medium-term financial plan for the next five years.

Inflation is also impacting on our capital programme, alongside international supply chain disruption, making deliverability less clear. This is having an in-year impact on capital schemes as well as affecting future years.

There is uncertainty caused by changes in national government and their potentially different priorities. Funding levels for both Councils and the NHS are uncertain, and it is not clear whether the government will press on with several reforms (such as of the adult social care system).

We continue to move forward with local investments and reforms through the Just Transition Fund, particularly in the areas of Net Zero and flood mitigation.

Over recent years we have generally succeeded in managing risks within budget, alongside delivering ambitious savings plans that are necessary to close our funding gap. We are also pro-actively managing our large contracts, ensuring value for money, and maximising grant funding where possible from government. Investment by the Council, such as in free school meal provision during holidays, should provide some further support to people.

Demand for our services so far this financial year appears to be within original projections, but remains an uncertainty over the coming months. In particular, the impact of Autumn and Winter on social care budgets is difficult to predict, and the national economic picture (including rising fuel bills) may increase demand on Council services.

There is a potential for government policies and reforms to impact on our finances if they are not fully funded. In particular, government reforms of adult social care that are expected to take effect in 2023 could cost the Council over £15m per year extra. No funding at this level has been committed to by government, and so this is a key risk in looking at available resources and next year's budget.

1.3 Key Issues by Service Area

1.3.1 People & Communities – Adults

The financial position of this service is considerably uncertain. Care providers are continuing to report cost pressures related to both workforce issues and the current cost of living rises. These are putting pressure on uplift budgets across all care types. In addition, the position of the care market, particularly related to workforce issues, is making some placements more difficult to source, particularly at the more complex end of provision.

Hospital Discharge systems continue to be pressured. The medium-term recovery of clients assessed as having primary health needs upon hospital discharge can return individuals to social care funding streams. In addition, the impact of delayed health care treatments such as operations, will also affect individual needs and health inequalities negatively. It is anticipated that demand for services will increase as we complete more annual reviews, many of which are outstanding due to the pandemic.

Financial pressures in some areas are being offset by demand continuing below expectations in other areas. In particular, it is likely that demand for residential care for Older People will remain at below pandemic levels for some time to come. Work is ongoing to assess future demand, cost pressures and the financial implications of the government's social care reforms which are due to be implemented in October 2023. This work will feed into business planning for 2023-34 and beyond. If demand increases above current expectations within the current financial year, we have provision to offset the costs of this in the Adult's risk reserve which currently stands at £4.7m.

In line with the social care reform agenda the Council is currently undertaking "fair cost of care" exercises with both homecare and care home providers. It is anticipated that the outcomes of these exercises nationwide will be a gap for some Councils between what is currently paid and the newly assessed "fair cost of care". Whilst we have some funding from government for 2022/23 to start to close this gap, there may well be a pressure to be addressed over the coming years to reach a point where care providers are paid the "fair cost of care".

Key activity data for Adult Services at the end of August 2022 is:

Older people aged 65+ receiving long term services	Budgeted no. of care packages 2022/23	Actual Aug 22	Actual May 22	Trend in service user numbers since May 22	Trend in average weekly unit cost since May 22 (budget expects an increase)
Nursing	617	572	537	Increasing	Increasing
Residential	947	823	837	Decreasing	Increasing
Community	2,399	2,205	2,225	Increasing	Increasing

Working Age Adults receiving long term services	Budgeted no. of care packages 2022/23	Actual Aug 22	Actual May 22	Trend in service user numbers since May 22	Trend in average weekly unit cost since May 22 (budget expects an increase)
Nursing	37	35	36	Stayed the same	Increasing
Residential	342	336	334	Stayed the same	Increasing
Community	2,626	2,716	2,644	Increasing	Increasing

1.3.2 People & Communities – Children’s & Education

In order to address continuing difficulty in recruiting to Social Worker posts, which resulted in a significant staffing underspend last financial year, a Programme Board has been established to focus on recruitment, retention and development of the workforce offer. The Children’s Workforce Programme Lead role has now been recruited to, with recruitment underway to appoint to other posts within this team. A children’s workforce framework has been produced and work is underway on both medium and long term strategies to address the issues. In the short term, a team of agency workers are supporting permanent staff with the current workload.

All transport budgets have been impacted by the underlying national issue of driver availability which is seeing less competition for tendered routes. This has also resulted in numerous contracts being handed back by operators as they are no longer able to fulfil their obligations and alternative, often higher cost, solutions are required. The increase in fuel costs is also placing further pressure on providers and as such the service are carefully monitoring the situation which is likely to result in higher future costs as and when we retender existing contracts.

Section 2.3 below sets out risks around the Dedicated Schools Grant position and the significant deficit on it. While this deficit is currently ringfenced, the rising numbers of children with Education Health & Care Plans has a knock-on impact on other council budgets, particularly transport.

As noted above, there are risks of increased costs on our significant schools’ capital programme due to the availability of materials and labour. We do have one of the larger schools’ capital programmes nationally and have typically delivered it within budget.

Key activity data for Children in Care in August 2022 is:

Children in Care	Budgeted no. of care packages 2022/23	Actual Aug 22	Actual May 22	Trend in service user numbers since May 22	Trend in average weekly unit cost since May 22 (budget expects an increase)
Children in Care placements	278	258	260	Stayed the same	Increasing
Fostering and Supervised Contact	242	239	249	Decreasing	Increasing
Adoption	461	422	424	Stayed the same	Stayed the same

1.3.3 Place & Economy

The largest financial risk within P&E is within the Waste service, and work to ensure compliance with odour regulations. A large capital investment is expected, as well as revenue costs while waste is diverted. For this financial year, much of this risk is mitigated by budget provision made or reserves created last year.

This month, we are increasing the expected cost of powering our streetlights. We had previously expected an 80% increase in the cost of electricity from October 2022, but this now will be closer to a 100% increase.

We are also seeing some delay in realisation of additional revenue expected from several of our renewable energy schemes. These programmes expect a significant net revenue return due to the selling of clean electricity, but delays to some capital works are pushing back the expected realisation of income. When income does commence, we expect it to be higher than in the original plan due to rising electricity prices.

Covid continues to impact P&E to some degree as income collection in some services is not expected to return to a normal level until next year, though some budget provision was made to offset this.

As noted above, there are also risks of increased costs within the P&E capital programme, and we continue to monitor spend and the future pipeline of works to be undertaken.

1.3.4 Corporate Services

Corporate Services are forecasting an overspend due to the expected level of staff pay inflation. Until national and local pay awards are set, pay inflation is retained centrally pending distribution to services. If pay increases are in line with the latest offer from the national employers, services would be funded and this central budget would show an overspend.

Work is commencing within the IT service to look at implementing the longer-term strategy of moving to predominantly cloud based services away from physical IT assets. This will likely have a revenue cost impact as services cease to be able to be capitalised, something that is being closely reviewed over coming months.

The Council's investments, both financial and property, are continuing to perform well and delivering an annual revenue return to us.

Centrally, there are some residual pandemic-related risk provisions left over from previous business plans, but this is at a greatly reduced level compared to the last two years. We expect some ventilation works this year to use up this provision.

1.3.5 Public Health

The Public Health Directorate is funded wholly by ringfenced grants, mainly the Public Health Grant. The work of the Directorate was severely impacted by the

pandemic, as capacity was re-directed to outbreak management, testing, and infection control work. The majority of the pandemic work has now come to an end and the Directorate is focussed on returning business as usual public health activity to full capacity as soon as possible and addressing issues arising from the pandemic which have impacted on the health of the County's population.

The service is forecasting a small underspend due to reduced activity on some contracts, alongside difficulty recruiting to a number of posts. There are several risks to PH budgets:

- i) much of the Directorate's spend is contracts with, or payments to, the NHS for specific work. The NHS re-focus on the pandemic response and vaccination reduced activity-driven costs to the PH budget throughout 2020/21 and 2021/22. The NHS continues to be under pressure and it may take some time for activity levels to return to pre pandemic levels;
- ii) the unprecedented demand for Public Health staff across the country has meant recruitment has been very difficult through the pandemic resulting in underspends on staffing budgets. This position may continue through 2022/23, although appointments are now starting to be made.
- iii) recruitment challenges are reflected in our provider services which has affected their ability to deliver consistently.

Public Health services are key to wider preventative activity and can help reduce future costs both in social care and the health service.

The Public Health Grant increased in 2022/23 by around £800k, which was fully invested into the service.

2 Revenue Budget

2.1 This table shows summary information for the Council's revenue budgets at the end of August 2022:

Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
507	People & Communities	316,629	106,734	44	0.0%
365	Place & Economy	67,757	17,904	526	0.8%
1,496	Corporate Services	27,709	10,646	1,656	6.0%
-86	Public Health	27,302	-11,280	-176	-0.6%
0	Capital Financing	33,275	2,766	0	0.0%
0	Funding Items	10,692	10,547	0	0.0%
2,282	Net Spending Total	483,363	137,317	2,051	0.4%
86	Adjustments for Public Health ring-fence	-27,301	-6,825	176	-0.6%
2,368	Overall Total	456,062	130,492	2,227	0.5%
-	Schools	149,099	-	-	-

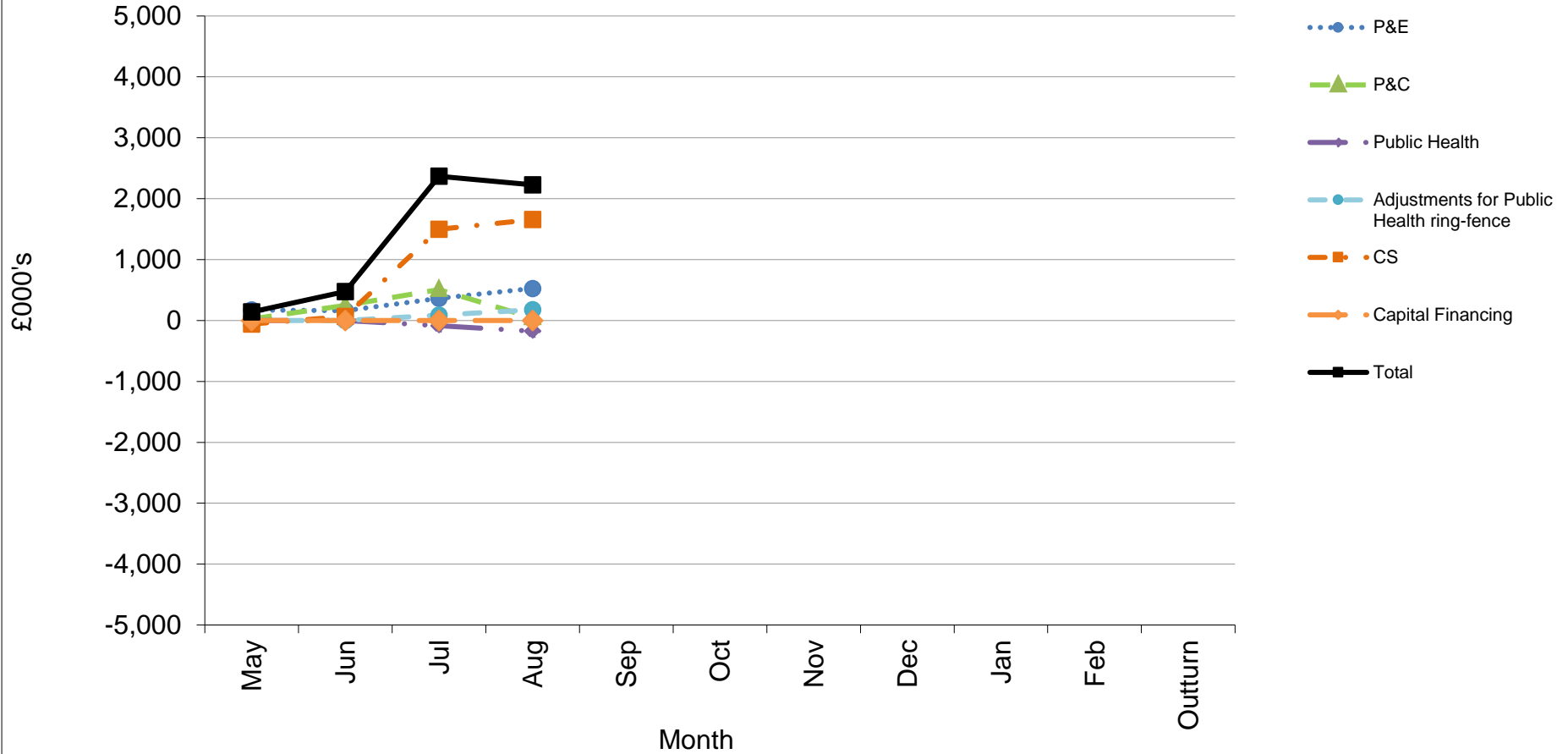
Notes on this table:

1. The budget and actual figures are net
2. The budget column shows the current budget. For virements between services throughout the year see appendix 3
3. The 'funding items' budget consists of the £9.7m Combined Authority Levy, the £433k Flood Authority Levy and £574k change in general and corporate reserves budget requirement. The forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, i.e. more income received than budgeted.
4. The Adjustments for Public Health ring-fence line shows adjustments needed to the net spending total to account for Public Health Grant income and the year-end transfer to PH reserves of any underspend. The budget line currently only shows the grant element sat within the PH directorate. A small balance is allocated to other directorates and is netted off their totals.
5. The actuals column for Public Health currently shows a negative figure. This is as a result of grant funding received in 2021/22 and carried forward into the current financial year, but not yet applied against spend.

2.2 Key budget variances are identified by exception and commented upon in appendix 1.

Key variances are those forecast to be in excess of +/-£250k

Forecast Outturn Position 2022/23



- 2.3 This table shows a summary of the position of the Council's Dedicated Schools Grant position:

Opening Deficit Balance 2022/23 £m	Forecast In-year Deficit £m	Forecast Closing Deficit Balance 2022/23 £m
39.3	11.8	51.1

- 2.3.1 A cumulative DSG deficit of £39.3m has been carried forward into 2022/23, and this is expected to grow in year by £11.8m at this stage. Under current regulations, this is a ringfenced deficit that cannot be addressed using Council funds.
- 2.3.2 In 2020-21 the Department for Education (DfE) introduced the safety valve intervention programme in recognition of the increasing pressures on high needs. A total of 14 local authorities have now signed up to agreements, and the programme is being expanded to a further 20 local authorities, including Cambridgeshire in 2022-23.
- 2.3.3 The programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the DfE, to rapidly place them on a sustainable footing. If the authorities can demonstrate sufficiently that their DSG management plans create lasting sustainability and are effective for children and young people, including reaching an in-year balance as quickly as possible, then the DfE will enter into an agreement with the authority, subject to Ministerial approval.
- 2.3.4 If an agreement is reached, local authorities are held to account for the delivery of their plans and hitting the milestones in the plans via quarterly reporting to the DfE. If adequate progress is being made, authorities will receive incremental funding to eliminate their historic deficits, generally spread over five financial years. If the conditions of the agreement are not being met, payments will be withheld. Senior Officers are continuing to meet with the DfE to discuss the current situation and plans. This process remains a major financial risk in the medium-term due to the scale of the growing deficit and the uncertain extent to which we will need to contribute our own funding to eliminate it.

3 Revenue Funding Changes

This section highlights any new in-year changes to revenue budgets or funding that have taken place or that are proposed for agreement by Committee.

3.1 Homes for Ukraine Scheme: Update on Payments to Councils

The Homes for Ukraine Scheme was launched by the government in March 2022 in response to the invasion of Ukraine. The scheme offers a route to those who want to come to the UK (described as 'guests' by government) and have someone here (a 'sponsor') willing to provide them with a home. Local Authorities play a key role in supporting guests and sponsors through the Homes for Ukraine Scheme. Government funding has been made available to cover the costs of fulfilling this role. In two tier council areas such as Cambridgeshire, whilst both County and District Councils will have access to funding, this will initially be paid to the upper tier council. It is a condition of funding that councils must agree a plan locally to enable prompt payments to lower tier authorities in relation to all services which they provide to guests. We hold a Finance focussed subgroup of the overarching Tactical Coordination Group every other week to work closely with District colleagues on this.

Government funding is being made available through a series of grants on a quarterly basis. Grant funding is split across the following three areas:

1. £10,500 tariff per guest to enable councils to provide support to guests. This funding is un-ringfenced but has a number of conditions attached including the maintenance of accurate data. Payments are based on the actual number of Homes for Ukraine guests having arrived in the area in the claim period. £9.4m was received for the March – May period for 892 arrivals, with a further £6m expected for the 575 arrivals in quarter 2.

The tariff funding is planned to be used across the following areas:

- Funding initial costs at District level including Host DBS and accommodation checks, Guest welcome payments, administration, and community work.
- County level costs, including administration of the programme, and additional demand in the short-term to services including Adult and Children's social care.
- Further additional District costs around homelessness prevention, including providing housing advice, increasing housing stock available to rent and assistance to Guests in moving into private rented accommodation once their sponsorship period ends.

Expenditure of the remainder of the grant will be reviewed in the coming months as more information becomes available.

Further funding will be received at the rate of £10,500 per guest arriving into Cambridgeshire, which could be up to a further £4.5m in total for quarters 3

and 4, based on the current estimated expected number of guests 1,898 in total.

2. £350 per household per month for optional monthly ‘thank you’ payments to sponsors. This funding is through a ringfenced grant and is claimed in arrears against the actual numbers of £350 thank you payments made to sponsors in the claim period. Payments are made by Districts, with the County Council acting as an agent in passing through the grant. £78k was received for March – May for 223 payments made, this has been paid over to Districts in full. A further £500k is expected to be received for Q2 and this will also need to be paid over to Districts in full.
3. The Department for Education will allocate funding on a per pupil rate depending on the phase of education for Early Years, Primary and Secondary pupils at rates of £3,000, £6,580 and £8,755 respectively, pro-rated depending on arrival date. This rate is to cover both setting/school and central costs. £1.3m has been claimed for March – Aug for 528 arrivals meeting the age criteria for this funding. The majority of this funding will be passported onto Schools and Settings with some retained for the impacts on schools spend delivered through the Council (such as high needs spend). It is proposed to delegate authority to allocate this funding to the Service Director for Education.

4 Capital Programme

4.1 Capital programme financial position

Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Net Forecast Variance £000	Forecast Variance %	Total Scheme Budget £000	Total Scheme Forecast Variance £000
0	Place & Economy	85,225	19,250	0	0.0%	589,322	5
0	People & Communities	68,644	8,321	-2,049	-3.0%	581,519	1,752
0	Corporate Services	13,469	2,019	-0	0.0%	61,499	0
0	Total	167,339	29,590	-2,049	-1.2%	1,232,340	1,757

Notes on this table:

1. The Budget column incorporates any changes in the funding available to what was originally budgeted in the Business Plan. A breakdown of the budget changes made in-year can be found in 4.4
2. The Budget column also includes an assumed level of variations, called the ‘capital variations budget’ which is shown in section 4.2
3. The reported Place & Economy capital figures do not include the Greater Cambridge Partnership, which has a budget for 2022/23 of £40m and is currently forecasting a balanced position.
4. The columns setting out budgets and forecast variances for total schemes show financial information for all schemes in a service block across all financial years.

4.2 Capital variations budgets

4.2.1 A summary of the use of the 2022-23 capital programme variations budgets by services is shown below. These variation budgets are set annually and reflect an estimate of the average variation experienced across all capital schemes, and reduce the overall borrowing required to finance our capital programme. There are typically delays in some form across the capital programme due to unforeseen events, but we cannot project this for each individual scheme. We therefore budget centrally for some level of delay. Any known delays are budgeted for and reported at scheme level. If forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget.

4.2.2 Capital variations summary

Service	Capital Variations Budget £000	Forecast Outturn Variance £000	Capital Variations Budget Used £000	Capital Variations Budget Used %	Net Forecast Outturn Variance
Place & Economy	-18,660	-1,947	1,947	10.4%	0
People & Communities	-9,502	-11,551	9,502	100.0%	-2,049
Corporate Services	-2,459	-872	872	35.5%	-0
Total	-30,621	-14,370	12,321	40.2%	-2,049

4.2.3 As at the end of August, People & Communities have exceeded the capital variations budgets allocated to them, forecasting an in-year underspend of -£2.0m. The current overall forecast position is therefore a -£2.0m underspend; the forecast will be updated as the year progresses.

4.3 Key capital budget variances are identified by exception and commented upon in appendix 2.

Key variances are those forecast to be in excess of +/-£250k

4.4 Capital Funding Changes

4.4.1 This table sets out changes to funding for capital schemes in-year.

Funding Source	Business Plan Budget £m	Rolled Forward Funding £m	Revised Phasing £m	Additional/Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	23.9	-5.0	0.0	2.5	21.5	21.7	0.2
Basic Need Grant	14.7	0.0	0.0	1.0	15.7	15.7	0.0
Capital Maintenance Grant	3.0	2.0	0.0	0.9	5.9	5.9	0.0
Devolved Formula Capital	0.8	1.2	0.0	-0.0	2.0	2.0	0.0
Specific Grants	19.7	2.4	-1.9	0.7	20.9	12.4	-8.5
S106 Contributions & Community Infrastructure Levy	28.0	0.4	-14.1	0.0	14.4	15.2	0.8
Capital Receipts	1.5	0.0	-0.1	0.0	1.3	1.3	0.0
Other Contributions	10.2	-0.4	-4.2	5.2	10.8	10.6	-0.2
Revenue Contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prudential Borrowing	90.6	26.8	-35.1	-7.4	74.9	80.6	5.7
TOTAL	192.2	27.473	-55.319	2.939	167.3	165.3	-2.0

Notes on this table:

- The 'rolled forward funding' column reflects the difference between the anticipated 2021/22 year-end position used at the time of building the initial Capital Programme budget, as incorporated within the 2022/23 Business Plan, and the actual 2021/22 year-end position.

4.4.2 In the current environment, contractors and sub-contractors only hold prices for a limited time period, often just a couple of weeks. We are seeing schemes increasing in overall cost as a result of delays in getting final approval from the point at which a quote is given to us. Committee is therefore asked to give a delegated approval to the s151 officer for a limited 12-month period to be able to authorise a 5% variation on cost changes on schemes within the capital programme upon reaching Milestone 4 to allow for quicker decision making. This would allow schemes costs to be finalised during this volatile period without the delay in coming back to seek committee approval for additional budget that could result in even further additional costs.

5 Balance Sheet

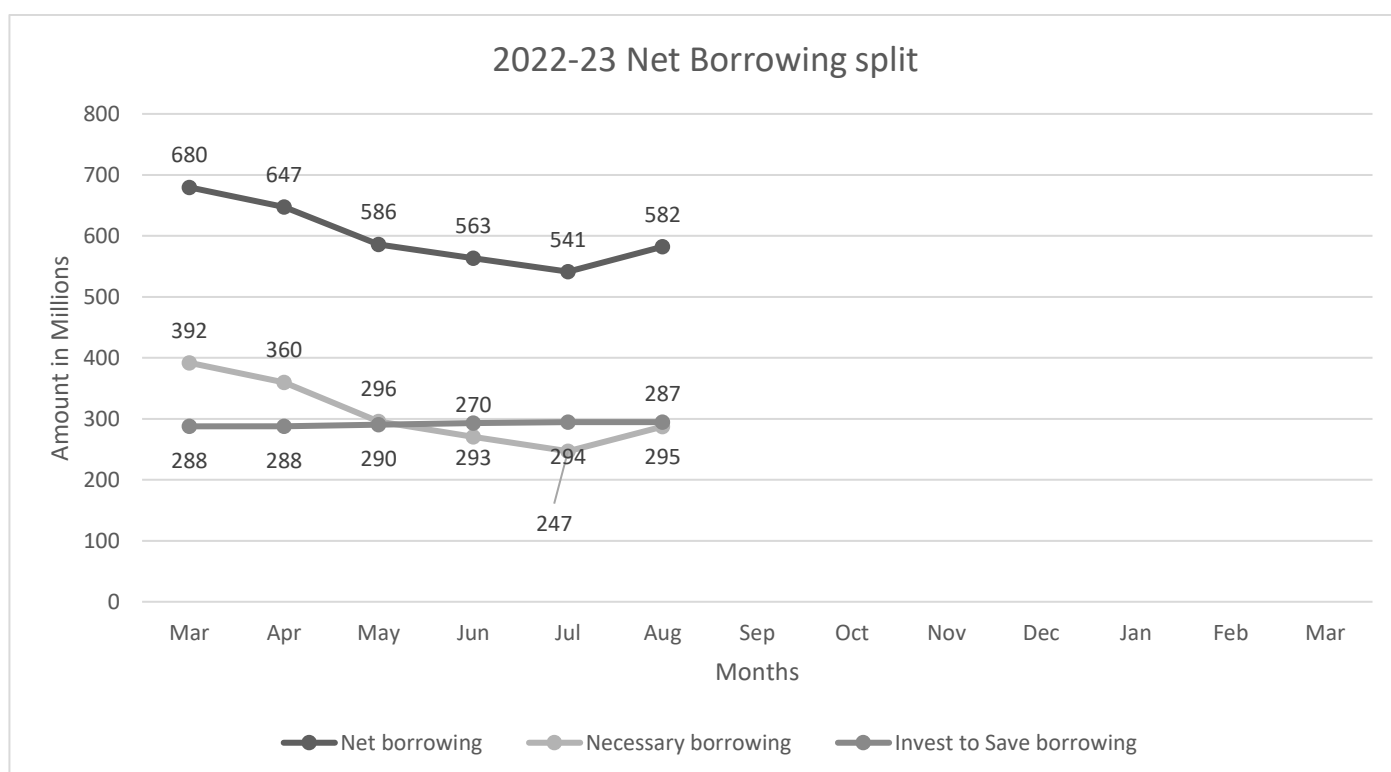
5.1 Reserves

At the end of August, the Council has revenue reserves totalling £161m. Most of these reserves are earmarked for specific purposes, and the breakdown of these can be seen in appendix 4. We retain a general fund reserve as our principal un-ringfenced reserve, which is held at a target balance of 4% of gross non-school expenditure.

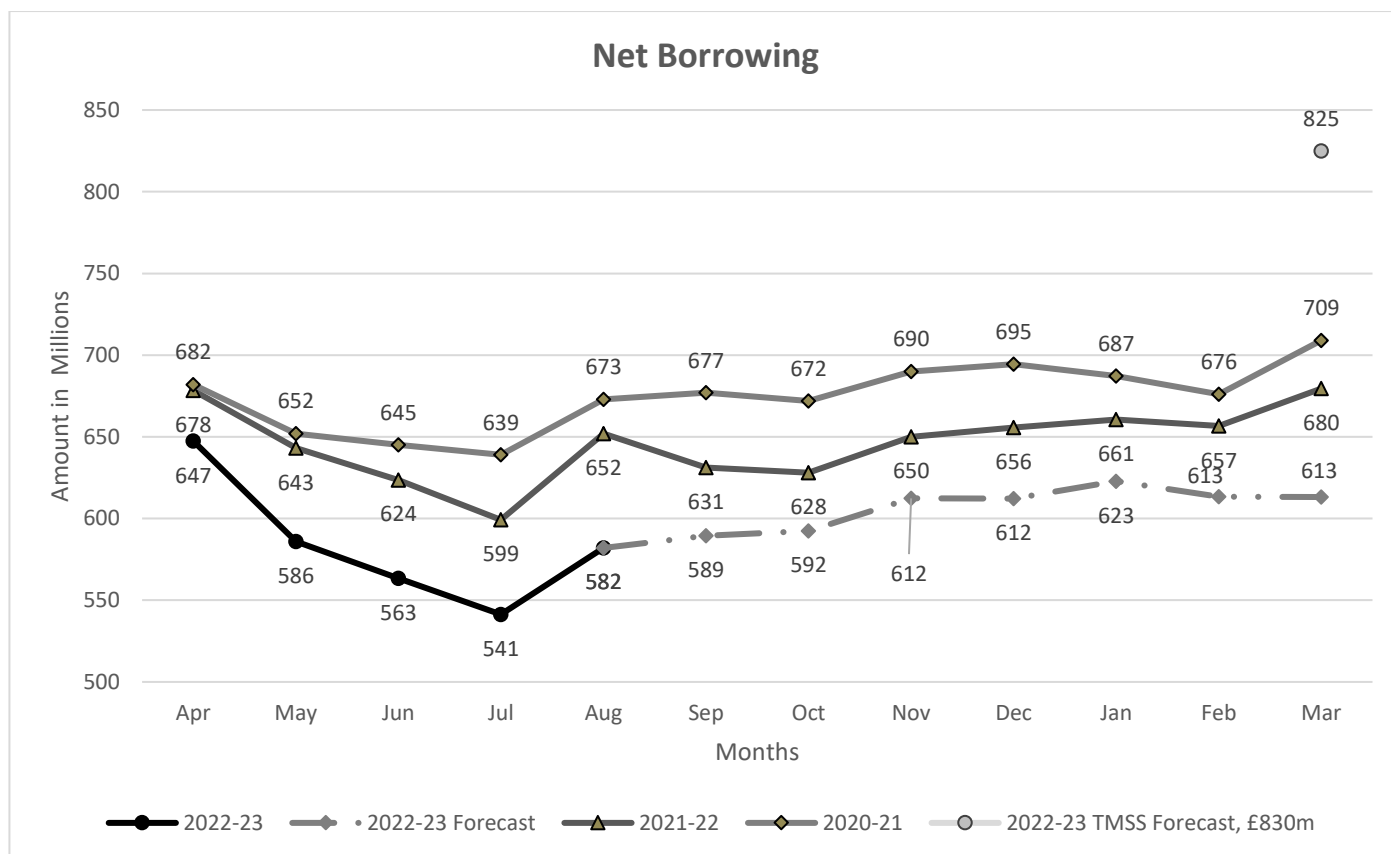
The medium-term financial strategy assumes a gradual reduction in the overall level of reserves as earmarked funds are spent, much of which is already planned into medium-term budgets.

5.2 Borrowing

The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2022/23, it is estimated that £295m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3rd parties in order to receive a financial return.



The graph below shows net borrowing (borrowings less investments) on a month-by-month basis and compares the position with previous financial years. At the end of August 2022, investments held totalled £177.3m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £759.3m, equating to a net borrowing position of £582.0m.



5.3 General Balance Sheet

An overview of other key balance sheet health issues is shown below:

Measure	Year End Target	Actual as at the end of August 2022
% of income collected (owed to the council) within 90 days: Adult Social Care	85%	84%
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£3.37m	£12.18m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£1.71m	£2.85m
% of invoices registered on ERP within 2 working days	98.0%	99.5%
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	98.7%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	84.3%

6 Treasury Management

- 6.1 The Council's cash flow profile – which influences the net borrowing requirement - varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, council tax etc.). As illustrated by 2021-22 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2022-23 net borrowing position is expected to take a similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.
- 6.2 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2022-23 TMSS was set in February 2022, it anticipated that net borrowing would reach £825.0m by the end of this financial year. Based on the 2021-22 outturn position and subsequent revisions to the capital programme, the net borrowing is currently predicted to be below this, at £613m by the end of this financial year.
- 6.3 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings and consequently holding less investments reduces the Council's exposure to credit risk. However, this approach carries with it interest rate risk and officers continue to monitor options as to the timing of any potential longer-term borrowing should underlying interest rates be forecast to rise in a sustained manner.
- 6.4 There is a link between the capital financing borrowing requirement, the net borrowing position and consequently net interest costs. However, the Debt Charges budget is prudently formulated with sensitivity to additional factors including projected levels of cash-backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.

Appendix 1 – Revenue – commentaries on exceptions

1. People and Communities

- An overall pressure of £0.044m is forecast for year-end.

New commentaries

1a Older People and Physical Disability Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.7	-1%

A £0.660m underspend is forecast. Older People's and Physical Disabilities Services have undergone a service redesign for the start of 2022-23 to realign the Long-Term care teams into single locality-based community care teams and a specialist care home team. As part of this redesign, a cohort of over-65 clients previously allocated to the Physical Disabilities care budget have been realigned to the Older People's care budget, which means that the Physical Disabilities care budgets relate to working-age adults only.

At this early stage in the year, and with work ongoing to implement the realignment of clients in the social care system, the service as a whole is forecasting a net underspend of -£660k for August. There are early indications that demand patterns that emerged during 2021-22 are continuing into 2022-23, and these are reflected in the individual forecasts for the service.

Further analysis will be carried out over the coming months to review in detail activity information and other cost drivers to validate this forecast position. This remains subject to variation as circumstances change and more data comes through the system.

Older People's North & South

It was reported throughout 2021-22 that despite high levels of activity coming into service, driven largely by Hospital Discharge systems, net demand for bed-based care remained significantly below budgeted expectations, and there was no overall growth in the number of care home placements over the course of the year. This trend is continuing into the first part of 2022-23. Based on activity so far this year, and with a high proportion of new placements being made within the Council's existing block bed capacity, we are reporting an underspend of -£2m.

Physical Disabilities North & South

There has been a significant increase in demand for community-based care above budgeted expectations. The increase in demand largely relates to home care, both in terms of numbers of clients in receipt of care and increasing need (i.e., average hours of care) across all clients. During 2021-22, this impact was offset by a reduction in demand in the over-65 cohort that have been realigned to the Older Peoples budget. This, in conjunction with a reduction in income due from clients contributing towards the cost of their care, is resulting in the reported forecast pressure of £1.34m.

Previously reported commentaries, updated since last month:

1b Mental Health

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.4	+2%

A £0.381m pressure is forecast within Mental Health Services which is a decrease of £0.169m on the position previously reported last month. The pressure reflects significant additional demand pressures within the Adult Mental Health service. This is partially offset by an expected underspend against the Section 75 Contract.

Adult Mental Health services are continuing to see significant additional demand within community-based care, particularly there has been a notable increase in the volume of new complex supported living placements made since the start of the year.

Older People's Mental Health services had previously seen a reduction in demand for community-based support. This is now returning to match budgeted expectations. Activity in bed-based care remains high, as reported last year, but this is currently remaining within budgeted means.

1c Central Commissioning - Adults

Forecast	Outturn	Variance £m	Forecast	Outturn	Variance %
		+0.3			+2%

A £0.273m pressure is forecast within Central Commissioning – Adults, which an increase of £0.016m on the position previously reported last month. This pressure is in relation to rapid discharge and transition cars commissioned to manage winter pressures. These cars enable more prompt discharges from hospital, as people can be provided with domiciliary care as part of a block contract while they wait for an individual care package to be sourced. The block contract was commissioned for 12 months, while the NHS only provided 6 months of funding.

This has led to a pressure of +£851k. This is partly mitigated by savings of -£575k due to the decommissioning of six local authority funded rapid discharge and transition cars as part of the wider homecare commissioning model. The long-term strategy is to decommission all the local authority funded cars, meeting the need for domiciliary care through other, more cost-effective means, such as:

- A sliding scale of rates with enhanced rates to support rural and hard to reach areas.
- Providers covering specific areas or zones of the county, including rural areas.
- Supporting the market in building capacity through recruitment and retention, as well as better rates of pay for care staff.

There are some additional small underspends on recommissioned contracts that are further mitigating the pressure.

Previously reported commentaries, unchanged since last month:

1d SEND Financing – DSG

Forecast	Outturn	Variance £m	Forecast	Outturn	Variance %
		+11.8			+121%

An £11.800m pressure is forecast within the high needs block of the Dedicated Schools Grant (DSG). Due to the continuing increase in the number of children and young people with Education, Health and Care Plans (EHCPs), and the complexity of need of these young people, the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. The current in-year forecast reflects the initial latest identified shortfall between available funding and current budget requirements.

1e Financing - DSG

Forecast	Outturn	Variance £m	Forecast	Outturn	Variance %
		-11.8			-11%

This line relates to the £11.800m that will be required to be drawn down from the DSG reserve to meet the in-year pressure on DSG funded services (mainly the high needs block as noted above). This reserve is currently negative (a deficit on the DSG). Within P&C, spend of

£102.9m is funded from the ring-fenced Dedicated Schools Grant. The DSG balance brought forward from 2021/22 was a deficit of £39.3m.

Senior Officers continue to meet with the DfE to discuss the current situation and plans, and as such updates will be provided in due course.

2. Place and Economy

- An overall pressure of £0.526m is forecast for year-end.

Previously reported commentaries, updated since last month:

2a Lost Sales, Fees & Charges Compensation

Forecast	Outturn	Variance £m	Forecast	Outturn	Variance %
		-0.7			-100%

Parking Enforcement

Forecast	Outturn	Variance £m	Forecast	Outturn	Variance %
		+0.3			-%

Variance on these two budget lines is linked. Funding is held on the Lost Sales, Fees & Charges Compensation to offset the impact of Covid on parking enforcement income. The pressure on income collection is reported on the Parking Enforcement line. The amount of funding held in offset is greater than the pressure, resulting in a net underspend of £0.415m between the two lines.

2b Energy Projects Director

Forecast	Outturn	Variance £m	Forecast	Outturn	Variance %
		+0.3			+99%

An in-year pressure of £0.301m is forecast on the Energy Project Director budget. This is a decrease of £0.029m on the pressure position reported last month. Income and maintenance costs for the St Ives P&R Smart Energy Grid forecast for this year have been pushed back into 2022/23. This is due to the private wire connection points to the business customers requiring additional design work resulting from site/operational changes from the customers.

Babraham Road P&R smart energy grid has added an additional phase to its construction programme to address the number of available parking concerns during the construction programme. This has added an additional 14 weeks to the construction programme pushing back income generation and maintenance costs to start by October 2023. The North Angle Solar Farm project will be energised by June 2023 and not December 2022 as originally forecast. This is due to the private wire not being in place by December 2022 as a result of extended third party easement negotiations. This has resulted in an income and maintenance cost delay.

3. Corporate Services

- An overall pressure of £1.656m is forecast for year-end.

New commentaries

3a Contract Efficiencies & Other Income

Forecast Outturn Variance £m	Forecast Outturn Variance %
0.3	+75%

A £0.305m pressure is forecast across Contract Efficiencies & Other Income.

Contract Efficiencies: This is due to ongoing difficulties with supply chains – relating to increasing inflationary cost pressures and continued impact from the pandemic – opportunities to renegotiate current contracts without a change to specification is extremely limited. A procurement three year pipeline is being created alongside a programme of contract review by the Head of Due Diligence and Best Value; it is anticipated savings will be identified through those processes once they commence fully.

External Income: This target originally focused on the achievement of surplus income generation from advertising and sponsorship. Activities in advertising and sponsorship have also been limited not only due to available revenues from businesses wishing to advertise but also the capacity to manage our assets for advertisement/sponsorship and our more exclusive intent for relevant policies to remove or reduce junk food, fossil fuels, etc. Further opportunities for other income are being explored.

Previously reported commentaries, unchanged since last month:

3b Central Services and Organisation-Wide Risks

Forecast Outturn Variance £m	Forecast Outturn Variance %
1.5	+28%

A £1.500m pressure is forecast across Central Services and Organisation-Wide Risks. This budget line holds the inflation allocation for staff pay increases across the Council until a pay award is set at which point budget is allocated to services. The latest pay offer from the national employers, if it was replicated across the council, exceeds the budget provision made. We have assumed in this projection that due to the levels of vacancies across the organisation that the impact of the difference between budget (based on the staffing establishment) and actual pay inflation will be reduced.

Appendix 2 – Capital – commentaries on exceptions

1. People and Communities

- Overall in-year forecast outturn variance of -£2.049m underspend.

Schemes previously reported on, updated since last month:

1a Alconbury Weald Secondary and Special

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
14,500	-11,000	1,000	-12,000

An in-year underspend of -£11.000m is forecast on the Alconbury Weald Secondary and Special scheme. This is a -£12.000m change since the position previously reported last month. A new tendering approach is being taken for the procurement of this project following increases in the estimated cost for SEN works. The SEN School will now be delivered one year later in July 2024 at the same time as the secondary; a combined approach will hopefully achieve a single agreed MS4 sum and overall reduced contract period.

1b P&C Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-9,502	9,502	0	9,502

Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore, £9.502m of the overall £11.551m underspend is balanced by use of the capital variations budget. The change since last month relates primarily to the in-year forecast variances on Alconbury Weald Secondary and Special school as reported above.

Schemes previously reported on, unchanged since last month:

1c Northstowe 2nd Primary

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
200	500	500	0

An in-year pressure of £0.500m is forecast on the Northstowe 2nd Primary scheme; this is also a total scheme pressure. This is due to increased scheme costs identified at MS2. The scheme delivery schedule has now also been confirmed. Revised costs were presented at August capital programme board and a revised business case is being taken through the 2023-24 Business Planning process.

1d Soham Primary Expansion

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
49	700	0	700

An in-year pressure of £0.700m is forecast on the Soham Primary Expansion scheme. Completion and delivery of works has been rephased one year from 2025-26 to 2026-27 but land purchase has completed ahead of expectation.

1e St Philip's Primary

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
600	-550	0	-550

An in-year underspend of -£0.550m is forecast on the St Philip's Primary scheme. Rephasing is anticipated following the latest delivery programme received. Works will not now commence on site until next summer to avoid disruption to the school. Works will be to alterations and the main entrance.

1f LA Early Years Provision

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,803	-1,403	0	-1,403

An in-year underspend of -£1.403m is forecast within LA Early Years Provision. Two priority schemes have been identified as requiring investment to ensure sufficiency but due to planning and design the schemes will not start construction until 2023/24.

2. Place and Economy

- Overall in-year forecast outturn variance is balanced.

New commentaries

2a Delivering the Transport Strategy Aims- Other Cycling schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,117	-526	0	-526

An in-year underspend of £0.526m is forecast on the Delivering the Transport Strategy Aims- Other Cycling schemes. This relates to three schemes: B1049 A14 Histon junction, Eddington to Girton and Ditton Lane, Fen Ditton. For each of these schemes, feasibility and preliminary design work will be undertaken this financial year to establish likely construction costs. Any construction will take place in 2023/24 and the funding will be rephased for this.

Schemes previously reported on, updated since last month:

2b St Neots Future High St Fund

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
831	-469	0	-469

An in-year underspend of £0.469m is forecast on the St Neots Future High St Fund scheme. This is a decrease of £0.071m on the underspend position previously reported last month. The district council governance/approval process required has been accommodated and construction is now programmed to commence in May 2023 therefore no construction expenditure is expected during current financial year, resulting in reduced forecasted figures.

2c P&E Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-18,660	1,947	0	1,947

Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore, the net £1.947m underspend is balanced by use of the capital variations budget. The £0.510m change since last month relates primarily to the in-year forecast variance on Delivering the Transport Strategy Aims- Other Cycling schemes as reported above.

Schemes previously reported on, unchanged since last month:

2d Girton to Oakington cycling scheme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
339	-301	0	-301

An in-year underspend of £0.301m is forecast on the Girton to Oakington cycling scheme. Depending on the outcome of external funding bids there could be a potential to start construction during 22/23 as the detailed design has been virtually completed and the land acquisition required is progressing. As the bids are still not guaranteed, rephasing into 23/24 has been forecasted to complete land and detailed design.

2e B1050 Shelfords Road

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
800	-800	0	-800

An in-year underspend of £0.800m is forecast on the B1050 Shelfords Road scheme. Due to the expected disruption and the road needing to be closed for 2-3 months, the service are consulting as to when it would be best for the work to take place. The likelihood is that this scheme will now commence in 2023-24.

2f Wisbech Town Centre Access Study

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
693	-359	-359	0

An in-year underspend of £0.359m is forecast on the Wisbech Town Centre Access Study scheme. Forecast Spend Outturn is less than Revised Budget for 2022/23 to take into account utility refunds yet to be received during this year.

2g Babraham Smart Energy Grid

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,630	336	0	336

An in-year pressure of £0.336m is forecast on the Babraham Smart Energy Grid scheme. In discussion with Addenbrookes Hospital, the construction phasing plan for Babraham Smart Energy Grid was changed post-contract from a two-phase to a three-phase programme to allow sufficient parking to be available at the Babraham Park and Ride site during construction of the smart energy grid for the Biomedical Campus. This change has increased the timeline for project delivery by 14 weeks and the upfront capital costs on the project. However, the overall project business case remains positive as a result of the increased tariff for electricity supplies.

2h Environment Fund - Decarbonisation Fund - School Low Carbon Heating Programme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
0	428	0	428

An in-year pressure of £0.428m is forecast on the Environment Fund - Decarbonisation Fund - School Low Carbon Heating Programme scheme. Last year the schools low carbon heating programme sat together with the Council's office buildings low carbon heating programme but this is now separated out. This will allow closer monitoring of the additional Council's Environment Fund contributions for low carbon heating for maintained schools to match fund any Government Public Sector Decarbonisation Scheme funding. This change was implemented post March 2022 and will therefore be seen as a variance all year.

3. Corporate Services

- Overall in-year forecast outturn variance is balanced.

New commentaries

3a Data Centre Relocation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,530	-872	0	-872

An in-year underspend of £0.872m is forecast on the Data Centre Relocation scheme. Post Data Centre migration we can now seek further convergence of IT infrastructure and services and realise further economies; some of these opportunities also have the potential to migrate to a Cloud based model. Consequently, the shift from a 'like for like' replacement approach has

extended the overall timelines for the selection and implementation of some products and services which subsequently requires a re-phasing of the budget.

3b CS Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Aug) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-2,459	872	0	872

Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore, the net £0.872m underspend is balanced by use of the capital variations budget.

Appendix 3 – Budget transfers between services in 2022/23

This table shows budget movements of at least £1k between service blocks in 2022/23

Budgets and Movements	P&C £'000	PH £'000	P&E £'000	CS Financing £'000	Corporate Services £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	321,579	45	66,101	34,044	27,811	5,777
Post BP, pre initial budget load adjustments between CS and P&E- Energy Schemes			-336		336	
Allocation of unringfenced grant £1,143k Domestic Abuse Act Statutory Duty funding 22-23 to People & Communities as per S&R 29th March 2022	1,143					
Children's Homes Building Maintenance and Children & Safeguarding restructure transfer	-45				45	
Budget transfer for 1.75% pay award for 21-22	1,829		191		-2,020	
Transfer of Market sustainability full grant budget to P&C	-750					
Proposed budget resetting movements as outlined in May IFMR	-3,454		2,251	-769	1,519	655
22-23 BP virements to replace expenditure budgets with reserve draw down lines	-3,606	-45	-455		-155	4,261
Allocation of unringfenced grant £10k Biodiversity Net Gain Grant carry forward to Place & Economy			10			
Allocation of unringfenced grant £100k ASC Charging Implementation Support Grant to Adults Services	100					
Transfer of IT budget P&C to CS	-13				13	
Transfer of Qtr 1 Mileage Savings	-156		-5		161	
Current budget	316,628	0	67,757	33,275	27,710	10,693
Rounding	-2	0	0	0	1	1

Appendix 4 – Reserves and provisions

This section shows the reserves available to the Council, which are one off funds held either for general or specific purposes.

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 (or in budgeting) £000s	Balance at 31 Aug 2022 £000s	Forecast Balance at 31 March 2023 £000s	Notes
General Reserves					
- County Fund Balance	46,475	-18,260	28,215	28,215	
General Reserves subtotal	46,475	-18,260	28,215	28,215	
1 Insurance	4,719	5	4,724	4,724	
2 P&C & Schools	18,518	480	18,998	10,271	
3 PH	8,503	0	8,503	4,661	
4 P&E	9,756	1,231	10,987	4,763	Includes reserve for Waterbeach waste facility works- revenue impact of plant closure
5 Corporate Services	4,552	-105	4,447	2,577	
6 Just Transition Fund	0	13,803	13,803	10,033	Starting balance of £14m, with allocations made totalling £9.9m across medium-term
7 High Needs Block Offset Reserve	0	12,435	12,435	12,435	
8 Transformation Fund	25,012	-21,184	3,829	0	Balance for legacy Transformation projects
9 Innovate & Cultivate Fund	442	350	792	440	
10 Corporate- COVID	26,987	-4,573	22,414	16,820	Includes remainder of COVID-19 Support Grants. Allocated over medium-term.
11 Specific Risks Reserve	2,140	1,429	3,569	3,569	
12 This Land Credit Loss & Equity Offset	5,850	0	5,850	5,850	
13 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	2,940	
14 Collection Fund Volatility & Appeals Account	3,690	544	4,234	4,234	
15 Local Government Settlement phasing reserve	0	4,324	4,324	4,324	Applying the temporary elements of the 2022/23 finance settlement over multiple years
16 Post-pandemic recovery and budgeting account	0	7,017	7,017	7,017	
17 Business change reserve	0	4,000	4,000	3,750	
18 Grant carry forwards	14,031	-14,031	0	0	Carry forward of unspent ring-fenced grants
Other Earmarked Funds subtotal	127,140	5,725	132,865	98,407	
SUBTOTAL	173,615	-12,535	161,080	126,621	
19 P&C	6,116	0	6,116	0	
20 P&E	4,063	0	4,063	0	
21 Corporate Services	13,857	691	14,548	14,057	
22 Corporate	73,787	14,884	88,670	80,480	
Capital Reserves subtotal	111,016	15,575	113,398	94,537	
GRAND TOTAL	284,630	3,040	274,477	221,159	

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 £000s	Balance at 31 Aug 2022 £000s	Forecast Balance at 31 March 2023 £000s	Notes
1 P&E	0	0	0	0	
2 P&C	16	0	16	16	
3 Corporate Services	2,093	0	2,093	2,093	
Short Term Provisions subtotal	2,109	0	2,109	2,109	
4 Corporate Services	4,746	0	4,746	4,746	
Long Term Provisions subtotal	4,746	0	4,746	4,746	
GRAND TOTAL	6,855	0	6,855	6,855	

Appendix B

Service: Corporate Services

Subject: Finance Monitoring Report – August 2022

Date: 20th October 2022

Key Indicators

Category	Target	Section Ref.
Income and Expenditure	Balanced year end position	1.1 – 1.3
Capital Programme	Remain within overall resources	2

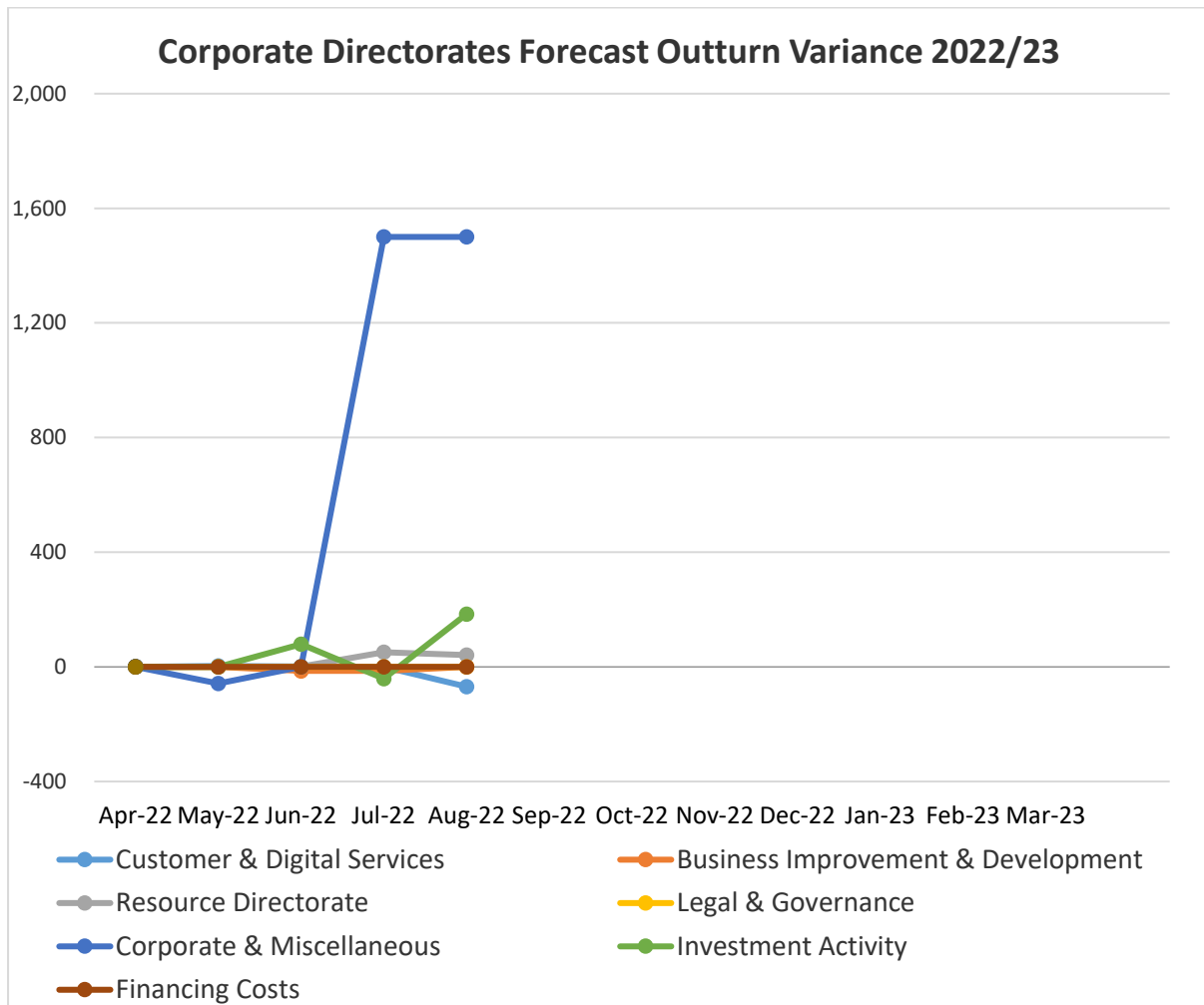
Contents

Section	Item	Description	Page
1	Revenue Executive Summary	High level summary of information; By Directorate Narrative on key issues in revenue financial position	2-4
2	Capital Executive Summary	Summary of the position of the Capital programme	5-6
3	Savings Tracker Summary	Summary of the latest position on delivery of savings	6
4	Technical Note	Explanation of technical items that are included in some reports	6
Appx 1	Service Level Financial Information	Detailed financial tables for Corporate Services	7-8

1. Revenue Executive Summary

1.1 Overall Position

Corporate Services & Financing has a budget of £60,984k in 2022/23 and is currently forecasting an overspend of £1,656k.



1.2 Summary of Revenue position by Directorate

The service level budgetary control report for Corporate Services & Financing Costs for the year 2022/23 can be found in [appendix 1](#)

Outturn Variance (previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	Outturn Variance %
0	Customer & Digital Services	18,206	9,075	(69)	-0.4%
(14)	Business Improvement & Development	2,189	1,451	(0)	0.0%
51	Resources Directorate	10,707	4,725	41	0.4%
0	Legal & Governance	2,435	1,004	0	0.0%
1,500	Corporate & Miscellaneous	6,092	954	1,500	24.6%
(41)	Investment Activity	(11,920)	(6,563)	184	1.5%
(0)	Financing Costs	33,275	2,766	(0)	0.0%
1,496	Total	60,984	13,411	1,656	2.7%

1.3 Significant Issues

Corporate Services are currently forecasting an overspend of £1,656k, an increase of £160k from the previous forecast.

Customer and Digital Services

Customer and Digital Services budgets are currently forecasting an underspend of £69k.

There are no exceptions to report this month

Business Improvement & Development

Business Improvement & Development budgets are currently forecasting a balanced position.

There are no exceptions to report this month

Resources Directorate

Resources Directorate budgets are currently predicting an overspend of £41k, a decrease of £10k from the previous forecast.

There are no exceptions to report this month

Legal and Governance

Legal and Governance budgets are currently predicting a balanced position.

There are no exceptions to report this month

Corporate & Miscellaneous

Corporate & Miscellaneous budgets are currently forecasting an overspend of £1,500k.

There are no exceptions to report this month

Investment Activity

Investment Activity budgets are currently forecasting an overspend of £184k, an increase of £226k from the previous forecast. This is due to overspend of £305k in Contract Efficiencies and Other Income; being offset by £120k in collective investment Funds.

Contract Efficiencies: This is due to ongoing difficulties with supply chains – relating to increasing inflationary cost pressures and continued impact from the pandemic – opportunities to renegotiate current contracts without a change to specification is extremely limited. A procurement three-year pipeline is being created alongside a programme of contract review by the Head of Due Diligence and Best Value; it is anticipated savings will be identified through those processes once they commence fully.

External Income: This target originally focused on the achievement of surplus income generation from advertising and sponsorship. Activities in advertising and sponsorship have also been limited not only due to available revenues from businesses wishing to advertise but also the capacity to manage our assets for advertisement/sponsorship and our more exclusive intent for relevant policies to remove or reduce junk food, fossil fuels, etc. Further opportunities for other income are being explored

Financing Costs

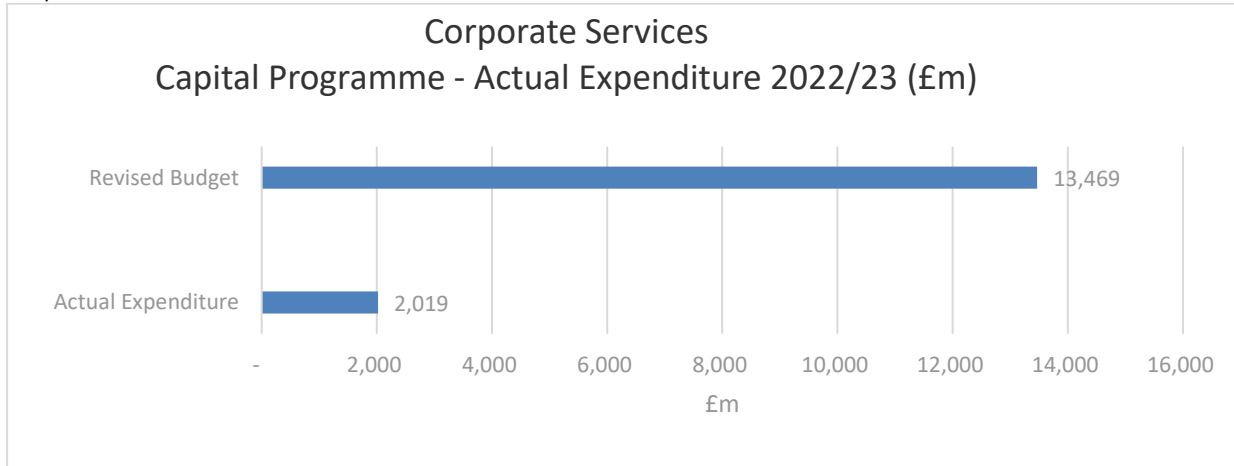
Financing costs budget is currently predicting a balance position.

There are no exceptions to report this month

2. Capital Executive Summary

2.1 Expenditure

Corporate Services has a capital budget of £13,469k and expenditure to date of £2,019k in 2022/23.



There is one exception to report this month and three new schemes now included in the 2022/23 capital programme.

The Data Centre Relocation capital scheme is forecasting an in-year underspend of £872k. Post Data Centre migration we can now seek further convergence of IT infrastructure and services and realise further economies; some of these opportunities also have the potential to migrate to a Cloud based model. Consequently, the shift from a 'like for like' replacement approach has extended the overall timelines for the selection and implementation of some products and services which subsequently requires a re-phasing of the budget.

New Schemes:

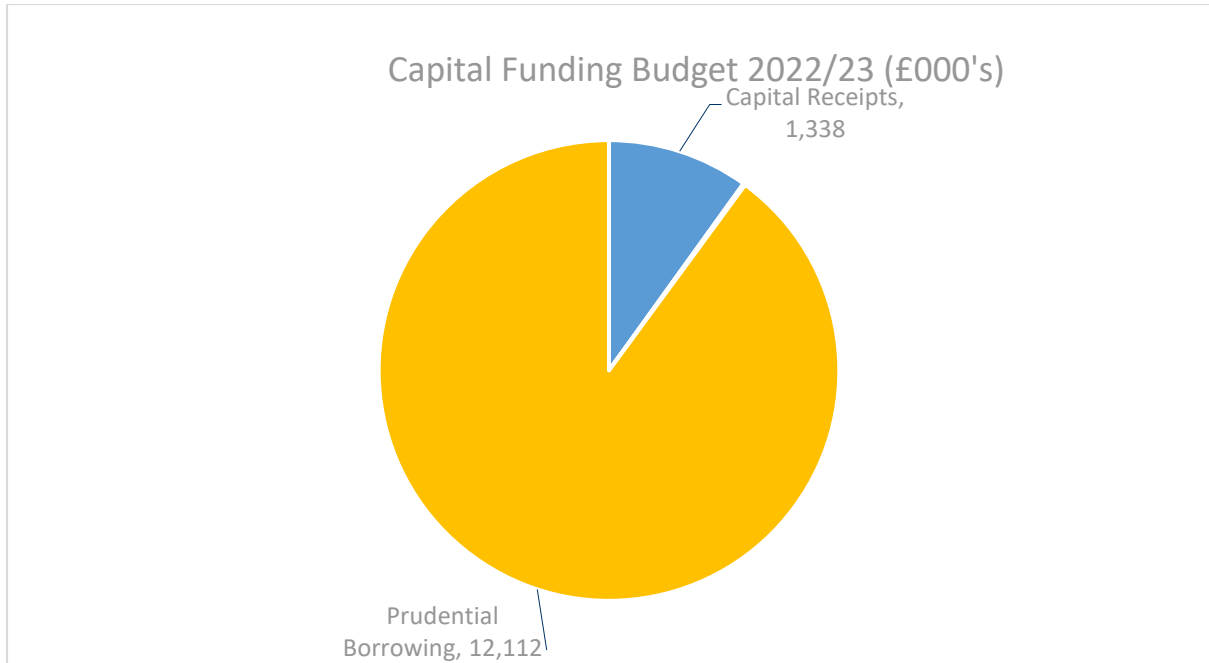
Hawthorns - Intensive Therapeutic Support Hub has a capital budget of £3,227k and is funded by prudential borrowing. This scheme is focused on accommodation and community-based Intensive Therapeutic Support Hub for children and young people (CYP) with SEN, disabilities, and mental health difficulties, following successful award of a £1million grant from the Department for Education in March 2022, in line with a submission by CCC to the Respite Innovation Fund

Woodland Lodge Children's Home Essential Work has a capital budget of £256k and is funded by prudential borrowing. This scheme will enable us to comply with the Children's Homes Regulations by making the home safe to live and work in and ensuring that the interior decorations make the service homely and in line with CCC priority outcomes.

IT C&P Shared Care Record has a capital budget of £19k. This scheme will enable patient records to be shared and accessed from partner systems using a Common Information Standard (CIS), for consistency via the use of open and secure interoperable standards. This scheme is funded by a grant.

2.2 Funding

Corporate Services has a capital budget of £13,469k in 2022/23. This includes £1,438k of funding carried forward from 2021/22 & adjustments made to the total capital scheme budget.



Appendix 1 – Corporate Services Level Financial Information

Previous Forecast Outturn Variance £000's	Service	Budget 2022/23 £000's	Actual Aug 2022 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
	Customer & Digital Services				
0	Director, Customer & Digital Services	500	287	0	0%
0	Chief Executive's Office	244	98	0	0%
1	Communications	737	381	0	0%
0	Customer Services	1,954	546	0	0%
0	IT Services	10,838	6,430	(70)	-1%
0	Elections	175	0	0	0%
(1)	Human Resources	1,859	645	1	0%
0	Learning & Development	1,899	689	0	0%
0	Customer & Digital Services Total	18,206	9,075	(69)	0%
	Business Improvement & Development				
0	Policy, Design and Delivery	707	647	0	0%
(14)	Commercial Team	266	79	0	0%
0	Business Intelligence	1,217	724	0	0%
-14	Business Improvement & Development Total	2,189	1,451	(0)	0%
	Resources Directorate				
0	Director of Resources	359	139	0	0%
0	Professional Finance	1,898	1,015	0	0%
0	Procurement	654	291	0	0%
(1)	CCC Finance Operations	150	55	(14)	-10%
0	Internal Audit	446	103	0	0%
0	Insurance Fund	2,436	81	0	0%
0	Lead Authority Services	1,196	804	0	0%
62	External Audit	75	(147)	62	83%
61		7,214	2,340	48	73%
	<u>Property Services</u>				
0	Facilities Management	6,029	2,381	0	0%
(0)	Property Services	925	397	3	0%
1	Property Compliance	210	192	1	0%
0	County Farms	(4,502)	(49)	0	0%
(11)	Strategic Assets	830	(536)	(11)	-1%
(10)		3,492	2,385	(7)	0%
51	Resources Directorate Total	10,707	4,725	41	0%
	Legal & Governance Services				
0	Legal & Governance Services	177	67	0	0%
0	Information Management	911	406	0	0%
0	Democratic & Member Services	334	119	0	0%
0	Members' Allowances	1,013	412	0	0%
0	Legal & Governance Total	2,435	1,004	0	0%
	Investment Activity				
0	Property Investments	(3,610)	(2,494)	0	0%
0	Company Dividends & Fees	(571)	0	0	0%
0	This Land	(6,063)	(3,905)	0	0%
79	Contract Efficiencies & Other Income	(405)	0	305	75%
(120)	Collective Investment Funds	(1,050)	(2)	(120)	-11%
0	Renewable Energy Investments	(222)	(161)	0	0%
(41)	Investment Activity Total	(11,920)	(6,563)	184	2%

Previous Forecast Outturn Variance £000's	Service	Budget 2022/23 £000's	Actual Aug 2022 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
	Corporate & Miscellaneous				
1,500	Central Services and Organisation-Wide Risks	5,320	(275)	1,500	28%
0	Local Government Subscriptions	110	62	0	0%
0	Authority-wide Miscellaneous	662	1,167	0	0%
1,500	Corporate & Miscellaneous Total	6,092	954	1,500	25%
	Financing Costs				
0	Debt Charges and Interest	33,275	2,766	0	0%
0	Financing Costs Total	33,275	2,766	0	0%
1,496	Total	60,984	13,411	1,656	3%

Adult Social Care IT System Procurement

To: Strategy & Resources Committee

Meeting Date: 20 October 2022

From: Executive Director People and Communities

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2022/096

Outcome: The committee is being asked to approve the procurement of the IT solution supporting Adult Social Care.

The outcome, if agreed, is a guaranteed provision of a known and developed IT system for Adult Social Care in line with corporate strategies.

Recommendation: The Strategy and Resources Committee is asked to agree:

- a) the procurement of the IT solution supporting Adult Social Care.
- b) to delegate the decision to award the contract to the Director of Adult Social Care and the Section 151 Officer in consultation with the Chair & Vice Chair of the Adults and Health Committee.

Officer contact:

Name: Kirstin Clarke and Chris Stromberg

Post: Assistant Director Adults & Safeguarding & Head of Business & Digital Systems

Email: Kirstin.clarke@cambridgeshire.gov.uk & chris.stromberg@cambridgeshire.gov.uk

Tel: 07721110193 & 01223 715654

Member contacts:

Names: Councillors Lucy Nethsingha and Elisa Meschini

Post: Chair/Vice-Chair

Email: lucy.nethsingha@cambridgeshire.gov.uk & elisa.meschini@cambridgeshire.gov.uk

Tel: 01223 706398

1. Background

- 1.1 Adult Social Care (ASC) is a statutory service in Cambridgeshire and Peterborough, delivering social care to those residents requiring it. Supporting this service is an IT solution called Mosaic, provided by The Access Group. Cambridgeshire and Peterborough have separate Mosaic ASC systems but they are supported by a single IT team and are largely configured the same. Mosaic went live in October 2018 after a 2-year implementation programme, in which all business processes were re-engineered.
- 1.2 The current contract expires in July 2023, with no extension options available.
- 1.3 Since going live in 2018, there have been significant further developments, including
- the mobilisation of reablement staff with the integrated product Total Mobile
 - a full review and redevelopment of both case management and financial processes to further improve service operation and enable alignment of services across Cambridgeshire and Peterborough
 - development of system process to enable Occupational Therapy, Technology Enabled Care and CPFT (Cambridgeshire and Peterborough Foundation Trust) Mental Health to use Mosaic
 - the proposed implementation of digital engagement with providers (eg care homes) using portals.
- 1.4 Over the next 2-3 years, there will be significant challenges within the service as there will be focus on the Adult Social Care reform and charge cap, and stability of product and service will be paramount in ensuring a firm foundation on which the reform work can build.
- 1.5 The current IT solution, Mosaic, is run on internal servers in Cambridgeshire's shared Data Centre with Peterborough in Sand Martin House. In line with the IT Strategy (approved in 2019 as Cloud First strategy), it is proposed that the supplier will host Mosaic in their private cloud. Cloud hosting provides additional business continuity resilience for the service (services are run from two or more data centres, meaning if one is unavailable another will deliver the system), and remove reliance on the authority's data centre, enabling ITDS to reduce its capacity.
- 1.6 We will work directly with Procurement and Pathfinder Legal Services to ensure a compliant procurement route.

2. Main Issues

- 2.1 Adult Social Care is going through a national statutory reform. Now more than ever does the service need a stable, known product to build upon these changes. The pressure on the service to move to an alternative solution during this time risks the provision of support to vulnerable service users.
- 2.2 We will work closely with colleagues in the Procurement Team and Pathfinder to identify a framework agreement through which we can make a compliant direct award.
- 2.3 The current contract was awarded in June 2016, and after a 2-3 year implementation period, it went live in two stages, October 2018 and December 2019. The cost of this

implementation alone was ~£2-3m, requiring extensive data cleansing and migration from the old system to the new, system design and build, service re-design and staff training. In the 3-4 years since going live, there has been continuous development of the product to support the service needs and changes to legislation. If the result of going to open market was to change supplier, this would require an additional significant investment of the same magnitude (~£2-3m) plus destabilising a service that is currently to go through major legislative changes.

2.4 A summary of the financial and usage impacts are below

- The current annual system costs are £300k. These are soon to increase to £360k with the implementation of the Provider Portal (digital engagement with social care providers, eg care homes).
- Projected costs for the same system (including Provider Portal) but hosted in the cloud are £490k, an increase of £130k per annum. This increase in cost relates to hosting (the supplier running the system in their own data centre), but also price increases in the market since 2016, and the increase in RPI.
- The increase in costs is currently going through Business Planning.
- For comparison, projected costs for the same system but running it out of our data centre as we do now are £440k. However, the cost of supporting the system in our data centre are approximately £100k, equalling a total cost of £540k per annum. Although these data centre costs cannot be simply removed during this work, the reduction of capacity requirement will contribute to larger costs reductions as we move more systems out of the data centre into those hosted by suppliers.
- We are seeking a 5 + 2 year contract term, and therefore total projected costs for the contract value will be ~£3.5m.
- Although there will be no capital costs for the supplier, £250k has been included in the Capital budget in 23/24 for internal project delivery costs.
- Moving it to a cloud service avoids additional future hardware refresh costs – a number of which are planned for decommissioning as we move other services into the cloud.
- With the supplier hosting the system, access is not impacted by our data centre and server maintenance, therefore availability for the service is increased.
- If the data centre fails for whatever reason, we currently activate a Disaster Recovery option, running Mosaic out of a data centre in West Northants. This takes time to activate and requires regular maintenance even when not operating. If we move to a cloud solution, we will no longer need to provide a Disaster Recovery option as the supplier will provide that within the cost provided. This is not a direct saving to the authority, but future cost avoidance as we will be able to reduce our Disaster Recovery estate.
- If there are system issues the time taken to resolve should dramatically reduce as there is not the back and forth between supplier and our internal teams.

Procurement

- 2.5 Our preferred procurement option is to use a framework agreement where direct awards are permitted. Should this not be possible, an open tender will be run. If this open tender led to the contract being awarded to a different supplier, the additional costs and risks identified above would be incurred. We will build in social value and environmental requirements into our specification whichever procurement route is used to ensure that the

Council maximises the value gained through the procurement process.

3. Alignment with corporate priorities

3.1 Environment and Sustainability

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

- Continue the increased use of digital solutions reduces the requirement for more analogue interactions, thereby reducing the production of paper and related services.
- We will be working closely with procurement to ensure the new contract aligns with the authority's climate and environmental outcomes, and related carbon reduction/reporting requirements.

3.2 Health and Care

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

- Continue the development of solutions in partnership with the Integrated Care System, for example the Shared Care Record.
- Continue to use solutions, like Total Mobile, to provide local provision of reablement and care services.

3.3 Places and Communities

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

- This paper supports all of the outcomes related to Places and Communities
 - Establish local area committees to enable decision making in the community which is as close to the people they affect as possible
 - Deliver practical, localised and evidence-led actions that improve social mobility, reduce poverty and address inequalities
 - Establish the principles and practice of Community Wealth Building to enable the economic system to build wealth and prosperity for everyone
 - Enable communities to work creatively and collaboratively to address their local needs
 - Creating 'Places' that support communities to live low carbon, resource efficient lifestyles

3.4 Children and Young People

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

- Adult Social Care deliver the 0-25 Service. This service works to ensure continuity and transition into Adulthood, and therefore supports all corporate objectives for Children and Young People.

3.5 Transport

There are no significant implications for this priority

4. Significant Implications

4.1 Resource Implications

The report above sets out the implications for this priority in sections 2.3 and 2.4 above.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The procurement route will be compliant with Public Contract Regulations and the Procurement Team will support the procurement.

4.3 Statutory, Legal and Risk Implications

The following bullet point sets out details of significant implications identified by officers:

- Significant risk to vulnerable service users if the service does not have a fit for purpose, developed and robust IT system in place, especially whilst moving through a national reform.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

4.8 Environment and Climate Change Implications on Priority Areas.

There are no significant implications within this category.

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Sarah Heyward

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes

Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes

Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your EqIA Super User?

Yes

Name of Officer: Jenni Bartlett

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Christine Birchall

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes

Name of Officer: Debbie McQuade

Have any Public Health implications been cleared by Public Health?

Yes

Name of Officer: Emily R Smith

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: Emily Bolton

5. Source documents

5.1 Source documents

None

Mobile Phone Reprocurement

To: Strategy & Resources Committee

Meeting Date: 20 October 2022

From: Assistant Director of Customer & Digital Services

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2022/047

Outcome: This report sets out the background to the procurement and award of a new contract for a period of up to 2+1 years for mobile phones, including phone calls, text messages and data.

The outcome, if agreed, is a contract that provides value for money and meets the mobile telephony needs of the Council over the next few years.

Recommendation: The Strategy and Resources Committee is asked to:

- a) agree the procurement of the mobile phone contract.
- b) agree to delegate the decision to award the contract to the Section 151 Officer in consultation with the Chair & Vice Chair of the Strategy & Resources Committee.

Officer contact:

Name: Kevin Halls
Post: IT Finance & Contracts Manager
Email: Kevin.Halls@cambridgeshire.gov.uk
Tel: 01223 699636

Member contacts:

Names: Councillors Nethsingha & Meschini
Post: Chair/Vice-Chair
Email: Lucy.Nethsingha@cambridgeshire.gov.uk
Elisa.Meschini@cambridgeshire.gov.uk
Tel: 01223 706398

1. Background

- 1.1 Cambridgeshire County Council currently has approximately 2750 mobile phones and 4300 4G sim cards deployed to staff and devices across the council; these were purchased and are managed as part of a shared supply contract with several other Councils including West Northamptonshire, North Northamptonshire and Milton Keynes Councils.
- 1.2 This contract with Vodafone is due to end in June 2023 and all available extensions have been taken. The total new contract value is expected to be in the region of £336k per annum and it is expected to realise a saving against the current cost of mobile phone usage.

2. Main Issues

- 2.1 Mobile telephony and mobile data working has been an important part of remote and flexible working for Council staff and was particularly vital during the Covid 19 pandemic.
- 2.2 The current contract has provided value for money for the Council as it was possible to benefit from the economies of scale through the aggregated requirements of several Councils.
- 2.3 However, both the telephony market and the needs of the Council have changed since the contract was signed and it is expected that the replacement will include a variety of enhanced features to increase the visibility of usage and the ability to identify and control abnormal or disproportionate usage across the estate. An example of these controls is what are known as 'ability blocks', this feature means that limits can be set on how much a device or phone can use. These controls will support rationalisation and consolidation across the Council and ensure that mobile telephony continues to be an asset for those that need it whilst providing more controls and greater assurance over usage to reduce costs where possible.
- 2.4 It is also expected that additional features that were not available (or not widely available) when the current contract was signed will also be included as standard, such as Wi-Fi calling and 5G.

3. Alignment with corporate priorities

- 3.1 Environment and Sustainability
- 3.2 Health and Care
- 3.3 Places and Communities
- 3.4 Children and Young People
- 3.5 Transport

There are no significant implications for these priorities although having effective, reliable tools for staff to use across the Council is fundamental to our ability to deliver services to our communities.

4. Significant Implications

4.1 Resource Implications

This procurement will be done with a combined (aggregated) approach to maximise the savings but contracts will be separate to ensure that they can be managed.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

IT and Digital and CCC procurement are current working closely with other member Councils who are part of the current contract and Crown Commercial Services on choosing the correct route to market.

This is currently believed to be Crown Commercial Services RM3808 Network services as it is the only major framework with two of the markets tier one mobile network suppliers and offers both Marketplace and aggregated procurements

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

4.8 Environment and Climate Change Implications on Priority Areas

4.8.1 Implication 1: Energy efficient, low carbon buildings.

Neutral

4.8.2 Implication 2: Low carbon transport.

Neutral

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Neutral

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Neutral

4.8.5 Implication 5: Water use, availability and management:
Neutral

4.8.6 Implication 6: Air Pollution.
Neutral

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.
Neutral

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Helen Boutell

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes
Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes
Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your EqIA Super User?
Not applicable

Have any engagement and communication implications been cleared by Communications?
Yes
Name of Officer: Christine Birchall

Have any localism and Local Member involvement issues been cleared by your Service Contact? Not applicable

Have any Public Health implications been cleared by Public Health?
Yes
Name of Officer: Kate Parker

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?
Yes
Name of Officer: Emily Bolton

5. Source documents

5.1 Source documents

None

Business Planning update for 2023-28

To: Strategy and Resources Committee

Meeting Date: 20 October 2022

From: Chief Executive & Service Director: Finance & Procurement

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: This report outlines the process of setting a business plan and financial strategy for 2023-2028 which will culminate at the February Full Council. Through this report, Members will gain awareness of:

- the current business and budgetary planning position and estimates for 2023-2028
- the principal risks, contingencies and implications facing the Committee and the Council's resources
- the process and next steps for the Council in agreeing a business plan and budget for future years

Recommendation: It is recommended that the Committee notes:

- a. the overview and context provided for the 2023 – 2028 business plan
- b. the initial estimates made for demand, inflationary and other pressures
- c. overview and estimates made for the updated capital programme

Officer contact:

Name: Stephen Moir / Tom Kelly
Post: Chief Executive / Service Director: Finance & Procurement
Email: Stephen.Moir@cambridgeshire.gov.uk / Tom.Kelly@cambridgeshire.gov.uk
Tel: 01223 699241

Member contacts:

Names: Cllr Lucy Nethsingha / Cllr Elisa Meschini
Post: Chair/Vice-Chair
Email: lucy.nethsingha@cambridgeshire.gov.uk / elisa.meschini@cambridgeshire.gov.uk
Tel: 01223 706398

1. Overview

- 1.1 The Council's Business Plan sets out how we will spend our resources to achieve our vision and priorities for Cambridgeshire, and the key outcomes we want for the county and its people. The business plan contains a five-year financial plan including estimates of investments, pressures, and savings over the whole period. The business plan now under development is for 2023-28. It is a statutory requirement for local authorities to set a balanced budget ahead of each new financial year.
- 1.2 On 8 February 2022, Full Council agreed the Business Plan for 2022-2027. This included a balanced revenue budget for the 2022/23 financial year with the use of some one-off funding but contained significant revenue budget gaps for subsequent years as a result of expenditure exceeding funding estimates. These budget gaps were, in £000:

Opening Budget Gaps

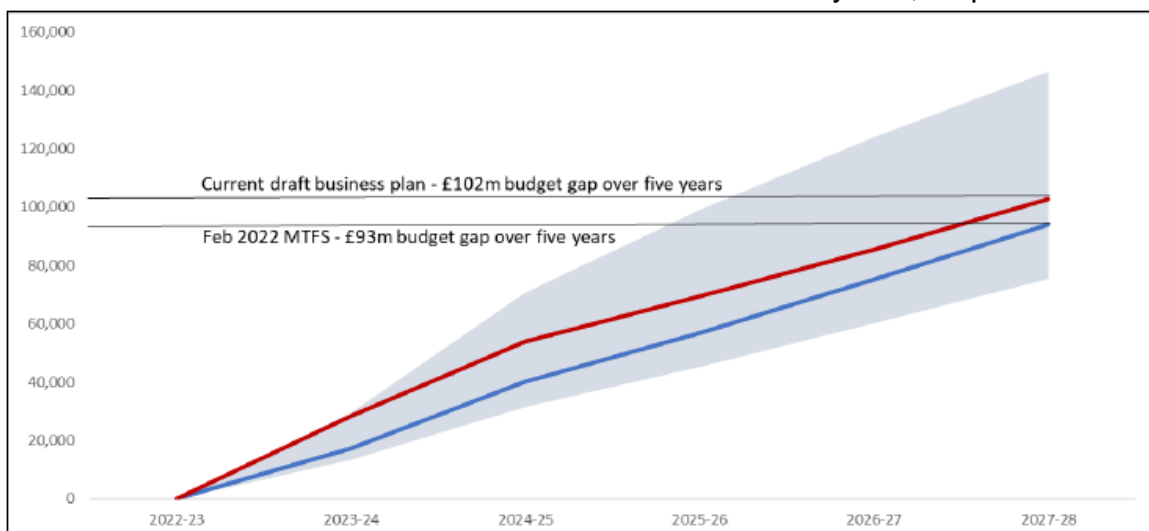
2023-24	2024-25	2025-26	2026-27
17,396	22,737	16,782	18,337

- 1.3 Since the 2022-27 business plan was produced, the financial outlook has worsened. In particular, the international economic position has changed significantly, and there is increased uncertainty around national government policy. The budget gap for 2023/24 is now estimated as £28.5m, and a cumulative budget gap over the five-year draft business plan of £108m.

Revised Budget Gaps

2023-24	2024-25	2025-26	2026-27	2027-28
28,623	26,367	16,813	17,383	18,762

- 1.4 This is a very large increase in the gap projection. Central government has so far given no indication of further funding to councils to meet pressures, and therefore we are planning on the basis of needing to close this budget gap almost entirely through decisions within the Council's control.
- 1.5 The below graph shows the potential range of cumulative budget gap over the medium term. A 2% increase in Council Tax is assumed across all years, as per the MTFS.



£m	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Base case – MTFS	0	17,396	40,133	56,915	75,252	93,848
Upper case budget gap	0	29,596	70,833	99,115	123,952	146,548
Lower case budget gap	0	13,396	31,633	45,415	60,252	75,348

- 1.6 Further information on financial pressures facing the Council are set out below. The Council has a legal requirement to set a balanced budget for 2023/24, and therefore difficult decisions will need to be made in order to close the budget gap. The council may have to take steps to reduce the growing demand from the public for our services and may have to make dis-investments or reductions in lower priority services.
- 1.7 Inflation is expected to impact our budget over at least the next year in an unprecedented way. Typically, inflation represents a modest part of our overall budget growth, and estimates do not significantly change year-on-year. However, increases over the past year caused by the release of bottlenecks in demand following COVID-19 and then the outbreak of war in Ukraine has seen inflation rise to levels last seen in the 1980s. This impacts on the Council in the same way as it does on people's own household budgets. This could mean the Council will need to consider how we can cut back in some areas in order to make ends meet. The Council has finite funding, and most of our income, including taxation, is fixed at levels set by the government. We also cannot borrow or use cash reserves to fund an ongoing budget gap.
- 1.8 Inflation impacts on the Council's budgets in several ways. Inflation increases the amount we pay on a day-to-day basis for goods and services that we buy from external suppliers. So, rising national inflation indices (such as RPI) directly impact on us. Inflation can also impact us in more acute ways. Several of our large contracts (such as for waste disposal) have inflationary uplifts included into contracts pegged to national indices – as this is on a very large contract the difference between a 2% rise and an 8% rise can be very significant. We also purchase a large amount of electricity, around two thirds of our electricity bill goes to power streetlights. We also need power for the buildings the Council uses to serve the public like libraries, registration offices, highway depots and offices – and keeping these buildings open and warm may be even more important for individuals and communities during the colder months. In September 2022 the government announced some relief from energy price increases for public sector organisations. We are considering the detail of this announcement and its impact, if any, on the price projections we have for this business planning round. If the relief is only for six months, then it will not necessarily provide any reduction in prices faced over the medium-term.
- 1.9 The Council has a large capital programme, and rising costs of materials increases the overall cost of works and so requires us to borrow more. Finally, rising inflation is often linked with increased staff costs. Staffing is one of our highest costs and the need to pay staff a fair wage to ensure they can meet inflationary impacts they are facing in their own lives is important. This allows us to recruit and retain essential employees but is a direct cost to the Council.
- 1.10 We are also having to consider uncertain demand for our services following the pandemic. Traditional patterns of accessing social care services have changed, and the Council has a role to play in the wider health and social care system in ensuring people are discharged

from hospital into appropriate care. Government reforms around social care have the potential to cost local government billions of pounds extra per year, but government funding is yet to be identified. We are also engaging with government to agree a Safety Valve deal to address our high needs school funding deficit. This is likely to displace costs previously funded by education grants and require transformational investment from the Council.

- 1.11 This means the Council has a much more challenging budgetary outlook than it did when setting its current business plan some months ago, with the increased costs of inflation on its own doubling our budget gap. Added to this are some unavoidable service pressures and government reforms, which result in the now much larger budget gap of over £28m next year. It is not sustainable to use reserves to close this budget gap as that can only ever be a short-term solution. Council reserves are there to help us to manage risk and provide some buffer if there are large, unexpected pressures. Difficult choices are in prospect as we consider the environmental, social, and financial concerns of the Council, and deliver a strategy that achieves a balanced budget.
- 1.12 The focus on delivering specific and wide-ranging savings to address our medium-term budget gap was mostly paused during the pandemic, and the focus was taken away from more traditional savings and efficiencies. Given the size of the budget gap next year, traditional savings and efficiencies will need to form a bigger part of our budgeting. Alongside this, we will continue working on cross-cutting changes to the way we work and how we support people who use our services to deliver sustainable change, reduce demand for our services, and reduce the inflationary impact on our services.
- 1.13 The Council intends to continue to focus on a range of more fundamental changes to the way we work, but we can only consider investment into these areas when the savings requirement is met. Once this happens these areas could include:
- Economic recovery – Economic recovery is at the heart of improving outcomes for people and managing demand for Council services. Although the economic position has changed significantly and uncertainty around inflation levels continue for the Council and the people of Cambridgeshire, overall Cambridgeshire is well placed to support growth and economic resilience, albeit the potentially severe financial consequences for some sectors and individuals. There are impacts on employment and household income levels for many across Cambridgeshire. The stress and anxiety caused by worrying about not having enough money to buy basic necessities or afford basic utilities, which has significantly increased due to the current inflation levels, is an important factor that affects demand for many of our services.
 - Prevention and Early Intervention – To support people to remain as healthy and as independent as possible as well as reduce the health inequalities that have been exposed and exacerbated by the pandemic – we need to work with people and communities to help them help themselves or the person they care for or their community. This means improved access to advice and information about local support, asset building in communities and access to assistive technology. We will continue to build on how we support the networks and groups that developed during the pandemic to continue to be sustainable going forward, and where public services are needed, ensuring support is made available early so that people’s needs are less likely to escalate.

- Decentralisation – To manage demand and enable people to remain living in their own homes in their local communities, and delay the need for more specialist services, we will continue to deepen our relationships with the voluntary and community sector, District, Parish and Town Councils, The Combined Authority & Greater Cambridge Partnership, and other public sector partners to continue to build place-based support services wrapped around our vulnerable people and communities; to reduce or delay the need for more specialist expensive services and build resilient and sustainable communities where people feel proud to live.
- Environment - Putting climate change and biodiversity at the heart of the council's work will require economic transformation. Failure to understand the risks of these two crises will impact economically on the lives of our communities and beyond. As a council, we aim to deliver 2030 net zero target for Cambridgeshire County Council as an organisation and develop clear actions for delivery of our Climate Change and Environment Strategy to achieve Net Zero by 2045 for the area, enabling service and investment decisions to be made in this context. Particularly through the generation of clean energy we can deliver a financial benefit to the Council but also save money through investment into greater energy and resource efficiency.
- Social Value - With a strong focus on outcomes and impact for our communities, we will be working with our public, private, voluntary and community partners to achieve our joint ambitions. We will seek to invest using social value criteria to drive improved outcomes, including health, the living wage and employment. We will look to contribute to keeping spend local through our procurement, spending and organisational activities.

- 1.14 We will try to mitigate the impact of the measures we will need to take to balance the budget by ensuring that any investments we do make are targeted to make the most difference. To do this, we have adopted a triple bottom line scoring system for investment proposals, that reflect the environmental and social impact of decisions as well as the financial requirement. The most efficient investments at delivering environmental or social return will be prioritised.
- 1.15 For several years the Council has been setting budgets in an increasingly uncertain context. This business planning round continues with that uncertainty, and the estimates made in these papers reflect our best estimates of costs, savings, and income at this point in time. The Council's reserves policy provides for some mitigation of risk should the context change when budgets are set. We proactively monitor all budgets across the Council to ensure any flexibility to meet unexpected pressures is made clear.
- 1.16 In 2021/22 the Council participated in a peer challenge run by the Local Government Association. We have made progress on implementing all recommendations from that review. This includes taking a more strategic approach to business planning for Cambridgeshire and putting in place funding to ensure business change capacity. We are also working towards setting a more medium-term financial plan, subject to the uncertain economic and policy context that the Council is working in. The lack of a detailed multi-year local government finance settlement makes it difficult to predict the resources available to us.
- 1.17 All service committees will consider their relevant revenue business planning proposals and

by December committee they will be asked to endorse proposals to January Strategy and Resources Committee as part of the consideration for the overall Business Plan. These proposals are currently being developed and will each have a robust implementation plan, which allows as much mitigation as possible against the impact of current financial challenges. Where proposals reflect joint initiatives between different directorate areas these will go before the relevant committees to ensure appropriate oversight from all perspectives. Until we have a route to a balanced budget, discretionary investments will be prioritised but not added to the business plan until it is clear what is affordable.

- 1.18 At present, the business planning assumption has been made that the Adult Social Care reforms to charging and costs of care (care markets) that are scheduled to be implemented from October 2023 will be funded in full by government. However, there is significant concern across local government that the funds currently allocated for these major national reforms are not sufficient. Cambridgeshire, along with all other upper tier authorities is currently working with local care suppliers to progress a cost of care exercise, for submission to the Department of Health & Social Care, which will inform further national costing. This Committee also agreed an initial £790k allocation from reserves, at its last meeting, to supplement grant amounts, to ensure that internal preparations progress on the basis that the reforms are implemented as planned from October 2023.
- 1.19 At this stage, the naming and organisation of services in the accompanying finance tables reflect the organisational structure pre-September 2022. The final versions of finance tables considered by committee will be based on the revised corporate structure.

2. Fiscal Event September 2022

- 2.1 On 23 September, the new Chancellor of the Exchequer, Kwasi Kwarteng set out a series of announcements in a fiscal event conducted on the back of the election by Conservative Party members of Liz Truss as Prime Minister. The announcements also follow the Bank of England's interest rate rise to 2.25% and mainly focus on the wider UK economy and on cutting tax rather than support specifically related to local government. The Government's Growth Plan is said to "release the huge potential in the British economy by tackling high energy costs and inflation and delivering higher productivity and wages".
- 2.2 Headlines include:
- 1) National Insurance to return to 2021 levels from 6 November 2022. The Health and Social Care Levy has been cancelled, however, the additional spend on the NHS and Social Care remains (funded through general taxation and borrowing). Local government received funding for the NICs increase through the Local Government Finance Settlement. Funding of around £400m for all authorities was included within the settlement in 2022-23. The actual amounts for local government, either collectively or individually, were never explicitly confirmed. If funding is going to be removed from local government, then the Settlement Funding Assessment (SFA) or Services Grant will have to be reduced in 2023-24 and 2024-25.
 - 2) Energy package estimated to cost £60bn in 2022-23 (£31bn for households, £29bn for businesses). Future costs are uncertain.
 - 3) The cost of the Government's other policy announcements is said to be £19bn in 2022-23 rising to £44.8bn in 2026-27.

- 4) The Chancellor has announced the creation of Investment Zones and the plan lists the 38 Local Authorities who have already expressed interest, including many neighbouring authorities: Bedford Borough Council, Central Bedfordshire Council, Essex County Council, Suffolk County Council and Norfolk County Council.
 - 5) Applications open soon for up to £2.1bn over the next two years to support Local Authorities, housing associations, schools and hospitals invest in energy efficiency and renewable heating.
- 2.3 Following this announcement on 23 September, the Chancellor has released a statement saying that he will publish a Medium-Term Fiscal Plan on 23 November 2022 (now expected to be brought forward to 31 October 2022). The Fiscal Plan “will set out further details on the government’s fiscal rules, including ensuring that debt falls as a share of GDP in the medium term”. The Office for Budget Responsibility (OBR) will publish “a full forecast alongside the Fiscal Plan, on 23 November”.
- 2.4 Without cuts in public spending (or increases in taxation), it is forecast that Government debt will rise to nearly 94.1% of GDP by 2026-27, much higher than the OBR forecasts from March 2022 (80.9%). The trend rate is also now clearly rising, meaning that if the Government does decide that it wants to start reducing debt through public spending cuts, then those cuts will have to be very significant. The Resolution Foundation estimates that, to have debt falling as a percentage of GDP, this would “require spending cuts of £36bn in 2026/27”, which is broadly the equivalent to the total cut to public spending announced by George Osborne in his 2010 budget”. Faster economic growth would “reduce the spending reductions required” but there are pressures going the other way (a commitment to increase defence spending to 3% GDP, and a tendency not to increase fuel duty in line with inflation, £4bn).
- 2.5 There have been new reports about the timing of announcements over the next 6 months, although nothing has been confirmed officially. There will be no spending review in 2022, and the next full fiscal event might not be until Spring 2023. This leaves local government with a good deal of uncertainty about both the timing of any announcements, and the direction of travel for spending plans over the next 2-3 years.
- 2.6 At the time of drafting this paper the market reaction to the fiscal statement remained volatile and with much of the focus so far on the taxation aspects of the government’s policy it remains to be seen what impact for local government will be. Given the inflationary context and indications departmental spending limits remained fixed from the previous local government settlement, it is considered highly likely that councils will see a real terms reduction in spending power.
- 2.7 After a very sharp rise in government bond yields following the fiscal event, Bank of England intervention to buy-up government debt has led to some fall back in the price of borrowing from a very high peak. The Council’s own prudential borrowing is financed from PWLB and other local authority lending which directly and indirectly linked to gilt yields. Although through treasury management the Council has ensured that it does not have immediate exposure to a rising cost of borrowing, we do face an annual financing requirement and the need to borrow in the first part of 2023. Gilt yields appear to be settling around 100-150 basis points higher than a month ago, which in turn is 250-300 basis points more than 12 months ago. If these yield levels stabilise, our initial estimate of the impact on

the Council's borrowing costs next year as a result of the recent rises is that the Council's revenue gap will widen by a further £2.25m (on top of the figures in this report) next year.

- 2.8 Another significant impact following recent announcements is the real living wage increase exceeding previous budgeted expectations. The inflationary/budget estimate for this component of the budget, which is particularly relevant to social care supplier spend will also be revisited ahead of the next update to Committees.

3. Building the revenue budget

- 3.1 As we have a five-year business plan, the first four years of the new business plan already have a budget allocation. We revise the estimates for demand, inflation, and other pressures first to confirm the budget needed to deliver the same level of service and add in any new pressures or investment proposals. These budget changes are presented first to service committees and, overall, there is a gap between our budget requirement and the funding available.
- 3.2 We then work to close the budget gap through savings and efficiency initiatives, identification of additional income and revision of pressure estimates, presenting these further changes to committees later in the year. Ultimately, a balanced budget needs to be set by 1 March.
- 3.3 Delivering a balanced budget in the current economic context will not be easy, and it is a challenge facing the whole of local government. The Council will need to draw on a range of approaches in order to arrive at a balanced budget, produce an overall sustainable financial strategy and meet the Joint Administration's policy objectives. This will include looking at opportunities for dis-investment from non-statutory services that are not delivering our objectives, as well as strengthening services that result in maintaining people's independence such that they do not need to rely on our services.
- 3.4 As the economic picture develops, and as the policies of the new national government become clearer, we will update the key budget estimates to ensure they are as accurate as we can make them. We intend to set a budget with a reasonable balance of risk, and therefore should not be assuming the worst-case scenario will happen. The Council retains reserves to mitigate against unforeseen risk.

3.5 The changes so far to the budget gap estimation have been:

	2023-24	2024-25	2025-26	2026-27	2027-28
Opening budget gap	17,396	22,737	16,782	18,337	18,596
Key estimates updates					
Expenditure inflation estimates update	17,348	3,868	308	182	873
Income inflation estimates update	-1,939	-752	-900	-979	-923
2022/23 Staff Award Pay Inflation	3,500	0	0	0	0
Demand estimates update	-2,632	-1,273	-413	-119	759
Pressures					
Waterbeach Waste Treatment Facilities	0	580	0	0	0
IT & Digital Services - revenue investment to replace capital	965	939	1,071	0	0
Offsetting capitalisation of current revenue spend	-965	-215	0	0	0
Harmonisation of t&c for insourced children's homes staff	311	0	0	0	0
Savings					
Energy schemes	-1,857	-44	-28	-29	-31
Council-wide mileage budget reduction	-500	0	0	0	0
Corporate vacancy factor	-400	0	0	0	0
Adults employment support contract retender	-40	0	0	0	0
Adults retender of block domiciliary care	-525	0	0	0	0
Public Health contract and related savings	-62	0	0	0	0
Funding changes					
Un-ringfenced home to school transport grant increase	-275	0	0	0	0
Business rates pool income	-700	700	0	0	0
Better Care Fund contributions increase	-872	0	0	0	0
Miscellaneous changes	-130	-173	-7	-9	-512
Revised budget gap	28,623	26,367	16,813	17,383	18,762

3.6 More detail about the proposals that make up this table relevant to this committee are set out in section 4 below.

This budget gap contains our best estimates of likely inflation, demand and other costs that we will face in 2023-28. Our estimate of the potential range of budget gaps over the five-year medium-term ranges from over £140m down to £70m, due to the huge range of uncertainty in most aspects of our work. We believe the current budget gap projected for 2023/24 is at the upper end of the potential range, and through the rest of the medium-term our estimates are broadly in the mid-range of potential outcomes.

4. Capital Programme

4.1 The Capital Programme

4.1.1 To assist in delivering its 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. Expenditure on these long-term assets is categorised as capital expenditure and is detailed within the Capital Programme for the Council.

4.1.2 Each year the Council adopts a ten-year rolling capital programme as part of the Business Plan. The very nature of capital planning necessitates alteration and refinement to

proposals and funding during the planning period; therefore, whilst the early years of the Business Plan provide robust, detailed estimates of schemes, the later years only provide indicative forecasts of the likely infrastructure needs and revenue streams for the Council. For each new business planning round, new schemes are developed by Services and all existing schemes are reviewed and updated as necessary before being presented to Capital Programme Board and subsequently Service Committees for further review and development.

4.1.3 Strategy and Resources will review the final overall programme in January, in particular regarding the overall levels of borrowing and financing costs, before recommending the programme as part of the overarching Business Plan for Full Council to consider in February.

4.1.4 There has been a sharp inflationary rise on construction goods due to international economic conditions and wider supply chain issues, as well as the energy crisis. Where the impact of this is known or can be estimated, it has been included, but further rises are anticipated.

4.2 Revenue Impact of the Capital Programme

4.2.1 All capital schemes can have a potential two-fold impact on the revenue position, relating to any cost of borrowing through interest payments and repayment of principal and the ongoing revenue costs or benefits of the scheme. Conversely, not undertaking schemes can also have an impact via needing to provide alternative solutions, such as Home to School Transport (e.g., transporting children to schools with capacity rather than investing in capacity in oversubscribed areas).

4.2.2 The Council is required by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Code for Capital Finance in Local Authorities 2021 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to achieve this, Strategy & Resources recommends an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan. In order to afford a degree of flexibility from year to year, changes to the phasing of the limit is allowed within any three-year block (the current block starts in 2021-22), so long as the aggregate limit remains unchanged. Strategy & Resources are due to set limits for the 2032-24 Business Plan as part of the Capital Strategy review in December.

4.3 Summary of the Draft Capital Programme

4.3.1 The revised draft Capital Programme is as follows:

Service Block	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	Later Yrs £'000
People Services	68,510	164,521	96,620	107,875	52,335	18,096
Place and Sustainability	414,459	60,413	31,208	22,283	18,946	18,969
Corporate Services	167,648	5,391	3,252	1,260	800	800
Total	650,617	230,325	131,080	131,418	72,081	37,865

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

Funding Source	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	Later Yrs £'000
Grants	177,504	48,150	43,356	33,189	29,729	26,651
Contributions	93,951	66,635	37,675	20,431	35,951	38,844
Capital Receipts	15,130	24,990	19,842	12,000	2,000	6,000
Borrowing	248,537	91,866	30,535	65,798	32,280	3,216
Borrowing (Repayable)*	115,495	-1,316	-328	-	-27,879	-36,846
Total	650,617	230,325	131,080	131,418	72,081	37,865

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

All funding sources above are off-set by an amount included in the capital variation budget, which anticipates a degree of slippage across all programmes and then applies that slippage to individual funding sources.

4.3.3 The level of prudential borrowing currently projected for this business plan is an increase of approximately £34.7m, which will impact on the level of debt charges incurred. The debt charges budget is also currently undergoing thorough review of interest rates, internal cash balances, Minimum Revenue Provision charges and estimates of capitalisation of interest – the results of this will be fed into the next round of committee papers.

5. Overview of Strategy and Resources Draft Revenue Programme

5.1 This section provides an overview of new pressures and risks and the savings and income proposals within the remit of the Committee.

5.2 The Committee's proposals include a £3.5m catch-up inflation for the impact of the proposed national staff pay awards across the Council. The national pay deal and cost of living uplifts for staff on local pay scales are not yet settled and it is possible this cost assumption may increase.

5.3 It is proposed to continue permanently a saving from reduced staff claims for mileage and travel expenses, reflecting new ways of working that emerged during the pandemic and which are now considered to be increasingly settled. The ability to join meetings remotely and reliably through technology and video-conferencing is now very well embedded and has permanently reduced the need for staff to travel to meetings, meaning there is a reduction in mileage amounts claimed

5.4 A vacancy factor is also added to the future years budget for the corporate services, which are the responsibility of this committee. The vacancy factor adds an assumption to the budget that the nature of staff turnover and recruitment means that at any particular time there will be roles that are vacant or in the process of being filled and these savings can be deducted from individual service budgets retrospectively as they arise each quarter and contribute to the directorate wide targets. Vacancies will arise in different teams from time to time and the vacancy factor approach allows for this by only collecting savings each quarter where they arise. This approach has worked successfully in other Council departments for a number of years.

6. Overview of Strategy and Resources Draft Capital Programme

6.1 The revised draft Capital Programme for Corporate Services is as follows:

Capital Expenditure	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	Later Yrs £'000
Corporate Services	5,391	3,252	1,260	800	800	14,000

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

Funding Source	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	Later Yrs £'000
Grants	-	-	-	-	-	-
Contributions	-	211	-	27,879	36,846	62,126
Capital Receipts	24,990	19,842	12,000	2,000	6,000	15,000
Borrowing	-19,599	-16,801	-10,740	-1,200	-5,200	-14,000
Borrowing (Repayable)	-	-	-	-27,879	-36,846	-49,126
Total	5,391	3,252	1,260	800	800	14,000

6.3 The full list of Corporate Services capital schemes is shown in the draft capital programme in Appendix 1c. Table 4 lists the schemes with a description and with funding shown against years. Table 5 shows the breakdown of the total funding of the schemes, for example whether schemes are funded by grants, developer contributions or prudential borrowing.

6.4 Papers on the individual schemes have been, or will be, considered separately by the relevant Service Committee where appropriate.

6.5 New Schemes and Changes to Existing Capital Schemes

6.5.1 Both new schemes and changes to existing schemes, such as rephasing, re-costing, and revised funding are highlighted below.

6.5.2 Data Centre Relocation Scheme

The Data Centre Relocation capital scheme is forecasting an in-year underspend of £872k in 2022/23. Following the data centre migration, we can now seek further convergence of IT infrastructure and services and realise further economies; some of these opportunities also have the potential to migrate to a Cloud based model. Consequently, the shift from a 'like for like' replacement approach has extended the overall timelines for the selection and implementation of some products and services which subsequently requires a re-phasing of the budget.

6.5.3 Laptops

Funding is being requested for the replacement of staff laptops. This is currently funded by revenue. This would increase the prudential borrowing requirement by £780k. Work will continue to identify opportunities to reduce or delay hardware expenditure as part of further budget efficiency review.

6.5.4 Community Hubs: East Barnwell

Following this Committee's consideration on 30 September, the Council has committed to a wider regeneration scheme, in collaboration with Cambridge City Council, an adjacent landowner as its preferred option. This approach will see the Council agree commercial terms with the City Council and its joint venture development company, subject to planning permission. The scheme will deliver the re-provision of early years, community and library accommodation alongside new homes, with the major capital commitment now expected in 2024. As a result of the collaboration on a wider scheme leading to greater subsidy of the public sector assets, the Council expects to be able to reduce the level of prudential borrowing required which will be reflected in the December committee cycle

7. Next steps

7.1 The high-level timeline for business planning is shown in the table below.

October / November	Service Committees provided with an update of the current position
November / December	Draft business cases go to committees for consideration. Draft Strategic Framework and MTFS to Strategy and Resources Committee.
January	Strategy and Resources Committee will review the whole draft Business Plan for recommendation to Full Council
February	Full Council will consider the draft Business Plan

8. Alignment with corporate priorities

The purpose of the Business Plan is to consider and deliver the Council's vision and priorities and section 1 of this paper sets out how we aim to provide good public services and achieve better outcomes for communities. As the proposals are developed, they will consider the corporate priorities:

- Environment and Sustainability
- Health and Care
- Places and Communities
- Children and Young People
- Transport

9. Significant Implications

9.1 Resource Implications

The proposals set out the response to the financial context described in section 5 and the need to change our service offer and model to maintain a sustainable budget. The full detail of the financial proposals and impact on budget will be described in the financial tables of the business plan. The proposals will seek to ensure that we make the most effective use of available resources and are delivering the best possible services given the reduced funding.

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for the proposals set out in this report. Details for specific proposals will be set out in the business cases. All required procurement activity will be fully compliant with the Council's Contract Procedure Rules.

9.3 Statutory, Legal and Risk Implications

The proposals set out in this report respond to the statutory duty on the Local Authority to deliver a balanced budget. Cambridgeshire County Council will continue to meet the range of statutory duties for supporting our residents.

9.4 Equality and Diversity Implications

Each of the proposals will be developed alongside an Equality Impact Assessment to ensure we have discharged our duties in line with the Equality Act, including the Public Sector Equality Duty, as well as met our commitment to implementing the Socio-economic Inequalities Duty. Business cases will include a summary of key points from the relevant Equality Impact Assessment. These summaries will highlight any positive impacts identified and outline mitigations for any negative impacts or justification for retaining a negative impact where this is appropriate.

9.5 Engagement and Communications Implications

Our Business Planning proposals are informed by the CCC public consultation and will be discussed with a wide range of partners throughout the process. The feedback from consultation will continue to inform the refinement of proposals. Where this leads to significant amendments to the recommendations a report would be provided to Strategy and Resources Committee.

9.6 Localism and Local Member Involvement

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

9.7 Public Health Implications

It will be important to secure a better understanding of the impact of COVID-19 upon Public Health outcomes along with other service areas. There is emerging evidence of increases on obesity and smoking along with other key Public Health areas. Over the longer term this will increase demand for preventative and treatment services.

9.8 Environment and Climate Change Implications on Priority Areas

The climate and environment implications will vary depending on the detail of each of the proposals. Any positive or negative impacts will have been considered for each proposal as part of its development.

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Stephen Howarth

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes
Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law? Yes
Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your Service Contact? Yes
Name of Officer: Jennifer Bartlett

Have any engagement and communication implications been cleared by Communications? Yes
Name of Officer: Christine Birchall

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes
Name of Officer: Julia Turner

Have any Public Health implications been cleared by Public Health? Yes
Name of Officer: Jyoti Atri

10. Source documents

10.1 Source documents

Appendix 1a Introduction to the finance tables
Appendix 1b Corporate Services Revenue Table 3
Appendix 1c Corporate Services Capital Tables 4 and 5

Appendix 1a – Introduction to the Finance Tables

In the full business plan, there are usually six finance tables. Tables 1-3 and 6 relate to revenue budgets, while tables 4 and 5 relate to capital budgets and funding.

At this stage of the business planning cycle, we produce Tables 3 for revenue, along with the capital tables (4 and 5).

Table 3

Table 3 explains in detail the changes to the previous year's budget over the period of the Business Plan, in the form of individual proposals. At the top it takes the previous year's gross budget and then adjusts for proposals, grouped together in sections, covering inflation, demography and demand, pressures, investments and savings to give the new gross budget. The gross budget is reconciled to the net budget in Section 7. Finally, the sources of funding are listed in Section 8. An explanation of each section is given below:

- **Opening Gross Expenditure:**
The amount of money available to spend at the start of the financial year and before any adjustments are made. This reflects the final budget for the previous year.
- **Revised Opening Gross Expenditure:**
Adjustments that are made to the base budget to reflect permanent changes in a Service Area. This is usually to reflect a transfer of services from one area to another.
- **Inflation:**
Additional budget provided to allow for pressures created by inflation. These inflationary pressures are particular to the activities covered by the Service Area.
- **Demography and Demand:**
Additional budget provided to allow for pressures created by demography and increased demand. These demographic pressures are particular to the activities covered by the Service Area. Demographic changes are backed up by a robust programme to challenge and verify requests for additional budget.
- **Pressures:**
These are specific additional pressures identified that require further budget to support.
- **Investments:**
These are investment proposals where additional budget is sought, often as a one-off request for financial support in a given year and therefore shown as a reversal where the funding is time limited (a one-off investment is not a permanent addition to base budget).

- **Savings:**
These are savings proposals that indicate services that will be reduced, stopped or delivered differently to reduce the costs of the service. They could be one-off entries or span several years.
- **Total Gross Expenditure:**
The newly calculated gross budget allocated to the Service Area after allowing for all the changes indicated above. This becomes the Opening Gross Expenditure for the following year.
- **Fees, Charges & Ring-fenced Grants:**
This lists the fees, charges and grants that offset the Service Area's gross budget. The section starts with the carried forward figure from the previous year and then lists changes applicable in the current year.
- **Total Net Expenditure:**
The net budget for the Service Area after deducting fees, charges and ring-fenced grants from the gross budget.
- **Funding Sources:**
How the gross budget is funded – funding sources include cash limit funding (central Council funding from Council Tax, business rates and government grants), fees and charges, and individually listed ring-fenced grants.

Table 4

This presents a Service Area's capital schemes, across the ten-year period of the capital programme. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table. The third table identifies the funding sources used to fund the programme. These sources include prudential borrowing, which has a revenue impact for the Council.

Table 5

Table 5 lists a Service Area's capital schemes and shows how each scheme is funded. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table.

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2023-24 to 2027-28

Detailed Plans	Outline Plans
-------------------	---------------

Ref	Title	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
1	OPENING GROSS EXPENDITURE	61,410	39,203	16,934	6,671	-6,574	
C/R.1.007	Base funding for the teams funded by capital receipts	-	-	1,682	-	-	- We can currently fund some posts from capital receipts if they are undertaking work that results in transformation of services. The rules that enable this are expected to expire in 2025-26 and so these teams will need base budget.
C/R.1.014	Public health funding to support Health related spend	61	-	-	-	-	- Public Health business planning for 2023-24 pulls together outstanding underspends across several service areas. These will have minimal disruption as they are demand led services which are already underspending. In addition, savings are available from contingency and holding funds where the funding is no longer required.
1.999	REVISED OPENING GROSS EXPENDITURE	61,471	39,203	18,616	6,671	-6,574	
2	INFLATION						
C/R.2.001	Inflation	2,458	698	903	1,011	953	Inflation for corporate services budgets
C/R.2.003	Salary Inflation - All Services	2,937	3,010	3,086	3,163	3,242	Forecast pressure from 2.5% inflation relating to pay and employment costs.
C/R.2.009	2022/23 Staff Pay Award	3,500	-	-	-	-	- Forecast pressure relating to the 2022/23 staff pay award.
2.999	Subtotal Inflation	8,895	3,708	3,989	4,174	4,195	
3	DEMOGRAPHY AND DEMAND						
3.999	Subtotal Demography and Demand	-	-	-	-	-	
4	PRESSURES						
C/R.4.018	IT - Continued Remote Working	-189	-	-	-	-	- Costs of data and licenses increased during the pandemic with more staff working remotely. This cost was expected to be temporary.
C/R.4.021	IT - Microsoft Enterprise Agreement	114	241	50	-	-	- Cambridgeshire County Council uses Microsoft software extensively across all services. The Council is licensed to do so under the terms of its Microsoft Enterprise Agreement, which was renewed in 2020 and the cost of the new contract increased. Following the migration to Office 365 and reviewing the strategic requirements of the organisation in areas such as reporting (PowerBI) and automation (Power Apps) additional licences are required at an additional cost.

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2023-24 to 2027-28

Detailed Plans	Outline Plans
----------------	---------------

Ref	Title	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
C/R.4.025	Pandemic risks provision	-600	-	-	-	-	- Phased reversal of temporary funding intended to mitigate against risks during the pandemic.
C/R.4.027	IT - Systems	189	-5	-	-	-	- There are emerging requirements for additional modules in existing systems to meet new requirements and planned projects in services. There may also be a period of dual running of systems in the Education space as services are migrated from one to the other.
C/R.4.029	IT - Hardware & Infrastructure	-380	-	-	-	-	- In order to ensure fit for purpose laptops for staff and members it was anticipated that a significant number of devices would need to be replaced in 2022-23. This budget has been revised to re-establish the ongoing requirement.
C/R.4.030	IT - Shared Health Care Record	50	-	-	-	-	- This is the estimated revenue costs to CCC for funding towards the Cambridgeshire & Peterborough Shared Health Care Record.
C/R.4.032	Pathfinder Legal Services dividend expectation	-36	-	-	-	-	- Pathfinder Legal Services (formerly) LGSS Law Ltd was in deficit in 2017-18 and 2018-19, and the company has retained losses as result. Following significant changes including improvements in fee earner utilisation and in management and direction, the company has returned to profitability in 2020. This line reflects that a dividend is likely to be payable. The primary financial purpose of the company is to provide cost effective services, which is achieved through fees, rather than the delivery of dividend.
C/R.4.034	Renewable Energy - Soham	6	6	-	-	-	- Operating costs associated with the capital investment in Renewable Energy, at the Soham Solar Farm. Links to capital proposal C/C.2.102 in BP 2016-17.
C/R.4.035	Alconbury Solar Carport - operating costs	-2	2	-3	-	-	- The proposal is to construct a series of four solar canopies over the car park, which will generate electricity that will be used to charge electric vehicles (EVs) on site and that can be used directly by the building to offset the use of grid electricity.
4.999	Subtotal Pressures	-848	244	47	-	-	
5	INVESTMENTS						
C/R.5.004	Council Tax Counter Fraud & Compliance	-	-	-155	-	-	- This investment relates to the council tax counter fraud project, which aims to identify and end cases of fraud and error in relation to council tax discounts, reductions and exemptions. These are the anticipated costs of additional staff resources and software licensing fees across the three years of the agreement term and will be funded by Cambridgeshire County Council, Police and Fire Authorities and Billing Authorities in the proportions based on the benefits expected to accrue to each Authority.

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2023-24 to 2027-28

Detailed Plans	Outline Plans
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Ref	Title	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
C/R.5.005	Renewable Energy Soham - Interest Costs	-9	-10	-	-	-	The Council has invested in building a solar park at Triangle Farm, Soham. These are the borrowing costs associated with the scheme to be repaid using income from the sale of energy.
C/R.5.007	ITDS Capital to Revenue Funding	965	698	1,021	-	-	Funding is required for Information Technology Digital Service (ITDS) programmes over the next 3 financial years, due to the nature of IT services changing to cloud based systems.
C/R.5.008	IT - Capitalisation of revenue spend	-565	-215	-	-	-	Capitalisation of staff laptops and IT equipment in CCC buildings.
C/R.5.010	Commercial Investments - Interest Costs	-35	-35	-35	-35	-35	The Council is developing a portfolio of commercial property investments. This change is required in order to amend the associated borrowing costs to be repaid using rental income generated from the leases of these properties.
C/R.5.022	Governance	10	-	-	-	-	We are reviewing the level of staffing in the Legal & Governance directorate
C/R.5.115	Think Communities - Creating a Unified Approach	-1,028	-	-	-	-	Planned reversal of the temporary transformation funding put into previous financial years. We are reviewing the long term funding options for this service.
C/R.5.119	Development of an Asset-Based Area Approach to Commissioning and Delivery	2	-92	-	-	-	Ongoing transformation funded scheme through to 2024/25. Development of a sustainable model of community-based care and support for adults using an Asset-Based Area approach to commissioning and delivery. The project aims to delay demand for long term adult social care and improve outcomes for adults with care and support needs in the community.
5.999	Subtotal Investments	-660	346	831	-35	-35	
6	SAVINGS S&R						
C/R.6.106	Contract Savings	-	-200	-	-	-	The ability to renegotiate or procure to achieve contractual savings is expected in 2024-25.
C/R.6.108	IT - Education Software	-70	-	-	-	-	Estimated annual software saving expected from the implementation of the new education system.

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2023-24 to 2027-28

Detailed Plans	Outline Plans
----------------	---------------

Ref	Title	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
C/R.6.109	Council Wide Mileage	-500	-	-	-	-	- Reduction in mileage budgets across the council, reflecting permanently changed travelling patterns.
C/R.6.110	Corporate Vacancy Factor	-400	-	-	-	-	- Whilst effort is made to ensure all critical posts are filled, this is to recognise slippage on staffing budgets that inevitably take place.
C/R.6.111	Public Health Grant Contribution to Overheads	-61	-	-	-	-	- Public Health business planning for 2023-24 pulls together outstanding underspends across several service areas. These will have minimal disruption as they are demand led services which are already underspending. In addition, savings are available from contingency and holding funds where the funding is no longer required.
6.999	Subtotal Savings	-1,031	-200	-	-	-	
	UNIDENTIFIED SAVINGS TO BALANCE BUDGET	-28,624	-26,367	-16,812	-17,384	-18,762	
	TOTAL GROSS EXPENDITURE	39,203	16,934	6,671	-6,574	-21,176	

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2023-24 to 2027-28

Detailed Plans	Outline Plans
-------------------	---------------

Ref	Title	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
7	FEES, CHARGES & RING-FENCED GRANTS						
C/R.7.001	Previous year's fees, charges & ring-fenced grants	-33,263	-35,520	-37,103	-37,034	-37,494	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
C/R.7.003	Fees and charges inflation	-78	-73	-79	-152	-88	Uplift in external charges to reflect inflation pressures on the costs of services.
C/R.7.004	2022/23 Staff Award Pay Inflation	-71	-	-	-	-	Recharges for shared staff are expected to be higher in light of the 2022/23 staff pay award.
	Changes to fees & charges						
C/R.7.104	Alconbury Solar Carport - Income Generation	-	-1	-1	-3	-3	The proposal is to construct a series of four solar canopies over the car park, which will generate electricity that will be used to charge electric vehicles (EVs) on site and that can be used directly by the building to offset the use of grid electricity.
C/R.7.105	Renewable Energy Soham - Income Generation	-14	-13	-	-	-	Income generation resulting from capital investment in solar farm at Soham. Links to capital proposal C/C.2.102 in BP 2016-17.
C/R.7.111	Commercial Income	-750	-750	-	-	-	Commercial return from the Council's Commercial Strategy, to be generated from investments.
C/R.7.115	Brunswick House - Income Generation	-70	-62	-65	-65	-65	Estimated annual rent increase.
C/R.7.116	Cromwell Leisure - Income Generation	-94	-	-	-	-	Estimated change in annual rent, including one vacant unit in 22-23.
C/R.7.117	Tesco - Income Generation	-80	-82	-85	-87	-87	Estimated annual change in rent income
C/R.7.118	Evolution Business Park - Income Generation	-29	-16	-43	-17	-17	Estimated annual change in rent income
C/R.7.119	Independent Living Service: East Cambridgeshire	-	-438	-292	-	-	Rent received from the lease of the new building.
C/R.7.120	County Farms -Agricultural Rent	-126	-129	-132	-136	-136	Increase expected in rental income for the county farms estate.
C/R.7.150	COVID Impact - Cromwell Leisure	-16	-	-	-	-	Cromwell Leisure consists of a cinema and three restaurant units. This is the final recovery amount for the impact on rent received due to COVID.

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2023-24 to 2027-28

Detailed Plans	Outline Plans
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Ref	Title	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
C/R.7.154	COVID Impact - Commercial Income	-849	-	-	-	-	- For the additional income expected across the Commercial Strategy, based on the current funds for investments, we forecast that the 2021-22 & 2022-23 target will be achieved in full by 2023-24.
	Changes to ring-fenced grants						
C/R.7.201	Change in Public Health Grant	-80	-19	766	-	-	- Change in ring-fenced Public Health grant to reflect expected contribution from Public Health to budget gap, and thereafter the expected removal of the grant ringfence.
7.999	Subtotal Fees, Charges & Ring-fenced Grants	-35,520	-37,103	-37,034	-37,494	-37,890	
	TOTAL NET EXPENDITURE	3,683	-20,169	-30,363	-44,068	-59,066	

FUNDING SOURCES							
8	FUNDING OF GROSS EXPENDITURE						
C/R.8.001	Budget Allocation	-3,283	20,369	30,363	44,068	59,066	Net budget balance of Corporate Services.
C/R.8.002	Public Health Grant	-747	-766	-	-	-	- Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
C/R.8.003	Fees & Charges	-34,773	-36,337	-37,034	-37,494	-37,890	Fees and charges for the provision of services.
C/R.8.005	Public Health Reserve	-400	-200	-	-	-	- Drawn down of public health reserve to fund pressures in service
8.999	TOTAL FUNDING OF GROSS EXPENDITURE	-39,203	-16,934	-6,671	6,574	21,176	

Section 3 - C: Corporate and Managed Services

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
Ongoing	4,645	1,092	77	191	685	800	800	1,000
Committed Schemes	187,726	166,556	4,534	3,061	575	-	-	13,000
2023-2024 Starts	780	-	780	-	-	-	-	-
TOTAL BUDGET	193,151	167,648	5,391	3,252	1,260	800	800	14,000

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000	Committee
C/C.01	Corporate Services & Transformation												
C/C.1.006	Data Centre Relocation	Removal and relocation/transformation of all IT infrastructure & Systems from Shire Hall Data Centre prior to disposal of the site.		Committed	4,642	3,770	872	-	-	-	-	-	S&R
C/C.1.007	IT Strategy	Implementation of the IT Strategy to support sharing of services across Cambridgeshire and Peterborough. To include: - Operations - Business Systems - Digital Engagement		Committed	3,339	3,339	-	-	-	-	-	-	S&R
C/C.1.008	IT Infrastructure Refresh	Upgrades/refresh of the core CCC IT systems that underpin use of IT across the Council. This essential work will ensure that the critical IT Infrastructure continues to be fit for purpose and supports changes in technology and business requirements.		Committed	674	568	106	-	-	-	-	-	S&R
C/C.1.009	Capitalisation of Policy, Design and Delivery Team	Funding the Policy, Design and Delivery Team from capital instead of revenue, by using the flexibility of capital receipts direction.		Committed	12,612	9,248	1,682	1,682	-	-	-	-	S&R

Section 3 - C: Corporate and Managed Services

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000	
C/C.1.010	IT Education System Replacement	This programme gathers the system information workflows across the Education Directorate, including the student journey and the touch points across the teams. With a myriad of systems in use there is a business challenge in maintaining consistent, accurate data, especially within shared data sets. Where the current systems are identified as not fit for purpose in supporting education services, the projects under the Education Systems Programme will then procure and implement the most suitable IT system solution, ensuring that separate reporting for both authorities is preserved.		Committed	2,921	1,832	1,089	-	-	-	-	-	- S&R
C/C.1.014	IT - Laptops	This funding is to deliver the replacement of laptops.		2023-24	780	-	780	-	-	-	-	-	- S&R
	Total - Corporate Services & Transformation				24,968	18,757	4,529	1,682	-	-	-	-	
C/C.02	Investments												
C/C.2.001	Housing schemes	The Council is a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. CCC has moved from being not only a seller of sites, but also a developer of sites, through a Housing Company. CCC is continuing to make the best use of its sites with development potential in a co-ordinated and planned manner, developing them for a range of options, generating capital receipts to support site development and also significant revenue and capital income to support services and communities.		Committed	148,720	135,720	-	-	-	-	-	13,000	S&R
C/C.2.002	Development Funding	Capital expenditure related to planning applications.		Committed	1,613	563	350	350	350	-	-	-	- S&R
	Total - Investments				150,333	136,283	350	350	350	-	-	13,000	
C/C.03	Property Services												
C/C.3.003	Building Maintenance	This budget is used to carry out replacement of failed elements and maintenance refurbishments.		Ongoing	6,492	1,092	600	600	600	600	600	2,400	S&R
C/C.3.004	Condition Survey Works	Condition surveys have reviewed the structural, M&E and internal finishes of corporate buildings. The surveys are reviewed by the Property Services team to determine priority and criticality. Indicative costs are applied to each element of work. The scheme intends to make the necessary repairs to bring buildings back to a decent standard, taking into account statutory requirements, property H&S and compliance.		Committed	1,841	1,841	-	-	-	-	-	-	- S&R
	Total - Property Services				8,333	2,933	600	600	600	600	600	2,400	

Section 3 - C: Corporate and Managed Services

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
C/C.04 C/C.4.001	Strategic Assets Lower Portland Farm	To replenish the rural portfolio with agricultural land that has the opportunity for diversification in renewable energy projects, commercial and residential development whilst receiving regular income from agricultural land let to tenant farmers. Long Term (10 years) plan to obtain planning permissions for development leading to a significant increase in value across 68 acres of agricultural land.		Committed	3,741	3,516	-	-	225	-	-	- S&R
C/C.4.006	County Farms investment (Viability)	To invest in projects which protect and improve the County Farms Estate's revenue potential, asset value and long term viability.		Ongoing	3,000	-	300	300	300	300	300	1,500 S&R
C/C.4.007	Local Plans - representations	Making representations to Local Plans and where appropriate following through to planning applications with a view to adding value to County Farms and other Council land, whilst meeting Council objectives through the use / development of such land.		Ongoing	1,000	-	100	100	100	100	100	500 S&R
C/C.4.008	Community Hubs - East Barnwell	Provision of a replacement community centre, children's nursery and library on a site owned by Cambridge City Council in the Abbey ward as part of a regeneration project led by the City Council which includes the existing community centre and library.		Committed	1,981	617	350	1,014	-	-	-	- S&R
C/C.4.010	Cambs 2020 Spokes Asset Review	The Cambs 2020 Programme will see the current Shire Hall site will be disposed, moving to a 'Hub and Spokes' model with a central purpose built Hub in Alconbury Weald and Spokes sites across the County. This was an opportunity to review our asset portfolio based on organisational needs. This project includes: - acquisition of a new freehold asset - disposal of properties surplus to requirements - major refurbishment works - minor refurbishment works		Committed	5,582	5,542	40	-	-	-	-	- S&R
	Total - Strategic Assets				15,304	9,675	790	1,414	625	400	400	2,000

Section 3 - C: Corporate and Managed Services

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000	
C/C.06 C/C.6.001	Capital Programme Variation Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-5,847	-	-923	-809	-315	-200	-200	-3,400	S&R
C/C.6.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	60	-	45	15	-	-	-	-	S&R
	Total - Capital Programme Variation				-5,787	-	-878	-794	-315	-200	-200	-3,400	
	TOTAL BUDGET				193,151	167,648	5,391	3,252	1,260	800	800	14,000	

Funding	Total Funding £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
Government Approved Funding								
Total - Government Approved Funding	-	-	-	-	-	-	-	-
Locally Generated Funding								
Agreed Developer Contributions	211	-	-	211	-	-	-	-
Capital Receipts	83,022	5,882	23,640	18,500	12,000	2,000	6,000	15,000
Prudential Borrowing	-42,213	25,327	-19,599	-16,801	-10,740	-1,200	-5,200	-14,000
Prudential Borrowing (Repayable)	-	113,851	-	-	-	-27,879	-36,846	-49,126
Ring-Fenced Capital Receipts	11,940	9,248	1,350	1,342	-	-	-	-
Other Contributions	140,191	13,340	-	-	-	27,879	36,846	62,126
Total - Locally Generated Funding	193,151	167,648	5,391	3,252	1,260	800	800	14,000
TOTAL FUNDING	193,151	167,648	5,391	3,252	1,260	800	800	14,000

Section 3 - C: Corporate and Managed Services

Table 5: Capital Programme - Funding

Budget Period: 2023-24 to 2032-33

Summary of Schemes by Start Date						Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing						4,645	-	-49	-	76,468	-71,774
Committed Schemes						187,726	-	260	140,191	18,494	28,781
2023-2024 Starts						780	-	-	-	-	780
TOTAL BUDGET						193,151	-	211	140,191	94,962	-42,213

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000	Committee
C/C.01	Corporate Services & Transformation										
C/C.1.006	Data Centre Relocation		-	Committed	4,642	-	-	-	-	4,642	S&R
C/C.1.007	IT Strategy		-	Committed	3,339	-	-	-	-	3,339	S&R
C/C.1.008	IT Infrastructure Refresh		-	Committed	674	-	-	-	-	674	S&R
C/C.1.009	Capitalisation of Policy, Design and Delivery Team		-	Committed	12,612	-	-	-	12,612	-	S&R
C/C.1.010	IT Education System Replacement		-	Committed	2,921	-	-	-	-	2,921	S&R
C/C.1.014	IT - Laptops		-	2023-24	780	-	-	-	-	780	S&R
	Total - Corporate Services & Transformation		-		24,968	-	-	-	12,612	12,356	
C/C.02	Investments										
C/C.2.001	Housing schemes		-58,161	Committed	148,720	-	-	140,191	5,851	2,678	S&R
C/C.2.002	Development Funding		-	Committed	1,613	-	-	-	-	1,613	S&R
	Total - Investments		-58,161		150,333	-	-	140,191	5,851	4,291	
C/C.03	Property Services										
C/C.3.003	Building Maintenance		-	Ongoing	6,492	-	-	-	-	6,492	S&R
C/C.3.004	Condition Survey Works		-	Committed	1,841	-	-	-	-	1,841	S&R
	Total - Property Services		-		8,333	-	-	-	-	8,333	
C/C.04	Strategic Assets										
C/C.4.001	Lower Portland Farm		-15,134	Committed	3,741	-	-	-	-	3,741	S&R
C/C.4.006	County Farms investment (Viability)		-5,000	Ongoing	3,000	-	-	-	-	3,000	S&R
C/C.4.007	Local Plans - representations		-	Ongoing	1,000	-	-	-	-	1,000	S&R
C/C.4.008	Community Hubs - East Barnwell		-	Committed	1,981	-	260	-	31	1,690	S&R
C/C.4.010	Cambs 2020 Spokes Asset Review		-	Committed	5,582	-	-	-	-	5,582	S&R
	Total - Strategic Assets		-20,134		15,304	-	260	-	31	15,013	

Section 3 - C: Corporate and Managed Services

Table 5: Capital Programme - Funding

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000	
C/C.06	Capital Programme Variation										
C/C.6.001	Variation Budget			- Ongoing	-5,847	-	-49	-	-672	-5,126	S&R
C/C.6.002	Capitalisation of Interest Costs			- Committed	60	-	-	-	-	60	S&R
	Total - Capital Programme Variation			-	-5,787	-	-49	-	-672	-5,066	
C/C.9.001	Excess Corporate Services capital receipts used to reduce total prudential borrowing			Ongoing	-	-	-	-	77,140	-77,140	CS
	TOTAL BUDGET				193,151	-	211	140,191	94,962	-42,213	

Draft Anti-Fraud & Corruption Policy and Draft Anti-Money Laundering Policy

To: Strategy & Resources Committee
Meeting Date: 20th October 2022
From: Head of Internal Audit & Risk Management

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: The Internal Audit team have reviewed and updated the Council's Anti-Fraud & Corruption Policy and Anti-Money Laundering Policy. The draft policies have previously been reviewed and approved by Corporate Leadership Team (CLT) on the 5th September. They were then presented to the Council's unions on the 12th September, where they were endorsed with no changes.

Following review by Audit & Accounts Committee on the 29th September, as the designated Committee for monitoring anti-fraud and corruption policies, the draft policies are being presented to Strategy & Resources Committee for final approval.

Recommendation: Strategy and Resources Committee is being asked to review, comment on, and approve the draft Anti-Fraud & Corruption Policy and draft Anti-Money Laundering Policy.

Officer contact:

Name: Mairead Claydon
Post: Head of Internal Audit & Risk Management
Email: Mairead.Claydon@cambridgeshire.gov.uk
Tel: 01223 715542

Member contacts:

Names: Councillors L Nethsingha and E Meschini
Post: Chair/Vice-Chair
Email: lucy.nethsingha@cambridgeshire.gov.uk; elisa.meschini@cambridgeshire.gov.uk
Tel: 01223 706398

1. Background

- 1.1 The Council's Anti-Fraud & Corruption Policy and Anti-Money Laundering Policy were last reviewed and approved by Strategy & Resources Committee in 2017.
- 1.2 Following the Internal Audit team's disaggregation from LGSS, responsibility for counter fraud and corruption work has returned to the in-house audit team. This has prompted a review of internal counter fraud processes, including the Anti-Fraud and Corruption Policy and the Anti-Money Laundering Policy. Both policies have been completely redrafted and refreshed, with the aim of improving accessibility as well as reflecting changing legislative requirements and best practice recommendations. Updates have also been made to the relevant officer contact information.
- 1.3 As both policies have been fully rewritten, it is not possible to show individual changes from the old to the new policies. Key elements of the changes are summarised below, and copies of the old policies are provided for comparison.

2. Anti-Fraud & Corruption Policy

- 2.1 The redraft of the Anti-Fraud & Corruption Policy has aimed to reduce the length of the policy and move some information into appendices, where it is not likely to be relevant to all staff. The main body of the policy document has reduced from 16 to 11 pages. A flowchart has been introduced to show the process followed when a concern about fraud, theft or corruption is raised (see Section 4.3). This aims to clarify the various possible outcomes for staff.
- 2.2 Other changes include giving a wider set of examples of 'warning signs' staff can look out for that may indicate internal or external fraud or corruption, and specific provisions around preventing the risk of contractors or partners committing bribery offences when on behalf of the Council. There is also a new appendix (3) setting out how the Council meets the requirements of the Bribery Act 2010 guidance on bribery prevention.
- 2.3 In order to ensure that the updated policy is simpler and more intelligible to all members of staff and the public, the text in the body of the policy has been checked against an online Flesch-Kincaid readability checker to ensure it is accessible. The body of the new draft policy scores a Grade 9 for readability, meaning should be accessible to readers with a US Grade 9 education (c. 14 – 15 years old). For comparison, the old policy was scored as US Grade 12 (c. 17 – 18 years old).
- 2.4 The draft new Anti-Fraud & Corruption Policy is provided at Annex A to this report. For comparison, the current Anti-Fraud & Corruption Policy is provided at Annex B.

3. Anti-Money Laundering Policy

- 3.1 The Anti-Money Laundering Policy has been redrafted with the aim of making the policy simpler and more accessible to all members of staff and the public. There have been updates in some areas to reflect changing legislative requirements; in particular the

maximum limit for cash payments has been reduced to £7,500. The new policy also gives greater detail on how the Council complies with CIPFA recommendations on reducing the risk of money laundering.

- 3.2 The redraft has included a greater focus on risks of money laundering which are specific to the Council as a local authority, including the types of warning signs staff should look out for and areas of the Council's services which represent a higher risk for money laundering. The redraft identifies the risk of service users being targeted by money launderers and the risk of Direct Payments and reloadable cash cards issued by the Council being used by for money laundering purposes.
- 3.3 The Customer Due Diligence procedure set out in the old policy has been revised with the aim of making it easier for staff to understand and complete, and clarifying that full customer due diligence is only required in certain circumstances when the Council is undertaking specific types of activity. The requirement for staff to fill in a lengthy form to report money laundering has been removed, and instead the new policy encourages more informal reporting; this is in line with the latest guidance from CIPFA on Combating Financial Crime for local authorities.
- 3.4 The policy update has included checking the text in the body of the policy against an online Flesch-Kincaid readability checker to ensure it is accessible. The body of the new draft policy scores a Grade 9 for readability, meaning should be accessible to readers with a US Grade 9 education (c. 14 – 15 years old). For comparison, the old policy was scored as requiring a post-graduate level of education to understand.
- 3.5 In addition to updating and revising the policy, Internal Audit is in the process of documenting a risk assessment of the Council's current money laundering controls, in line with CIPFA recommended practice.
- 3.6 The draft new Anti-Money Laundering Policy is provided at Annex C to this report. For comparison, the current Anti-Money Laundering Policy is provided at Annex D.

4. Approval and Publicity

- 4.1 Once the final versions of the draft policies are approved by Strategy & Resources Committee, then pending any final changes agreed in the meeting they will be published on the Council's external website and staff intranet. The Internal Audit service will also arrange a publicity campaign to increase officer awareness of the re-launched policies, as well as the Fraud Prevention eLearning module which is available to all staff.

5. Alignment with corporate priorities

- 5.1 Environment and Sustainability
- 5.2 Health and Care
- 5.3 Places and Communities
- 5.4 Children and Young People
- 5.5 Transport

There are no significant implications for these priorities.

6. Significant Implications

6.1 Resource Implications

There are no significant implications within this category.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

6.3 Statutory, Legal and Risk Implications

Although money laundering legislation does not specifically cover local authorities, it is best practice for local authorities to comply with the spirit of the legislation. CIPFA recommended practice is for all public authorities to put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements, designed to enable them to detect and avoid involvement in the crimes described in the legislation.

The Council and its employees do have responsibilities under the Proceeds of Crime Act 2002 and the Terrorism Act 2006. The Anti-Fraud and Corruption Policy and the Anti-Money Laundering Policy seek to ensure these responsibilities are clear to all employees and implemented in practice.

These policy documents have been developed with reference to the relevant legislation and the CIPFA best practice guidance on *Combating Financial Crime* (2020).

6.4 Equality and Diversity Implications

There are no significant implications within this category.

6.5 Engagement and Communications Implications

There are no significant implications within this category.

6.6 Localism and Local Member Involvement

There are no significant implications within this category.

6.7 Public Health Implications

There are no significant implications within this category.

6.8 Environment and Climate Change Implications on Priority Areas:

6.8.1 Implication 1: Energy efficient, low carbon buildings. Neutral status

6.8.2 Implication 2: Low carbon transport.
Neutral status

6.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Neutral status

6.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Neutral status

6.8.5 Implication 5: Water use, availability and management:
Neutral status

6.8.6 Implication 6: Air Pollution.
Neutral status

6.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.
Neutral status

Have the resource implications been cleared by Finance? Not applicable
Name of Financial Officer: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Not applicable
Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes
Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your EqIA Super User?
Yes
Name of Officer: Tom Kelly

Have any engagement and communication implications been cleared by Communications? Not applicable
Name of Officer: Christine Birchall

Have any localism and Local Member involvement issues been cleared by your Service Contact? Not applicable
Name of Officer:

Have any Public Health implications been cleared by Public Health? Not applicable
Name of Officer: Kate Parker

7. Source documents

7.1. All source documents are provided as annexes to this report, as follows:

- Annex A – Draft new Anti-Fraud & Corruption policy
- Annex B – Current Anti-Fraud & Corruption Policy
- Annex C – Draft new Anti-Money Laundering Policy
- Annex D – Current Anti-Money Laundering Policy

Anti-Fraud and Corruption Policy

Overview

CAMBRIDGESHIRE COUNTY COUNCIL IS COMMITTED TO A ZERO-TOLERANCE STANCE ON FRAUD AND CORRUPTION.

The aims of this policy are to:

- Help Council staff identify when there are reasons to suspect fraud or corruption.
- Enable and encourage everyone to raise concerns relating to fraud, corruption, bribery, or theft by contacting: whistleblowing@cambridgeshire.gov.uk
- Provide a variety of alternative contacts with whom concerns can be raised.
- Give confidence to anybody raising concerns that they will be investigated seriously and in line with this policy.
- Show how concerns raised will be dealt with and escalated.
- Set out the Council's commitment to a zero-tolerance stance on fraud and corruption.
- Reinforce an anti-fraud culture across its employees and members.
- Outline measures already in place to prevent and detect fraud.

This policy has been developed in line with to the Council's core values, CIPFA best practice, and the statutory requirements set out by the Fraud Act 2006 and the Bribery Act 2010. The

Council expects all its employees, members and associated persons to act legally, with integrity, and in accordance with the Council's values and policies at all times. Any concerns raised regarding possible instances of fraud or corruption will be investigated seriously.

Policy Owner

Name: Mairead Claydon

Post: Acting Head of Internal Audit & Risk Management

Email: Mairead.Claydon@cambridgeshire.gov.uk

Anti-Fraud and Corruption Policy

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Anti-Fraud and Corruption Policy

1. Introduction

- 1.1. This Anti-Fraud and Corruption Policy sets out Cambridgeshire County Council's corporate approach to suspected fraud, theft, corruption and bribery. It explains how the Council seeks to maintain an anti-fraud culture, with zero tolerance for fraud and corruption.
- 1.2. The Council recognises that most people are honest and would never intentionally defraud the Council. This policy provides a safeguard against the risk of fraud as well as guiding staff, Members and service users on what to do if fraud or corruption is suspected.
- 1.3. This policy covers both internal and external fraud against the Council. As such, it applies to:
 - All members and employees of Cambridgeshire County Council;
 - Any person working for, or on behalf of, the Council. This includes contractors, consultants, or subsidiary agents who work for the Council;
 - All users of Cambridgeshire County Council services. This includes Cambridgeshire residents; those in receipt of money, goods or services from the Council; and those who communicate with the Council.
- 1.3 Please see Appendix 1 for a detailed breakdown of how this policy is relevant to different roles across the Council. This includes Council officers and members, staff at maintained schools, and contractors.

2. What is fraud and corruption?

2.1. What does fraud and corruption look like?

- 2.1.1 Fraud, corruption, and bribery can appear in many forms. These offences may be committed by individuals external to the Council, such as suppliers. Or they could be committed by individuals internal to the Council, such as Council staff. Technical legal definitions of these offences are included in Appendix 2. This policy covers:

- **Theft** of Council assets, including money;
- **Bribery** i.e. offering or accepting money (or other forms of advantage) to influence the actions of someone in charge of a public duty. Bribery can include inappropriate gifts and hospitality;
- **Fraud** i.e. a deception committed for financial or personal gain. For example, internal fraud could include a member of staff falsifying timesheets in order to get paid for overtime that was not worked. External fraud could involve an organisation submitting false information in order to get a grant payment;
- **Corruption** i.e. someone abusing their position to obtain any type of financial or personal advantage for themselves or others.

2.2. What are the warning signs of possible fraud or corruption?

2.2.1 To identify fraud and corruption taking place, staff and members should be alert for suspicious behaviour. This could include anything that just 'doesn't seem right'.

2.2.2 In the context of Cambridgeshire County Council, examples of some warning signs that might suggest possible internal fraud or corruption include:

- Individuals who refuse to follow Council policies and procedures. This is especially concerning with regards to policies which require financial approval, or where multiple people are supposed to be involved in a process, but one person insists on doing everything instead.
- Individuals applying pressure to staff to make decisions they would not normally make, or to cut corners.
- Individuals who have a very close relationship with a particular supplier or partner.
- Senior staff members becoming involved in low-level operational decision making.
- Cash or IT equipment going missing.
- Individuals submitting false information or documentation with the intent to gain from this. For example, this could include submitting false overtime or expenses claims. It would also include individuals lying about or falsifying their qualifications.
- Officers who repeatedly request to work extra hours or to work in the office outside normal business hours. Individuals who refuse to take holiday.

- Individuals who deliberately conceal information required by the Council. For example, staff who do not disclose convictions or outside interests which conflict with their role at the Council.

2.2.2 Examples of some warning signs to look out for that might suggest possible external fraud or corruption include:

- Contractors submitting false performance or financial information. This might be done to obtain payments or keep a contract.
- Service users, grant recipients or suppliers who refuse to engage with the Council. This could manifest as refusing or avoiding providing documentation when it is requested.
- Individuals providing false or misleading documentation in order to access services or advantages to which they are not entitled. For example, obtaining a direct payment, school place, or a disabled blue badge when they are not really eligible.
- Cyber crime such as 'phishing'. For example, officers may receive fake emails which appear to be from real suppliers requesting payment.

2.3. What should I do to prevent fraud and corruption?

2.3.1 Everyone can play a vital role in identifying and reporting any possible instances of theft, fraud or corruption. If you suspect theft, fraud or corruption, you must report it via the procedure set out at Section 3, below.

2.3.2 It's important to ensure you are familiar with the Council's policies and procedures, and that you follow them in the course of your work. Many different Council policies include requirements which are there to prevent fraud and corruption. You should also ensure that other staff you work with are following policies and procedures as well. If you work with contractors or partners who deliver services on behalf of the Council, you should ensure that they meet the same high standards of ethical conduct expected of Council staff.

2.3.3 Appendix 1 gives full details of the roles and responsibilities placed on different groups of staff, Members and partners in preventing and detecting fraud and corruption.

3. How can I raise concerns?

- 3.1. All staff and Members of the council **must** report concerns if they have any suspicion that theft, fraud or corruption may have occurred. If fraud or corruption is suspected, staff must not undertake an investigation themselves. This is because ad-hoc investigations risk accidentally compromising evidence (and making it inadmissible if the case did go to court). They also run the risk of tipping off the individual(s) under suspicion.
- 3.2. Concerns about theft, fraud or corruption should be reported to the Council’s Internal Audit team. Alternatively, you can use the corporate Whistleblowing service.

Internal Audit	Whistleblowing Service
Internal.Audit@Cambridgeshire.gov.uk	Whistleblowing@Cambridgeshire.gov.uk
You can also contact the Head of Internal Audit & Risk Management directly: Mairead.Claydon@Cambridgeshire.gov.uk	More information on reporting concerns via the Whistleblowing service can be found in the CCC Whistleblowing Policy.

- 3.3. If you do not feel able to raise concerns through either of these routes, any of the named contacts in the Council’s Whistleblowing Policy can be contacted instead. Members of the public can also report any concerns they have via the Internal Audit department or Whistleblowing service.
- 3.4. Internal Audit lead the corporate response to all whistleblowing referrals relating to theft, fraud, corruption and financial impropriety. They can ensure that an appropriate investigation will be undertaken. This reduces the risk of evidence being compromised or destroyed. Internal Audit also maintain records of suspected theft and fraud for the Council’s transparency data.
- 3.5. Anybody who suspects that a crime is being committed can contact the police. The Internal Audit service will also refer reports to the police themselves when required. If theft is suspected, officers should also alert the Council’s Insurance team.

4. How will my concerns be dealt with?

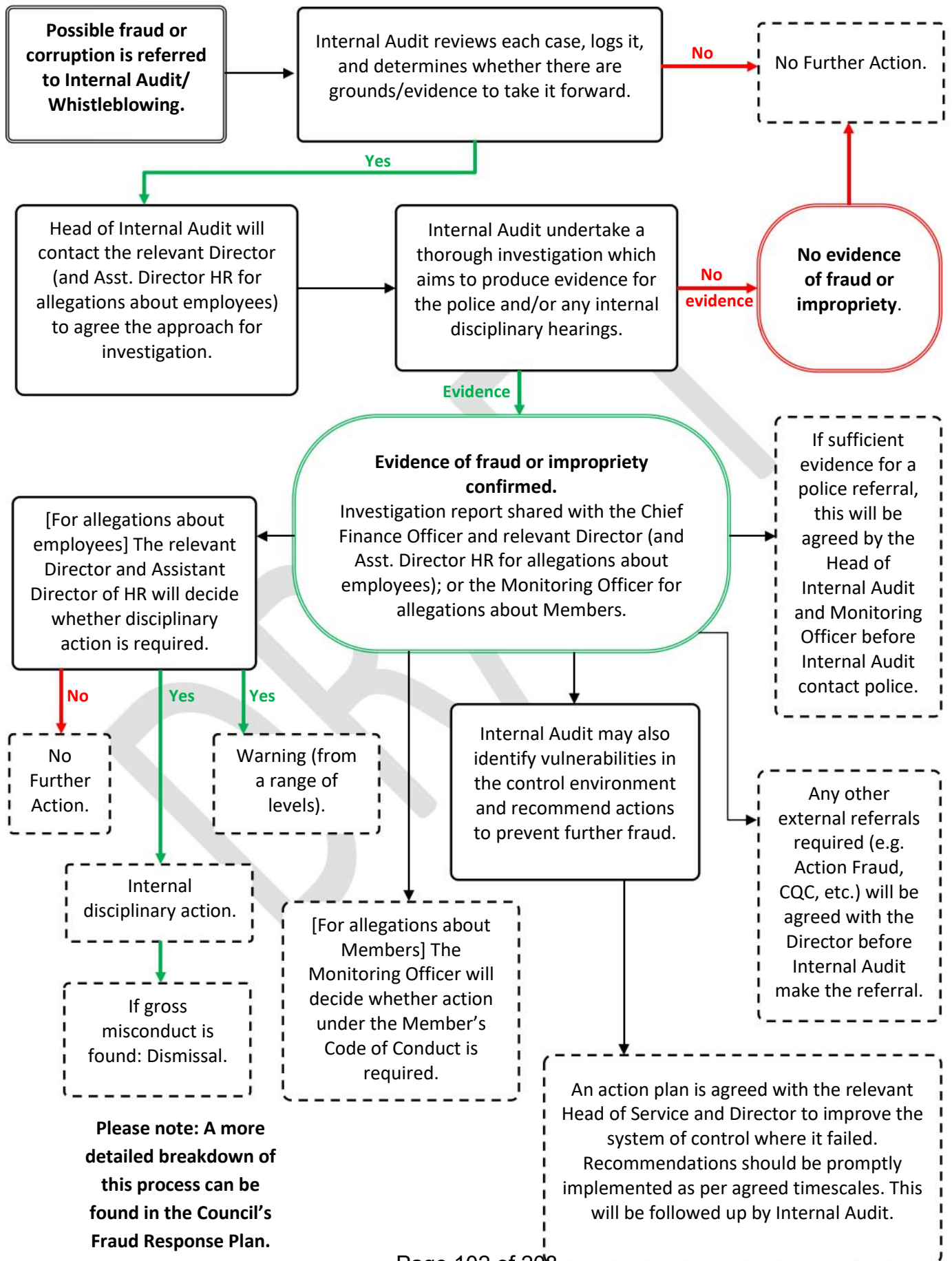
- 4.1 The Fraud Investigation Flowchart at Section 4.4 below sets out how allegations of theft, fraud and corruption will be dealt with once a concern is raised. A more detailed

breakdown of the process can be found in the Council's Fraud Response Plan. This is maintained by Internal Audit.

- 4.2 Investigations may be carried out solely by Internal Audit, or by management with support and guidance from Audit. In some instances, if a concern about theft, fraud or corruption is closely linked to other allegations (such as safeguarding or Respect At Work concerns) it may be agreed on a case-by-case basis that another service, such as HR, will take the lead on the investigation with Internal Audit supporting and contributing to the process. Suspicions of fraud, corruption or bribery relating to elected Members will be referred for investigation under the Member's Code of Conduct.
- 4.3 Concerns raised in good faith that turn out to be unfounded or cannot be proved will never result in any negative consequences for those who reported them. However, unfounded allegations made by Council officers for malicious purposes may be referred to HR. Malicious allegations may constitute misconduct and have potential disciplinary consequences.

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4.4 High-Level Fraud Investigation Flowchart



5. How does the Council prevent fraud and corruption from occurring?

5.1. Zero-tolerance for fraud and corruption:

5.1.1 Cambridgeshire County Council is committed to taking a zero-tolerance stand against theft, fraud, bribery and corruption. The Council commits to the following key principles in responding to fraud and corruption:

- Police referral wherever appropriate.
- Prosecution, including prosecution through civil and criminal courts in the Council's name or through the police.
- Seeking full recovery of stolen or fraudulently-obtained public funds by all legal means.
- Disciplinary action and termination of employment where employees are proven to have defrauded or to have attempted to defraud the Council. This includes where employees are complicit with another person's attempts to defraud the Council., or any involvement in bribery or corruption.
- Referring concerns about fraud, corruption, theft or bribery relating to an elected Member for investigation in line with the Member's Code of Conduct.
- Taking action against Members or employees shown to be involved in fraud, theft or corruption under the relevant Code of Conduct, even if the incident does not involve the Council or its finances.
- Termination of contracts with partners and contractors.
- Referring the case to other external agencies, partners or licensing bodies.
- Settlements between the Council and employees/contractors may be deemed necessary as a way of dealing with a case of alleged fraud or corruption. This will only be undertaken following agreement by the Chief Executive and Monitoring Officer and following an independent review by Counsel.

5.2 How the Council tries to prevent fraud and corruption:

5.2.1 The Council seeks to maintain a culture of high ethical standards, probity and openness. The authority's culture supports its zero-tolerance stance on theft, fraud, bribery and corruption. The Council seeks to engage all staff, members, contractors and members of the public to raise concerns about fraud and corruption, in the knowledge that such concerns will be dealt with appropriately.

5.2.2 Internal control measures are embedded throughout all the Council's procedures and systems which aim to prevent or detect theft, fraud and corruption. The Council's

computer systems enforce many of these controls. This means staff cannot bypass controls, especially in relation to high-risk functions such as treasury management and payment of funds. Examples of the key internal controls within the Council include:

- Internal policies and procedures (including this Anti-Fraud & Corruption Policy, the Whistleblowing Policy, the authority's Financial Procedures and Contract Procedure Rules, the Anti-Money Laundering Policy, and Officer/Member Codes of Conduct).
- Declarations of Interest, Gifts & Hospitality and Related Parties processes. These require members and staff to declare their outside interests.
- Separation of duties and access controls in financial functions.
- Clear roles and responsibilities for all staff, Members, partners and contractors in preventing and detecting fraud, bribery and corruption (see Appendix 1).
- The role of the Audit & Accounts Committee. The Committee has oversight of the Council's governance arrangements and control systems to prevent and detect fraud.
- External audit of the Council's financial statements.
- Anti-Fraud and Corruption e-learning is available to all Council staff.
- Regular awareness-raising exercises about the risk of fraud and corruption, led by Internal Audit.

5.2.3 Internal Audit conduct regular reviews across the Council's system of internal control. These aim to highlight weaknesses in the control environment and identify any instances where the system of internal control has been breached. If an audit investigation concludes that fraud or corruption has occurred, the Council will identify the vulnerabilities in the system of internal control which allowed the misconduct to occur and rectify them.

6 How is this policy reviewed and monitored?

6.1 CCC Internal Audit is responsible for oversight and maintenance of this Anti-Fraud and Corruption Policy. The Strategy and Resources Committee is the body responsible for approving any changes made to the policy, while the Audit and Accounts Committee is responsible for monitoring the policy.

6.2 Outcomes of individual cases of alleged theft, fraud, corruption or bribery are reported to the Audit & Accounts Committee on an ongoing basis as part of the Internal Audit Progress Reports. An annual overview of all cases and their outcomes is also provided to Committee in the Annual Whistleblowing Report.

- 6.3 Internal Audit will review and update this policy at least every three years to ensure it remains up to date. More frequent updates will be undertaken if required by a change in legislation or the risk environment. Outcomes of reviews will be reported to the Audit and Accounts Committee.

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Appendix 1

Roles and Responsibilities for Countering Fraud

- 1. All employees (including maintained school staff):**
 - 1.1 All employees are responsible for complying with this policy, the Authority's Constitution and Financial Regulations, the Anti-Money Laundering Policy and other Codes of Conduct and policies pertaining to their job role. These include guidance on personal conduct, declaring any possible conflicts of interest, and receiving gifts or hospitality. In addition, all employees must follow instructions given to them by management, particularly surrounding the safekeeping of Council assets.
 - 1.2 All employees must ensure that they avoid situations where there is a potential for a conflict of interest, and disclose any possible conflicts of interest via the procedure set out in the Code of Conduct.
 - 1.3 Employees should always be vigilant to the possibility of fraud, theft or corruption occurring in their workplace and be able to share their concerns with management. Employees may raise concerns with their line manager, who should report concerns on to Internal Audit, or they can raise concerns directly with Internal Audit at Internal.Audit@Cambridgeshire.gov.uk. Employees can also raise concerns via the Whistleblowing Service, which can be used to make reports anonymously.
- 2. Elected Members:**
 - 2.1 As elected representatives, all members of the authority have a duty to protect the Council from all forms of abuse, including fraud and financial impropriety. Members must comply with core Council policies which seek to prevent fraud and corruption, including the Code of Conduct for Members, the Council's Financial Regulations, Constitution, and the relevant legislation.
 - 2.2 In addition, Members must lead by example in demonstrating the highest standards of probity and conduct to champion the culture of zero tolerance on fraud throughout Cambridgeshire County Council. Conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of pecuniary and non-pecuniary interests, declaring the potential for a conflict of interest, and recording the receipt of all gifts and hospitality. The Monitoring Officer advises members of new legislative or procedural requirements.

3. Audit and Accounts Committee:

3.1 The Audit and Accounts Committee and its members have specific responsibility regarding the oversight of the Council's governance arrangements and the adequacy of control systems to prevent and detect fraud. The Audit and Accounts Committee receives periodic reports from Internal Audit on suspected and proven incidents of theft, fraud and corruption.

4. CLT and Directors:

4.1 CLT and Directors must lead by example in demonstrating the highest standards of probity and conduct to champion the culture of zero tolerance on fraud throughout Cambridgeshire County Council. They are expected to strive to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities.

4.2 CLT and Directors are responsible for the communication and implementation of this policy in their work area, ensuring that their employees are aware of the Financial Regulations and other policies, and that the requirements of each are being met in their everyday business activities. They are also responsible for ensuring that the Council's expectations around the ethical conduct of contractors, partners and anyone else acting on behalf of the Council is communicated and the conduct of contractors and partners is monitored.

4.3 CLT and Directors also have the responsibility for ensuring that effective systems of control are in place corporately and within their directorate to prevent and detect fraud, and that those systems operate properly. CLT and Directors submit an annual self-assessment of these processes, to be included in the Council's Annual Governance Statement.

5. Heads of Service/Managers/Headteachers:

5.1 All managers (including Heads of Service and Headteachers) are responsible for the communication and implementation of this policy in their work area, ensuring that their employees are aware of the Financial Regulations and other policies, and that the requirements of each are being met in their everyday business activities. Managers must lead by example in demonstrating the highest standards of probity and conduct to champion the culture of zero tolerance on fraud throughout Cambridgeshire County Council. They are expected to strive to create an

environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities.

- 5.2 A key preventative measure against fraud and corruption relies on managers taking effective steps during recruitment processes to establish, as far as possible, the honesty and integrity of all employees. Managers must comply with the Authority's formal recruitment procedures during this process. After employment, managers are responsible for ensuring that relevant training is provided and special arrangements implemented when necessary, where staff are dealing with cash or financial systems that generate payments. Checks must be carried out at least annually to ensure that proper procedures are being followed, in order to inform the directorate annual self-assessment.
- 5.3 Similarly, managers must ensure that any contractors, partners or other organisations or individuals acting on behalf of the Council commit to the Council's requirement to act with honesty and integrity at all times. Managers must ensure that contractors, partners and anyone else working on behalf of the Council do not give or offer any inducement, advantage or bribe to any other individual or organisation with the intention of using this to obtain or retain business, or to obtain or retain an advantage in the conduct of business. This applies whether the intention is to obtain or retain business/advantage for themselves, or on behalf of the Council.
- 5.4 Managers must report any suspicions of possible fraud or corruption to Internal Audit at internal.audit@cambridgeshire.gov.uk. No action should be taken which may alert those suspected of involvement. The handling of evidence at the early stages of an investigation can be critical to the outcome, so managers should seek advice from Internal Audit before trying to investigate any allegations.

6. Internal Audit and Risk Management:

- 6.1 The Head of Internal Audit (in consultation with the Assistant Director of HR) shall determine whether a concern or suspicion regarding fraud requires investigation by Internal Audit as opposed to management or HR. This is undertaken as part of the Internal Audit Fraud Referral Assessment process. In all cases where employees are involved, Audit will work with HR and appropriate senior management to ensure that correct procedures are followed and that this policy and the Council's Fraud Response Plan are adhered to.
- 6.2 Internal Audit shall ensure all cases of suspected irregularity are investigated in accordance with the requirements of the Police and Criminal Evidence Act 1984,

Human Rights Act 1998, Fraud Act 2006, Bribery Act 2010 and other relevant legislation. Internal Audit also plays a vital preventative role in ensuring that effective systems and procedures are in place to prevent and detect fraud and corruption. Internal Audit liaise with management to recommend changes in procedures to prevent losses to the Authority.

- 6.3 Internal Audit shall report to CLT and the Audit and Accounts Committee regarding the application of the zero-tolerance statement within this policy. Additionally, Internal Audit maintains records of all reported cases of suspected theft, fraud, corruption or irregularity and report on these as required by the Transparency Code, central government and external audit.

7. External Audit:

- 7.1 Independent external audit is an essential safeguard in the stewardship of public money. This role is delivered through carrying out specific reviews that are designed to test (amongst other things) the adequacy of the authority's financial systems, and arrangements for preventing and detecting fraud and corruption. It is not the external auditor's function to prevent fraud and irregularity, but the integrity of public funds is always a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice.

8. Contractors and Partners:

- 8.1 Contractors and partners are expected to create an environment in which their staff feel able to approach them (or the Council directly) with any concerns they may have about suspected irregularities including fraud and corruption or other whistleblowing concerns. Where they are unsure of the procedures, they should refer to the relevant Director for that area, or may approach the Head of Internal Audit & Risk Management directly on any Whistleblowing issue.
- 8.2 Contractors, partners and anyone else working on behalf of the Council must operate to the same standards of ethical conduct expected from Council staff. Contractors, partners and anyone else working on behalf of the Council must not give or offer any inducement, advantage or bribe to any other individual or organisation with the intention of using this to obtain or retain business, or to obtain or retain an advantage in the conduct of business. This applies whether the intention is to obtain or retain business/advantage for themselves, or on behalf of the Council.

9. External Bodies:

9.1 Internal Audit has arranged, and will keep under review, procedures and arrangements to develop and encourage the exchange of information on national and local fraud and corruption activity, in relation to Local Authorities with external agencies such as: police, county, unitary and district council groups, the external audit service, Department of Work and Pensions and other government departments.

10. Stakeholders and Customers:

10.1 Whilst this policy is primarily aimed at implementing an anti-fraud culture and processes within the Council, its stakeholders and customers may become aware of issues that they feel may indicate fraud or corruption. All stakeholders and customers can report any concerns about theft, fraud or irregularity involving the Council via the Whistleblowing Policy or via whistleblowing@cambridgeshire.gov.uk.

Appendix 2

Legal Definitions of Relevant Offences

This appendix seeks to provide a summary of the main criminal offences relating to fraud, theft, bribery and/or corruption which are likely to be relevant to a public authority such as Cambridgeshire County Council.

1. Fraud:

1.0.1 The Fraud Act 2006 introduced one general offence of fraud, which could be committed in three ways, as set out below:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

1.1 Fraud by false representation:

1.1.1 A person commits fraud by false representation if they dishonestly make a false representation and intend in doing so to make a gain for themselves, cause loss to another, or expose another to a risk of loss.

1.1.2 Representations may be express or implied. A representation is false if it is either untrue or misleading, and the person making the representation knows it might be untrue or misleading. Under the Fraud Act 2006, a representation may be regarded as made if it (or anything implying it) is submitted in any form to any system or device designed to receive, convey or respond to communications (with or without human intervention).

1.2 Fraud by failing to disclose information:

1.2.1 A person commits fraud by failing to disclose information if they dishonestly fail to disclose information which they are under a legal duty to disclose, and intend in doing so to make a gain for themselves, cause a loss to another, or expose another to a risk of loss.

1.3 Fraud by abuse of position:

1.3.1 A person commits fraud by abuse of position if they occupy a position in which they are expected to safeguard, or not to act against, the financial interests of another person; they dishonestly abuse that position, and intend in abusing that position to make a gain for themselves, cause a loss to another, or expose another to a risk of

loss. A person can be regarded as having abused their position where their conduct consisted of an omission rather than an act.

2. Theft:

2.1 The Theft Act 1968 outlines that a person is guilty of theft if they dishonestly appropriate property belonging to another, with the intention of permanently depriving the other of it.

3. Bribery:

3.0.1 The Bribery Act 2010 provides offences for bribing another person and offences relating to being bribed:

3.1 Offences of bribing another person:

3.1.1 A person is guilty of an offence if they offer, promise, or give a financial or other type of advantage to another person, and:

- The person providing the advantage intends it to either induce or reward any person for the improper performance of a relevant function or activity; or
- The person providing the advantage knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity.

3.2 Offences relating to being bribed:

3.2.1 A person is guilty of an offence if they request, agree to receive or accept a financial or other type of advantage, and:

- The person on the receiving end of the advantage intends that, in consequence, a relevant function or activity should be performed improperly (whether by them or another person); or
- The request, agreement or acceptance itself constitutes the improper performance of a relevant function or activity.

3.2.2 Similarly, an offence is committed if a person requests, agrees to receive or accepts a financial or other type of advantage as a reward for the improper performance of a relevant function or activity, or if a relevant function or activity is performed improperly by anybody in anticipation of a person requesting, agreeing to receive or accepting a financial or other type of advantage.

3.3 Offences relating to failure to prevent bribery:

3.3.1 The Bribery Act created the offence, under Section 7, which can be committed by commercial organisations failing to prevent persons associated with them from bribing another person on their behalf. Note that it is not an offence for an organisation to fail to prevent persons associated with them from receiving bribes.

3.3.2 The definition of a commercial organisation may include public organisations involved solely or jointly in commercial activities. In 2015, CIPFA and the NCA issued an alert stating that “a local authority may be liable to prosecution under Section 7 of the Act if a person ‘associated’ with it bribes another person, intending to obtain or retain business or a business advantage for the local authority. An ‘associated’ person may be an employee, agent or subsidiary of the local authority”. (Local Authorities and the UK Bribery Act, National Crime Agency Amber Alert Reference A0186-ECC.)

3.3.3 This broad scope means that contractors could be seen as associated persons if they are performing services for, or on behalf of, a local authority. A supplier may also be an associated person if they are performing services for a local authority rather than simply acting as a seller of goods. See Appendix 3 for a summary of how the Council demonstrates that it has adequate procedures in place to prevent bribery taking place.

4. Corruption:

4.1 Corruption is the abuse of entrusted power for private gain. The UK Government’s 2017-2022 Anti-Corruption Strategy states that corruption involves “the abuse of office and position to benefit a third party (an individual, business or other organisation), in return for payment or other reward”. Offences in the UK relating to corruption are contained across multiple pieces of legislation, including but not limited to the Fraud Act 2006 and the Bribery Act 2010.

5. Money Laundering and Terrorist Financing:

5.1 See Cambridgeshire County Council’s Anti-Money Laundering Policy, Appendix 1 for details of these offences.

Appendix 3

The Six Principles of Anti-Bribery

Secretary of State guidance around the Bribery Act 2010 advises that organisations wishing to prevent bribery being committed on their behalf should build their anti-bribery procedures based on six principles. These are listed below, along with high-level summaries of how Cambridgeshire County Council ensures that it has met the requirements of each principle.

Please note that while the guidance refers to ‘commercial organisations’, CIPFA and NCA guidance confirms that in this context the definition of a commercial organisation may include public organisations involved solely or jointly in commercial activities.

- 1) Proportionate procedures** – *An organisation’s procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale and complexity of the commercial organisation’s activities. They are also clear, practical, accessible, effectively implemented and enforced.*

This Anti-Fraud and Corruption Policy sets out Cambridgeshire County Council’s corporate anti-fraud policy framework, which seeks to prevent bribery along with other forms of corruption and fraud. The policy framework includes a range of key policies such as the Council’s procedures for gifts and hospitality, declaration of interests, and the Financial Regulations.

- 2) Top-level commitment** – *The top-level management of a commercial organisation (be it a board of directors, the owners or any other equivalent body or person) are committed to preventing bribery by persons associated with it.*

Cambridgeshire County Council’s Anti-Fraud and Corruption Policy sets out this commitment of zero tolerance to all forms of fraud, bribery and corruption.

- 3) Risk assessment** – *The commercial organisation assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented.*

Cambridgeshire County Council conducts regular reviews of its exposure to the risk of internal and external bribery, fraud, corruption and theft, and the risk of money laundering, as part of its ongoing risk management process.

- 4) Due diligence** – *The commercial organisation applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks.*

Cambridgeshire County Council's corporate due diligence procedure is set out in Section 6 of its Anti Money Laundering Policy.

- 5) Communication (including training)** – *The commercial organisation seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training, that is proportionate to the risks it faces.*

Cambridgeshire County Council's Anti-Fraud and Corruption Policy, Anti-Money Laundering Policy and Whistleblowing Policy are available to staff on the Council's intranet, and periodic awareness-raising campaigns are conducted by the Internal Audit and Risk Management team. The Council's Fraud Prevention e-learning module is also available to all staff and includes training on identifying and responding to bribery and corruption, fraud and money laundering.

- 6) Monitoring and review** – *The commercial organisation monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.*

The Council's Anti-Fraud and Corruption policy and associated policies and procedures are owned by the Internal Audit service. These policies will be reviewed and updated at least every three years by Internal Audit, or more frequently if required.



ANTI-FRAUD AND CORRUPTION POLICY

	Policy Owner
Name:	Duncan Wilkinson
Post:	LGSS Chief Internal Auditor
Email:	Duncan.Wilkinson@Milton-keynes.gov.uk
Tel:	01908 252089

Foreword

Cambridgeshire County Council is committed to the highest standards of financial probity and takes its duty to protect the public funds it administers very seriously.

This is Cambridgeshire County Council's Anti-Fraud Policy. It provides a clear framework for the Council to investigate suspected fraud thoroughly, to prosecute wherever the evidence supports such action and seek recovery of defrauded monies through all possible legal means. This policy also applies to the Bribery Act 2010.

The Council administers significant public funds and is sometimes targeted by persons wishing to defraud the public purse. This policy, and the structures maintained by the Council, demonstrate that we will make every effort to identify attempts to defraud the public purse and will robustly pursue individuals responsible.

The Council, through this policy, has adopted a zero tolerance towards fraud including:

- The referral of matters to the Police for investigation wherever appropriate and the full recovery of fraudulently obtained public funds by all legal means
- The prosecution of persons responsible for defrauding the Council including prosecution through civil and criminal courts in the Council's own name or through the Police etc.
- The termination of contracts with partners and contractors
- The dismissal of employees proven to have defrauded or who have attempted to defraud the Council, including where an employee is complicit with another person's attempts to defraud the Council

The Council requires all partners and contractors to assist in this role and cooperate with any fraud investigation undertaken by authorised officers. This policy also applies to schools staff.

Cllr. Mike Shellens
Audit and Accounts Committee Chair

Gillian Beasley
Chief Executive

1. INTRODUCTION

- 1.1 The authority aims to provide community leadership and quality services.
- 1.2 In carrying out its functions and responsibilities, the authority has always adopted a culture of openness and fairness. It has expected that elected members and employees at all levels will adopt the highest standards of propriety and accountability. This has been achieved by leading by example and by an understanding of and adherence to rules, procedures and agreed practices. These standards are also expected from organisations that have dealings with the authority (eg suppliers/contractors).
- 1.3 However, in light of the Nolan Report, several well-publicised fraud and corruption cases within local government and the Local Government Act 2000, the authority has formalised these accepted standards and practices and developed an anti-fraud and corruption policy.
- 1.4 The authority demonstrates clearly (through this policy) that it is firmly committed to dealing with fraud and corruption and no distinction will be made for perpetrators inside (members/governors and employees) or outside the authority. In addition, there will be no distinction made in investigation and action between cases that generate financial benefits and those that do not.
- 1.5 This policy document embodies a series of measures designed to frustrate any attempted fraudulent or corrupt act and the steps to be taken if such an act occurs. For ease of understanding, it is separated into the following sections:
- Culture Section 2
 - Prevention Section 3
 - Deterrence Section 4
 - Detection and investigation Section 5
 - Awareness and Training Section 6
- 1.6 The authority is also aware of the high degree of external scrutiny of its affairs by a variety of bodies such as its external auditors, inspection bodies, the Local Government Ombudsman, HM Revenue & Customs. These bodies are important in highlighting any areas where improvements can be made.
- 1.7 Fraud is defined by the Audit Commission as:
- FRAUD – “The intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain”.**
- In addition, fraud can also be defined as:
- “The use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.”**

1.8 Bribery and Corruption may be defined as:

“A bribe is a financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity.”

1.8.1 The Bribery Act is now in force, and places responsibilities and powers on organisations such as Local Authorities.

1.8.2 There are 3 key sections of the Act which need to be considered for the purposes of this document, which are:

Section 1, which deals with bribing another person by money, payment in kind, or goods and services.

Section 2, the act of being bribed. This relates to individual officers and could lead to prosecution.

Section 7, failure of a commercial organisation to prevent bribery. For this section, a “relevant commercial organisation” means an entity that carries on a business and current indications are that this includes Local Authorities. This section also includes persons associated with the organisation, such as agency workers, suppliers and contractors.

1.8.3 Under the legislation, an organisation has a defence if it can show that it has adequate bribery prevention procedures in place, which are informed by the following 6 principles:

- 1) Proportionality – the action an organisation takes should be proportionate to the risks it faces and the size of the business.
- 2) Top Level Commitment – A culture needs to be evident in which bribery is never acceptable. This can be shown via leadership statements, training and procurement expectations.
- 3) Risk Assessment – to include proportionate risk management perhaps via training, newsletters, procurement controls and inclusion within organisational policies such as this one.
- 4) Due Diligence – ie knowing who the organisation is dealing with.
- 5) Communication – communicating policies and procedures by training and general awareness including how occurrences should be investigated and by whom.
- 6) Monitoring and Review – to ensure policies, training and awareness are relevant and updated and by nominating a responsible officer.

1.8.4 Defence against bribery charges under the act, therefore, should be considered adequate if the organisation has the following in place:

Risk awareness and preparation

Adequate communication and senior management buy-in

A zero-tolerance culture

Adequate education and training

An audit trail and integration with counter fraud processes

1.8.5 The penalties for individuals under this legislation can, on conviction on indictment, be as high as a prison term of 10 years, or a fine or both (although under section 7 a guilty person is only liable to a fine). The organisational consequences may include disbarment from contract tenders, reputational and financial risk exposure, and adverse publicity.

1.9 Other risk areas which need to be considered and are covered by this policy include:

- **Facilitation payments** – i.e. payments designed to make things happen but which do not secure agreement.
- **Gifts and Hospitality** – genuine low-level hospitality is deemed acceptable, but it is imperative that corporate registers are kept up to date and all staff must make declarations of interest.
- **Disclosures of Interests** – and “the failure to disclose an interest in order to gain financial or other pecuniary gain.”

2. CULTURE

2.1 The culture of the authority has always been one of the highest ethical standards, probity, openness and the core values of fairness, trust and value support this. The authority’s culture therefore supports the opposition to fraud and corruption.

2.2 The prevention/detection of fraud/corruption and the protection of the public purse are everyone’s responsibility and of paramount importance to the authority.

2.3 The authority’s elected members, school governors and all employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will, wherever possible, be treated in confidence. To that effect, the Council has adopted a Whistleblowing Policy.

2.4 The definitions of Fraud and Corruption are by their nature technical and have their basis in the Fraud Act which became law on 15th January 2007. A more practical definition is where the Council’s assets, including money, are dishonestly obtained by someone not entitled to them. Examples include:

- theft of cash or assets:
- obtaining access to services to which the person is not entitled e.g. obtaining a Council house or disabled blue badge;
- falsifying information or documentation e.g. timesheets, overtime, expenses, qualifications etc.;

- dishonesty between officers and management/head teachers;
- the deliberate concealment of information required by the Council e.g. convictions or activities inconsistent with the Council's duties and responsibilities;
- Defrauding welfare payments, such as Housing Benefit, Council Tax benefit and Council Tax Single Person Discounts etc.

2.5 The authority will ensure that any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner, subject to the requirements of the Human Rights Act 1998 and other statutory provisions.

2.6 The authority will deal firmly with those who defraud the authority, or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as raising malicious allegations) may be dealt with as appropriate.

2.7 When fraud or corruption have occurred because of a breakdown in the authority's systems or procedures, Executive or Service Directors will ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

2.8 In certain circumstances, and where appropriate, a commercial settlement between the Council and an employee may be deemed necessary as a way of disposing of a case. This should only be undertaken following agreement by the Chief Executive and Monitoring Officer and following an independent review by Council.

ROLES	
<p><u>Elected Members and School Governors</u></p>	<p>As elected representatives, all members of the authority have a duty to citizens to protect the authority from all forms of abuse. This is done through this anti-fraud and corruption policy and compliance with the national code of conduct for members, the authority's Financial Regulations, Constitution and the relevant legislation.</p> <p>Elected members sign to the effect that they have read and understood the national code of conduct when they take office. Conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of interests. The Director of Law, Property and Governance advises members of new legislative or procedural requirements.</p> <p>Members and Governors are required to apply the principles of good governance regarding their own affairs and when acting for the Council, including: declaring pecuniary or non-pecuniary interests; declaring the potential for a conflict of interest; and recording the receipt of all gifts and hospitality. Members and governors must provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout Cambridgeshire County Council.</p>
<p><u>Audit and Accounts Committee</u></p>	<p>The Audit and Accounts Committee and its members have specific responsibility re: the oversight of the Council's governance arrangements, in respect of the adequacy of control systems to prevent and detect fraud.</p> <p>The Audit & Accounts Committee receives periodic reports from Internal Audit on suspected and proven frauds, and monitors those systems of control applicable to that area, making recommendation to Council where improvement is required.</p>

SMT /
Directors :

SMT / Directors are responsible for the communication and implementation of this policy in their work area. They are also responsible for ensuring that their employees are aware of the Financial Regulations and other policies, and that the requirements of each are being met in their everyday business activities.

SMT / Directors have responsibility to ensure that effective systems of control are in place corporately and within their directorate to both prevent and detect fraud, and that those systems operate properly.

SMT / Directors are required to submit an annual self-assessment of those processes for inclusion within the Council's Annual Governance Statement.

SMT / Directors must provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout Cambridgeshire County Council. SMT / Directors are expected to strive to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities.

Heads of Service/Managers / Head Teachers

Managers at all levels are responsible for the communication and implementation of this policy in their work area. They are also responsible for ensuring that their employees are aware of the Financial Regulations and other policies, and that the requirements of each are being met in their everyday business activities.

Managers of all levels must provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout Cambridgeshire County Council. Managers of all levels are expected to strive to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities.

Heads of Service, Managers and Head Teachers must ensure that special arrangements will apply where employees are responsible for cash handling or are in charge of financial systems and systems that generate payments, for example payroll, the integrated benefits computer system or council tax. Managers must ensure that relevant training is provided for employees. Checks must be carried out at least annually to ensure that proper procedures are being followed, in order to inform the directorate annual self-assessment.

The authority recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts. The authority's formal recruitment procedures (which contain appropriate safeguards on matters such as written references, verifying qualifications held, and DBS checks undertaken on employees working in regulated activity with children and vulnerable adults) will be adhered to during this process. In line with the Council's Fraud Response Plan, management investigations into disciplinary matters must liaise with Internal Audit regarding any potential fraud or corruption implications of the conduct / investigation. If a member of staff raises concerns regarding suspected fraud, the line manager must inform the Chief Internal Auditor or contact Internal Audit immediately. Line managers should only undertake discreet preliminary enquiries which should be restricted to the basic facts required to determine whether there are any grounds to the allegation. The handling of evidence at the early stages of an investigation can be critical to the outcome of the investigation and advice must be sought from the Chief Internal Auditor to ensure evidence is safeguarded and not compromised. No action should be taken which may alert those suspected of involvement.

**Internal
Audit and
Risk
Management**

The Head of Audit (in consultation with the Director of HR) shall determine whether a concern / suspicion regarding fraud requires investigation by the Internal Audit Investigators as opposed to management, in line with the Council's Fraud Response Plan.

Audit & Risk Management Services plays a vital preventative role in trying to ensure that systems and procedures are in place to prevent and detect fraud and corruption. The Internal Audit Investigators liaise with management to recommend changes in procedures to prevent further losses to the authority.

The Internal Audit service shall report to SMT and the Audit and Accounts Committee regarding the application of the zero tolerance statement within this policy. Furthermore, the Internal Audit Investigators shall investigate all cases of suspected irregularity in accordance with the requirements of the Police and Criminal Evidence Act 1984, Human Rights Act 1998, Fraud Act 2006, Bribery Act 2010 and other relevant legislation. In all cases where employees are involved, they will work with HR and appropriate senior management to ensure that correct procedures are followed and that this policy and the Council's Fraud Response Plan are adhered to.

<p><u>Employees, including school staff</u></p>	<p>Each employee is governed in their work by the authority’s Constitution and Financial Regulations and other codes of conduct and policies (Code of Conduct; Health and Safety; IT security and so on). Included in these are guidelines on gifts and hospitality and codes of conduct associated with professional and personal conduct and conflicts of interest. These are issued to all employees when they join the authority or will be provided by their manager.</p> <p>In addition to the above, employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the assets of the authority. These will be included in induction training and procedure manuals.</p> <p>Employees are expected always to be aware of the possibility that fraud, corruption or theft may exist in the workplace and be able to share their concerns with management. Concerns should be raised, in the first instance, directly with the supervisor/business unit manager. Employees who feel unable to report to their line management should contact the Chief Internal Auditor directly, telephone the Whistleblowing Hotline or email stop.fraud@cambridgeshire.gov.uk. Should there be a preference to make an anonymous notification, then they should refer to the Council’s (or school’s) Whistleblowing Policy which gives details of independent persons with whom they can discuss their concerns.</p> <p>All employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.</p>
<p><u>External Audit</u></p>	<p>Independent external audit is an essential safeguard in the stewardship of public money. This role is delivered through the carrying out of specific reviews that are designed to test (amongst other things) the adequacy of the authority’s financial systems, and arrangements for preventing and detecting fraud and corruption. It is not the external auditor’s function to prevent fraud and irregularity, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice. The external auditor has a responsibility to review the authority’s arrangements to prevent and detect fraud and irregularity, and arrangements designed to limit the opportunity for corrupt practices.</p>

<p><u>External Bodies</u></p>	<p>Internal Audit has arranged, and will keep under review, procedures and arrangements to develop and encourage the exchange of information on national and local fraud and corruption activity, in relation to local authorities with external agencies such as: police, county, unitary and district council groups, the external audit service, Department of Work and Pensions and other government departments.</p>
<p><u>Contractors and Partners</u></p>	<p>Contractors and partners have a responsibility for the communication and implementation of this policy within their organisation. They are also responsible for ensuring that their employees are aware of the Council's Financial Regulations, Whistleblowing and other policies, and that the requirements of each are being met in their everyday business activities.</p> <p>Contractors and partners are expected to create an environment in which their staff feel able to approach them (or the Council directly) with any concerns they may have about suspected irregularities. Where they are unsure of the procedures, they must refer to the relevant Executive or Service Director for that area or may approach the Head of Audit directly on any Whistleblowing issue.</p>
<p><u>Stakeholders and Customers</u></p>	<p>Whilst this policy is primarily aimed at implementing the necessary culture and processes within the Council, its stakeholders and customers may become aware of issues that they feel may indicate fraud. They should refer to the Council's complaints procedure, or they can contact the Head of Audit to discuss their concerns directly.</p>

4. DETERRENCE

4.1 Prosecution

Each case will be considered on its merits.

4.2 Disciplinary Action

4.2.1 Theft, fraud and bribery and corruption are serious offences against the authority and employees will face disciplinary action if there is evidence that they have been involved in these activities. Disciplinary action will be taken, if appropriate, in addition to criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner, after consultation with the relevant Executive or Service Director, Head Teacher, and if appropriate the Director of HR.

4.2.2 Disciplinary action will be undertaken in accordance with the Council's disciplinary policy and procedure with each case considered on its merits.

4.2.3 Members will face appropriate action under this policy if they are found to have been involved in theft, fraud or corruption against the authority. Action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner. As per the Council's Fraud Response Plan, if fraud concerns relate to an elected Member, the Chief Internal Auditor will inform the Council's Monitoring Officer and Chief Executive and matters, if not referred to the police, will be referred to the Constitution and Ethics committee or appropriate group leader.

4.2.4 Members or employees involved in fraud, theft or corruption that does not involve the Council or its finances may still be subject to the above action, if it is considered to undermine the Council and its reputation.

4.3 Publicity

4.3.1 The Council recognises the key role that publicity of fraud cases plays in deterring other attempts to defraud the Council. To that effect, a Publicity Policy is attached at Annex A of this policy which sets out these measures in detail.

4.3.2 The authority's Communications Service will optimise the publicity opportunities associated with anti-fraud and corruption activity within the authority. Communications will also try to ensure that the results of any action taken, including prosecutions, are reported in the media. The service will maintain close working relationships with all areas involved in anti-fraud work, but particularly Legal Services and Internal Audit.

4.3.3 In all cases where financial loss to the authority has occurred, the authority will seek to recover the loss and advertise this fact.

- 4.3.4 All anti-fraud and corruption activities, including the update of this policy, will be publicised in order to make employees and the public aware of the authority's commitment to taking action on fraud and corruption when it occurs.
- 4.3.5 Regular reports will be made to the Audit and Accounts Committee about countering fraud and corruption activities and their success.

5. DETECTION AND INVESTIGATION

- 5.1 All staff, Members and any other stakeholders in Council services have a vital role in identifying potential fraud or corruption. It is not the responsibility of those groups to investigate their suspicions, as this may undermine a case to be pursued, but all parties play a key role in bringing such concerns to the Council's attention for a proper and thorough investigation to be undertaken.
- 5.2 Management, including Head Teachers, are in the best position to become aware of any problems that could indicate fraud or theft etc. Management are also best placed to ensure that systems of internal control are in place and operating and thus are ideally placed to identify weaknesses or failures that may be exploited. Internal Audit can provide advice and assistance in this area.
- 5.3 Employees are also ideally placed to detect fraud, theft or corruption. Employees are encouraged to discuss concerns with their line manager but the Fraud Response Plan also provides mechanisms to raise concerns corporately.
- 5.4 The Fraud Response Plan provides a process to enable the Council to demonstrate :
- Proper investigations for all referrals
 - Proper action taken in relation to findings from investigations
 - Feedback is provided to anyone making a referral
 - Appropriate protection for anyone making or having made a referral.
- 5.5 Internal Audit plays an important role in the detection of fraud and corruption. Included in the Audit Plan are reviews of system financial controls and specific fraud and corruption tests, spot checks and unannounced visits. Internal Audit operates in accordance with best practice, including the adoption of a formal Audit Manual in line with CIPFA best practice. This includes suitable processes to provide assurance to management on the adequacy of systems of internal control including the completion of follow ups for previous recommendations.
- 5.6 In addition to Internal Audit, there are numerous system controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection. In particular, the Council's Corporate Anti-Fraud Team are involved in the reactive and proactive investigation of specialised areas, such as transport-related fraud.

- 5.7 In some cases frauds are discovered by chance or ‘tip-off’ and arrangements are in place to enable such information to be properly dealt with, in accordance with the requirements of the Human Rights Act 1998.
- 5.8 All suspected irregularities are required to be reported (verbally or in writing) either by the person with whom the initial concern was raised or by the originator. This is essential to the policy, and:
- ensures the consistent treatment of information regarding fraud and corruption;
 - facilitates a proper and thorough investigation by an experienced audit team, in accordance with the requirements of the Human Rights Act 1998.
- 5.9 This process will apply to all the following areas:
- a) fraud/corruption by elected members
 - b) internal fraud/corruption
 - c) other fraud/corruption by authority employees
 - d) fraud by contractors’ employees
 - e) external fraud (the public).
- 5.10 Cases under a) will be referred to the Council’s External Auditor and the Director for Law and Governance for consideration of action via the Police or the Cambridgeshire County Council Constitution and Ethics Committee.
- 5.11 In accordance with basic legal concepts any person who witnesses or discovers a criminal act has the right to refer concerns directly to the Police.
- 5.12 Any decision to refer a matter to the police will be taken by the Head of Internal Audit in consultation with the Director of HR and/or Chief Executive and relevant Executive or Service Director or Head Teacher. The authority will normally wish the police to be made aware of, and investigate independently, offenders where financial impropriety is discovered.
- 5.13 Depending on the nature of an allegation under b) to e), the Head of Audit will normally work closely with the Director or Head Teacher concerned to ensure that all allegations are thoroughly investigated and reported upon.
- 5.14 The authority’s Fraud Response Plan and disciplinary procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees. The processes as outlined in paragraph 4.2.3 will cover members.

6. AWARENESS AND TRAINING

- 6.1 The authority recognises that the continuing success of this policy and its general credibility will depend in part on the effectiveness of programmed training and an awareness of elected members and employees throughout the authority.
- 6.2 To facilitate this, it is intended that a programme of anti-fraud awareness training in the form of workshops, possibly incorporating interactive means, will be rolled out across the Council. There will still be specialist training for certain elected members and employees.
- 6.3 A poster to raise awareness of the means to report fraud has been distributed across the Council's officers, and full copies of the anti-fraud and corruption policy are on the Council's intranet.
- 6.4 Key to effective awareness (and deterrence) is a formal and comprehensive system of feedback to provide outcome information to the person who originally referred concerns. Whilst confidentiality must be respected (including the Data Protection Act and Human Rights Act provisions) every referral should be concluded and the outcome communicated to the person making the original referral.
- 6.5 Anti-fraud services should also maintain management information to show:
 - How frauds are identified
 - Which type of frauds were affected
 - Any patterns or themes detected
 - New fraud issues highlighted
 - Prevention measures

Publicity

1. Introduction

- 1.1 Cambridgeshire County Council has adopted this policy to address anti-fraud and corruption issues enhancing public confidence in the administration of taxpayers' money.
- 1.2 The Anti-Fraud & Corruption Policy, and particularly this Publicity section, aims to:
- 1.2.1 Make clear the connection between saving public monies and the fraud work that achieves this;
 - 1.2.2 Dispel the belief held in some quarters that fraud is a victimless crime;
 - 1.2.3 Demonstrate consistent action is taken for both complex frauds and the perceived lower-level frauds;
 - 1.2.4 Ensure that tough action taken against persons who commit fraud is utilised as an effective deterrent to others;
 - 1.2.5 Alter perceptions of this area of work to move from an image of petty bureaucracy or snoopers to one of professional public funds watchdog;
 - 1.2.6 Ensure that action taken is consistent with Cambridgeshire County Council policies and legislative provisions as well as being in the public interest.
- 1.3 This policy covers the methods by which the work of the Anti-Fraud services within Cambridgeshire County Council will be promoted, including the publicity associated with specific cases.

2 Publicity Categories

- 2.1 Publicity takes many forms, including:
- Leaflets
 - Posters
 - Press Releases / Articles
 - Advertisements
 - Intranet or Internet media
- 2.2 It is imperative that all available forms are optimised to promote an anti-fraud culture throughout the organisation and to the public. However, great care is needed to ensure that publicity in relation to anti-fraud work is positive and does not undermine the service or reinforce the negative perceptions of this area of work.
- 2.3 Thus publicity needs to focus on 3 key areas :
- 2.3.1 Proactive work of Anti-Fraud services, e.g. a day in the life of a Fraud Investigator;
 - 2.3.2 Specific Cases pursued by Anti-Fraud services, e.g. specific prosecutions /

convictions sought;

2.3.3 Reactive responses to Media enquiries.

3 Proactive Publicity – Work of Anti-Fraud Services

- 3.1 This area of work is essential to promote the work of the services and ensure that others are aware of this work, and thus deterred from attempting fraud. The aim of this publicity is to increase the profile of anti-fraud work across Cambridgeshire County Council and the wider community, in order to promote the referral processes and deter fraud.
- 3.2 Intranet pages are maintained which set out details as to how to contact the Internal Audit Investigators and how to report fraud. The site also provides links to relevant policies.
- 3.3 Any leaflets and posters used for Fraud Awareness purposes shall be reviewed annually to reflect any necessary changes.
- 3.4 It is intended that Fraud Awareness training shall be part of the Council's Corporate Training/Induction system.
- 3.5 In addition to the above, the work of Anti-Fraud services shall be promoted periodically both within the Council and to the general community.
- 3.6 For high profile cases prosecuted, the publicity shall consider whether the work of Anti-Fraud services shall be promoted e.g. volumes of cases referred; investigated; prosecuted; convicted etc.

4 Specific Cases

- 4.1 Great care must be taken when publicising any specific case of fraud, theft or corruption. Data Protection Act and Human Rights Act provisions are key legal protections provided to those suspected of committing such offences, and must not be breached by the Council's attempts to promote anti-fraud work.
- 4.2 However, the publicity attached to any specific case is a necessary element of promoting the deterrent effect of anti-fraud work, as it demonstrates actual instances and consequences to individuals.
- 4.3 Any decision that the Council should prosecute an individual, individuals or organisation(s) must be taken following the formal quality assurance procedure set out in the Council's Fraud Response Plan.¹
- 4.4 Any decision to pursue prosecution will be taken on the basis of professional advice, the merits of the case itself and any applicable guidelines relevant.

¹ The decision to refer a matter to the Police will be taken by the LGSS Head of Internal Audit and the appropriate Director (Cambridgeshire County Council) of the Council, in consultation with the Monitoring Officer and the relevant Head of Human Resources. This will follow agreed protocols for Police referral which have been established with the Police Authority. Findings from any fraud investigation undertaken by Internal Audit will be shared with the Police. (*Fraud Response Plan, 10.2*)

- 4.5 All prosecutions should include a consideration of publicity issues and ensure that the Council's Communications Service are involved / aware of the issue so that the Council can adopt a proactive publicity strategy and avoid the need to react to press enquiries.
- 4.6 A specific decision will be taken and recorded by the Head of Service to issue a press release for any specific case. In all other cases, a press statement / position shall be prepared to address any potential press enquiry.
- 4.7 Press releases shall be prepared that promote the Council's Anti-Fraud policy and maximise the deterrent effect of prosecutions.

5 Reactive Responses to Media Enquiries

- 5.1 Ideally the above measures aim to minimise the need for this, where the Council proactively provides relevant information to promote anti-fraud through local (and possibly national) media.
- 5.2 Press queries will arise on some occasions and it is essential that they are responded to in such a way as to promote the anti-fraud policy of the Council.
- 5.3 Responses to Press queries regarding specific individuals must not breach Data Protection or Human Rights legislation.

Anti-Money Laundering Policy

Overview

'Money laundering' is something criminals do to hide the cash they make from crime. This money may come from any criminal activity. This could include terrorism, drugs trafficking, corruption, tax evasion and theft. Money laundering tries to make this money look like it has a legitimate origin. This is usually done by passing the money through different organisations.

Any organisation which processes large volumes of financial transactions could, in theory, be used by criminals to launder money. Additionally, some Council service users may be vulnerable to being targeted by individuals seeking to use them as part of money laundering networks.

The aims of this policy are to:

- Help staff understand what money laundering is and how to recognise the warning signs.
- Require everyone to report suspicions about money laundering or terrorist financing. Reports should be made to the Head of Internal Audit & Risk Management (see Section 5).
- Explain Cambridgeshire County Council's approach to identifying and reducing the risk of money laundering. Demonstrate how this aligns with best practice.
- Safeguard the Council and its service users from the risk of involvement in money laundering or terrorist financing networks.

This policy applies to all employees (including agency staff), staff at maintained schools, contractors, Members and agents of the Council. The Council expects all its employees, members and associated persons to act legally, with integrity, and in accordance with the Council's values and policies at all times.

Policy Owner

Name: Mairead Claydon

Post: Acting Head of Internal Audit & Risk Management

Email: Mairead.Claydon@cambridgeshire.gov.uk

Anti-Money Laundering Policy

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Appendices:

- 1 Overview of Money Laundering Offences**

Anti-Money Laundering Policy

1. Introduction

- 1.1 This Anti-Money Laundering Policy shows how Cambridgeshire County Council seeks to reduce the risk of money laundering in Council systems .
- 1.2 The Council recognises that most people are honest and would never intentionally allow money laundering to take place using Council systems. This policy provides a safeguard against the risk of money laundering as well as guiding staff, Members and service users on how to identify and report possible money laundering activity.
- 1.3 This policy applies to all employees (including agency staff), contractors, Members and agents of the Council. It is part of the Council's anti-fraud policy framework.

2 What is money laundering?

2.1 Understanding 'money laundering'

- 2.1.1 'Money Laundering' is something criminals do to hide the cash they make from crimes or political corruption. Usually this involves making lots of different financial transactions with the cash. This makes it difficult for the police to find out where the criminal got the money. The criminals can then deposit the money into a bank account and use the money without suspicion.
- 2.1.2 There are lots of different ways that criminals can try to hide the origins of their money. For example:
 - Criminals put fake transactions into the books of a business which receives a lot of cash payments (such as a takeaway or launderette). Then the cash they have made from crime can be treated as proceeds of the business.
 - Criminals pass the money through a third party bank account or business. This makes it difficult for anyone to see where the money originally came from.
 - Criminals buy property or assets using cash, then sell it. The money they get from this will then be treated as legitimate proceeds from the sale.

2.2 How does money laundering affect the Council?

- 2.2.1 This might not sound like something that is likely to affect Cambridgeshire County Council. However, there are several specific criminal offences relating to money

laundering which may apply to public authorities and their staff, including Cambridgeshire County Council. Full details of these offences are set out in Appendix 1, below.

2.2.2 Anyone who has enabled a transaction linked to money laundering could be held liable and charged with money laundering offences. This could affect Council officers who are making financial transactions as part of their job.

2.2.3 However, if you report any suspicions about money laundering, you won't be charged with a crime. That's why it's important for Council employees to be aware of the warning signs of possible money-laundering, and to know how to report any concerns. See Section 3.2 for some areas of the Council that may be at higher-risk for money laundering

3 What are the warning signs of money laundering?

3.0.1 Money laundering is so complicated that it isn't possible to give a complete list of ways to identify money laundering. We've set out some risk factors which may suggest possible money laundering activity, and areas within the Council that are more high-risk.

3.0.2 Remember: if you're not sure, you can always contact Internal Audit at internal.audit@cambridgeshire.gov.uk for further advice.

3.2 Warning signs for possible money laundering:

3.1.1 The below warning signs could be an indication of possible money laundering:

- If an individual or a business wants to make a large payment in cash, and/or insists on paying in cash when this isn't normal.
- If an individual or business over-pays the Council and then asks for the money to be 'paid back'. This is especially concerning if they request repayment by cheque or to a different bank account.
- Where a third party is involved in a transaction for no obvious reason. For instance, if the Council is purchasing an item from Company A, but it is requested that payment is made to Company B.
- Unusual transactions or ways of conducting business, without reasonable explanation.

3.1.2 Council officers should also be mindful that vulnerable individuals may be targeted by criminals as a way of laundering money. Individuals may think they have a 'job'

handling 'money transfers'. Or they may be asked to receive a money transfer (often from abroad) and then withdraw it in cash, as a favour for a friend. If you suspect that a vulnerable individual is being targeted in this way, please report it. Even if there is no financial impact on the Council's funds, it may be a safeguarding issue.

3.2 Council activities which are more high-risk for money laundering:

3.2.1 In theory, money laundering could take place wherever money is moving in and out of the organisation. However, there are some activities that are more high-risk than others.

3.2.2 Many of these activities are likely to involve third party suppliers (such as banks, estate agents or solicitors). These organisations should have their own anti-money laundering arrangements in place. Equally, it is important not to rely on external organisations to identify possible issues. You should always report any concerns you have about money laundering, even if you think that they're likely to be identified elsewhere.

3.2.3 The areas of Council activity that have been identified as being higher risk for money laundering are:

- **Cash transactions:** Cash transactions (including notes, coins and travellers cheques) are higher risk for money laundering. The Council has a policy not to accept cash payments above £7,500. However, large or unusual cash payments below this amount may still be suspicious. All such payments should be reported to the Council's Money Laundering Reporting Officer (see Section 4.1).
- **Sales and purchases of property:** Purchasing and selling property is popular with money launderers. Property sales provide an opportunity to launder a large sum of money in a single transaction. Solicitors handling property transactions are legally required to undertake money laundering checks. Staff involved in property transactions should still be aware of possible warning signs for money laundering and know how to report concerns. Warning signs of possible money laundering when purchasing or selling property include:
 - Transactions taking place in cash, especially if the price seems unusually low (or high).
 - Transactions taking place via an intermediary.
 - Transactions on behalf of minors, trusts, or individuals without capacity.

- Transactions with anyone who seems to lack the financial means to make the purchase or own the property.
 - Properties which are owned by overseas individuals or companies.
 - Transactions for the same property that happen in quick succession. For example: a purchase, then immediate sale. This is especially a risk if there is a large change in price.
 - Purchases made from 'off market' agents who are not required by law to be registered for money laundering supervision. This includes house builders and some construction companies.
- **Direct Payments and Prepaid Cards:** Service users who have a Direct Payments bank account and/or a reloadable prepaid card they can use to spend their direct payment or other money may be targeted by criminals seeking to use these accounts to launder money via 'money muling'. Money muling occurs when an individual receives money into their bank account and transfers it elsewhere or withdraws it as cash. The individual is often promised that they can keep some of the cash. They may not be aware that the money is criminal in origin. Warning signs of this type of activity in Direct Payment accounts or prepaid cards include:
 - Money going into the account and then quickly being transferred or withdrawn, especially if the amounts are significant.
 - A third party loading money onto the card or transferring into the account.

4. What steps does Cambridgeshire County Council take to address the risk of money laundering?

4.0.1 Public sector organisations are not regulated by the Money Laundering Regulations. However, CIPFA recommends that local authorities operate in the spirit of these regulations. CIPFA's guidance on Combating Financial Crime states that all public authorities that have not already done so need to use a risk-based approach in deciding the extent to which their activities are exposed to the dangers of money laundering, and to take proportionate steps to address these dangers.

4.0.2 As a minimum, CIPFA recommends public authorities should:

- Arrange for a nominated officer to receive, review and pass on any concerns about suspicious activity or possible money-laundering (see Section 4.1).

- Establish proportionate and cost-effective internal procedures to prevent and detect money laundering and terrorist financing (see Section 4.2).
- Identify staff most likely to encounter money laundering or terrorist financing and:
 - Ensure they are aware of any requirements and obligations placed on the authority, its staff, and on them as individuals, by the Proceeds of Crime Act (POCA) and the Terrorism Act (TACT);
 - Give targeted training to these staff (see Section 4.3).

4.0.3 This section shows how the Council has ensured it is compliant with these recommendations.

4.1 Money Laundering Reporting Officer:

4.1.1 CIPFA recommend that public authorities appoint a Money Laundering Reporting Officer (MLRO). The MLRO is responsible for receiving internal reports about possible money laundering. They then report any suspicious money laundering activities to the National Crime Agency.

4.1.2 At Cambridgeshire County Council, the Head of Internal Audit & Risk Management is the MLRO. In the absence of the MLRO, the Monitoring Officer stands in as the Deputy MLRO.

Money Laundering Reporting Officer	Deputy Money Laundering Reporting Officer
Mairead Claydon, Acting Head of Internal Audit & Risk Management	Fiona McMillan, CCC Director of Legal and Governance (Monitoring Officer)
Email address: mairead.claydon@cambridgeshire.gov.uk	Email address: Fiona.mcmillan@cambridgeshire.gov.uk
Phone: 01223 715542	Phone: 01733 452409

4.1.3 The procedure for reporting to the Money Laundering Reporting Officer is in Section 5, below. You can report any form of suspicious financial activity to the MLRO. Staff must get in touch with the MLRO whenever they have reasonable grounds to suspect money laundering may be taking place, or has taken place.

4.1.4 The MLRO will keep a record of all referrals received. They will also record any action taken to report concerns on to the National Crime Agency.

4.1.5 The MLRO also has ownership of this Anti-Money Laundering Policy. They also own the Council's money laundering and terrorist financing risk assessment. The MLRO supports and co-ordinates the response to money laundering risk across the organisation.

4.2 Internal Procedures:

- 4.2.1 This Anti-Money Laundering Policy is part of a wider anti-fraud framework at Cambridgeshire County Council. This includes our Whistleblowing Policy and Anti-Fraud & Corruption Policy.
- 4.2.2 As part of the development of this policy, the Council has conducted a risk assessment. This looks at money laundering and terrorist financing risks across different service areas. It confirms the key corporate controls in place to prevent money laundering. It also identifies any further actions to be undertaken by the Council to further reduce these risks. The risk assessment and policy are reviewed regularly.
- 4.2.3 Cambridgeshire County Council has implemented a reporting procedure (see Section 5 for more details). This enables staff with any concerns about money laundering to report them.
- 4.2.4 Cash payments do not represent a large proportion of the Council's financial transactions. However, they do represent a higher risk for money laundering and terrorist financing. To reduce this risk, the Scheme of Financial Management confirms that the Council will not accept cash payments above £7,500. Only the Chief Finance Officer may approve higher cash payments, in exceptional circumstances. Officers are required to report any large and/or unusual cash transactions to the MLRO. This ensures any such transactions are subject to appropriate scrutiny.
- 4.2.5 Cambridgeshire County Council has implemented customer due diligence procedures (see Section 6). This is in line with CIPFA best practice. It aims to verify the identity of the people and organisations CCC trades with, in situations that are more high-risk for money laundering.
- 4.2.6 The Council's Treasury Management function has its own due diligence processes. The Council will only lend money or invest with counterparties who meet certain requirements. Treasury Management activities are subject to CIPFA's Code of Practice. For more information, see the Council's Treasury Management Strategy.

4.3 Guidance & Training for Key Staff:

- 4.3.1 This Anti-Money Laundering Policy provides guidance for all Cambridgeshire County Council staff. It explains how to identify possible money laundering concerns and report them.

4.3.2 The Money Laundering Reporting Officer runs annual awareness-raising campaigns. This includes work to raise awareness of this policy among all staff. Targeted communications are shared with staff in teams which may be higher-risk for money laundering.

4.3.3 Counter fraud e-learning, which covers money laundering risks, is available to all staff. Additionally, the Council periodically provides targeted money laundering training. This is focused on members of staff in key services which are more likely to be exposed to the risk of money laundering.

5. How can you report concerns about money laundering?

5.0.1 This section explains what you must do where you have any concern about money laundering or suspicious transactions, and how your report will be dealt with by the Money Laundering Reporting Office (MLRO).

5.1 How to report concerns:

5.1.1 If you have any concerns or suspicions about possible money laundering, terrorist financing or suspicious financial activity, it's really important to report them immediately – even if you think someone else may already have made a report. Please email the MLRO at mairead.claydon@cambridgeshire.gov.uk. Alternatively you can call or ask for a Teams meeting to discuss your concerns if you prefer this to emailing. If possible, it's helpful to provide the following information:

- The value and timing of the suspicious transaction(s) and what these related to.
- Names and addresses of the people or companies involved.
- Why you are suspicious of the transactions or activity.

5.1.2 It's really important if you suspect money laundering not to try to investigate the matter yourself. Don't tell anyone else about your suspicions, or the fact that you've made a report.

5.1.3 If you are suspicious about a particular transaction that is taking place, please do not proceed with or complete the transaction. For example, if you are concerned about an attempted cash payment, do not bank the cash. Or if you are concerned about a property purchase or sale, do not complete the purchase/sale. You must wait to complete the transaction until this is agreed by the MLRO in writing.

5.1.4 If you fail to report a suspicious transaction as soon as possible, this could be regarded as misconduct or gross misconduct by the Council. It could even amount to a criminal offence.

5.2 What happens after you report possible money laundering?

5.2.1 Once you've made a report to the MLRO, they will confirm to you that they have received the report and advise you when you will hear back from them. They will conduct an initial investigation into the matter. They may seek specialist advice if appropriate, depending on the circumstances.

5.2.2 The MLRO will then decide either:

a) There are no reasonable grounds to suspect money laundering or terrorist financing. The MLRO will record the reasons for this finding and will agree for the transaction to proceed.

b) There are grounds to suspect money laundering. The MLRO will make a report to the National Crime Agency (NCA) and seek the NCA's consent for whether the Council can proceed with the transaction.

5.2.3 The MLRO will let you know their decision and what the next steps will be. They will also tell you about any consent or refusal from the NCA regarding whether the Council can proceed with the transaction.

6. Customer Due Diligence

6.1 What is Customer Due Diligence?

6.1.1 'Customer Due Diligence' is a process the Council undertakes to reduce the risk of money laundering. The process aims to ensure that the Council only deals with real, legitimate organisations and customers.

6.1.2 When undertaking any financial transaction with an external organisation or individual, officers are responsible for ensuring that the person or organisation they are dealing with is legitimate. You should know who the 'ultimate beneficial owner' of the organisation is. This means the person or people who own and control the company.

6.1.3 Best practice is for this to involve verifying identity against a reliable and independent source. This should be done before any transaction takes place. For example, this could involve:

- **For companies:** Reviewing the company's website. Checking they are registered at Companies House. Obtaining a copy of their list of active directors and the statement of persons with significant control. Confirming this information aligns with what you know about the company.
- **For charities:** checking how they are registered (e.g. with the Charities Commission). Obtaining equivalent documentation.
- **For individuals:** viewing proof of identification.

6.1.4 If you can't verify the customer's identity, contact the Money Laundering Reporting Officer (see Section 5). If the results of the checks suggest that there may be a risk of money laundering, contact the Money Laundering Reporting Officer.

6.1.5 If the intention is that the person or organisation will be acting on behalf of the Council as part of this business relationship, you should consider how the Council's expectations around ethical conduct have been or will be communicated to them. Contractors must be aware that the Council will not tolerate fraud, bribery, money laundering or corruption. If you believe there may be a risk of unethical conduct or bribery by any person who will be acting on the Council's behalf, please consult the Monitoring Officer for advice. This must be done before establishing a business relationship.

6.2 When must the Customer Due Diligence process be followed?

6.2.1 In certain circumstances staff are obliged to undertake and formally record the Customer Due Diligence procedure. This includes:

- If the Council is carrying out regulated business (i.e. providing any accountancy, audit and tax services or legal services in respect of company, financial or property matters) for anyone other than another UK public authority and as a part of this:
 - Forms a new, ongoing business relationship with a client; and/or
 - Undertakes a one-off or occasional transaction equivalent to €15,000 or more (c. £12,500 at time of writing). This counts whether carried out as a single transaction or several linked ones.

- If the Council is carrying out transactions relating to cultural artefacts or items with archaeological, historical, cultural or religious significance, or rare scientific value.
 - If the Council doubts the veracity or legitimacy of any documents, data or information previously obtained for identification purposes.
 - If the Council suspects money laundering or terrorist financing.
- 6.2.2 When any of the above situations apply, details of the Customer Due Diligence check carried out must be recorded. Officers must also record details of the purpose and intended nature of the proposed business relationship.
- 6.2.3 Evidence of the checks undertaken should be retained for at least five years. If the business relationship continues, officers must ensure that the due diligence checks are repeated periodically.

7. How is this policy reviewed and monitored?

- 7.1 CCC Internal Audit is responsible for oversight and maintenance of this Anti-Money Laundering Policy. The Strategy & Resources Committee is the body responsible for approving any changes made to the policy, while the Audit & Accounts Committee is responsible for monitoring the policy.
- 7.2 If you require any additional guidance or support around this policy please contact either the MLRO or a member of the Internal Audit team at CCC through this email: internal.audit@cambridgeshire.gov.uk
- 7.2 Additionally, below are some useful links on the topic of money laundering:
- National Crime Agency <http://www.nationalcrimeagency.gov.uk>
 - The Law Society - Anti-Money Laundering Guidance and Advice - <http://www.lawsociety.org.uk/advice/anti-money-laundering>
 - Crown Prosecution Service definition of offences: [Money Laundering Offences | The Crown Prosecution Service \(cps.gov.uk\)](#)

Appendix 1

Overview of Money Laundering Offences

The Proceeds of Crime Act 2002 (POCA) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 broadened the definition of money laundering.

1. Primary Money Laundering Offences:

There are a number of different offences that may be committed under the applicable legislation:

- Concealing, disguising, converting, transferring or removing criminal property from the UK (Section 327 POCA);
- Entering into or becoming concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property (Section 328 POCA);
- Acquiring criminal property, using criminal property; or possession of criminal property (Section 329 POCA).
- Doing something that might prejudice an investigation into money laundering (for example, falsifying a document) (Section 342 POCA).

The above are the primary Money Laundering offences, and are prohibited under the legislation. A person does not commit an offence under Sections 327 – 329 of POCA if they made an authorised disclosure before they did the act and had consent, or if they intended to make disclosure but have a reasonable excuse for not doing so. This provision emphasises the importance of reporting possible money laundering instances to the National Crime Agency.

2. Secondary Money Laundering Offences:

There are also two secondary offences, which only apply to public authorities like Cambridgeshire County Council if they are undertaking activities which fall into the 'regulated sector' under POCA. This includes a range of business activities, generally where persons are handling money on behalf of others, such as certain accountancy or legal services.

The secondary offences are:

- Failure to disclose/report any of the three primary offences (Sections 330 and 331 of POCA) - when a person knows or suspects that money laundering activity is taking

place (or has taken place), or becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, they must report this as soon as practicable to the Money Laundering Responsible Officer (MLRO) or risk prosecution.

- Tipping off (Section 333A) – this is where someone informs a person, or people, who are suspected of being involved in Money Laundering, in such a way as to reduce the likelihood of their being investigated, or prejudicing an investigation.

3. Terrorism Act Offences:

The Terrorism Act (TACT) made it a money laundering offence to enter into or become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism, where it relates to information that comes to them in the course of their business or employment.



Policy Owner	
Name:	Duncan Wilkinson
Post:	LGSS Chief Internal Auditor
Email:	Duncan.Wilkinson@Milton-keynes.gov.uk
Tel:	01908 252089

1 Introduction

- 1.1 The need for this policy derives from the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007. The Council's legal obligations impact on certain areas of the business and requires Cambridgeshire County Council (CCC) to establish internal procedures to prevent the misuse of services to launder money.
- 1.2 This policy details the controls to prevent and protect against money laundering and terrorist financing

2 Scope of the policy

- 2.1 This policy applies to all employees and contractors / agents of CCC. The policy sets out the procedures which all officers must follow where they suspect or know that a transaction involves money laundering.

3 What is Money Laundering?

- 3.1 Money laundering is how criminally obtained money or other assets are exchanged for money or assets with no obvious link to their criminal origins. It also covers money, however obtained, which is used to fund terrorism.
- 3.2 Money laundering can take many forms such as:
 - Concealing, disguising, converting, transferring or removing criminal property from the UK;
 - Entering into or becoming involved in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property;
 - Acquiring, using or possessing criminal property;
 - Attempting or helping any of the above offences;
 - Involvement in an arrangement which facilitates the control of money or property destined for, or the proceeds of, terrorism;

4 How do you detect money laundering

4.1 There is no one method of laundering money. For this reason, it is important that the Council (via its employees and contractors and agents) should be vigilant and alert to possible signs of money laundering through the Council's services.

4.2 At all times, you should;

- Be wary of cash transactions. 'Cash' for this purpose means notes, coins or travellers' cheques in any currency;
- Take care when commencing business with a new client (establish identity as per below where applicable);
- Be alert to the possibility of money laundering by a client or a prospective client;
- Keep records (as per below where applicable);

5 Council's Obligations

5.1 The Money Laundering regulations apply to specific persons, including certain institutions, auditors, accountants, tax advisers and legal professionals.

5.2 Strictly speaking, internal public sector services may not be covered by the legislation. However, public services are susceptible to money laundering activities and CCC must be able to demonstrate its compliance with the law in this area.

5.3 The Proceeds of Crime Act also creates offences relating to money laundering activities, as well as terrorist financing. Again public services may be targeted for this purpose and CCC must be able to demonstrate its compliance with this law.

5.4 CCC has therefore:

- appointed a Chief Internal Auditor to receive disclosures from employees of money laundering activities (their own concerns or that of someone else);
- implemented a reporting procedure where a person:
 - knows or suspects; or
 - has a reasonable ground for knowing or suspecting money laundering.
- Set out client identification procedures to be followed in certain circumstances
- Set down record-keeping procedures for the purposes of money laundering

5.5 All employees, contractors and agents of the public are therefore required to be familiar with the council's policy and to comply with the procedures set out in the following sections and particularly with the reporting procedure.

6 The Money Laundering Reporting Officer (MLRO)

6.1 The officer nominated to receive disclosures about money laundering activities is the LGSS Chief Internal Auditor. This post is currently held by Duncan Wilkinson who can be contacted as follows:

Duncan Wilkinson
 Chief Internal Auditor,
 Civic Offices
 Milton Keynes Council
 1 Saxon Gate East
 MK9 3EJ
 Telephone: 01908 252089

Email address: duncan.wilkinson@milton-keynes.gov.uk

6.2 In the absence of the MLRO, the CCC Director of Law & Governance (as CCC Monitoring Officer), is nominated to deputise as the MLRO until further notice. Quentin Baker can be contacted at 01223 727961, or email address quentin.baker@LGSSLaw.co.uk

7 Reporting Procedure

This section explains what you **MUST** do where you become suspicious or know that there is a money laundering or terrorist financing activity going on and how your report will be dealt with by the MLRO.

7.1 Reporting to the MLRO

7.1.1 Where you know or suspect or have reasonable grounds to know or suspect that a money laundering activity is taking place or has taken place, you must notify the MLRO **IMMEDIATELY** using the money laundering reporting form attached at appendix 1.

7.1.2 Similarly, where you believe your involvement in a matter may amount to a prohibited act under sections 327 – 329 of the Proceeds of Crime Act 2002 (see relevant provisions at appendix 2), you must disclose this to the MLRO using the form attached at appendix 1.

7.1.3 You must still report your concerns even if you believe that someone else has already reported their suspicions of the same money laundering activity.

Warning: If you fail to report or disclose as above, you may be liable for prosecution for one or more offences.

7.2 After reporting to the MLRO you **MUST**:

- **not** voice your suspicion to the suspected person or any third party;
- **not** disclose to anyone the fact the you have made the report;
- **not** make any further enquiries into the matter yourself;
- **not** make any reference on the file of the report;
- do nothing further on the matter unless you receive specific, written consent from the MLRO to proceed.

Warning: If you fail to observe any of the above, you may be liable for prosecution for ‘tipping off’ or other offences.

7.3 Once the MLRO receives the report, he/she will;

- (1) note the date of receipt and confirm to you that she/he has received the report;
- (2) advise you of the timescale within which he/she expects to respond to you;
- (3) conduct a provisional investigation into the matter;
- (4) undertake such other reasonable enquiries as appropriate, seeking specialist legal and financial advice (if appropriate);
- (5) make a timely determination as below:
 - (a) Where it is determined there are no reasonable grounds to suspect money laundering, he/she will record the reasons for the finding and give consent for the transaction to proceed.
 - (b) Where it is determined money laundering is suspected he/she:
 - (i) Will make a report to NCA (National Crime Agency), as soon as is practicable, and seek NCA's consent whether to proceed with the transaction.
 - (ii) Will advise the officer who made the report of any consent or refusal of consent from NCA.
 - (iii) May give consent for the transaction to proceed where 7 working days have passed since the disclosure to NCA and no refusal notice has been given; or where although the refusal notice has been given, the moratorium period of 31 days has expired since the date of when the refusal notice was given.
 - (iv) Take formal advice from the Director of Law and Governance IF there appears to be reasonable excuse for non- disclosure (eg legal professional privilege) to decide whether or not the matter should be disclosed to NCA.

- (v) Where the decision is made not to disclose to the NCA, he/she must record the decision and give consent for the transaction to proceed.

7.4 The MLRO commits an offence:

7.4.1 if without reasonable excuse, she/he fails to disclose to NCA as soon as is practicable suspected money laundering reported to him/her (except as set out at 7.3.1 (5) (b) (iv) above)

7.4.2 where after reporting to NCA:

- he/she gives consent to an officer to proceed with the transaction without receiving such consent from NCA;
- where he/she gives such consent before hearing from NCA and the period of 7 working days has not expired since she/he made the disclosure to NCA;
- he/she gives such consent before the required moratorium period (of 31 days since the date of the refusal notice) has expired.

8 Client identification procedure (customer due diligence)

This section explains what you **MUST** do where you are involved in services identified as potential targets for money laundering or terrorist financing transactions. Verifying the identity of clients is a key process that reduces the risk of money laundering and terrorist financing.

8.1 Client/customer due diligence consists of:

- identifying the customer and verifying the client's identity on the basis of documents, data or information obtained from a reliable source;
- identifying a beneficial owner who is not a customer, where there is one, and taking adequate measures on a risk sensitive basis, to verify his/her identity;
- obtaining information on the purpose and intended nature of the business relationship.

8.2 You **must** conduct a 'customer due diligence' in the following circumstances ;

- when establishing a new business relationship;
- when carrying out an occasional transaction (a transaction which amounts to €15,000 or more (approximately £10,000) which is carried out in a single operation or several linked operations, and which is carried out other than as part of a business relationship);
- when you suspect money laundering or terrorist financing, regardless of the amount involved;
- when you doubt the veracity or adequacy of documents, data or information previously obtained for identification purposes.

8.3 You **must** complete the verification of the identity of the client (or beneficial owner) before you establish the business relationship or accept / process the transaction.

8.4 You may however, complete such identity verification after establishing the business relationship only if it is necessary not to interrupt the normal conduct of business and there is little risk of money laundering or terrorist financing occurring, but provided that the verification is completed as soon as practicable after contact is first established.

8.5 You should obtain evidence of identity as follows:

8.5.1 For internal clients:

- Written instructions on CCC headed paper signed and dated by the appropriate person; or an email from the Council's internal email system.
- The evidence should be kept on file identifying that it is evidence of the client's identity.

8.5.2 For external clients:

- Written instructions on the organisation's official headed paper, duly signed and dated by the appropriate person/s (It must be clear what position the signing person/s hold/s within the organisation); or an email from the organisation's e-

communication system that clearly identifies the sending company and person.

- The evidence should be kept on file identifying that it is evidence of the client's identity.
- Whenever dealing with a company, you must also verify the existence of the company. You must always request to be provided with the company's registration number which you can use to search for the company's existence at the companies house, and the registered address of the company.
- You must further ensure that the person instructing you has the authority from the company to do so.
- When dealing with an individual, identity evidence will be key, verifiable documents such as Driving Licence, Passport or other reliable document.

It is very important that you do not take a tick box approach towards the client identification procedure. You must be satisfied with the authenticity of identification documents and where in doubt, please speak to your manager to see what other forms of identification you may request. The MLRO is able to provide tools that verify the validity of identification documents.

8.6 Where satisfactory evidence of identity is not obtained from the outset or as soon as practicable (in the case of 8.5 above), then;

- You cannot establish a business relationship or carry out an occasional transaction with the client;
- You cannot proceed any further with the transaction (if applicable);
- You must consider whether you need to report the matter to the MLRO.

8.7 Where you are satisfied with the evidence of the identity and an ongoing business relationship is established with a client, you should still scrutinise transactions undertaken to ensure that they are consistent with your knowledge of the client or business and risk profile. You should also ensure that the identification documents are up to date.

9 Record keeping procedure

9.1 It is essential that records are properly kept to aid in any subsequent investigation which may be carried out and to demonstrate the Council has met its responsibilities. Each service must keep the following records for a period of five years beginning from the date when the occasional transaction is completed or business relationship ends:

- evidence of the client's identity
- all supporting records, originals or copies, relating to the transaction

9.2 The MLRO must keep all records of any reports or disclosures received by him/her, action taken and the outcome.

Report to Money Laundering Reporting Officer

Re: money laundering activity

To: Duncan Wilkinson, CCC Money Laundering Reporting Officer

From: Date:
[insert name of employee]

Directorate: Ext/Tel No:
[insert post title and section]

DETAILS OF SUSPECTED OFFENCE

Name (s) and address (es) of person(s) involved:
[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:
[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:
[Please continue on a separate sheet if necessary]

Nature of suspicions (cont'd):

[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (to your knowledge)?

Yes No

If yes, please include details below:

Empty box for providing details of investigation.

Have you discussed your suspicions with anyone else?

Yes No

If yes, please specify below and where applicable, explain why such discussion was necessary:

Have you consulted any supervisory body's guidance (e.g. the Law Society) on money laundering?

Yes No

If yes, please specify below:

Do you have any grounds for believing that the matter should not be disclosed to NCA? (e.g. are you a lawyer and wish to claim legal professional privilege?)

Yes No

If yes, please set out full details below:

Are you involved in a transaction which may involve a prohibited act under sections 327 – 329 of the Proceeds of Crime Act 2002 and which may require NCA’s consent?

Yes No

If yes, please set out the details below:

Please set out below any other relevant information:

Signed:.....

Dated:.....

Do not discuss the content of this report with the person/s you suspect to be involved in the money laundering activities described or with third parties. To do so may constitute the offence of tipping off which carries a maximum penalty of 5 years’ imprisonment.

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MLRO

Date report received:

Date receipt report acknowledged

CONSIDERATION OF DISCLOSURE:

Action Plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE

Are there reasonable grounds for suspecting money laundering activity?

Yes No

If yes, please give reasons/details below:

If there are reasonable grounds for suspicion, will a report be made for NCA?

Yes No

If yes, please confirm date of report to NCA:
and complete the box below:

Details of liaison with NCA regarding the report:

Notice period: to

Moratorium period: to

Is consent required from NCA to any ongoing or imminent transactions which would otherwise be prohibited acts?

Yes No

[Please tick the relevant box]

If yes, please confirm full details below:

Date consent received from NCA:

Date consent given by you to the employee:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to NCA, please set out below the reason(s) for non- disclosure:

Date consent given by you to employee for any prohibited act/transaction to proceed:

.....

Other relevant information:

Signed:.....

Date:.....

This report should be retained for at least five years from the date when the occasional transaction or the business relationship to which it relates comes to an end.

RELEVANT EXTRACTS FROM THE PROCEEDS OF CRIME ACT 2002

S.327 Concealing etc

- (1) A person commits an offence if he—
- (a) conceals criminal property;
 - (b) disguises criminal property;
 - (c) converts criminal property;
 - (d) transfers criminal property;
 - (e) removes criminal property from England and Wales or from Scotland or from Northern Ireland.
- (2) But a person does not commit such an offence if—
- (a) he makes an authorised disclosure under section 338 and (if the disclosure is made before he does the act mentioned in subsection (1)) he has the appropriate consent;
 - (b) he intended to make such a disclosure but had a reasonable excuse for not doing so;
 - (c) the act he does is done in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct.
- (3) Concealing or disguising criminal property includes concealing or disguising its nature, source, location, disposition, movement or ownership or any rights with respect to it.

S.328 Arrangements

- (1) A person commits an offence if he enters into or becomes concerned in an arrangement which he knows or suspects facilitates (by whatever means) the acquisition, retention, use or control of criminal property by or on behalf of another person.
- (2) But a person does not commit such an offence if—

(a) he makes an authorised disclosure under section 338 and (if the disclosure is made before he does the act mentioned in subsection (1)) he has the appropriate consent;

(b) he intended to make such a disclosure but had a reasonable excuse for not doing so;

(c) the act he does is done in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct.

S.329 Acquisition, use and possession

(1) A person commits an offence if he—

(a) acquires criminal property;

(b) uses criminal property;

(c) has possession of criminal property.

(2) But a person does not commit such an offence if—

(a) he makes an authorised disclosure under section 338 and (if the disclosure is made before he does the act mentioned in subsection (1)) he has the appropriate consent;

(b) he intended to make such a disclosure but had a reasonable excuse for not doing so;

(c) he acquired or used or had possession of the property for adequate consideration;

(d) the act he does is done in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct.

(3) For the purposes of this section—

(a) a person acquires property for inadequate consideration if the value of the consideration is significantly less than the value of the property;

(b) a person uses or has possession of property for inadequate consideration if the value of the consideration is significantly less than the value of the use or possession;

(c) the provision by a person of goods or services which he knows or suspects may help another to carry out criminal conduct is not consideration.

S.332 Failure to disclose: other nominated officers

(1) A person nominated to receive disclosures under section 337 or 338 commits an offence if the conditions in subsections (2) to (4) are satisfied.

(2) The first condition is that he knows or suspects that another person is engaged in money laundering.

(3) The second condition is that the information or other matter on which his knowledge or suspicion is based came to him in consequence of a disclosure made under section 337 or 338.

(4) The third condition is that he does not make the required disclosure as soon as is practicable after the information or other matter comes to him.

(5) The required disclosure is a disclosure of the information or other matter—

(a) to a person authorised for the purposes of this Part by the Director General of the National Criminal Intelligence Service;

(b) in the form and manner (if any) prescribed for the purposes of this subsection by order under section 339.

(6) But a person does not commit an offence under this section if he has a reasonable excuse for not disclosing the information or other matter.

S.333 Tipping off

(1) A person commits an offence if—

(a) he knows or suspects that a disclosure falling within section 337 or 338 has been made, and

(b) he makes a disclosure which is likely to prejudice any investigation which might be conducted following the disclosure referred to in paragraph (a).

(2) But a person does not commit an offence under subsection (1) if—

- (a) he did not know or suspect that the disclosure was likely to be prejudicial as mentioned in subsection (1);
 - (b) the disclosure is made in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct;
 - (c) he is a professional legal adviser and the disclosure falls within subsection (3).
- (3) A disclosure falls within this subsection if it is a disclosure—
- (a) to (or to a representative of) a client of the professional legal adviser in connection with the giving by the adviser of legal advice to the client, or
 - (b) to any person in connection with legal proceedings or contemplated legal proceedings.
- (4) But a disclosure does not fall within subsection (3) if it is made with the intention of furthering a criminal purpose.

S.334 Penalties

- (1) A person guilty of an offence under section 327, 328 or 329 is liable—
- (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both, or
 - (b) on conviction on indictment, to imprisonment for a term not exceeding 14 years or to a fine or to both.
- (2) A person guilty of an offence under section 330, 331, 332 or 333 is liable—
- (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both, or
 - (b) on conviction on indictment, to imprisonment for a term not exceeding five years or to a fine or to both.

S.335 Appropriate consent

- (1) The appropriate consent is—
- (a) the consent of a nominated officer to do a prohibited act if an authorised disclosure is made to the nominated officer;

- (b) the consent of a constable to do a prohibited act if an authorised disclosure is made to a constable;
 - (c) the consent of a customs officer to do a prohibited act if an authorised disclosure is made to a customs officer.
- (2) A person must be treated as having the appropriate consent if—
- (a) he makes an authorised disclosure to a constable or a customs officer, and
 - (b) the condition in subsection (3) or the condition in subsection (4) is satisfied.
- (3) The condition is that before the end of the notice period he does not receive notice from a constable or customs officer that consent to the doing of the act is refused.
- (4) The condition is that—
- (a) before the end of the notice period he receives notice from a constable or customs officer that consent to the doing of the act is refused, and
 - (b) the moratorium period has expired.
- (5) The notice period is the period of seven working days starting with the first working day after the person makes the disclosure.
- (6) The moratorium period is the period of 31 days starting with the day on which the person receives notice that consent to the doing of the act is refused.
- (7) A working day is a day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 (c. 80) in the part of the United Kingdom in which the person is when he makes the disclosure.
- (8) References to a prohibited act are to an act mentioned in section 327(1), 328(1) or 329(1) (as the case may be).
- (9) A nominated officer is a person nominated to receive disclosures under section 338.
- (10) Subsections (1) to (4) apply for the purposes of this Part.

S.336 Nominated officer: consent

(1) A nominated officer must not give the appropriate consent to the doing of a prohibited act unless the condition in subsection (2), the condition in subsection (3) or the condition in subsection (4) is satisfied.

(2) The condition is that—

(a) he makes a disclosure that property is criminal property to a person authorised for the purposes of this Part by the Director General of the National Criminal Intelligence Service, and

(b) such a person gives consent to the doing of the act.

(3) The condition is that—

(a) he makes a disclosure that property is criminal property to a person authorised for the purposes of this Part by the Director General of the National Criminal Intelligence Service, and

(b) before the end of the notice period he does not receive notice from such a person that consent to the doing of the act is refused.

(4) The condition is that—

(a) he makes a disclosure that property is criminal property to a person authorised for the purposes of this Part by the Director General of the National Criminal Intelligence Service,

(b) before the end of the notice period he receives notice from such a person that consent to the doing of the act is refused, and

(c) the moratorium period has expired.

(5) A person who is a nominated officer commits an offence if—

(a) he gives consent to a prohibited act in circumstances where none of the conditions in subsections (2), (3) and (4) is satisfied, and

(b) he knows or suspects that the act is a prohibited act.

(6) A person guilty of such an offence is liable—

(a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both, or

(b) on conviction on indictment, to imprisonment for a term not exceeding five years or to a fine or to both.

(7) The notice period is the period of seven working days starting with the first working day after the nominated officer makes the disclosure.

(8) The moratorium period is the period of 31 days starting with the day on which the nominated officer is given notice that consent to the doing of the act is refused.

(9) A working day is a day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 (c. 80) in the part of the United Kingdom in which the nominated officer is when he gives the appropriate consent.

(10) References to a prohibited act are to an act mentioned in section 327(1), 328(1) or 329(1) (as the case may be).

(11) A nominated officer is a person nominated to receive disclosures under section 338.

S.337 Protected disclosures

(1) A disclosure which satisfies the following three conditions is not to be taken to breach any restriction on the disclosure of information (however imposed).

(2) The first condition is that the information or other matter disclosed came to the person making the disclosure (the discloser) in the course of his trade, profession, business or employment.

(3) The second condition is that the information or other matter—

(a) causes the discloser to know or suspect, or

(b) gives him reasonable grounds for knowing or suspecting,

that another person is engaged in money laundering.

(4) The third condition is that the disclosure is made to a constable, a customs officer or a nominated officer as soon as is practicable after the information or other matter comes to the discloser.

(5) A disclosure to a nominated officer is a disclosure which—

(a) is made to a person nominated by the discloser's employer to receive disclosures under this section, and

(b) is made in the course of the discloser's employment and in accordance with the procedure established by the employer for the purpose.

S.338 Authorised disclosures

- (1) For the purposes of this Part a disclosure is authorised if—
 - (a) it is a disclosure to a constable, a customs officer or a nominated officer by the alleged offender that property is criminal property,
 - (b) it is made in the form and manner (if any) prescribed for the purposes of this subsection by order under section 339, and
 - (c) the first or second condition set out below is satisfied.
- (2) The first condition is that the disclosure is made before the alleged offender does the prohibited act.
- (3) The second condition is that—
 - (a) the disclosure is made after the alleged offender does the prohibited act,
 - (b) there is a good reason for his failure to make the disclosure before he did the act, and
 - (c) the disclosure is made on his own initiative and as soon as it is practicable for him to make it.
- (4) An authorised disclosure is not to be taken to breach any restriction on the disclosure of information (however imposed).
- (5) A disclosure to a nominated officer is a disclosure which—
 - (a) is made to a person nominated by the alleged offender's employer to receive authorised disclosures, and
 - (b) is made in the course of the alleged offender's employment and in accordance with the procedure established by the employer for the purpose.
- (6) References to the prohibited act are to an act mentioned in section 327(1), 328(1) or 329(1) (as the case may be).

Corporate Performance Report

To: Strategy and Resources Committee

Meeting Date: 20 October 2022

From: Executive Director: Strategy and Partnerships

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: The Committee is being asked to consider performance information for corporate services.

Recommendation: The Committee is asked to:

- a) Review and agree the proposed additions and removals to the Corporate Services Key Performance Indicators (KPIs).
- b) Monitor progress of Corporate Services and identify remedial action as required.
- c) Scrutinise performance information for the Council's Joint Agreement Action Plan.

Officer contact:

Name: Tom King
Post: Senior Research Analyst
Email: tom.king@cambridgeshire.gov.uk
Tel: Not applicable

Member contacts:

Names: Councillors Nethsingha and Meschini
Post: Chair/Vice-Chair
Email: Lucy.Nethsingha@cambridgeshire.gov.uk
Elisa.Meschini@cambridgeshire.gov.uk
Tel: 01223 706398

1. Background

- 1.1 This report covers two aspects of the Committee's role in performance management. Section 2 'Corporate Services Performance' reports on progress to develop Key Performance Indicators (KPIs) for Corporate Services and summarises current performance, with latest performance data in Appendix 1.
- 1.2 Section 3 'Joint Agreement Action Plan Progress' follows the decision by Strategy and Resources Committee on 29 March 2022 to transfer open actions in the Joint Agreement Action Plan Tracker to oversight by the relevant committees, with monitoring and reporting through appropriate committee governance. It reports progress for the open actions that are relevant to Strategy and Resources Committee.

2. Corporate Services Performance

- 2.1 Directorate Management Teams have been reviewing the Corporate Services KPI List to ensure that KPIs remain relevant, reliable, clear, fit for use and balanced. This work has led to a proposal to remove one KPI from the report. The table below sets out this change. Members are asked to approve these changes.

KPI Number	KPI Name	Mapping to Service	Proposal	Rationale for proposal
207	Value of Income Achieved from all income generating services	Commercial	Remove	<p>Income is monitored against budget in the commercial section of the finance monitoring report.</p> <p>There is significant overlap between KPI 207 and two other KPIs which report on Council income.</p> <p>KPI 171 already reports on County Farm income whilst KPI 204 reports on projected returns on all commercial investments.</p>

- 2.2 Performance information is presented for Corporate Services in Appendix 1.

2.3 A summary of RAG ratings is:

	Total	%
Blue	3	16.67%
Green	4	22.22%
Amber	4	22.22%
Red	3	16.67%
Contextual	0	0%
Baseline	2	11.11%
In Development	2	11.11%
Suspended	0	0%
Total	18	100%

2.4 Commentary on red indicators is as follows:

2.4.1 Indicator 169: % of contract waivers submitted less than 5 days before their proposed start date

This indicator relates to procurement across the organisation. It is collated by the council's Commercial and Procurement service.

The number of waivers continues at a reasonably high level showing an awareness of the overall requirement. The number of 'late' waivers during this period coincides with the beginning of the financial year and therefore the expiry of many existing contracts. This confirms that further work is required to standardise contract management across the Council. The higher the value of the contract, the greater the risk that it could be challenged formally or informally. Waivers for new requirements pose a greater risk to the council than waivers for replacements or changes to existing arrangements. Three waivers were identified as high risk because they are valued above £100,000, details of these are available in the appendix. However, it is clear that risk mitigation work has taken place in all three cases. On-going challenge and scrutiny is being undertaken by the Procurement Team on the reasons for waivers being submitted. Actions being taken to minimise high value waivers for new requirements are:

- We have removed the need for a waiver if a competition has resulted in fewer than three bids. This would have removed the three high risk waivers, had that rule been in force then. Public Contract Rules have been complied with, so waiver should not be required.
- We are progressing training for contract and budget managers to ensure that they have the necessary understanding of the rules and their responsibilities.
- We are progressing with the development of procurement pipelines which will identify current contracts due to expire and new requirements, to enable us to start earlier work on procurement planning.

The Audit and Accounts Committee considered an annual Procurement report at its meeting in May this year. This covered in further detail the procurement activity undertaken during the year, the number, value and distribution of waivers across the Council.

2.4.2 Indicator 182: Proportion of Freedom of Information requests responded to within statutory timescale (Year to Date)

This indicator relates to, and is collated by, the council's Information Governance service.

At the start of the year there was a slight decline in performance, but now we are into the second quarter we are already seeing an increase to 83% requests responded to in time. We continue to see requests at a pre-pandemic level and an increasing number of complex requests regarding planning and environmental matters. The team has welcomed a new member of staff to replace someone who had previously left. They are starting to have a greater impact on the performance. We are working closely with services to improve the response rates and our anticipated new IT system in November will improve monitoring and reporting to services to enable greater analysis and insight.

2.4.3 Indicator 183: Proportion of Subject Access requests responded to within statutory timescale (Year to Date)

This indicator relates to, and is collated by, the council's Information Governance service.

The performance has in the past been affected by (a) the pandemic affecting the ability for staff to be in buildings scanning paper files for redaction and (b) additional staff being recruited to undertake scanning. We are making significant inroads into the caseload with an improvement of 25% in the second quarter ensuring that we are completing current and backlog subject access requests as quickly as possible. Our self designed case management system is making a clear improvement in managing workloads and giving better oversight. We continue to commission resources from Peterborough City Council, on top of our existing resources within the County Council, to progress cases and identify areas where we can improve. Almost all subject access requests relate to social care, both Children's and Adults, as well as Education. Requests for such files, especially social care, often relate to very large quantities of electronic and paper files and with a mixture of data relating to the requester, but also parents, siblings, other children and third parties. This requires high levels of concentration and attention to detail.

3 Joint Agreement Action Plan Progress

3.1 The table below reports progress for the Joint Agreement Open Actions that have been transferred to Strategy and Resources oversight:

Ref.	Action	Milestone	Lead Officer(s)	Success criteria	Baseline position May 2021	Achieved	Update / comments by lead officer
F.9	New Project Management Framework and Strategic Programme Management Office (SPMO)	Nov '21 Complete Revised to Sep '22 to align with restructure of corporate functions.	Sue Grace	SPMO established	No SPMO in place	In progress	Project Management Framework has been agreed and is starting to be applied to activity along with our change and transformation projects being migrated to 'Project Online' (a Microsoft tool). The development of the Strategic Programme Management Office will get underway now the leadership structure in this area has been confirmed.
F.12	Review process for decision making on spending and investments to ensure that all decisions are: <ul style="list-style-type: none"> - Made in the context of meeting the Net Zero strategy - Equally weighted for social, environmental and financial criteria 	Nov '21 Ongoing	Tom Kelly	Review completed and mechanisms for changing decision-making criteria in place	N/a as new review	In progress	As part of the Business Planning process and Corporate Strategy setting this year, a Triple Bottom Line approach is being developed. Criteria have been adopted which will score each business plan proposal against these categories with these visible in the business cases for 2023-28. Additionally for the

	<ul style="list-style-type: none">- Assessed for their impact on residents living in deprivation and on the population as a whole, with a commitment to fairness in overall allocation						capital programme, the business case template has been updated to denominate the carbon impact of bids.
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4. Alignment with corporate priorities

- 4.1 Environment and Sustainability
- 4.2 Health and Care
- 4.3 Places and Communities
- 4.4 Children and Young People
- 4.5 Transport

There are no significant implications for these priorities.

5. Significant Implications

5.1 Resource Implications

There are no significant implications within this category.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

5.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

5.4 Equality and Diversity Implications

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

- Work will continue to revise the Equality Impact Assessment for the Council's Strategic Framework as part of the development of the proposals for the council's Corporate KPIs
- The revised EqIA will ensure that the Council's performance management is inclusive, and decisions to adopt specific Corporate KPIs will not make barriers for people with protected characteristics.

5.5 Engagement and Communications Implications

There are no significant implications within this category.

5.6 Localism and Local Member Involvement

There are no significant implications within this category.

5.7 Public Health Implications

There are no significant implications within this category.

5.8 Environment and Climate Change Implications on Priority Areas

There are no significant implications within this category.

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes

Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes
Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your Service Contact?
Yes
Name of Officer: Julia Turner

Have any engagement and communication implications been cleared by Communications?
Yes
Name of Officer: Sue Grace

Have any localism and Local Member involvement issues been cleared by your Service Contact? No
Name of Officer: Not Applicable

Have any Public Health implications been cleared by Public Health?
No
Name of Officer: Not applicable

6. Source documents

6.1 Source documents

[CCC Performance Management Framework](#)

Produced on: 21 September 2022



Performance Report

Quarter 1

2022/23 financial year

Strategy and Resources Committee

Business Intelligence
Cambridgeshire County Council
business.intelligence@cambridgeshire.gov.uk

Key



Data Item	Explanation
Target / Pro Rata Target	The target that has been set for the indicator, relevant for the reporting period
Current Month / Current Period	The latest performance figure relevant to the reporting period
Previous Month / previous period	The previously reported performance figure
Direction for Improvement	Indicates whether 'good' performance is a higher or a lower figure
Change in Performance	Indicates whether performance is 'improving' or 'declining' by comparing the latest performance figure with that of the previous reporting period
Statistical Neighbours Mean	Provided as a point of comparison, based on the most recently available data from identified statistical neighbours.
England Mean	Provided as a point of comparison, based on the most recent nationally available data
RAG Rating	<ul style="list-style-type: none"> • Red – current performance is off target by more than 10% • Amber – current performance is off target by 10% or less • Green – current performance is on target by up to 5% over target • Blue – current performance exceeds target by more than 5% • Baseline – indicates performance is currently being tracked in order to inform the target setting process • Contextual – these measures track key activity being undertaken, but where a target has not been deemed pertinent by the relevant service lead • In Development - measure has been agreed, but data collection and target setting are in development
Indicator Description	Provides an overview of how a measure is calculated. Where possible, this is based on a nationally agreed definition to assist benchmarking with statistically comparable authorities
Commentary	Provides a narrative to explain the changes in performance within the reporting period
Actions	Actions undertaken to address under-performance. Populated for 'red' indicators only
Useful Links	Provides links to relevant documentation, such as nationally available data and definitions

Indicator 169: % of contract waivers submitted less than 5 days before their proposed start date

Target	Current Quarter	Previous Quarter	Direction for Improvement	Change in Performance
20%	62%	47%	↓	Declining

RAG Rating

Red

Indicator Description

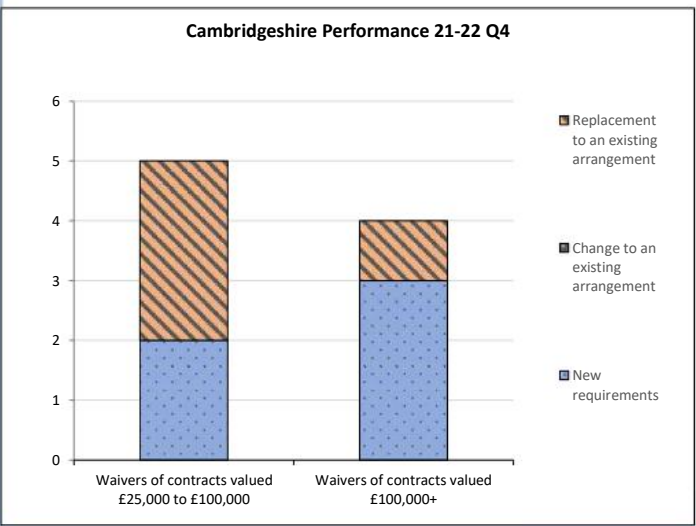
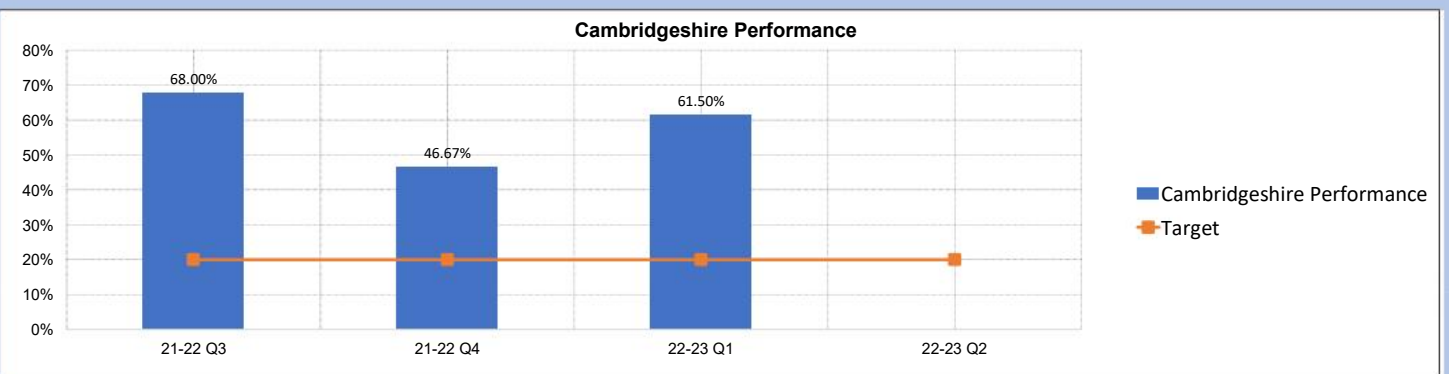
Public Contract Regulations (2015) require all contracts valued over £25,000 to be advertised and to follow a competitive process. External audit findings mean that there is a cross Council drive to promote and enable effective and compliant procurement practice.

The Council's Contract Procedure Rules allow for exceptions/waivers to be applied for in specific circumstances where the contract is valued either below the relevant UK Procurement Threshold or below the Key Decision Threshold of £500,000. Waiver requests are submitted via the Council's online system and approval needs to be obtained from various officers dependent on the value of the waiver. There are occasions where, by their very nature, waivers will be requested with short timescales to the contract start date – for examples in cases of emergency or extreme urgency. However, it is important that apart from these circumstances, waiver submission leaves enough time for a procurement should a waiver request be denied.

Tracking this indicator allows the Council to identify the number, type and value of waivers being submitted in such a way as to prevent non-compliant procurement practice and so develop communications, training and other initiatives to reduce this risk to the Council.

The KPI takes the date the waiver was submitted and the date the contract is due to start and calculates the time difference between the two dates. It is designed to provide an understanding of whether waivers are submitted in sufficient time to allow for alternative action should the waiver request be denied.

The target of 20% takes into account that valid reasons for waivers include emergencies and urgent situations whilst also anticipating that the majority of waivers should be applied for sufficiently early in the procurement planning process to allow for alternative courses of action.



Detail of waivers of contracts for new requirements valued £100,000+

Supplier	Contract Detail	Contract Value
Co-Op	Body removals (this is actually an extension to an existing contract so was mis-categorised in the system)	£120,000
Bruton Knowles	Public enquiry support	£120,000
Family Fund Trading	Household support fund voucher scheme, market engagement completed with 1 supplier meeting requirements	£150,000

Commentary

The number of waivers continues at a reasonably high level showing an awareness of the overall requirement. The number of 'late' waivers during this period coincides with the beginning of the financial year and therefore the expiry of many existing contracts. This confirms that further work is required to standardise contract management across the Council.

The higher the value of the contract, the greater the risk that it could be challenged either formally or informally. Waivers for new requirements pose a greater risk to the council than waivers for replacements or changes to existing arrangements. Details of the highest risk waivers are detailed above, however it is clear that risk mitigation work has taken place in all 3 cases.

Actions

On-going challenge and scrutiny is being undertaken by the Procurement Team on the reasons for waivers being submitted.

- Actions being taken to minimise high value waivers for new requirements are:
- We have removed the need for a waiver if a competition has resulted in fewer than 3 bids. This would have removed 3 of the above listed waivers, had that rule been in force then. Public Contract Rules have been complied with, so waiver should not be required.
 - We are progressing training for contract and budget managers to ensure that they have the necessary understanding of the rules and their responsibilities.
 - We are progressing with the development of procurement pipelines which will identify current contracts due to expire and new requirements, and enable us to start earlier work on procurement planning.

The Audit and Accounts Committee considered an Annual Procurement report at its meeting in May this year. This covered in further detail the procurement activity undertaken during the year, the number, value and distribution of waivers across the Council.

Target	Current	Previous	Direction for Improvement	Change in Performance
£103	£144	£133	↑	Improving

RAG Rating

Blue

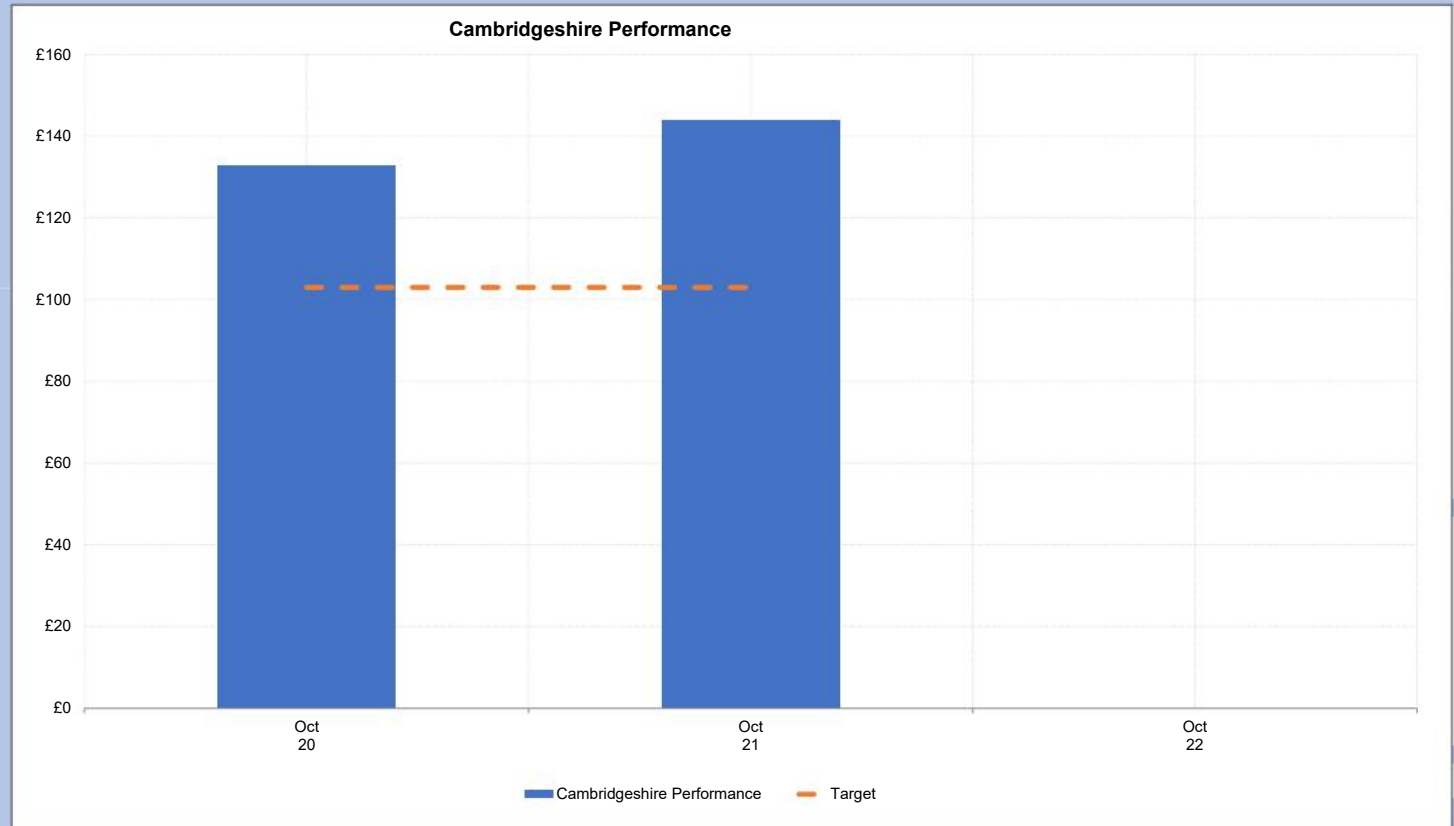
Indicator Description

Data source:
Currently set of excel spreadsheets owned by rural to record the rent which feeds into the budget. Defra data records market rent for East of England Region. Base data is tenancy agreements with new rents recorded by the parties (Landlord & Tenant) on a signed and dated rent memorandum attached to the agreement and recorded on excel spreadsheets. Future development of an internal asset management data base.

This KPI records annual change in rental income measured against the previous year's recorded rent. Reported as a % change on previous year for the total rural portfolio as rent (£) per acre for the agricultural tenancies. The rent per acre figure enables some comparison with regional market rents in the agricultural sector which are published annually by defra and other commentators. For a new letting Market Rent is defined by The Royal Institution of Chartered Surveyors (RICS) as 'The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion.' Rent Review (mid tenancy) of agricultural rent (per acre) is impacted by a number of complex factors - soil type, crop type, type of tenancy & external influences such as input costs and world commodity markets.

Comparator:
Market Rents (£ per hectare/acre) for the East of England reported annually by Defra in January for the previous year. Most up to date figures are for 2020.

Target:
annual rent (£ per acre) achieved tracks defra rent per acre for East of England (variance +/- 10%). Currently CCC agricultural rents are above the published East of England average in 2020 but the defra metric requires checking - ie is it bare land or for equipped holdings.



Commentary

Agricultural legislation enables review of rents every 3 years with 12 months notice required. Across 44 holdings Cambridgeshire County Council has increased the passing rent by an average of 16.39% in October 2021. There were some big increases this year to play catch up due to earlier internal resource restrictions. Further, relets to existing tenants and new lettings (31 in total start date October 2021) has resulted in an increase of 16% on the passing rent. Review of commercial lettings have also increased over 100%. These are very good results in the current climate and see a 8% increase across the rural portfolio as a whole

Actions

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
90.0%	↑	76.0%	78.0%	Declining

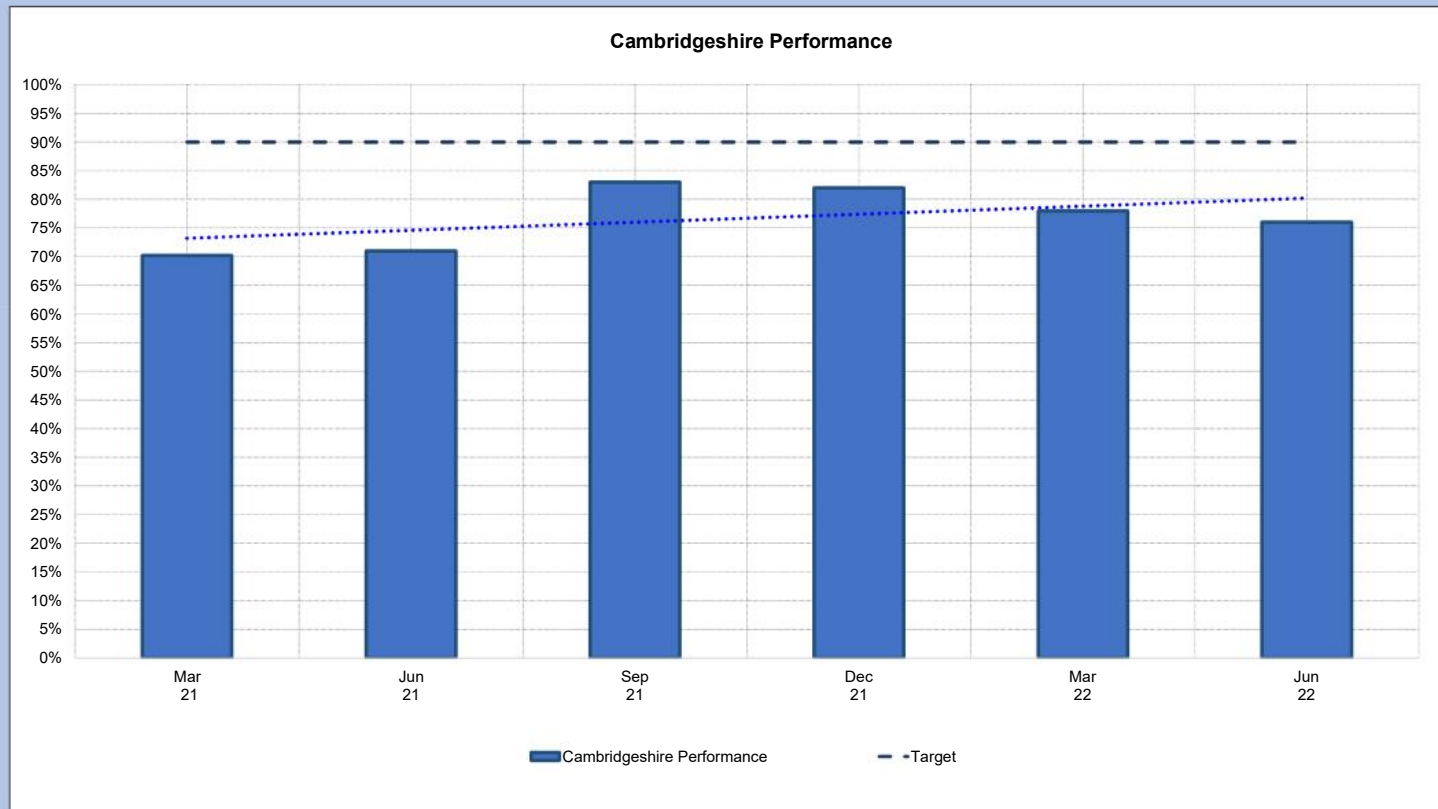
RAG Rating

Red

Indicator Description

The percentage of FOI responses issued within statutory timescales of 20 working days as required by the Act or if extended to 40 working days to consider the public interest test.

This measurement was adjusted in December 2021 to increase the relevance of the information provided. Prior to this date, the KPI measured the percentage of FOI responses issued within three months.



Commentary

At the start of the year, there was a slight decline in performance, but now we are into the second quarter we are already seeing an increase to 83% requests responded to in time.

We continue to see requests at a pre-pandemic level and an increasing number of complex requests regarding planning and environmental matters. The team has welcomed a new member of staff to replace someone who previously left. They are starting to have a greater impact on the performance. We are working closely with services to improve the response rates and our anticipated new IT system in November will improve monitoring and reporting to services to enable greater analysis and insight.

Useful Links

Actions

We are looking to implement a new IT system this year which will improve monitoring and reporting to services.

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
90.0%	↑	74.0%	49.6%	Improving

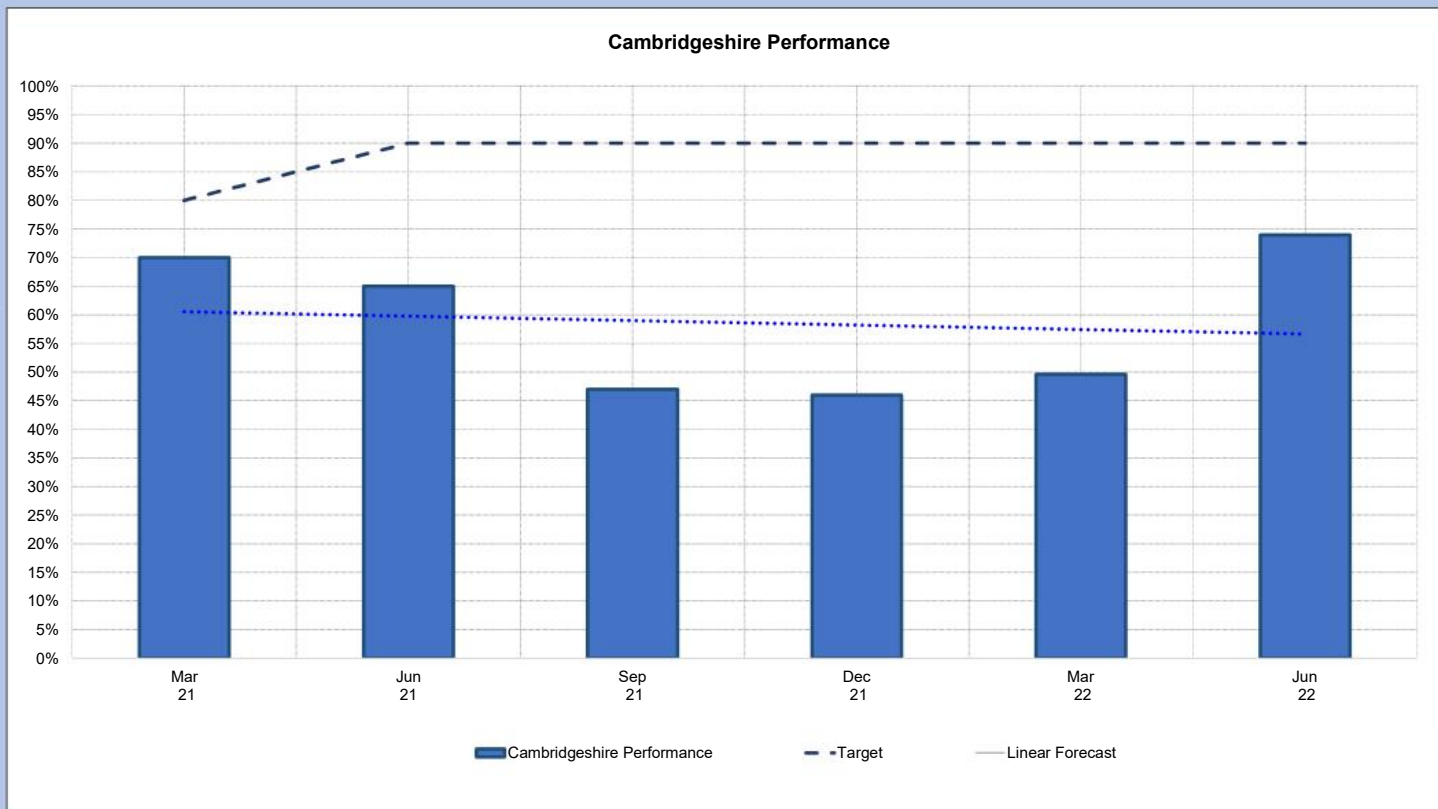
RAG Rating

Red

Indicator Description

Percentage of Subject Access Requests completed within statutory timescales of one calendar month or if extended to three calendar months as permitted.

Useful Links



Commentary

The performance has in the past been affected by (a) the pandemic affecting the ability for staff to be in buildings scanning paper files for redaction and (b) additional staff being recruited to undertake scanning. We are making significant inroads into the caseload with an improvement of 25% in the second quarter ensuring that we are completing current and backlog subject access requests as quickly as possible. Our self designed case management system is making a clear improvement in managing workloads and giving better oversight. We continue to commission resources from Peterborough City Council on top of our existing resources within the County Council, to progress cases and identify areas where we can improve.

Almost all subject access requests relate to social care, both Children's and Adults, as well as Education. Requests for such files, especially social care, often relate to very large quantities of electronic and paper files and with a mixture of data relating to the requester, but also parents, siblings, other children and third parties. This requires high levels of concentration and attention to detail.

Actions

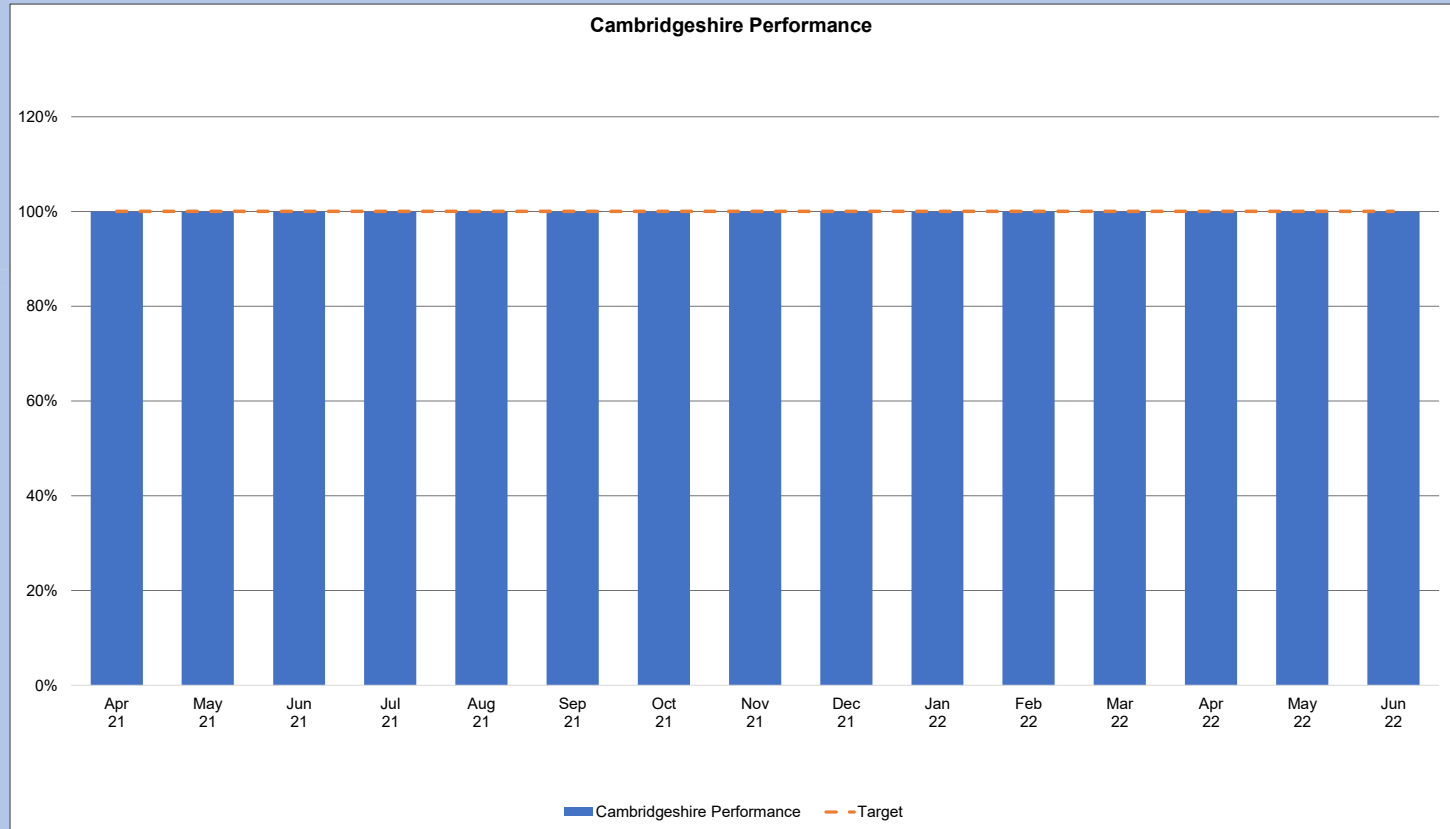
Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
100%	→	100.0%	100.0%	Unchanged

RAG Rating

Green

Indicator Description

The Council's Business Intelligence Service leads on, and supports the submission of, a number of key statutory data returns to central government departments and regulatory bodies. A list is available on request.



Commentary

There has been some disruption to statutory return deadlines over the pandemic period, for example the Carer's Survey was delayed and submitted during February 2022, having been cancelled in 2020. However, as of the end of the reporting period, all statutory returns have been completed to the agreed standard. All statutory deadlines have been met.

Useful Links

[A list of all the datasets that local government must submit to central government.](#)

Actions

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
65.0%	↑	59.0%	n/a	n/a

RAG Rating

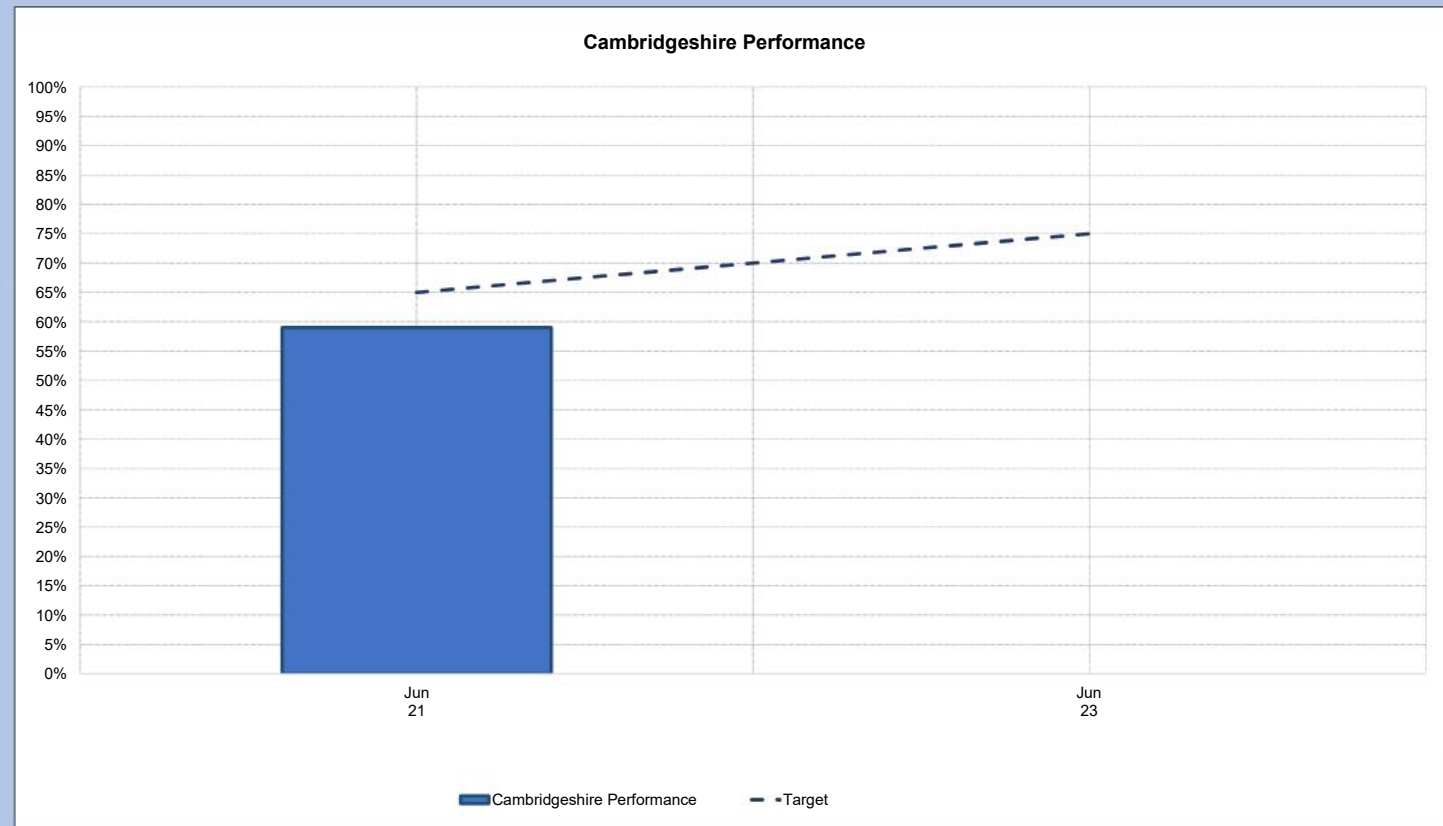
Amber

Indicator Description

The number of people feeling valued by their employer was measured in June 2021 and the % of respondents who responded positively was 59%.

The objective is to increase this to at least 75% recognising that whilst it is clear that the most significant impact on engagement is people's immediate team around them, the importance of feeling valued by the organisation is also critical to both wellbeing and retention.

The target has been set at 65% as an ambition for the next survey in summer 2022 (12 months from most recent one), as a stepping stone to achieving 75%.



Commentary

In 2020 regular staff engagement surveys commenced covering a wide range of topics, with a view to getting greater insights into improving the Council's employment policies and processes, and to give people a direct voice in influencing them. Prior to this, the most recent full staff survey was conducted in October 17. Overall staff engagement was recorded at that point as higher than both the public sector norm (55%) and the UK norm (60%).

In June 2021 the topic of the staff engagement survey was Respect At Work. This survey asked people to record whether they feel valued a) by their colleagues, and b) by the organisation. 86% agreed or strongly agreed that they felt valued by their colleagues but this dropped to 59% feeling valued by the organisation. There are some factors that are out of the employers control that can affect perception but with greater employee engagement it is hoped that this will improve which will also have a positive impact on recruitment and retention.

As confirmed in discussions with CLT, there has not been an employee engagement survey this summer. There will be further discussions regarding the timing of the 2023 survey.

Useful Links

Actions

The next employee engagement survey on Respect At Work that will ask the same questions again will be January 2023, and this will give time for the impact of a number of actions to be carried out and the impact measured through the survey response. In the meantime the new People Strategy being developed this year for Full Council approval later in the year, will have a clear focus on employee engagement and wellbeing to support this KPI.

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
80.0%	↑	85.0%	84.1%	Improving

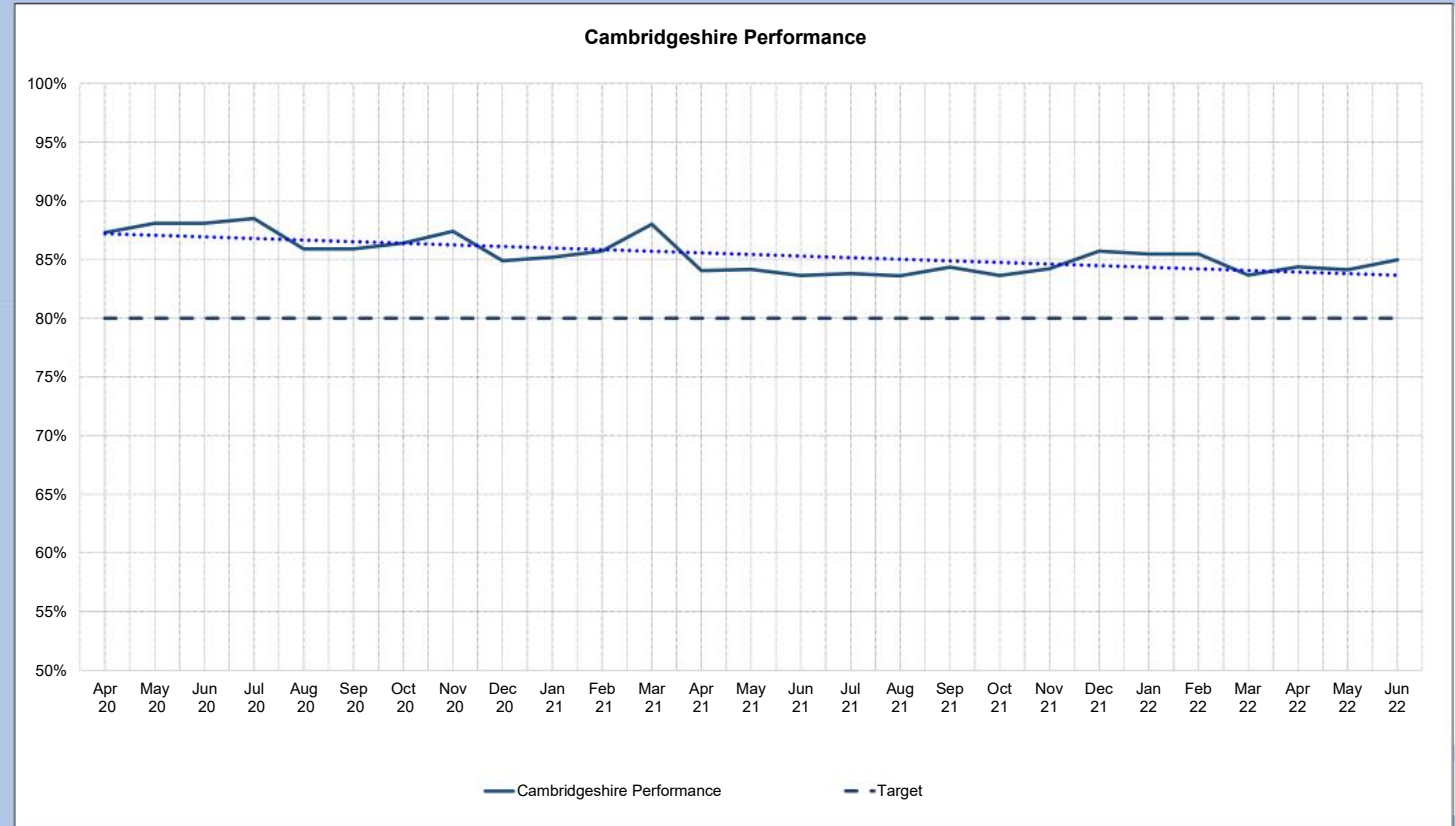
RAG Rating

Blue

Indicator Description

Percentage of cases we deal with that are marked as resolved or transferred, against total number of cases recorded. For us, resolved means we have dealt with a customers enquiry to a full resolution. We also class transferred calls as resolved as the request would be to speak to another member of staff, therefore the enquiry is resolved. If we are unable to resolve an enquiry and need to pass it on to a service representative to deal with this would be marked as unresolved. This measures how effectively we are able to meet the customer service standard of dealing with requests at first point of contact.

This is measured in different ways across the industry, but we feel this is the most accurate and meaningful way of measuring this to ensure we are delivering good customer service for our residents. Any unresolved contacts are reviewed to see if we can work with the service to increase our knowledge in some areas to increase the resolution rate. The target is then adjusted in line with any amendments. We envisage this target reducing in the coming years as more contacts move to digital channels and we are left with dealing with more complex enquiries. We have other internal service KPI's as well as a number of advisor KPI's which mitigates any risks of bias. Audits also take place regularly with all advisors to check accuracy of recording.



Commentary

Improving by 0.85%

Actions

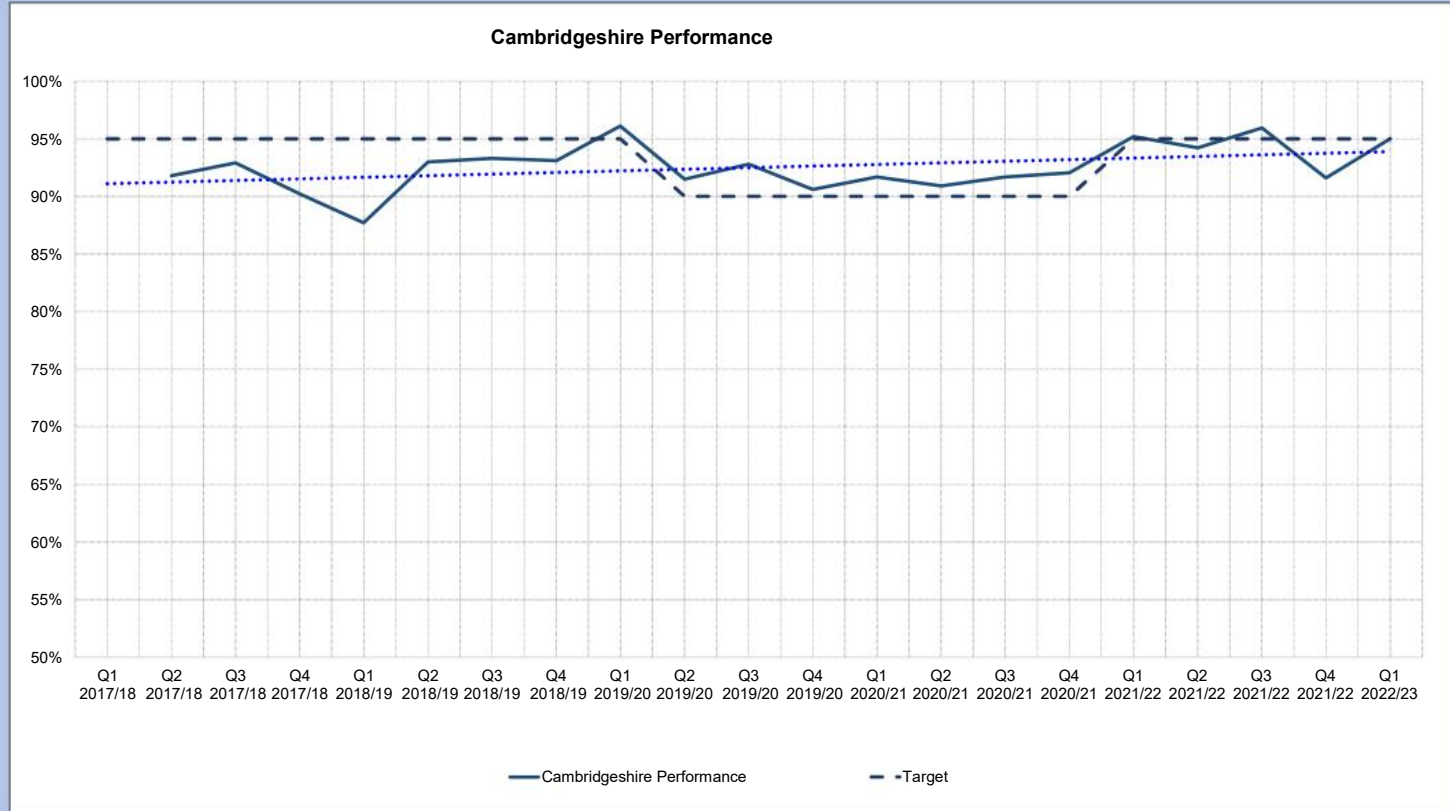
Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
95.0%	↑	95.0%	91.6%	Improving

RAG Rating

Green

Indicator Description

For IT Support, a request is defined as a new request from a user for information, advice, a standard change or access to a service. Requests will include system access requests, changes to IT profiles and laptop applications.



Commentary

During the middle of Q1, on 17 May, ITDS went live with Hornbill, the new call logging system which replaced Let's Go Direct. Therefore, these figures combine data derived from both systems which route calls differently and use a different measure for call breaches.

Actions

Target	2022-23 Forecast	Previous Quarter	Direction for Improvement	Change in Performance
6.0%	5.6%	5.8%	↑	Declining

RAG Rating

Amber

Indicator Description

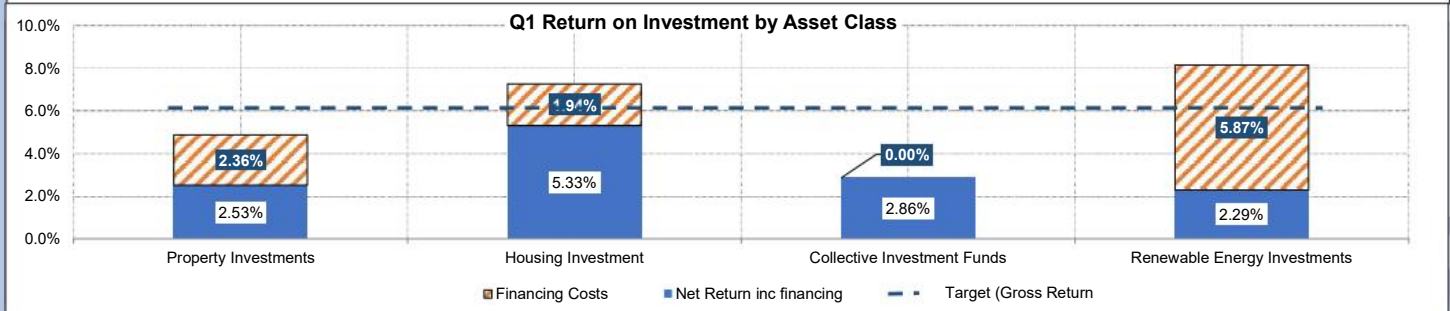
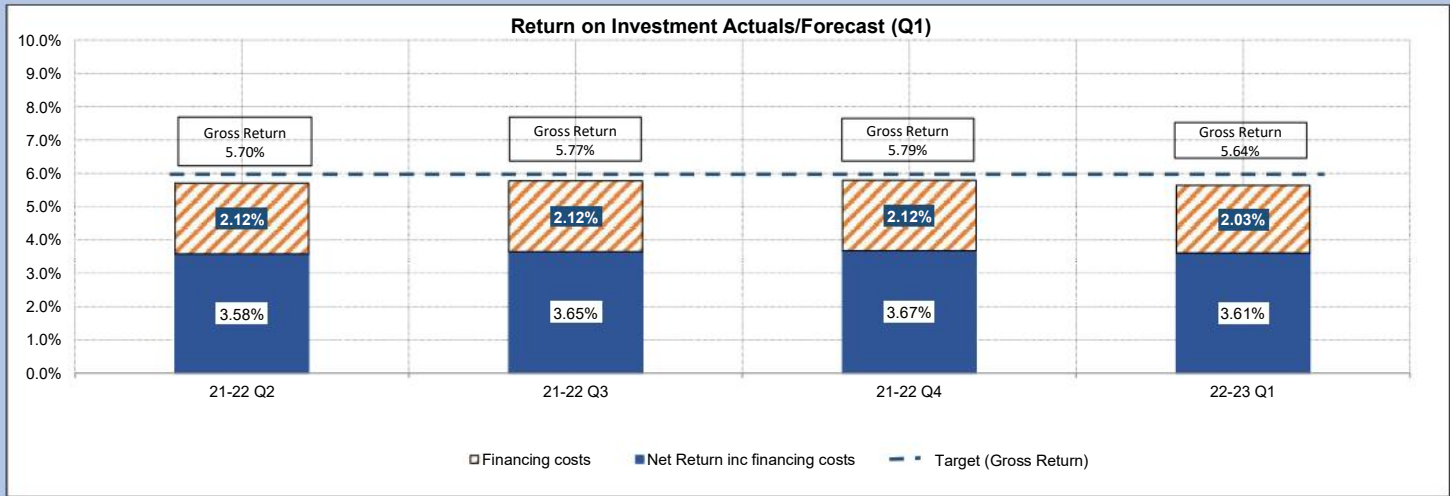
This indicator projects our expected gross income from the commercial investments that provide an income yield or interest receivable against a 6% target.

This indicator should be used to judge the performance of our commercial investment portfolio as a whole. It should not be used to predict any differences in actual income against budget. This is detailed within the Finance Monitoring Report.

The return figure includes investment that has already been made, as well as any additional investment expected within the financial year. The figures look at the full year effect, even where investments have not been held for the whole year.

The return is shown both gross (the total of the blue and orange blocks) and net (the blue blocks) of financing costs; the orange blocks therefore equate to the level of financing costs. The lower graph shows the return per asset class; different classes of asset are expected to deliver different levels of return.

This indicator reflects the income return from these assets, rather than the asset growth or total return (reflecting local government accounting regulations).



Commentary

Performance against this indicator has improved year-to-year; 2019-20: 5.4%, 2020-21: 5.5%, 2021-22: 5.8%. However, it has dropped slightly to 5.6% in 2022-23 as a result of a small decrease in interest due from loans to This Land following a scheduled repayment of one loan during 2021-22. In addition, Triangle Solar Farm has overperformed in previous years, but price changes mean it is now expected to achieve its targets rather than overperform.

The gross income forecast across these investments in 2022-23 is £17.1m, with a net income of £10.9m after financing costs.

Within this indicator, interest from This Land and from the Infrastructure Fund are performing well, as well as the return received on Triangle Solar Farm.

Amongst the directly owned property assets, the manufacturing, retail and office/lab assets are yielding broadly as expected and saw minimal disruption during the pandemic. The student accommodation and leisure assets were more challenged, however we are now seeing the occupation level at Brunswick House recover. Letting negotiations are in progress for one of the Units at Cromwell Leisure Park, but unit 1 remains unlet and has been since the investment was made. The multi-class credit fund has had periods of weak income yield which we are also keeping under review.

As a whole, the portfolio remains well diversified in the face of current economic risks.

Actions

Consider relative allocation between different collective investment funds and in view of the updated CIPFA prudential code and inflation risks.

Consider outcome of new tenant negotiations at Cromwell Leisure Park.

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
TBC	↑	n/a	n/a	n/a

RAG Rating

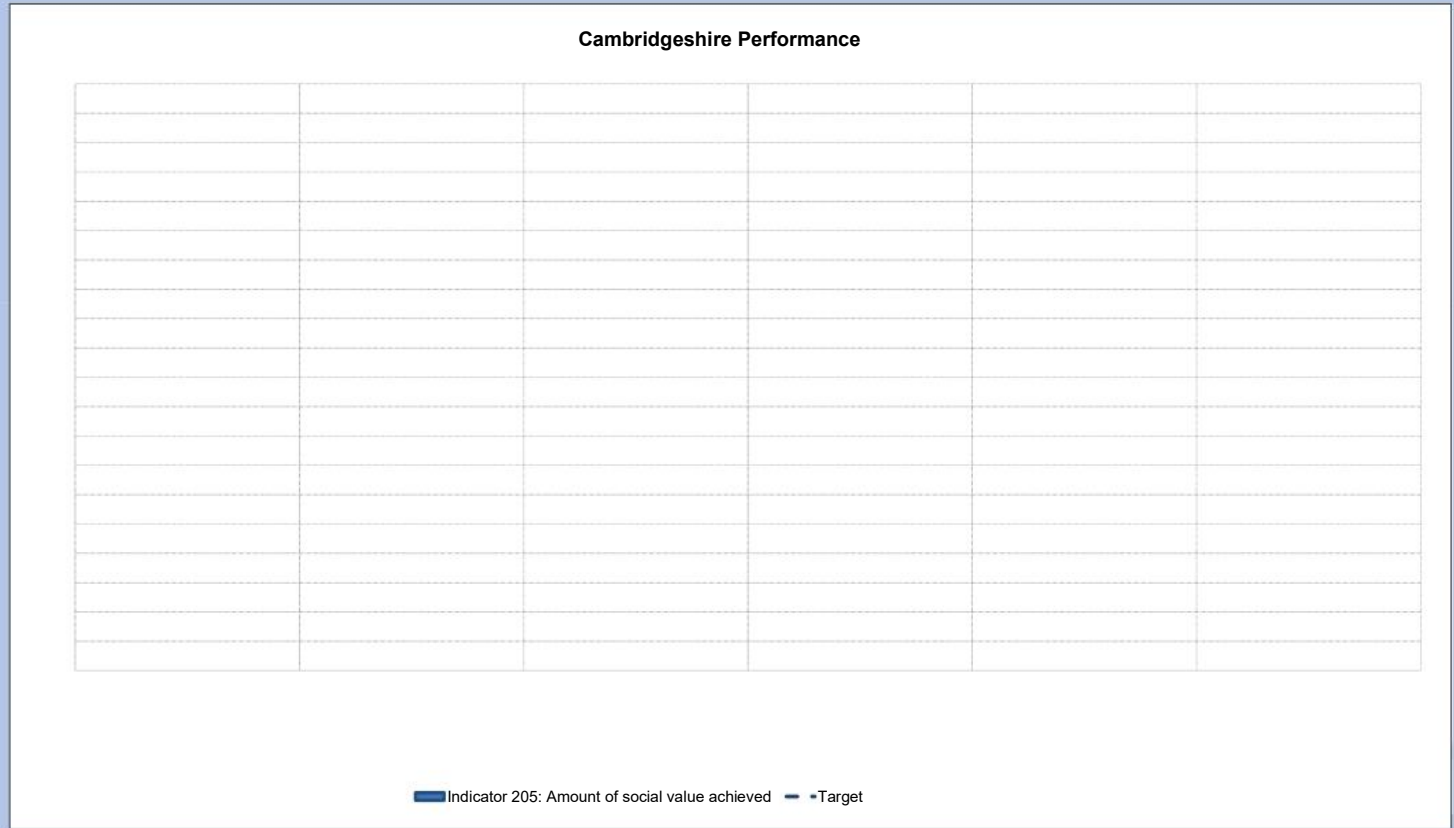
In Development

Indicator Description

Social value achieved via purchasing and contractual arrangements.

Data is currently unavailable as there are no live contracts with social value embedded. Data will be collated via the Social Value Portal and internal mechanisms.

Target of £20,000 to be delivered during 2023/24, with that target rising by £5,000 in each of 2024/25 and 2025/26.



Commentary

Useful Links

[National TOMs Framework 2019 Guidance](#)

[Social Value Portal](#)

Actions

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
2500	↑	2,427	2,043	Improving

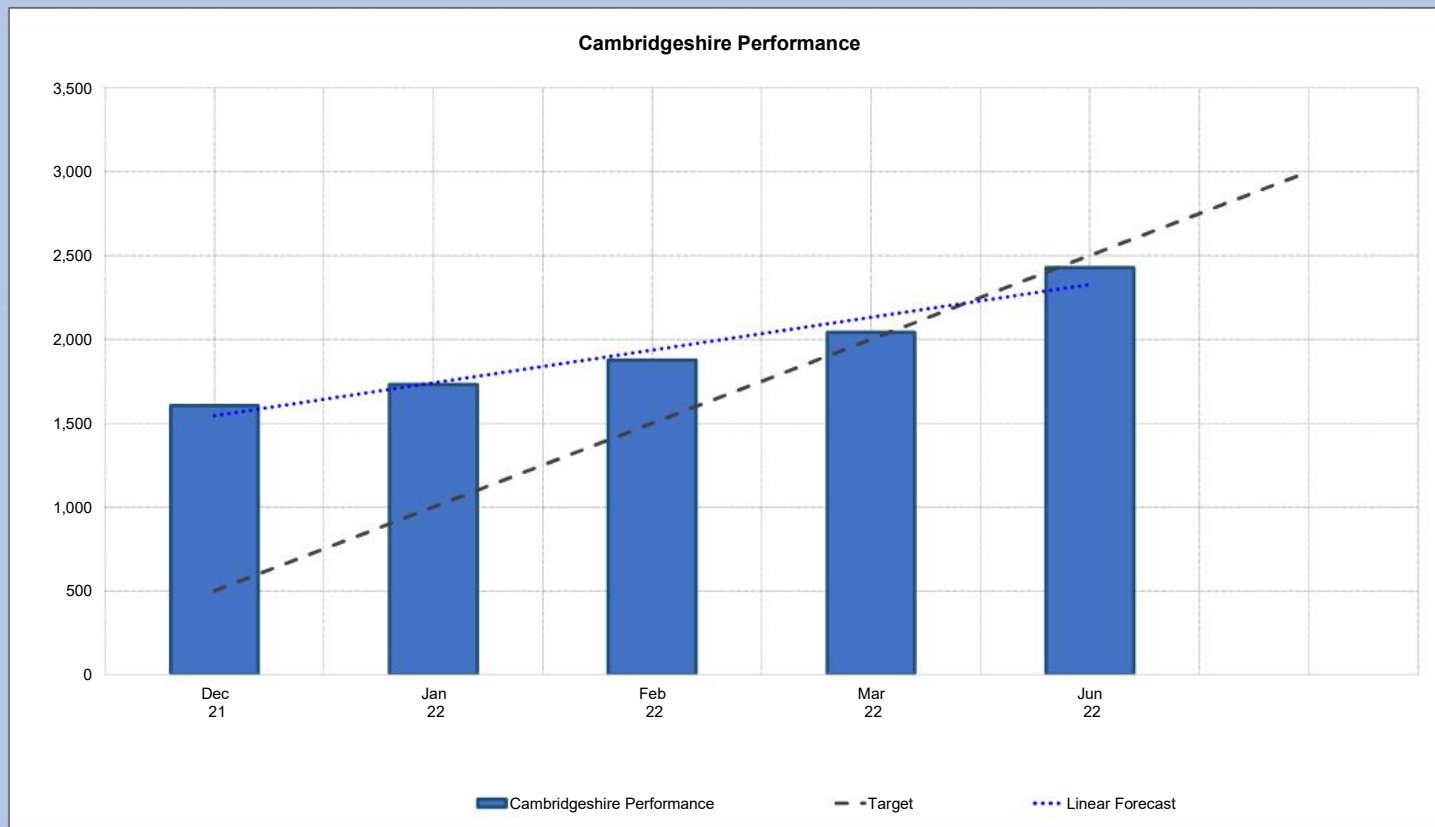
RAG Rating

Amber

Indicator Description

This indicator measures how many staff have completed the 'Introduction to first aid' eLearning course. This is a mandatory course to be completed every year, that will enable staff to have a basic understanding of first aid requirements whilst working in an agile way. Now we are starting to move back to the office all staff must have completed this course prior to working from the office as part of the Cambs 2020 programme.

Some staff do not need to complete the course as they may have already completed a more advanced course as part of their role within CCC (e.g. Reablement staff). This has informed the setting of a target of 3000 staff.



Commentary

The Introduction to first aid course was launched in October 2021. There is currently an upward trend due to it not previously being available.

Actions

Staff continue to complete the course with a monthly average of 270 completions each month. There is now 2,427 (80.9%) completion of the course against the KPI target of 3000 completions. The Health & Safety team continue to promote the course via the leadership team and the Service Health & Safety Meetings.

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
TBC	↑	10,635	10,663	Improving

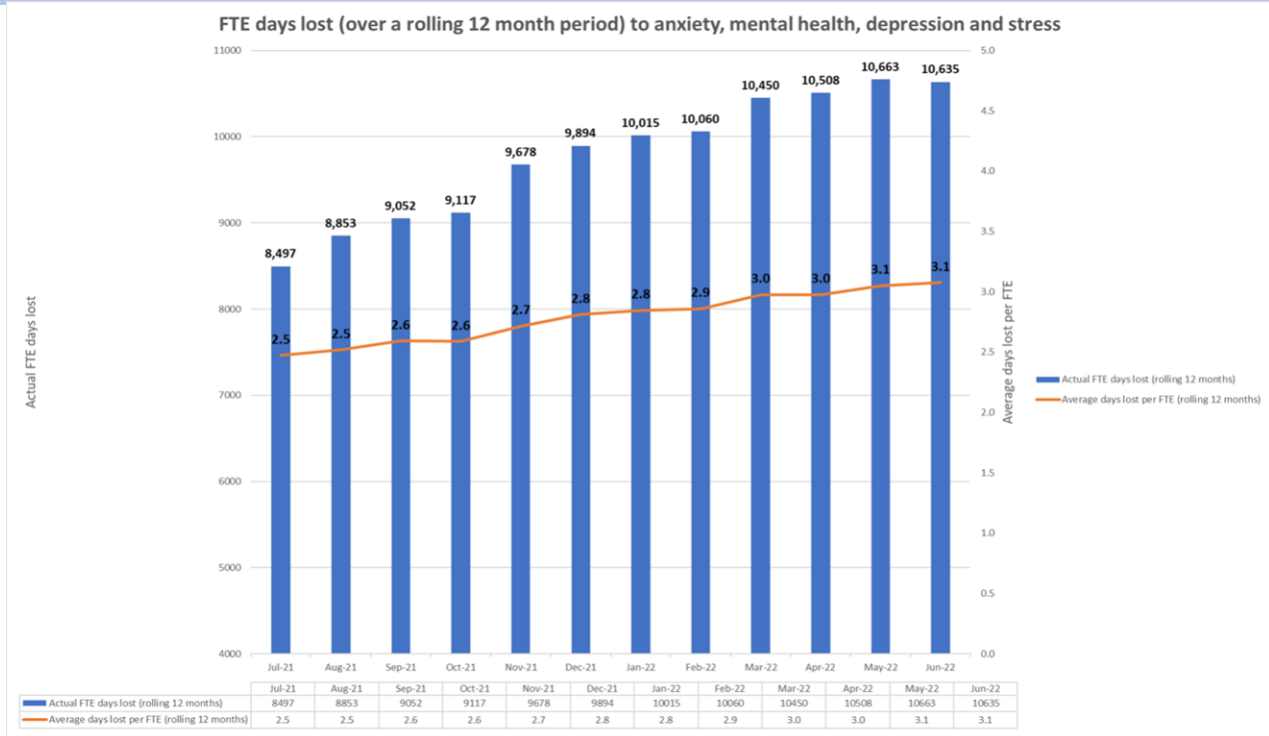
RAG Rating

Baseline

Indicator Description

The table shows a 12 month rolling absence for all CCC absence related to anxiety, mental health, depression and stress.

The actual full time equivalent (FTE) days lost is in blue. The orange line represents the average absence by FTE.



Wellbeing support

Support and interventions aimed at support for mental health and to reduce absence related to mental health conditions include:

- Employee Assistance Programme (EAP)
- Occupational Health
- Access to Work/ Remploy
- Stress MOT
- Return to work meetings
- Wellbeing Conversations and Wellness Action Plans
- Phased return/reasonable adjustments/SARA
- Mental Health First Aiders
- Agile/flexible working options
- Mental Health Awareness Training (procurement complete)
- Wellbeing Hours, blogs and promotion of resources
- Psychological support for social care teams via the ICS Hub

Commentary

The actual full time equivalent (FTE) days lost due to absence related to anxiety, mental health, depression and stress has increased during the year. Anxiety mental health and depression is the top reason for long term absence (21days+) and the 5th for short term absence. Stress is the second top reason for long term absence, and the 7th for short term.

Average absence by FTE related to anxiety, mental health, depression and stress has also risen, but at a steadier pace. As of July 2022 the average CCC employee has taken 3.1 days per year off due to anxiety, mental health, depression or stress. This increase can be linked to a general increase in absence during the pandemic, throughout the last two years.

Employee mental health is supported by the employee assistance scheme (EAP), which has seen a further increase in calls to the service in the period June 2021 to May 2022 compared to March 21-Feb 22. 1,013 calls were made during this time, with a utilisation rate (calls to headcount) of 23.6%. 93% of those calls were for counselling, with 7% for other advice, including legal. Anxiety was the most common reason for seeking support. The service continues to offer telephone and online counselling, and face to face counselling returned in this period with 112 sessions taken up.

Having accesses counselling, scores on measures for depression and anxiety improved by 50% and self-ratings for presenteeism, work engagement, life satisfaction and workplace distress all improved.

Actions

We have worked with our partners in the Integrated Care System to offer a series of bespoke psychological support sessions to social care and public health services. as a means to support colleagues in light of the impact of the past 2 years. We are continuing to increase and promote our numbers of mental health first aiders and now have over 50 across the organisation. We have procured a new provider of mental health awareness sessions, which will be offered for all employees and managers. We have increased focus on resources to support financial wellbeing.

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
TBC	➔	15.7%	15.7%	Unchanged

RAG Rating

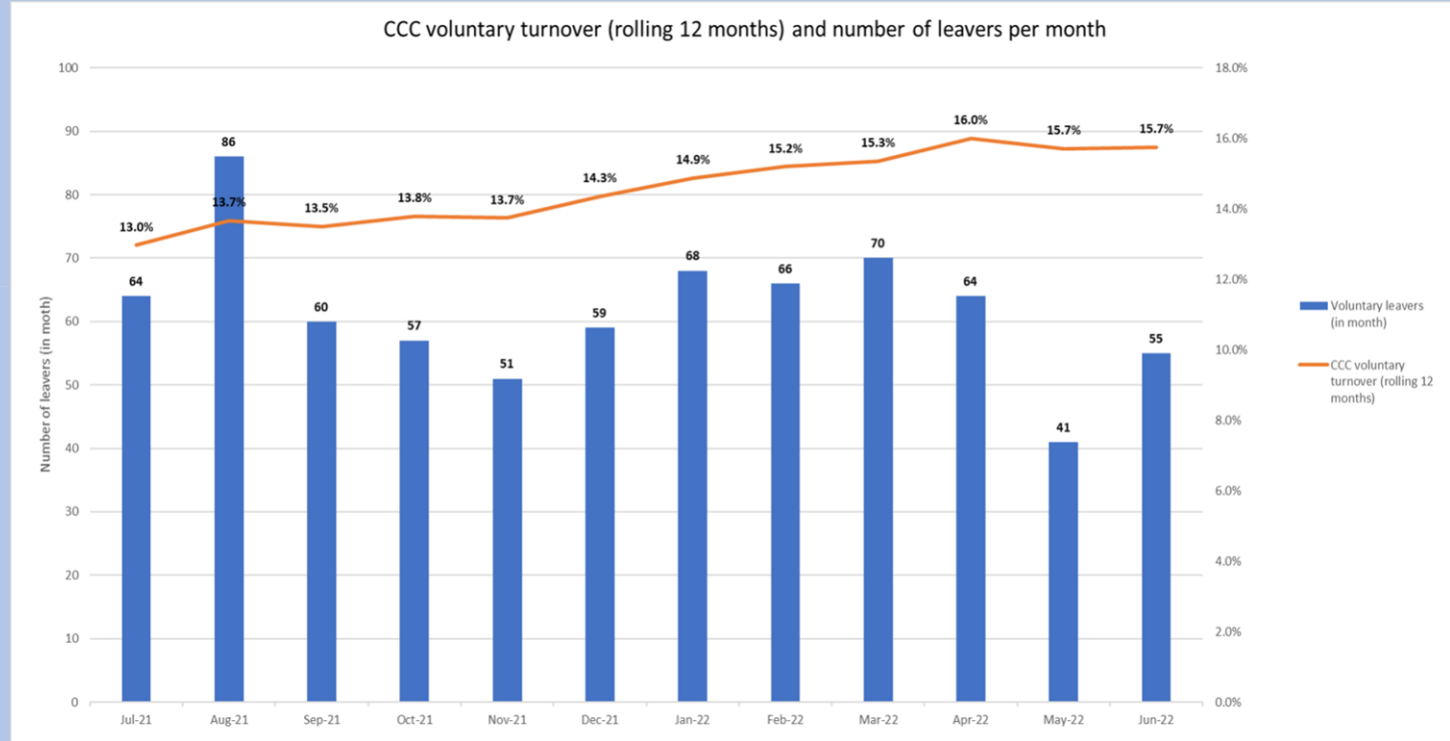
Baseline

Indicator Description

The orange line confirms the rolling 12 month average turnover which is calculated by number of voluntary leavers / average headcount over a 12 month period. The value for April 21 summarises the period May 20 - April 21.

In blue is the number of leavers for that month e.g. in April 21, 35 employees left employment with CCC. This is a count of voluntary leavers. If an employee is in two positions, both are counted in this number as they have left both roles.

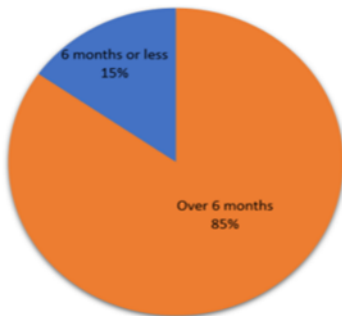
The target for this indicator is to be confirmed. The intention is to reduce turnover, specifically early attrition of people with less than 12 months' service. This KPI will be further developed to include a focus on measuring the early attrition of new starters with the aim of ensuring that our recruitment, onboarding and induction is good, and that people's experience is positive.



Turnover and Service

Of the total voluntary leavers for the rolling 12 months period ending 31 June 2022, 15% had 6 months or less service. The highest service is Adults and Safeguarding at 16.1%. The average length of service for voluntary leavers in the same period is 5.2 years (this reduces to 4.3 years when excluding those retiring)

Voluntary leavers length of service (6 months)



Commentary

Turnover in all areas of the Council has increased in the last year (as is the case in most organisations).

The Prime Minister introduced the Roadmap on 22nd February 2021, lifting restriction over a 4 step plan starting in March. At this point CCC started to see a notable increase in notice being provided and employees leaving. At CCC, over 61% of our positions have a 1 month notice period (to the employer) and we can see a direct link from the Roadmap's steps to the pattern of leavers. The impact of step 1 saw a large impact of restrictions being reduced, with the number of leavers in May being 34% more than April following the restrictions easing throughout March 21 (step 1). Step 2 and step 3 also saw the number of leavers in those months increase, but at a lower rate. Step 4 also reflected a similar effect on CCC leavers as that was seen for step 1, with a mirroring 34% increase on the previous month. Towards the end of 2021 and beginning of 2022 the number of leavers stabilised, although still more than pre pandemic levels.

Actions

HR Service have recruited a Retention Advisor who is actively involved in the Children's Workforce Programme project aimed at improving recruitment and retention of Social Workers in Childrens services. Exit interviews are being completed with a focus on Social Workers, Senior Practitioners and Team Managers, collating the data and presenting back to the board. The team are also in the process of setting up regular 'check ins' with new starters to ensure we capture and address any issues early on.

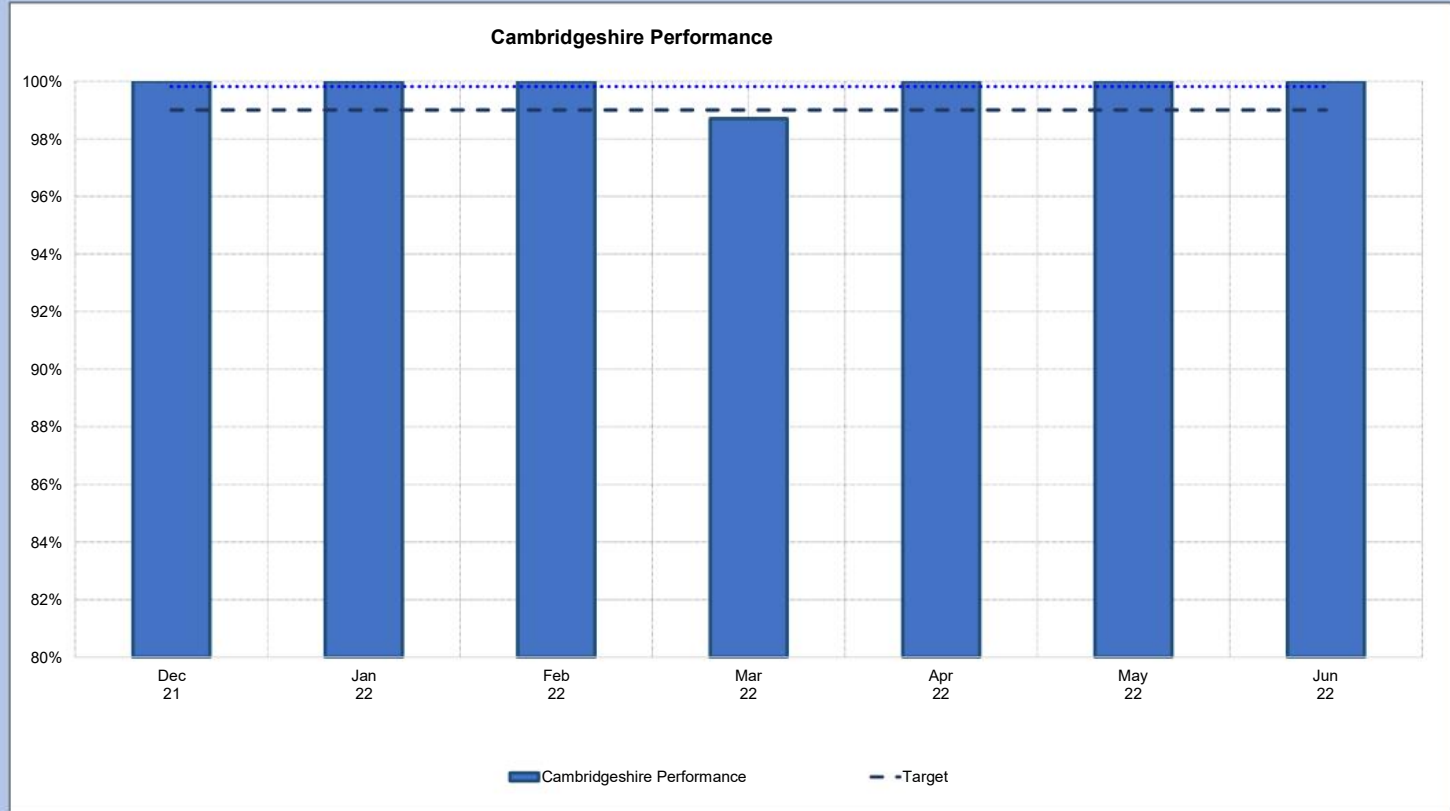
A similar process of exit interviews and closer monitoring is being completed in Adults Social Care too. Adults Social Care are experiencing high levels of turnover and are looking to widen the exit interviews offered to include Support Workers which account for a high % of leavers in the service. Retention payments are now being offered to teams facing the most challenge on retaining Social Workers and the progression panels have also been introduced.

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
99.0%	→	100.0%	100.0%	Unchanged

RAG Rating

Green

Indicator Description
 This relates to the availability of remote access to the CCC network - excluding planned outages for maintenance



Commentary
 There were no outages for remote access systems during Q1.

Actions

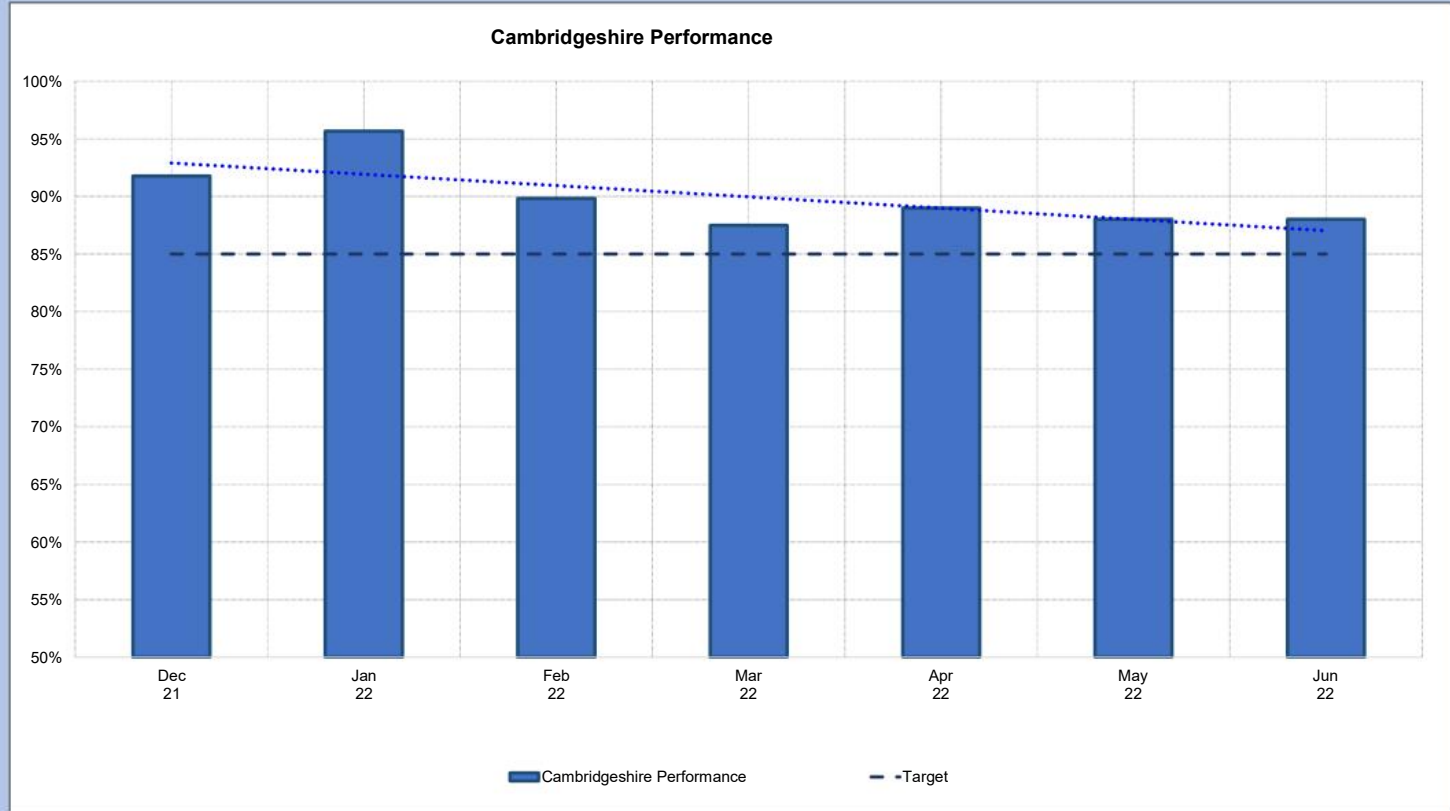
Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
85.0%	→	88.0%	88.0%	Unchanged

RAG Rating

Green

Indicator Description

Once a call is resolved, the requestor receives an email asking them to complete a survey, they are asked to judge the service between 1-5 stars. This measure will take the % of submitting Excellent



Commentary

During the middle of Q1, on 17 May ITDS went live with Hornbill, the new call logging system which replaced Let's Go Direct. This is likely to have impacted customer perception ratings as response times may have increased slightly in the run up to go live as teams attended workshops and training pre-implementation. Likewise post implementation as both IT teams and customers got accustomed to the new system.

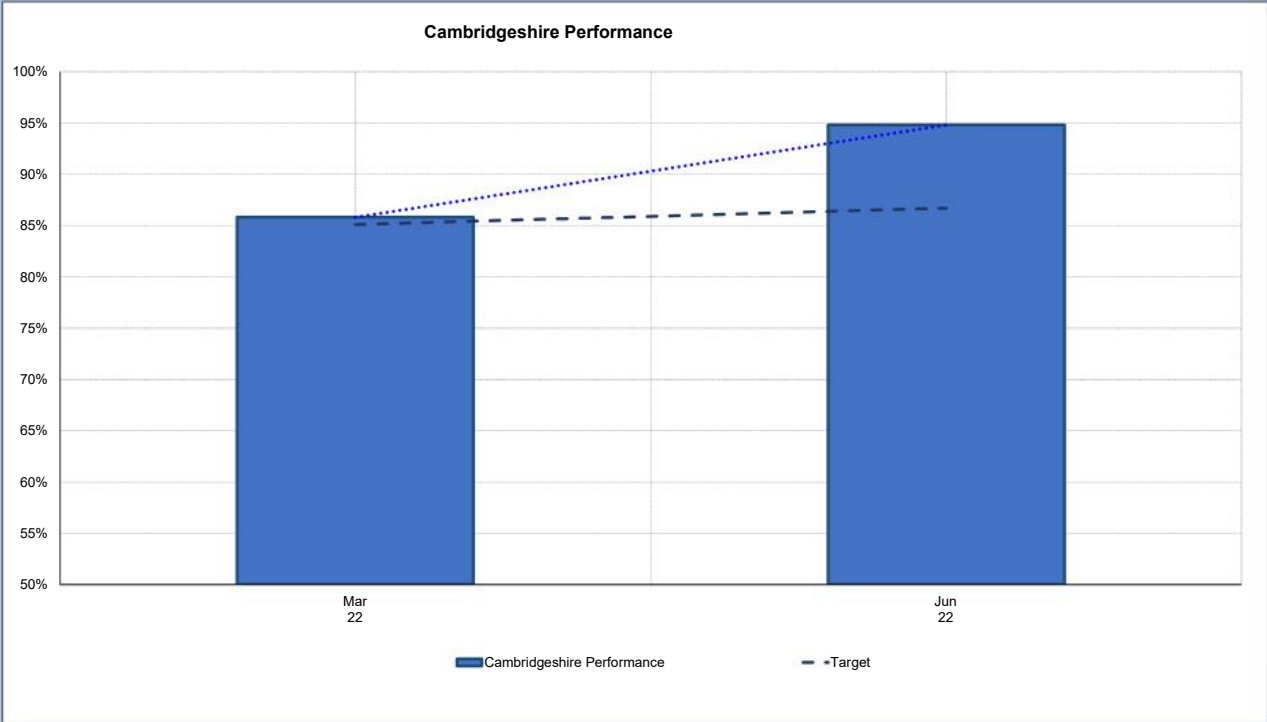
Actions

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
86.7%	↑	94.8%	85.8%	Improving

RAG Rating

Blue

Indicator Description
 Measures content quality, content freshness, security and user experience of CCC's main public website.
 Reported data is an average of weekly scores for the last week in the reported month.
 Target has been set to track at 7% above the industry benchmark score for Government.



Commentary
 The graph shows the quality assurance of the County Council website compared to the target score (7% above the industry standard).
 A number of content reviews have taken place during this period with improvements to user journey and the content itself.

Actions

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
93.2%	↑	92.7%	94.5%	Declining

RAG Rating

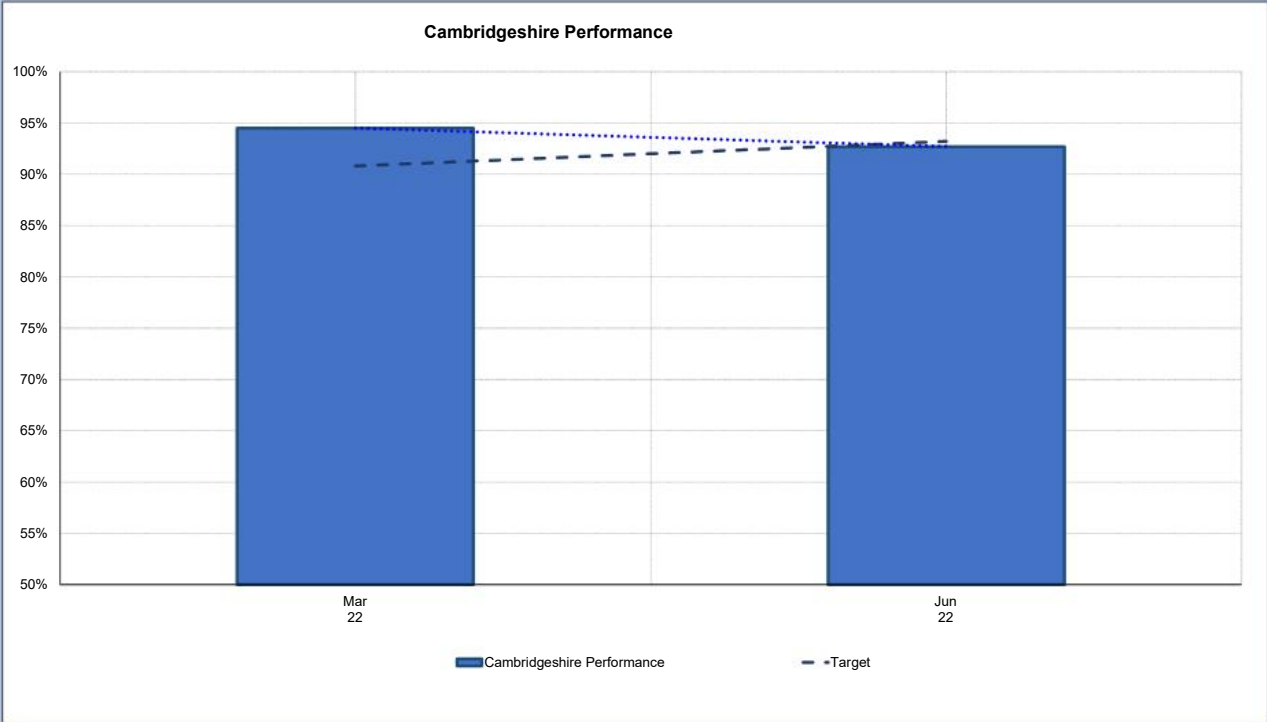
Amber

Indicator Description

Accessibility checks based on selected success criteria from the Web Content Accessibility Guidelines (WCAG), a legal international standard for accessibility. These checks cover common issues that affect a website's accessibility compliance.

Reported data is an average of weekly scores for the last week in the reported month.

Target has been set to track at 7% above the industry benchmark score for Government.



Commentary

The accessibility score has fallen by 1.8% since the last time period. This coupled with a jump in the industry standard score has meant that we are below target for this time period.

As this is a new KPI we need to investigate the new demands placed on us from the new industry standard, consider the steps we need to take to meet it, and reevaluate the target score to better reflect the websites performance in future.

The website is still scoring above 90% for accessibility

Actions

Agenda Item No.10

Strategy and Resources Committee Agenda Plan

Published on 3 October 2022

Notes

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.

The following are standing agenda items which are considered at every Committee meeting:

- Minutes of previous meeting and Action Log
- Agenda Plan, Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
16/12/22	Integrated Finance Management Report for the Period Ending 31st October 2022	R Barnes	2022/023	05/12/22	08/12/22
	Business Planning Proposals for 2023-28	T Kelly	Not applicable		
	Corporate Services Performance Report Quarter 2	T Barden	Not applicable		
	Treasury Management Report – Quarter 2*	E Tod	Not applicable		
	Professional services framework – Re-procurement	I Trafford	2022/071		
	Joint Working Agreement and S113 with Peterborough City Council	T Kelly	2022/101		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
26/01/23	Integrated Finance Management Report for the Period Ending 30th November 2022	R Barnes	2023/003	16/01/23	18/01/23
	Business Plan*	T Kelly	Not applicable		
	Children's Social Care IT System Procurement	N Curley C Stromberg	2023/007		
	IT & Digital Strategy	S Smith	2023/008		
28/03/23	Integrated Finance Management Report for the Period Ending 31st January 2023	R Barnes	2023/002	15/03/23	20/03/23
	Corporate Risk Register	S Grace	Not applicable		
	Corporate Services Performance Report Quarter 3	T Barden	Not applicable		
02/05/23 Reserve date				19/04/23	21/04/23

Please contact Democratic Services democraticservices@cambridgeshire.gov.uk if you require this information in a more accessible format

Future items to be programmed:

Microsoft ESA re-procurement –June 2023

Property Management Solution – Dec 2023

Eastnet procurement - 2025

**STRATEGY AND RESOURCES
COMMITTEE
TRAINING PLAN**

The Training Plan below includes topic areas for S&R approval. Following sign-off by 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
1.	Link Treasury Management	Local Government Finance – Third session as part of Members’ Induction Programme		November 2021	Tom Kelly	Virtual	Cllrs Bulat, Corney, Coutts, Kindersley, S King, McDonald, Milnes, Murphy, Shailer, Sharp, Taylor, Thompson, van de Ven & Whelan	14	Not applicable
2.	Performance Management training and case study research	In response to recommendations from the Peer Review and an internal audit. Members will be involved in reviewing and revising Key Performance Indicators that will be reported to Policy and Service Committees.		3 February 2022	Tom Barden	One hour session with PowerPoint presentation and live polls	All Members	18	Not applicable

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
3.	Strategic Framework	This will inform the business planning process		8 November 2022	S Grace T Kelly	1.5 hours on Teams	Strategic and Resources Committee (subs optional)		

To be programmed:

Social value in Procurement