

## Corporate Business Planning Strategies - Strategic Framework

To: Strategy and Resources Committee

Meeting Date: 30 September 2022

From: Sue Grace, Executive Director of Strategy and Partnerships

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: To provide an overview of the development of Cambridgeshire County Council's Business Planning Strategies and Strategic Framework.

Recommendation: The Strategy and Resources Committee is asked to note the content of this report

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## 1. Background and overview

- 1.1 The Strategic Framework forms part of the County Council's annual Business Plan and describes the Council's strategic approach and key priorities. It includes several key elements including:
- A **Strategic Vision**, describing the Council's long-term vision for Cambridgeshire
  - A set of **Corporate Priorities** which drive our work to achieve the vision
  - The **Council's Business Plan** which describes how we will allocate resources to deliver these outcomes within the resources we have
  - A set of **Strategies, Partnership Agreements and Action Plans** to deliver these outcomes within the resources
  - **Service Plans** which describe how each of our directorates work to deliver our Business Plan objectives and any transformational change
  - The **Performance Management Framework** which underpins our performance management and allows us to track progress
- 1.2 This paper provides an update on the progress of the development of the 2023-28 Strategic Framework and the related financial strategies.
- 1.3 Last year, the Joint Administration set out its priorities for Cambridgeshire as part of the [Strategic Framework for 2022-23](#), this forms the basis of the future 2023-28 Strategic Framework.

## 2. Strategy Development

- 2.1 We recognise that the development of the Strategic Framework 2023-28 is being considered at a time when we have a change of leadership in Government, which may have an impact on the anticipated settlement for Local Government. We also recognise the challenges brought about by the current volatile financial situation for both the Council and the people of Cambridgeshire.
- 2.2 As part of the risk assessment the Council considered when setting its business plan for 2022-27, and through the in-year budget review and reset agreed by this Committee in June, it was recognised that the heightened uncertainty related to economic conditions and inflation, the long-term impacts of the pandemic on demand for services and supply chains, and national reforms and political uncertainty required a decision to hold a higher level of general reserve, and to make earmarked provision for specific risks. This approach already appears to be well placed given the additional financial pressures that are now presenting.
- 2.3 In common with other Councils we are seeing a very significant inflationary increase, particularly across energy costs, staff pay projections, care costs and construction. Although there is not currently a multi-year financial settlement for local government, the departmental expenditure limits have been set nationally for the next two years. Tighter Council tax constraints are likely to apply for 2023 than 2022 and the scope and appetite to direct any (diminishing) fiscal headroom to local government appears to be minimal.
- 2.4 With restricted income and rapidly increased costs expected, or contractually committed in a number of areas, the budgetary outlook for the Council is significantly worsening. This

also coincides with the important financial implications emerging from the DfE High Needs safety valve programme in view of our large dedicated schools grant carried forward deficit and the regulatory risks and costs related to Waste Management – both of these items have confidential updates at this meeting.

- 2.5 Altogether this means the Council has a more challenging budgetary outlook than it did when setting its budget some months ago. Whilst the risk management and reserves approach the Council undertook enable us to consider and re-plan, given this medium-term picture it will not be sustainable for us to use one-off resources on an ongoing basis. 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.
- 2.6 In light of the above, further work is being done over the coming weeks on the financial forecasts and the development the 2023-28 Strategic Framework. This will include a workshop in November for members of the Strategy and Resources committee. The revised Strategic Framework and associated financial strategies will be considered by the Strategy and Resources Committee in December 2022. By which time we will have greater clarity on some of these key strategic issues.
- 2.7 This work on developing our financial forecasts, our budget plans and our Strategic Framework will include refining our response to the Council's priorities. We will be building on the five key areas below from our current 2022-23 Strategic Framework:
1. Environment and Sustainability – tackling climate change and sustainability
  2. Health and Care – ensuring people in Cambridgeshire enjoy health, safe and independent lives
  3. Places and Communities – ensuring Communities are inclusive, creative and equitable
  4. Children and Young People – ensuring children and young people have the opportunity to thrive
  5. Transport – enabling safer and sustainable travel around the county
- 2.8 Other corporate, enabling strategies are also in development such as the People Strategy; the IT & Digital Strategy; our Equalities, Diversity and Inclusion Strategy; a Sustainable Procurement Strategy and a Strategy setting out how we intend to maximise the benefit of our land and property assets. These enabling, council-wide strategies will also help to facilitate the delivery of our priorities.
- 2.9 The financial strategies that are being updated to be considered alongside the Strategic Framework in December are:
- 2.10 **Medium Term Financial Strategy (MTFS)** which sets out the financial context facing the Council over the coming five years, the resources available to the Council, and the Council's strategy for managing its resources effectively.
- 2.11 The **Capital Strategy** which describes how the Council's investment of its capital resources over the next ten years, matched by investment from key partners, will contribute to the Council achieving its Vision and Priorities, as outlined in the Council's Strategic Framework. The Capital Strategy is concerned with all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding. It is updated each year as

part of the Business Planning process.

- 2.12 **Treasury Management Strategy** which establishes the approach to effective and efficient management of the Council's treasury management activity. This includes the Council's investment portfolio which operates, within legislative, regulatory, and best practice regimes. The Treasury Management Strategy needs to balance risk against reward in the best interests of stewardship of the public purse.
- 2.13 An additional element to our Strategic Framework for 2023-28 will be taking a Triple Bottom Line approach to our future activity. This will enable us to consider and measure impact through the three lenses of 'social', 'environmental' and 'financial'. This approach will provide assurance that we are considering the social, environmental and financial consequences of our activity in a balanced and consistent way.

## 3.0 Decentralisation Update

- 3.1 A key means of delivering our Vision for Creating a Greener, Fairer and more Caring Cambridgeshire, and a key aspect of our future Strategic Framework, was set out in the paper [on Decentralisation presented at the June Strategy and Resources Committee](#). Following this meeting a [paper was presented to the July Communities, Social Mobility and Inclusion Committee](#). This set out the role that the Think Communities service can play in delivering the policy framework for decentralisation.
- 3.2 In July the revised Corporate Leadership structure was confirmed, with implementation of the new structure beginning on 1 September. This new structure brings together our community facing universal services, our Communities, Libraries and Skills services, and moves them into the corporate Strategy and Partnerships Directorate. The aim of this is to drive forward our commitment to:
- Involving communities in our decision making and design;
  - Deepening relationships with voluntary and community sector organisations, District, Parish and Town Councils and other public sector partners;
  - Ensuring that Social, economic, and environmental impacts will be given equal consideration in our decision-making processes;
  - Enabling our local presence to be navigators and reference points for all local public services;
  - Understanding where and how a greater proportion of our resource (workforce and budget) can be invested through decentralised approaches and structures.
- 3.3 In the light of the significant pressure of the cost of living on many families across the county our immediate focus will be on how we can strengthen our support to families in need. We will continue to carry out this work in conjunction with our partners, including the Cambridgeshire & Peterborough Combined Authority, the Greater Cambridge Partnership, the District and City Councils, local businesses and our voluntary and community sector partners.
- 3.4 We are actively considering how we can increase the 'wrap around' support we offer through the delivery of the Household Support fund; what our contribution can be to the national Warm Spaces initiative; and how we can support members of the public, and our

front-line staff, to access support swiftly for people who are experiencing hardship. We will maintain our communications to our staff and the public about the help that is on offer.

## 4. Alignment with corporate priorities

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

This paper describes the development and progress of the Corporate Strategy for 2023-28 which includes reviewing and updating all the priorities in line with the Council's Vision and Priorities.

## 5. Source documents

- 5.1 Source documents

[Strategic Framework 2023-23](#)

[Decentralisation: Strategy & Resources Committee, June 2022](#)

[Decentralisation: CoSMIC Committee, July 2022](#)