STRATEGY AND RESOURCES

Monday, 27 June 2022

Democratic and Members' Services
Fiona McMillan
Monitoring Officer

New Shire Hall
Alconbury Weald
Huntingdon
PE28 4YE

10:00

Multi Function Room, New Shire Hall, Alconbury Weald, Huntingdon, PE28 4YE
[Venue Address]

AGENDA

Open to Public and Press

CONSTITUTIONAL MATTERS

1.	**Notification of Chair and Vice-Chair (oral)**	
2.	**Apologies for absence and declarations of interest (oral)** *Guidance on declaring interests is available at* *http://tinyurl.com/ccc-conduct-code*	
3.	**Minutes – 29th March 2022 and Action Log** **Item Title** View minutes here Strategy and Resources meeting 29/03/2022	**5 - 6**
4.	**Petitions and Public Questions (oral)**	

KEY DECISIONS

To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraphs 3 & 5 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, as it refers to information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

16. Cambridgeshire Guided Busway (circulated separately)

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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

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Agenda Item No.3

STRATEGY AND RESOURCES COMMITTEE MINUTES-ACTION LOG

This is the updated action log as at 17th June 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 29th March 2022					
Minute number	Item title	Responsible officer(s)	Action	Comments	Completed
58.	Joint Agreement and Peer Review Action Tracking	Stephen Moir Amanda Askham	Report on Shared Services to be presented to the June meeting.	Report being prepared and will be submitted to the June meeting of the Committee.	Complete
59.	Integrated Finance Monitoring Report for the period ending 31 January 2022	Tom Kelly	Briefing note on the background to recommendation d) to be circulated to the Committee.	E-mail circulated on 22 April 2022.	Complete
60.	This Land Monitoring Update	Tom Kelly	To arrange a workshop to discuss the new This Land Business Plan.	The workshop has been arranged for 21 July 2022.	Complete
67.	Corporate Risk Register	Neil Hunter Tom Kelly	Agreed to review the impact of inflation on the risk relating to sufficient budget to deliver agreed short and medium-term objectives.	Inflation risk has been considered as part of the budget reset adjustments proposed in the Integrated Finance Monitoring Report (to May 2022) considered at this meeting. This includes budget uplifts due to inflationary pressures. Based on this assessment, and the further sums held for this contingency, the Council assesses	Complete

				it has sufficient budget to deliver the agreed objectives this financial year. Economic context is also covered in the treasury management report considered at this meeting. This risk has been reviewed and inflationary pressure added to the triggers already identified when considering proportionate mitigations (controls/processes) and residual risk assessment. The risk register is due for consideration again by this committee in the Autumn.	

Agenda Item No.5

Decentralisation

To:	Strategy and Resources Committee
Meeting Date:	27 June 2022
From:	Amanda Askham, Director Business Improvement & Development
Electoral division(s):	All
Key decision:	Yes
Forward Plan ref:	2022/069
Outcome:	The outcome of a well implemented decentralisation approach will be services that are closely tailored to the needs and wants of local communities and which make the most of existing assets, connections and expertise to drive a just transition to a greener, fairer more caring Cambridgeshire.

Recommendation: The Committee is asked to:

a) agree to the policy framework that drives the Council's decentralisation approach, sections 2.1;

b) agree the design principles for decentralisation work, as laid out in section 2.3; and

c) note and endorse the next steps and pilot approach in sections 4.1 and 4.2.

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1. Background

1.1 In February 2022, Full Council agreed a vision and a set of priorities to create a greener, fairer and more caring Cambridgeshire. These priorities drive our Business Plan and Budget and flow through our all of our planning and service design activities.

1.2 To deliver this vision for Cambridgeshire, the Council has a strategic framework, made up of a number of policies, each with an associated action plan. Throughout the framework, the Administration has put particular emphasis on people centred, place-based approaches, which build on the strengths, diversity and needs of Cambridgeshire's local communities.

1.3 In May 2021, as part of the Joint Administration Agreement, Councillors tasked officers to consult with partners and with communities on ways to devolve more of the Council's services and budgets to be managed locally. The Communities Social Mobility and Inclusion Committee was asked to advance this approach in an evolutionary and differentiated way, according to dialogue with local communities, varying powers according to local demands and different sized areas based on local identity.

1.4 In March 2022 the Communities Social Mobility and Inclusion Committee agreed the following high-level elements of this decentralisation approach:

- That the overall purpose of decentralisation is to improve Council decision making, and thereby outcomes for Cambridgeshire residents, by giving residents more opportunities to influence decisions that affect them
- That the work of officers across the Council being more embedded in local communities is one of the main ways for decentralisation to fulfil that overall purpose

1.5 The COSMIC committee paper also highlighted the following principles of decentralisation:

- Even global or national challenges are often best addressed locally by services and partnerships that respond to the needs and goals of the people they serve
- The design of Council services should be as informed by the residents and communities they affect as possible
- Council officers working more closely with local communities and members enables residents to have a higher quantity and quality of opportunities to influence decisions that affect them
- Genuinely bottom up, local-driven change can reach its full potential when the expertise and resources of the Council are more accessible to residents
- The term 'communities' must be understood in both its geographical and non-geographical senses, to recognise that some residents, such as those in marginalised groups, do not yet have equal access to opportunities to influence decisions.

1.6 The Communities Social Mobility and Inclusion Committee also recommended that the next stages of the work should be considered by Strategy and Resources Committee to ensure that it connects with other strategic priorities, legislative changes and priorities across the Cambridgeshire public sector system.

1.7 This paper outlines the decentralised policy position and proposed outcomes that would lead the Council towards more prevention, greater and more inclusive community involvement in decision making and social justice within sustainable means.

2. Policy position, Outcomes and Principles

2.1 What is decentralisation and how does it fit with the Council's framework of policies?

Decentralisation is an approach to governance, operation, and engagement. The Council is adopting this approach to achieve better outcomes for people living in Cambridgeshire. To set aspirations and targets for these outcomes, we work with communities, families and individuals as well the available data, to understand and assess need. We then use evidence-based interventions, best practice and innovative approaches to inform our policies. These policies give us the 'rules' for service planning and design so that we have the best chance of delivering the outcomes we are looking for.

By working with Members and officers across all policy and service committees over the last year, the Joint Administration now have a set of policies that inform the approach to decentralisation. These include:

- *Just Transition:* environmental sustainability, addressing poverty and inequalities, sustainable economy and public sector spending, and place-based development
- *Place-Shaping:* building a positive and distinctive sense of place in local communities through socially, economically, and environmentally balanced development with residents
- *Social Mobility:* the link between a person's occupation or income and the occupation or income of their parents
- *Anti-Poverty:* providing a safety net for those who are in poverty – such as income maximisation and winter warmth measures - and approaches for lifting people out of poverty
- *Community Wealth Building:* people-centred local development that aims to retain wealth in the local economy
- *Doughnut Economics:* working toward 'a world in which every person can lead their life with dignity, opportunity, and community – and where we can all do so within the means of our life-giving planet' (Raworth 2017: 43)
- *Triple Bottom Line (TBL)* provides assessment across social, environmental and financial factors using service qualitative and quantitative data.

2.2 These policy intentions interrelate in various ways, but they all move toward the same outcomes for residents and communities. Within this policy context, operating in a more decentralised way will enable the outcome of:

Cambridgeshire residents and communities are empowered to direct a Just Transition to the safe and just space on their own terms.

This also has the additional advantage of being self-reinforcing: the closer residents and communities approach the safe and just space, the more their capacity to direct themselves to it increases, because their resilience and ability to articulate their priorities to the local authority increase. This goes hand in hand with the most common and widely articulated justification for decentralisation, that local people and places understand their own strengths and challenges better than anyone else can and are therefore best placed to lead or inform action regarding them.

2.3 Communities across Cambridgeshire are all different, and we recognise the strength of these distinctions. All work to decentralise our services will be responsive to local need. However, it is important to have a set of principles to guide a cohesive approach and to help us plan change across the Council:

a) A greater proportion of our resource (workforce and budget) will be invested through decentralised approaches and structures
b) We will involve communities in our decision making and design. We will particularly seek to involve and assist disadvantaged communities, groups and individuals in line with the Council's commitment to combat poverty and promote inclusion
c) We will deepen relationships with voluntary and community sector organisations, District, Parish and Town Councils and other public sector partners - working together through our democratic roles and most suitable governance structures to deliver the best outcomes for communities
d) Social, economic, and environmental impacts will be given equal consideration in our decision-making processes
e) Our local presence should seek to be navigators and reference points for all local public services. Opportunities to apply this approach should be pursued by the Council's land and property functions.

2.5 A number of services within the Council are already carrying out work which is aligned to these proposed principles of decentralisation. We now need to learn from where this has been successful, formalise and embed the approach and push into new areas where delivery could and should be decentralised.

3. Current position

3.1 To maximise the opportunities presented by a decentralisation approach and to understand the changes we need to make over the coming months and years, we need to understand where we are now. To start this work, the Council's Policy team has carried out a desktop diagnostic review of current service delivery models against the principles of decentralisation and developed case studies and examples of current and emerging decentralisation approaches.

3.2 <u>Principle a: A greater proportion of our resource (workforce and budget) will be invested through decentralised approaches and structures</u>

This principle captures how we deploy our people and budget in local places and also how communities can increase their control of and access to their local services.

When we analyse our workforce, there are some differences in how closely teams are based in and accountable to local places and people depending on the nature of the service and activity. For example, a high percentage of our people who work in Adults and Children's services are associated with a particular patch or community, whereas in Place and Economy there is a mixed picture of teams who work in specific places – for example in recycling centres – and those who have a strategic role over the whole county.

Nearly 70% of the services which the Council funds (either through directly employed workforce or commissioned services) are delivered directly to individuals and families. This could be early help, care or reablement delivered in someone's home; learning delivered to children in schools and settings; or Public Health services such as Weight Management, Health Visiting and Sexual Health services which are delivered through GP surgeries, schools, community settings and in some cases, people's homes.

Whilst these services are planned on a local basis and differentiated to respond to the assets and needs of each community, there is a still a significant shift to be made to achieve a model where services can all be accessed and shaped at a very local level.

No single model of decentralisation will be applicable – or appropriate – across all services so we have started to view the "journey" to decentralisation through the following three lenses:

- COMMUNITY ENGAGEMENT – the extent to which the service has contact with and is shaped by the community
- RESOURCE PLANNING – the extent to which residents are involved in making decisions about how resources are deployed
- ACCESSIBILITY – the extent and ease with which residents can make use of the service.

Example: Community Flood Groups

- The Council supports members of the community who wish to create a "Community Flood Group" and develop a local flood risk action plan to identify and mitigate against flood risks in their community. In addition to groups taking action to prevent flooding and protect property when flooding occurs, they assist in the development of better local intelligence regarding flood risk.
- A grant fund is available for community flood groups to carry out (or pay for) flood risk reduction work (clearing of culverts, for example) where a river bank owner cannot be identified or is unable to carry out the work.
- The Environment Agency is fully supportive and can provide physical resources to assist with flood risk mitigation.
- Once established, groups are supported to develop their own plans and direct work in their communities, but then sustain themselves and their work.

As part of the Cambs 2020 programme, a Hub and Spokes approach was adopted so that teams and services could be based as close to the communities they serve as possible, with a Civic Centre for members and corporate services. This model was disrupted by the pandemic but is now continuing the planned programme of community hubs, where public sector teams can be co-located to advance the aim of flexible, coordinated working which is responsive to local need.

3.3 Principle b: We will involve communities in our decision making, design and activity

We do have some good examples of engagement in design of service delivery. Some of these show strong engagement at the point of delivery and others are further upstream, demonstrating involvement in design or services and allocation of resources.

Example: Swaffham Prior Heat Network

Residents in Swaffham Prior, a village of around 300 homes in East Cambridgeshire, came to us to initiate a collaborative project when they recognised the need for a change in the way they heated their homes. This was partly driven by response to the Government's plans to phase out gas and oil boilers and partly by a community desire to become a more environmentally sustainable.

The Swaffham Prior Community Land Trust has worked closely with the council on a project to bring renewable energy to the village. The ambition is to:

- End fuel poverty
- Reduce dependence on oil
- Provide cheaper, renewable heating to as many homes as possible

Over half the village have already outlined their intention to join the Heat Network and to become one of the first villages in the UK to install a sustainable heating network into an existing community.

Example: Deliberative democracy

The Council is one of four partners in the Greater Cambridge Partnership (GCP), the local delivery body for a City Deal with central Government which brings powers and investment, worth up to £500 million, to the county. Initially examining issues around traffic congestion, air quality and public transport in the Cambridge area, the GCP convened a broadly representative 60-person Citizens' Assembly in 2019 to consider a range of documentary and expert evidence related to the subject. This was supported by the Innovation in Democracy Programme funded by central government.

- After considering the evidence, the Citizens' Assembly presented a series of recommendations in late 2019, with the GCP Board committing to make a detailed response by Summer 2020.
- The GCP board adapted existing plans to ensure that there were clear connections between the views of the assembly and the work programme of GCP going forward, through the Future Investment Strategy.
- A progress report was made in January 2021 outlining the ongoing investment programme for public transport, congestion and air quality and the progress made against the assembly's recommendations.

We also have some clear examples of where lived experience and community voice has changed the way we think about our service delivery and work with partners. A good example of this would be the public 'hacks' that informed our multi-agency Best Start in Life strategy and the recent work in Adults services:

Example: Participation in Adult Services – co-production, involvement and engagement activities which enable Cambridgeshire's residents to have a real voice in the design and delivery of their local services:

- Adult Social Care Forum and Partnership Boards – Support for the bringing together of experts by experience/carer representatives and staff from voluntary and community sector providers and statutory services, to help drive forward the continuous improvement of social care practice and commissioning to ensure the highest quality and best value services for Cambridgeshire residents. This includes working with Healthwatch Cambridgeshire, who run three place-based Health and Care Forums in Cambridgeshire.
- Personalised Care agenda – Ensuring that ASC is represented, consulted and influences NHS Personalised Care workstreams. Facilitating an integrated person-centred placed-based approach and in doing so supporting joint working and helping to prevent duplication across health and social care services.

As part of our work with the NHS on the Cambridgeshire & Peterborough Integrated Care System, we are developing a local shared commitment and approach to co-production and the use of co-production in Council activities, for example when: reviewing service provision (for example, the Day Opportunities review workstream); developing service specifications; developing strategies/policies, etc. Although this work is progressing well in the ICS and in Adults services, we have not expanded this work into a systematic approach across all Council activities.

Example: Learning Disability Partnership (LDP)

- The LDP multi-disciplinary teams operate on a locality basis where each of the teams are well cited on networks and available resources within their community, including the voluntary and charitable sectors. The people the teams support, and their informal carers are actively encouraged to participate in local groups and forums. The LDP teams also provide localised support in a number of ways:
- Speak out Council locality reps meet with Think Communities navigators routinely and the LDP will participate in this, with an aim to ensure LD is properly engaged in the Think Communities agenda.
- The teams strive to ensure they have a nominated link worker (Nurse) with each of the GP surgeries to enhance joint working with the people we support. A new fixed term role has been introduced to promote the uptake of Annual Health Check's (a challenge at present due to nurse vacancies) will enhance this.
- The LDP teams have actively promoted the Individual Support Fund pilot, to ensure that it is accessible to all within the community, not just older people.

During the pandemic we worked well with communities to solve problems that needed collective effort and multiple perspectives. We must build on this experience and learning to use the collective expertise and commitment of our communities to work on today's big societal issues. We know, for example, that our Climate Change and Environment Strategy depends on work being done at the local level and that this work will be as diverse and bespoke as the environmental assets and priorities of local places.

Further work on policy and mechanisms for involving communities and individuals in the design of policy and services or in the decision which may affect their local places is now needed to meet decentralisation principles.

3.4 Principle c: We will deepen relationships with voluntary and community sector organisations, District, Parish and Town Councils, other public sector partners, and community groups- working together through our democratic roles and most suitable governance structures to deliver the best outcomes for communities

Example: The Library Presents
Our libraries service is delivered through 33 static and 3 mobile libraries offering a unique reach and presence in communities across the County. Libraries are seen as safe, neutral, trusted and accessible facilities providing services which remain free at the point of use. They provide opportunity for all for cultural and creative enrichment increased reading and literacy, improved digital access and literacy, healthier and happier lives, and greater prosperity. They are also places where the community can come together as a group and share experiences.

In many places across Cambridgeshire, libraries are becoming community hubs where people can either access or be signposted to support and activity. Programmes like The Library Presents takes over 100 great quality arts events into libraries across the county each year and is designed with groups and individuals at a local level with a focus on locations furthest from cultural opportunity.

The programme is aligned to the Social Mobility agenda; we prioritise work in communities in the most deprived areas and places with least access to culture. We also deliver focused work with priority groups and are currently working on accessible and inclusive content and delivery: particularly for Deaf audiences; engaging more closely, through community contacts, in order to address the Council's social mobility agenda; young people in identified geographical areas; families with English as a second language.

There are numerous examples of working in partnerships - whether formal or informal – across the Cambridgeshire and Peterborough public sector system. The system response during the pandemic really exemplified what we achieve when all parts of the system and voluntary and community organisations and communities themselves gather around a common purpose. Our work going forward must retain the best of our learning during the pandemic and we know that crossing organisational boundaries, sharing resource, information and skills and giving everyone permission to act in the best interests of our communities lay at the heart of our response.

A key part of taking this work forward and tackling the deep inequalities that persist across the County is the new Integrated Care Partnership (ICP). This relies on deep collaboration and action from NHS, all tiers of Local Government and voluntary and community organisations to develop an 'integrated care strategy' for Cambridgeshire and Peterborough's whole population. The integrated strategy will use the best available evidence and data from all parts of the system and will cover health and social care (both children's and adult's social care), to address the wider determinants of health and wellbeing.

The Council's policy framework, with a focus on supporting the vulnerable, tackling inequality and poverty, health in all policies and moving services closer to places and people (decentralisation) is strongly reflected in the priorities and strategies being developed through the ICP and the Health and Wellbeing Board (HWB).

Of course, partnership work across the system in both Adults and Children's Social Care is broader than the work with the developing ICP and collaboration supports delivery and outcomes across many service areas.

Example: Partnership work in Adults Services–

- **Time Currency Schemes** – The Think Communities team and lead ASC representatives provide support to the two time-based currency schemes operating in Cambridgeshire: Time banking and Time Credits. These schemes build community resilience and help people to stay independent, safe, well and living a fulfilled life.
- **Stay Well** – Lead ASC representatives provide support to the multi-agency group which works across the local health and social care system to mitigate the risks associated with cold weather to the health and wellbeing of most vulnerable groups who live in cold homes due to fuel poverty.
- **District and City Community Resilience Hubs** – Lead ASC representatives at groups such as the Cambridge CRG ensuring ASC messaging is a focus, making strategic links around ASC services, providing support for individual cases raised by community and Mutual Aid groups to ensure people are aware of the correct pathways to help.
- **CCG Social Prescribing Digital Platform** – Support for the mobilisation of the Joy Social Prescribing Digital Platform. Commissioned by the CCG (for three years) to provide a case referral management platform as well as a public-facing marketplace across the Integrated Care System in Cambridgeshire and Peterborough geographical footprint

The Council's Think Communities approach has been a key part of building place-based and place focused teams, developing close and practical working relationships with district and parish councils, parts of the local NHS system, voluntary sector organisations and other public sector partners. These relationships enable locally based staff to link communities not only with County Council functions, but with other services that they may require. Local bases allow teams to develop a clear understanding of the community "landscape" in their area and highlights the value of identifying and engaging with stakeholders to simplify access to services for our residents.

Examples of the Think Communities approach working in practice include the development of local networks to create whole-system approaches to food poverty, the extension of the "hub" model for tackling poverty and the Homes for Ukraine programme. Some of this work has been very much in and with the community physically, but equally virtual access has been an effective route to parts of the community which can otherwise remain hidden.

Example: Cambridgeshire Hub – mixed delivery pilot
A virtual “hub” – self-accessed via the Council’s website, by helpline or through referral from a trusted partner network – offers access to a series of support options, including direct payments to alleviate immediate hardship. The hub model – originally developed to co-ordinate the community offer in response to COVID-19 - provides a point of access to the Council for those in immediate hardship; services aiming to build on the initial engagement to develop a longer-term budgeting plan for the resident to support financial resilience.

While the majority of residents use the on-line application, the trusted partner network makes “frontline” decisions on resources directly, drawing on vouchers or direct payment as appropriate to the immediate need. The trusted partners include organisations that operate locally, within districts and across the county but all are in direct contact with residents to deliver the service. The network enhances the capacity to maintain support for residents through additional advice and signposting towards other financial support.

The Trusted Partner Network is a group of voluntary and public sector teams/groups/organisations who have been identified by either the County Council or District Councils as working with people who could benefit from access to the Household Support Fund and/or the Hub and established enough to be Trusted Partners.

Trusted Partners identify the support needed by individuals and then send the details to CCC for processing. The decision making as far as the amount and type of support as well as the eligibility sits with the Trusted Partner, while CCC foots the administrative bill. This means that the decision making is as local as possible and means that very small local groups can access support without incurring significant administrative costs.

Example – Ukraine Response
A good example of cross system working, the Think Communities Service has led on the Homes for Ukraine programme creating a framework for the delivery of a totally new programme within 4 weeks. As part of this programme the County Council can learn what works and doesn’t work when owning responsibility for a programme which is largely being delivered by Districts (and explore the best use of resources at the centre in order to free up work more locally to be designed according to local community needs as well as a totally new cohort of vulnerable people).

Continued partnership working and engagement with communities presents opportunities to develop our understanding of current and future needs and involve our communities in a process of co-production to ensure that services are appropriately managed to meet changing need. By working to develop this understanding of communities and using new methods of engagement, such as deliberative democracy, the Council can reach parts of the community that we rarely have before, building a richer picture of need and involving the whole community in making key service decisions.

3.5 Principle d: Social, economic, and environmental impacts will be given equal consideration in our decision-making processes

The Joint Administration confirmed in the May 2021 Joint Agreement that ‘*all spending and investment decisions will be made in the context of meeting the Net Zero strategy, and* *social and environmental criteria will be given equal weight to financial criteria in all contracting'*.

Earlier this year, members were briefed on the use of a Social Value Portal for procurement and the Procurement Team have now begun to roll out the use of Social Value TOMs (Themes, Outcomes and Measures) in procurements valued over £100,000

Then, in February 2022, Full Council approved the Business Plan and a new Performance Management Framework to ensure that "*measures need to be relevant, reliable, clear, fit for use and balanced".* To deliver the business plan and strategic priorities as agreed by Council, all new business cases will follow a 'Triple Bottom Line' approach.

The 'Triple Bottom Line' is a framework to enable organisations to evaluate their impact and performance in terms of effect on social, environmental and economic (financial) dimensions - other models refer to this as the 3Ps – people, planet and profit, and has some similar considerations to doughnut economics. As part of adopting a Triple Bottom Line approach, the Council will set clear criteria, for 'social', 'environmental' and 'financial' impact, to enable officers to evaluate and evidence the full impact of their delivery in each of these pillars. It is expected all investments, pressures, savings and income business cases will be assessed against the criteria.

This new approach to decision making and evaluation of business cases, sits alongside the commitment to a £14m 'Just Transition' fund to be spent on schemes which tackle inequality, improve lives, and care for the environment.

3.6 <u>Principle e: Our local presence should seek to be navigators and reference points for all local public services. Opportunities to apply this approach should be pursued by the Council's land and property functions.</u>

Within our existing Think Communities team we have Place Coordinators and Community Connectors who grow collaboration and connections across organisations and groups working in a place. Community Connectors support the Council's pilot work – for example the Care Together work in East Cambridgeshire – and build capacity for community led action. In the proposals for a revised structure for the Council, these teams will be strengthened adding further capacity for bringing public services together around local issues.

We know that we can make more effective use of our assets, working with public service partners and local communities, so that they are actively used by communities. Our asset strategy is being revised and will include consideration of how we might give local communities more power and control over how our assets in a place are used.

4. Next steps

4.1 To deliver against decentralisation principles and the Council's current and future Strategic Framework, we will:

- Deepen engagement and consultation on our approach to decentralisation with District, Parish and Town councils as well as voluntary and community groups;
- strengthen our communities approach and team so that we have capacity to develop specific decentralisation activity with communities and partners;

- establish a series of pilots to test and learn from the principles of decentralisation
- increase opportunities for engagement and participation, with an open and rolling invitation to citizens' groups everywhere in the County to take part in decentralisation arrangements;
- look for 'force multipliers' - in terms of resource, expertise and innovation - with partners and communities so that we amplify our efforts, increase our impact and avoid wasting system resources;
- map and review the physical assets we have in each area to ensure that they are effectively used to support the principles and aims of decentralisation;
- further develop the hub and spokes model into physical community hubs for multi-disciplinary staff teams to be co-located within the places they serve, flexibly coordinating their work around local need and improving their accessibility to local residents;
- review and enhance the co-production practices of front-facing services;
- stand up a dedicated team to work with services on new decentralised models which move more services, funding and power to local communities with ambitious targets and delivery timelines; and
- ensure that our strategic framework and MTFS for future years fully reflect this Council's commitment to decentralisation, community wealth-building, triple bottom line, deliberative democracy and codesign with communities.

4.2 Pilots

As already noted, decentralisation is likely to take a variety of forms, both for different services and in different places. To explore aspects of community co-design, deliberative democracy, shared governance and decentralised resources, the Corporate Leadership Team recommends a series of pilots. These pilots will be established to test and develop the principles for decentralisation as section 2.4 above. These pilots will need further development with Members, service leads, partners and communities and could include some or all of the following:

4.2.1 **Local Highway Improvements.** The working group for LHI process review could start from decentralisation design principles and explore the appropriate balance between local prioritisation and the County's strategic expertise. Pilots of local decision-making bodies could be arranged to uphold the transparency of the LHI budget. Decisions would be made in public by local representatives and, in keeping with deliberative democracy, be informed by discussion from a range of partner organisations. Partners will vary by area but might include district councillors, parish councillors, community groups, citizens juries, and the police.

4.2.2 **Care Together**. East Cambs is the early adopter site to test the 'Care together' concept, which is an umbrella term to help transform care in East Cambridgeshire. This work encompasses a wealth of different partners including public health, Libraries, East Cambs District Council and many others. Through local events, some opportunities and local solutions have been identified with the goals of;

- introducing community driven placed-based commissioning
- improving the homecare offer to local people
- jointly developing early intervention and prevention for adults

This place-based approach includes the promotion of care microenterprise idea of creating sole traders who provide support for people in the local community.

The Care Together concept will be tested against the principles of decentralisation, community wealth building and triple bottom line to inform the Council's response to new legislation and models in Adult Social Care.

4.2.3 **Libraries Transformation**. The Council's programme of library transformation was interrupted by the pandemic in 2020 but has since restarted with a full review of our library services, led by a cross party member working group. This review follows the principles of decentralisation and is particularly focused on models and activities which support social mobility and community wealth building.

Cambridgeshire's libraries are already differentiated to respond to different community needs and wants and a number of models exist around the county. Learning from these different models and depths of decentralisation will be shared to inform further transformation of our library services.

4.2.4 **Cambridgeshire Food Poverty Alliance**

The Council is providing grant support to Cambridge Sustainable Food to develop a countywide Food Poverty Alliance. Its overarching aim will be to ensure a healthy and sustainable diet is available to all, particularly those who are vulnerable. The work to set up the Alliance is being undertaken in accordance with the principles of decentralisation.

The Alliance will be County Council supported rather than Council-run. The direction of the Alliance will be overseen by an independent steering group that is representative of voluntary and community sector organisations active in this field across the County. This will be supplemented by representatives from the District Councils and the County Council.

Underpinning the development of the Alliance is a belief that a shared vision and working together brings results that can't be achieved by acting individually. The work of the Alliance will not be restricted to emergency food provision but will work to strengthen the ability of local communities and organisations to tackle the root causes of food poverty.

4.2.5 **Staff volunteering.** A pilot could be established to see if allocating a percentage of CCC staff time to community volunteering increase the impact of place-based work.

4.2.6 **Consultation and co-design of decentralisation arrangements**. Some District, Parish and Town councils have already expressed an interest in piloting forms of local decision making, including Cambridge City Council who are interested in re-establishing the Cambridge Joint Area Committee (CJAC) and St Neots, Ely City, and Wisbech Town Councils.

4.2.7 **Waste and recycling:** Place Coordinators alongside the Council's Waste and Recycling experts could initiate an inclusive process in targeted areas to develop localised approaches to minimising waste and maximising recycling, ensuring the involvement of voluntary and community sector partners and the use of deliberative democracy techniques.

4.3 The suggestions above represent a small selection of possible pilots. Selected pilots would be run using a consistent methodology with tests against decentralisation principles to ensure useful learning loops which further the Council's decentralisation approach and the council's contribution to strong, resilient, and inclusive communities.

5. Governance

5.1 Once agreed, learning across pilots will report into the most appropriate committee – for example, community codesign might report into the Communities Social Mobility and Inclusion Committee, the impact of using Triple Bottom Line in decision making to Strategy and Resources, and so on.

5.2 More details on pilot projects, our progress against the actions described in 4.1, and governance of decentralisation work will be brought to this committee in September 2022.

6. Stakeholder Engagement

6.1 As the work on decentralisation has developed, we have kept our partners engaged and informed.

6.2 Last autumn, the Chair and Vice-Chair of the COSMIC Committee, along with the Communities Director, met with each the relevant Cabinet Member and senior officer from each district and city council, to discuss the approach to decentralisation. Each discussion resulted in support in principle for the approach to decentralising County Council decision making, although they also acknowledged that further detail would be necessary to fully understand the different ways in which the approach could work.

6.3 The Leader of the Council and the Director of Business Improvement have briefed system leaders – both political and officer - in a number of forums including: the Public Service Board, the Integrated Care System Transformation group, the Cambridgeshire and Peterborough Leader's group and the Cambridgeshire and Peterborough Combined Authority Board.

6.4 The Chair of the COSMIC committee led a session for Parish Councils at their annual conference in January this year and, with the Vice Chair, has continued to brief Parish, Town and District Councils as our thinking on decentralisation develops.

6.5 The Think Communities team have been 'early adopters' of the decentralisation approach and are already designing projects with communities and partners through discussions about local decision making, place needs and local ownership. These projects and examples are helping us to describe what decentralisation means on the ground.

6.6 As we move into the next stages of decentralisation, formalising a plan around the pilots and agreed next steps, we will broaden our stakeholder briefings and engagement and report back to this committee with a full engagement plan.

7. Alignment with corporate priorities

7.1 Environment and Sustainability

The report above sets out the policy position and principles which include implications for this priority in section 2. In addition, section 3 shows examples of where existing work is aligned to the principles of decentralisation.

7.2 Health and Care

The report above sets out the policy position and principles which include implications for this priority in section 2. In addition, section 3 shows examples of where existing work is aligned to the principles of decentralisation.

7.3 Places and Communities

The report above sets out the policy position and principles which include implications for this priority in section 2. In addition, section 3 shows examples of where existing work is aligned to the principles of decentralisation.

7.4 Children and Young People

The report above sets out the policy position and principles which include implications for this priority in para 2.1. In addition, para 3.1 shows examples of where existing work is aligned to the principles of decentralisation.

7.5 Transport

The report above sets out the policy position and principles which include implications for this priority in section 2. In addition, section 3 shows examples of where existing work is aligned to the principles of decentralisation.

8. Significant Implications

8.1 Resource Implications

There will be resource implications which will become clear as this work progresses and will be included in Business Cases as appropriate.

8.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There may be implications as this work develops.

8.3 Statutory, Legal and Risk Implications

There may be implication as this work develops.

8.4 Equality and Diversity Implications

Equality and Diversity Assessment are undertaken as part of business cases development to ensure all implications are identified and understood.

8.5 Engagement and Communications Implications

Residents will be consulted where possible.

8.6 Localism and Local Member Involvement

Decentralisation will involve all local areas and local Members. Members will be briefed through seminars, committees and through individual briefings on local pilots.

8.7 Public Health Implications

A Health inequalities assessment will be undertaken as part of business cases development to ensure all implications are identified and understood.

8.8 Environment and Climate Change Implications on Priority Areas:

As set out in 7.1, the proposed decentralisation approach directly incorporates environmental principles. There will also be a great number of indirect impacts – likely to be predominantly positive – from the proposals. For example, further embedding of services within their target communities will likely result in decreased travel requirements and increased resilience to climate impacts. Specific implications from projects will be considered in full as they emerge following agreement of design principles.

8.8.1 Implication 1: Energy efficient, low carbon buildings.
Positive/neutral/negative Status: Specific implications from projects will be considered in full as they emerge.

8.8.2 Implication 2: Low carbon transport.
Positive/neutral/negative Status: Specific implications from projects will be considered in full as they emerge.

8.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Positive/neutral/negative Status: Specific implications from projects will be considered in full as they emerge.

8.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Positive/neutral/negative Status: Specific implications from projects will be considered in full as they emerge.

8.8.5 Implication 5: Water use, availability and management:
Positive/neutral/negative Status: Specific implications from projects will be considered in full as they emerge.

8.8.6 Implication 6: Air Pollution.
Positive/neutral/negative Status: Specific implications from projects will be considered in full as they emerge.

8.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.
Positive/neutral/negative Status: Specific implications from projects will be considered in full as they emerge.

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? 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 McMillian

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: 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

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

9. Source documents

9.1 Source documents

- COSMIC Committee reports on decentralisation: December 2021, March 2022
- Libraries Service Review committee paper December 2021
- The Council's Strategic Framework

Agenda Item No.6

Secure Web Gateway

To:	Strategy and Resources Committee
Meeting Date:	27th June 2022
From:	Sam Smith Assistant Director of IT & Digital Services
Electoral division(s):	All
Key decision:	Yes
Forward Plan ref:	2022/056
Outcome:	This report sets out the background to the request to procure a set of services (Secure Web Gateway) for Cambridgeshire County Council. The outcome, if agreed, is secure, flexible, scalable gateway services that will support the future strategic ambitions of Cambridgeshire County Council in line with the joint IT Strategy approved by both Peterborough City and Cambridgeshire County Councils in July 2019.
Recommendation:	The Strategy and Resources Committee is asked to: a) Agree to the procurement of a set of services (Secure Web Gateway) via an approved framework agreement. b) Agree to delegate the award of this contract to the Section 151 Officer in consultation with the Chair and Vice Chair of the Strategy and Resources Committee.

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Member contacts:
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Tel: 01223 706398

1. Background

1.1 Prior to October 2020, IT services were provided through the LGSS shared service. This included key infrastructure services including those that manage the access to and the security of the Council's network. In particular the services that provide networking, corporate security filtering and the VPN client used by all Cambridgeshire County Council laptops. Those solutions are still in place and functional but are ageing and need to be replaced to remain secure, efficient and supported.

1.2 A Virtual Private Network (VPN) effectively provides a walled garden for our organisation and trusts anything sitting inside that walled garden. A user working from home would use that VPN to allow them into the walled garden and access services within it.

1.3 The IT & Digital Service are currently planning for replacement options in line with the Joint IT Strategy approved by Cambridgeshire County Council in July 2019.

1.4 The IT strategy is a Cloud first strategy, which reflects changes to the nature of IT solutions and systems over the last few years.

1.5 Since 2019 a lot of work has been undertaken as part of the IT Strategy, including the move of the Data Centre from Shire Hall to Sand Martin House in Peterborough and upgrades to many systems and processes. As a result, the Council is now well placed to take advantage of new cloud-based solutions.

2. Main Issues

2.1. Remote working has been vital during the Covid 19 pandemic. As most staff had already been provided with laptops it was possible to react very quickly to the need to work from home during the 2020 lockdowns and the subsequent months, therefore maintaining productivity levels and allowing continuity of services to the public.

2.2. This reliance on working remotely will continue, with hybrid working from multiple locations for staff. In order for work to be something that staff 'do' rather than somewhere they 'go' it is essential that the IT systems support this and that the arbitrary links between staff and any particular office building are removed.

2.3. The remote and hybrid working model has also increased the reliance on the IT infrastructure especially outside of what has traditionally been seen as 'Core Hours' as staff and Members use the systems at times and from locations that are most effective for them.

2.4. There is still a significant dependency on IT staff and Council office locations to provide fully configured laptops to staff and Members and this means the distribution of those devices is not as efficient as it could be and requires travel to the Council building at several points during the life-cycle of the devices.

2.5. Cyber security is a significant and ongoing threat to all organisations, and this has been especially acute for government organisations at all levels during the pandemic and more recently the war in Ukraine. The need for rapid, 24x7 response to continually evolving threats makes the essential work of protecting the Council's data and systems increasingly important and more difficult with existing (and ageing) technology.

2.6. The existing infrastructure that provides essential services including networking, corporate security filtering and the VPN client is ageing and if not replaced will become unsupportable (known as end of life) and more critically it will not be secure or provide the flexible, scalable and cost-effective solution that the Council needs for the future.

2.7. The National Cyber Security Centre (NCSC) recommends moving to a Zero trust model which our current solution does not support. A Zero trust model does not simply rely on trusting that, because you are on the network that you are allowed to access the services you have requested. Zero trust is an architectural approach where inherent trust in the network is removed, the network is assumed hostile and each request is verified based on an access policy. Traditional networks and VPNs make this difficult to achieve, with Secure Web Gateways being at the heart of any design to move towards this recommended more secure architectural model. *(Zero trust architecture design principles)*

2.8. Current systems are hosted locally (On-Premise) and this has an impact on the environment. There is a commitment from the authority to reduce its environmental impact and this would be achieved more quickly through use of cloud solutions as the providers have comprehensive plans on how to reach net zero or carbon negative targets within the decade.

3 Recommended Approach

3.1 The recommended approach is to commence a procurement process for a set of services (Secure Web Gateway)

3.2 The rationale for this approach is:

- To support the strategy for transition to cloud computing by moving networking and corporate security filtering to the cloud and removing legacy security arrangements for access to cloud services.
- To support the council’s move to a Zero trust networking architecture.
- To ensure the future flexibility and security of the Council’s infrastructure.
- To build on the work that has been undertaken in recent years to upgrade and virtualise IT systems.
- To optimise the technical ‘traffic’ between the user, the cloud services (especially 365) and the data centre, improving overall user experience and productivity.
- To improve productivity and reduce environmental impact by enabling staff to receive new devices through the post and for those devices to be repaired remotely.
- To rationalise contracts relating to this area of infrastructure and enable stronger contract management.

3.3 As noted in the IT Strategy approved in 2019, IT Services delivered from the Cloud realises multiple benefits, such as:

- Innovation
- Security, resilience and governance
- Citizen self-service

- Flexible and collaborative working
- Access to a far greater range of digital services
- Automation of services where possible
- Rationalisation of business systems
- Integration of IT systems

3.4 For the systems covered by this paper the benefits around security and resilience are important to note. From a security perspective cloud-based service providers are able to identify and mitigate security threats almost immediately. From a technical perspective they are also able to configure services to maximise the resilience of the systems. Collectively this ensures that systems are available and ready to be used at all times with less downtime and less change if there is a cyber security breach.

4. Cost and Governance

4.1 The procurement and implementation of replacement systems will be within the established governance of the IT Strategy programme and follow the internal financial governance of the Council.

4.2 Final costs for these systems will not be known until the procurement process has completed and a specific solution is selected, however analysis that has been done so far indicates that some additional spend will be required in the financial year 2022/23. This funding is being considered as part of council-wide budget reset at the same Strategy and Resources Committee, 27 June 2022. As the procurement process progresses and technical options are refined if any further financial investment that is required, either capital and/or revenue, it will be identified and taken through the 2023/24 business planning process.

4.3 A full procurement exercise will be undertaken to ensure that the council gets best value for money and this will include technical design work to finalise the solution.

4.4 In addition to the procurement and financial governance procedures outlined above, the IT & Digital strategy is currently being refreshed and the technical approach outlined in this paper will be reviewed as part of that process to provide external assurance.

5. Alignment with corporate priorities

5.1 Environment and Sustainability

- The cloud solutions that we are looking to use have comprehensive plans on how to reach net zero or carbon negative targets within the decade.

5.2 Health and Care

- Having effective, reliable tools for staff to use across the Council is fundamental to our ability to deliver Health & Care services.

5.3 Places and Communities

- Having effective, reliable tools for staff to use across the Council is fundamental to our ability to deliver services to our places and communities.

5.4 Children and Young People

- Having effective, reliable tools for staff to use across the Council is fundamental to our ability to deliver services to our children and young people.

5.5 Transport

- The cloud solutions that we are looking to use will support the reduction in travel by officers as they will be able to work effectively from any location securely and effectively.

6. Significant Implications

6.1 Resource Implications

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

- There are several solutions for the replacement of these services, all of them carry significant cost.

- Each solution also requires significant levels of technical skills to implement, and this work will need to be carefully managed. The most appropriately skilled people in ITDS will need to be assigned to this work.

- There will be changes to how staff interact with the solution and support, guidance and training will be needed to assist with the transition.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

- The Cambridgeshire procurement team has been engaged throughout and we will be using a recognised local government framework (RM6068 Technology Products and Associated Services) for procurements.

6.3 Statutory, Legal and Risk Implications

- Advice has been received from Pathfinder Legal Services in support of this procurement.

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.
Positive/neutral/negative Status: Positive
Cloud based providers are aiming to be NetZero and therefore if a replacement is cloud based the implication would be positive.

6.8.2 Implication 2: Low carbon transport.
Positive/neutral/negative Status: Positive
These proposals will support work from any location and therefore support reduction in travel.

6.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Positive/neutral/negative Status: Neutral

6.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Positive/neutral/negative Status: Neutral
Should the services be moved to a cloud-based solution there won't be any new equipment and therefore there would be no plastic used, generated or wasted.

6.8.5 Implication 5: Water use, availability, and management:
Positive/neutral/negative Status: Neutral

6.8.6 Implication 6: Air Pollution.
Positive/neutral/negative Status: Neutral

6.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.
Positive/neutral/negative Status: 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? 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?
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?
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

7. Source documents

7.1 There are no source documents

Agenda Item No:7

Highways System Replacement

To:	Strategy and Resources Committee
Meeting Date:	27 June 2022
From:	Director of Customer and Digital Services
Electoral division(s):	All
Key decision:	Yes
Forward Plan ref:	2022/087

Outcome: The Strategy and Resources Committee is being asked to approve the requirement to go out to tender for the Highways IT System Replacement Project which will implement a replacement system for Insight, the contract for which expires April 2023. A fit-for-purpose Highways IT system is critical for continued compliance with statutory duties and obligations for our Highways Services.

The expected outcomes are a new system, or systems, that meet the needs of the Highways Service, and the introduction of efficiencies within the Service which will enable staff and resources to be deployed more efficiently.

Recommendation: The Strategy and Resources Committee is asked to:

a) Approve the requirement to go out to tender for the new Highways IT system, the cost of which is likely to exceed £500,000 and to give permission to proceed with the procurement of the required system; and

b) Agree to delegate the decision to award these contracts to the Section 151 Officer in consultation with the Chair and Vice Chair of the Strategy and Resources Committee.

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Member contacts:
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Tel: 01223 706398

1. Background

1.1 The Highways service look after the asset management of our county highways as well as related customer services, street works, road maintenance and seasonal work (such as gritting and grass cutting). These various activities are managed through a single IT system that controls booking and management of resources. Currently, the Council use a locally hosted software application called Symology Insight. The software is used under a rolling contract with Symology and the contract renewal date is 1st April annually.

1.2 The ambition for the future is to have a system that can provide efficient access to the data required to maintain the counties highways. The new system will provide improved management information reports. The new system will substantially increase our ability to engage and feedback to customers.

1.3 The intention is to re-tender during 2022/23, identify and implement during 2022/23 and 2023/24 a robust and extensive system to support highways processes. A soft market test has already been carried out to identify potential suppliers and assist with finalising the requirements.

1.4 A new system(s) will be procured to facilitate information sharing; to remove manual data entry; to improve data quality; and to provide effective electronic communications within the Highways service, with residents and others working in and with Highways Services. The introduction of self-service, automation and the ability to pass work onto others within and across services, will reduce the administrative burden on staff.

1.5 Through the procurement of this system(s), a financial review and cost analysis will be undertaken to ensure accurate costings and spend are reported to Capital Programme Board.

2. Main Issues

2.1 Overall the Highways Systems replacement project will address the complexities of the current system, improving our ability to maintain the County's highways.

2.2 Following a review of all the information flows in the Highways Service there is a strong case to ensure that the IT systems used are not only robust and efficient but integrated to allow sharing of relevant information within the Highways service and with partner organisations.

2.3 Working with colleagues in Procurement and Legal we have identified that full competitive tender is the best approach to ensure regulatory compliance, value for money and a high-quality product for the Local Authority. A 'soft market test', to identify the ability of the market to meet our needs, confirmed that multiple suppliers exist who can supply a suitable product. Preparatory work has taken place on the business and technical specification for this award so we are confident that it can be achieved in the timeframe proposed by the programme.

2.4 The detailed costs and anticipated savings are to be determined, as we have yet to complete the procurement exercise. Capital budget has been allocated for implementation and one-off costs, and depending on the awarded solution, there may be a requirement for additional revenue to fund the annual licence costs.

2.5 We will engage with appropriate Members through workshops to ensure public engagement requirements are understood, met and delivered.

2.6 Highways Asset Management is a relative niche and specialist area with a small number of well-established focused suppliers. Potential suppliers will be assessed and their products benchmarked against a clear specification criteria that includes future forecast needs to support service improvement and meet changing demands and needs. The council does not have internal capability or capacity to design and develop a bespoke system so would have to procure a specialist company which is likely to be one of those already supplying the highways systems market. In addition, internally developing a bespoke system requires long term investment in resources to ensure any statutory changes are developed tested and deployed. With a supplied system, these changes are developed for all of the supplier customers, so will be timely, cost effective, and supported. Bespoke development for small, non-critical products is acceptable (and encouraged in some circumstances), but not a solution so large and varied, delivering statutory requirements to a large audience.

3. Alignment with corporate priorities

3.1 Environment and Sustainability

- Removing the production of paper, enabling more efficient data communication.

3.2 Health and Care

There are no significant implications for this priority.

3.3 Places and Communities

- Increased opportunity for self-service through secure on-line portals helping communities report and monitor highway related issues

3.4 Children and Young People

There are no significant implications for this priority

3.5 Transport

- Helping reduce carbon emissions through smarter management of highway repairs and traffic movement

4. Significant Implications

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

- Capital and revenue costs for Cambridgeshire County Council: 2022/23 & 2023/24 - c£500,000
- Delivering value for money: Increased efficiency and effectiveness in the delivery of services. Positive impact on Local Authority performance. Improved compliance with statutory duties.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

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

- Please refer to section 2. All IT systems purchased by the programme have or will go through a full tender process supported by the procurement and legal teams already attending its governance boards to ensure all council procedure and contract rules are followed.

4.3 Statutory, Legal and Risk Implications

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

- Please refer to section 2. For compliance with statutory duties and regulations it is essential for the authority to share, manage and maintain data and information related to provision of Highways services
- Were the authority to cease to use the current system and fail to replace it, there would be risks of reputational damage and failure in the delivery of statutory duties.
- There would be risks of GDPR non-compliance and an increased risk of data breaches in the absence of a robust, secure system.
- Without an effective system, there would be an increased risk of staff turnover due to frustration over a lack of accurate information and the requirement to check data multiple times.
- There are risks of financial loss through manual errors in financial data entry were there not to be a well-designed system in place.

4.4 Equality and Diversity Implications

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

- The aim of the new system(s) is to provide improved access to services by all communities particularly its use of portals enabling people to self-serve and receive feedback on issues raised, and to increase access to all.

4.5 Engagement and Communications Implications

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

- The system will provide improved communication with residents and partner organisations involved in the delivery of Highways services.
- Improved timeliness of information exchanged with partner organisations will improve statutory compliance and help with intervention where this is required.

4.6 Localism and Local Member Involvement

A workshop will be organised for all Members in July to enable them to comment on any future Highways IT System.

4.7 Public Health Implications

There are no significant implications within this category.

4.8 Environment and Climate Change Implications

- All projects within this programme will complete a climate change impact assessment at each stage.

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

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? 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 Services? Yes
Name of Legal Officer: Fiona McMillan

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

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

4.9 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 No source documents

Agenda Item No: 8

Access Control Re-tender of Contract for Cambridgeshire County Offices, Buildings and Car Parks

To:	Strategy and Resources Committee
Meeting Date:	27th June 2022
From:	Director of Resources/Section 151 Chief Finance Officer
Electoral division(s):	All
Key decision:	Yes
Forward Plan ref:	2022/055
Outcome:	To consider the re-tender of the access control security contract for the Council's non-school buildings, and to achieve a successful and timely procurement exercise.
Recommendation:	The Committee is recommended to:

a) Authorise the re-tender of the access control contract for Authority buildings and some car parks which is due to expire on 31st March 2023.

b) Approve the commencement of the re-procurement of the access control Facilities Management Contract for a term of 8 years from 1 April 2023 to 31 March 2031 with the option to extend for a two further years as single annual extensions, which equates to an 8 + 1 + 1 year term.

c) Delegate authority to the Director of Resources and Assistant Director of Property to appoint a contractor after a competitive procurement process and complete all necessary contractual documents in accordance with Council procedures.

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Member contacts:
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Tel: 01223 706398

1. Background

1.1 The Council's non-school properties and some car parks require a method of controlling access via staff access / ID cards. The access control system allows buildings, assets, equipment and data to remain secure and for staff to remain safe while working in Authority buildings.

1.2 At the time of writing there are approximately 300 card reader points across 40 sites and there are approximately 5000 access cards registered on the system.

1.3 The procurement strategy of the access control contract will be by way of Open Tender and will be advertised at the Find a Tender (FATS) website, which since Brexit has replaced the Official Journal of the European Union.

2. Main Issues

2.1 After three periods of a waiver and extension being in place, in order to facilitate the move into New Shire Hall and the C2020 property portfolio changes over the last three years, as well as the impact of Covid, the Council is now required to carry out a full re-procurement process for the access control service.

2.2 The value of the current contract is approximately £70,000 per year, with a total cost of £700,000 across the proposed term of the new contract.

2.3 The contract value will fluctuate as buildings are added to or removed from the contract schedule as the Estate evolves. This fluctuation has been particularly relevant in the last three years. Changes resulting from the deployment of new Cambs 2020 sites, with new sites being added and some sites closing, and new ways of working, will further influence the contract. In addition, the Estate is likely to be reviewed as a result of both the completion of the Cambs2020 programme and the impact of the post pandemic situation.

2.4 The access control system allows the Facilities Management Team to fully define when a staff member or group of staff may access a building or a single door within a building. The system also has a powerful alarm and reporting system, allowing historical reports of successful or failed access attempts to be reported on, provide security and safety management benefits.

2.5 The contract specification will be based upon outputs designed to encourage cost saving and improved performance through innovation, adoption of environmentally friendly techniques and materials, recycling of expired equipment and the use of new technology and socially responsible practices.

3. Alignment with corporate priorities

3.1 Environment and Sustainability

The provision of access control services is undertaken across a wide range non-school Council properties including community centres, libraries, registry offices and other facilities serving communities across the County. The requirement to provide and safe properties for our staff to work in and secure environments for equipment and data is fundamental to successful delivery of the Council's functions in providing service.

3.2 Health and Care
See wording under 3.1 above.

3.3 Places and Communities
See wording under 3.1 above.

3.4 Children and Young People
See wording under 3.1 above.

3.5 Transport
See wording under 3.1 above.

4. Significant Implications

4.1 Resource Implications
The Council's planning assumption is that the re-tendered service will be within the available annual budget envelope.

The proposed procurement is for access control on operational council buildings and is not being deployed on the Council's Farms Estate nor the Council's portfolio of let investment properties.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications
This process shall be a threshold-level procurement, and the CCC Procurement Team have been working closely with the service area.

The procurement will be issued as an OPEN (FTS) tender on the following grounds – the current access control system is a G4S proprietary system called Symmetry. All bidders will have the options to take over this system from G4S or install a new system, inclusive in the annual cost.

The main risk to the procurement is having a new system installed across the Estate, given the size and complexity of the current system. The implementation period will be three months (Jan 2023 – March 2023, as we are not looking to extend any further the existing contract).

To mitigate against this risk – the new contractor will be monitored closely throughout the implementation period to ensure that all buildings will be operational by 3rd April 2023, through a detailed project plan and focus of high trafficked buildings first.

Given the potential initial investment by successful bidder, the time between award and contract being signed and sealed needs to be short so that the bidder starts installing as soon as possible. This is being planned with Legal to ensure there are no delays.

4.3 Statutory, Legal and Risk Implications
The provision of access control on the Cambridgeshire County Council Estate is required to ensure that the Council meets numerous statutory obligations in relation to Health & Safety,

personnel, data and equipment security, Fire Safety and other matters. Failure to provide such services could lead to enforcement or legal action being taken against the Council.

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
The procurement process will be open to local SMEs. Engineers supporting the current contract have been employed from within Cambridgeshire.

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.
Positive/neutral/negative Status:
Explanation:
Latest technology electronics are employed to reduce power consumption. Efficient and long running battery back-up systems are in place to reduce wastage at times of battery replacement.

4.8.2 Implication 2: Low carbon transport.
Positive Status:
Explanation:
The planned preventative maintenance elements of this contract are scheduled such that transport is reduced by ensuring routes are carefully mapped to service areas within the County, minimising travelling.

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Positive/neutral/negative Status:
Explanation: Not applicable

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Neutral Status:
Explanation:
Active recycling of redundant equipment as sites close, equipment failures result in replacements or technology progresses. Full replacement of existing system would involve the use of additional electronic and other material resource and disposal/recycling of existing equipment. Minimising waste, pollution and resource extraction would assume ongoing use of existing system rather than replacement

4.8.5 Implication 5: Water use, availability and management:
Neutral/Status:
Explanation: See Waste Management.

4.8.6 Implication 6: Air Pollution.
Positive/neutral/negative Status:
Explanation: Not applicable

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.
Positive/neutral/negative Status:
Explanation: Not applicable

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Tom Kelly, Chief Finance Officer

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

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: Jenni Bartlett

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 No source documents.

Agenda Item No: 9

Shared Services Update

To:	Strategy and Resources Committee
Meeting Date:	27th June 2022
From:	Stephen Moir, Chief Executive and Head of Paid Service
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	Not applicable
Outcome:	The outcome of well governed and well managed shared service arrangements will enable the Council to ensure that sufficient capacity and capability is focussed upon the needs of Cambridgeshire and the delivery of the Council's priorities.

Recommendation: The Committee is asked to:

a) note the development of a clear set of services for continued sharing, at a senior level with Peterborough City Council, in accordance with the provisions of the Section 113 agreement between the 2 authorities.

b) note that formal statutory consultation is underway in respect of reshaping the senior leadership of the Council, providing future clarity for these functions and sufficient differentiation between shared and non-shared services.

c) approve that any future strategic decisions relating to entering any new or enhanced shared services arrangements will require a formal policy decision through the Strategy and Resources Committee.

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1. Background

1.1 The Local Government Association (LGA) Corporate Peer Challenge reviews of both Cambridgeshire County Council and Peterborough City Council and other external reviews and inspections highlighted the need to revisit the shared service arrangements and to ensure that each authority has the necessary capacity and capability to deliver services and improve outcomes. As reported in the LGA Peer Challenge, "*shared service provision has been organic, evolving over the years through a business case driven process which is independent of an overarching strategic plan for shared services"*. It was therefore timely that both Chief Executives revisited these arrangements and provided a clear future direction and structure for each authority.

1.2 Work was duly completed by the two Chief Executives', and this led to the commencement of a formal 30-day consultation period within Cambridgeshire County Council, during May 2022, to reshape the senior leadership arrangements for the organisation and to provide clarity about the future of shared service arrangements with Peterborough City Council. This formal consultation commenced following the prior approval of the Staffing and Appeals Committee.

2. Main Issues

2.1 Both Councils began sharing posts and services in 2015 with the appointment of a joint Director of Public Health followed by a joint Chief Executive. In the six years since then, the two councils agreed to share further posts and services, most notably across the councils' joint People and Communities directorate, which is led by a shared executive director and a shared senior management team. Following the completion of the LGA peer challenge and the appointment of two separate Chief Executives for Cambridgeshire and Peterborough, a review of the shared service arrangements has been undertaken.

2.2 It has been important to guide the development of the future shared arrangements using a set of principles. Whilst not exhaustive, the following have been considered as key principles:

a. Added value – shared services need to sufficiently demonstrate value for money and the achievement of improved outcomes.

b. Resilience – both councils are facing significant pressures, particularly around social care recruitment and retention. Resilience can also be enhanced where capability deficits exist, or where the councils have limited capacity in specialised areas.

c. Risk – disruption and change can often cause uncertainty, loss of momentum and, critically, key services can be affected leading to risks of regulatory intervention e.g., safeguarding.

d. Stability – both councils wanted to create permanency in terms of their respective corporate leadership teams. Currently teams include posts which are either acting or interim and it is essential in providing stability and permanency to the organisation.

2.3 Considering these principles and the organisational design and development needs of each authority, it was agreed that the following functions would continue to be shared between the two Councils, at a senior level, and to varying degrees within the underpinning teams:

- Public Health
- Adult Social Services
- Children's Social Services
- Commissioning (Social Care)
- Education
- IT and Digital Services
- Emergency Planning
- Information Governance and Data Protection
- Community Safety
- Regulatory Services (Trading Standards, Registration and Coroners)
- Social Care Recruitment
- Equality, Diversity and Inclusion

2.4 Both Chief Executives also agreed that due to the increased divergence and reorientation in corporate strategies and priorities, as well as the improvement agendas for both authorities, that the following roles/areas will not continue to be shared:

- Place and Economy
- Business Improvement and Development
- Director of Law and Governance
- Head of Communications
- Business Intelligence
- Communities, Employment and Skills

2.5 The governance arrangements for the shared services between the two authorities will continue to be managed through the Shared Services Governance Group, which will be redefined and refreshed following the completion of the senior leadership restructure consultation and implementation of any final, approved changes. This group will continue to act as the custodian of the Council's responsibilities set out in the formal Section 113 agreement between the two Councils.

2.6 Whilst the operational governance of existing shared services arrangements is catered for through the current governance group arrangements, strategic policy decisions about any future change to shared services is a political decision, informed by officer advice. It is therefore recommended that the decision to enter into any new or enhanced shared service arrangements, which would potentially reduce the capacity and capability of the organisation focussed solely upon the needs of Cambridgeshire, is a matter reserved to the Strategy and Resources Committee for policy purposes and that any associated impact upon the Council's workforce, at Service Director level or above, would remain within the purview of the Staffing and Appeals Committee.

2.7 Although this report provides an update on the status of Shared Services arrangements, it is recognised that these arrangements may well be subject to future change. Such further change may result from Council policy decisions and initiatives, such as Decentralisation, or in direct response to Government policy or legislative change.

3. Alignment with corporate priorities

3.1 Environment and Sustainability

There are no significant implications for this priority.

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

- Subject to the outcome of the consultation process on changes to the Council management structure, there will be financial implications associated with the separation of some currently shared arrangements with Peterborough City Council. A detailed assessment of these costs will be shared with the Staffing and Appeals Committee in July 2022.

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 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.

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Tom Kelly, Director of Resources / Section 151 Officer.

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

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, Director of Law and Governance / Monitoring Officer

Have the equality and diversity implications been cleared by your Service Contact?
Yes
Name of Officer: Janet Atkin, Assistant Director of Human Resources

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

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

5. Source documents

5.1 Source documents

None.

Agenda Item No: 10

Corporate Performance Report

To:	Strategy and Resources Committee
Meeting Date:	27 June 2022
From:	Director of Business Improvement and Development Director of Customer and Digital Services Director of Law and Governance Director of Resources
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, an update on the development of performance measurements for Strategic Framework Corporate Priorities (Strategic KPIs), progress of Joint Agreement Action Plan and an amendment to the Performance Management Framework.

Recommendation: The Committee is asked to:

a) Review and agree the proposed additions to/removals from the Corporate Services Key Performance Indicators (KPIs) set, monitor progress of Corporate Services and identify remedial action as required.

b) Scrutinise performance information for the Council's Joint Agreement Action Plan.

c) Note progress on resuming business-as-usual performance reporting to Policy and Service Committees, including an update on development of KPIs.

d) Agree proposed Strategic Key Performance Indicators (SKPIs).

e) Approve an amendment to the Performance Management Framework.

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1. Background

1.1 This report covers five 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 available 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.

1.3 Section 4 'Resumption of business-as-usual performance reporting' reports on development of KPIs and resumption of performance reporting to Policy and Service Committees.

1.4 Section 5 'Performance Measures for Corporate Priorities (Strategic Key Performance Indicators)' reports on progress to develop measures for the Strategic Framework Corporate Priorities, which are referred to as Strategic Key Performance Indicators (SKPIs).

1.5 Section 6 'Amendment to Performance Management Framework' proposes an amendment to the framework arising from a decision by Audit and Accounts 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 add two KPIs to the list. The tables below set out the changes. Members are asked to approve these changes.

KPI Number	KPI Name	Mapping to Service	Proposal	Rationale for proposal
217	Website quality	Communications	Add	Replaces KPI 189 (Number of sessions on website) with a more relevant measure. KPI 189 was removed from the Corporate Services KPI set by S&R in March 2022
218	Website accessibility	Communications	Add	Replaces KPI 189 (Number of sessions on website) with a more relevant measure. KPI 189 was removed from the Corporate Services KPI set by S&R in March 2022

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

2.3 A summary of RAG ratings is:

	Total	%
Blue	3	15%
Green	5	25%
Amber	3	15%
Red	3	15%
Contextual	0	0%
Baseline	2	10%
In Development	4	20%
Suspended	0	0%
Total	20	100%

2.4 Commentary on red indicators is as follows:

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

It is welcome that 90 waivers have been recorded in the three-month period January-March 2022, as it shows a high level of awareness and visibility - a previous shortcoming being an absence of waivers and the appropriate approvals where necessary. 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. In 2021-22 Quarter 4, 15 waivers were for contracts valued over £100,000, of which 9 were for new requirements. 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, which covered in further detail the procurement activity undertaken during the year, the number, value and distribution of waivers across the Council.

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

There has been a slight decline in performance, but overall, for the year, performance has improved by 8 percentage points, from 71% to 79%. We continue to see requests at a pre-pandemic level. Quarter 4 has been affected by changes in staffing caused by the loss of experienced staff in December and the upskilling of the new officer. We are looking to implement a new IT system this year which will improve monitoring and reporting to services.

Indicator 183: Percentage of Subject Access Requests completed within statutory timescales (Year to Date)

The performance has in the past been affected by (a) pandemic affecting the ability for staff to be in buildings and scanning paper files for redaction and (b) additional staff being recruited to undertake scanning. Additional staff were recruited in September and have begun to scan overdue requests to enable their completion. Whilst the numbers completed in time are low, we are continuing to clear the requests that were delayed as described. This will affect future performance until the backlog of older cases is complete. 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 which requires high levels of concentration and attention to detail. We are currently utilising resources from PCC on top of our existing resources within CCC to progress through the older cases whilst dealing with newer matters. We have also designed our own case management system to help better manage workloads and gain better oversight.

3. Joint Agreement Action Plan Progress

3.1 The table below reports progress for the Joint Agreement Open Actions that have been transferred to S&R 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.	Amanda Askham	SPMO established	No SPMO in place	In progress	Project Management Framework almost complete. Testing with internal stakeholders will begin over the summer, along with our change and transformation projects being migrated to 'Project Online' (Microsoft tool). The SPMO will be established following the restructure of corporate functions.
F.12	Review process for decision making on spending and investments to ensure that all decisions are: - Made in the context of meeting the Net Zero strategy - Equally weighted for social, environmental and financial criteria - Assessed for their impact on residents living in deprivation and on the population as a whole, with a commitment to fairness in overall allocation	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 are being readied which will score each business plan proposal against these categories with these visible in the business cases for 2023-28. Additionally for the capital programme, the business case template has been updated to denominate the carbon impact of bids.

4. Resumption of Business-as-usual Performance Reporting

4.1 Under the Council's new Performance Management Framework, Strategy and Resources Committee has responsibility for overseeing the Council's performance management culture and system. Business as usual performance management work continued throughout the COVID pandemic, with the exception that, as part of its COVID emergency response, the Council suspended formal reporting of KPIs to Policy and Service Committees. All the Policy and Service Committees have been improving their approach to performance reporting in response to the new Performance Management Framework and transitioning back to business-as-usual quarterly reporting. This section of the report gives a progress update for this work.

4.2 Adults and Health Committee (A&H) have held a workshop to review the KPI sets of their predecessor committees and discuss new KPIs. Officers are currently completing work to develop and report on the new set of KPIs. A&H expects to consider the proposed KPIs for approval at their next meeting in July.

4.3 Children and Young People Committee (CYP) have held a workshop to review their previous KPI set. They have concluded that the historic set meets the requirements of the Framework, so are not recommending any changes. Officers are currently completing work to report on the KPIs. CYP expects to scrutinise performance at their next meeting in July.

4.4 Communities, Social Mobility and Inclusion Committee (COSMIC) held a short discussion to review the KPI set of their predecessor committee and discuss new KPIs. Officers are currently completing work to develop and report on the new set of KPIs. COSMIC expects to scrutinise performance on these KPIs at their next meeting in July.

4.5 Environment and Green Investment Committee (EGI) are planning a workshop to review the KPI sets of their predecessor committees and discuss new KPIs, following which officers are will complete work to develop and report on a new set of KPIs. EGI expects to consider the proposed KPIs for approval and scrutinise performance at their meeting in October. There is a risk that staff changes at Director level, for the services overseen by this committee, will delay this timetable.

4.6 Highways and Transport Committee (H&T) have held a workshop to review their KPI set, following which officers are completing work to revise and report on a new set of KPIs. H&T expects to consider the proposed KPIs for approval and scrutinise performance at their meeting in September.

5. Performance Measures for Corporate Priorities (Strategic Key Performance Indicators)

5.1 Under the new Performance Management Framework, Strategy and Resources Committee is responsible for selecting and monitoring strategic measures. This includes approving the addition and removal of Strategic Key Performance Indicators (SKPIs) and tracking progress against corporate priorities quarterly using the SKPIs.

5.2 In January 2022, the Committee approved a list of possible SKPIs (detailed in Appendix 2 of the PMF), to be further refined through discussions with Policy and Service Committees.

5.3 Some discussions duly took place in the Policy and Service Committee KPI workshops about potential SKPIs. These discussions have resulted in proposals for nine SKPIs, relating to two corporate priorities (4. Children and Young People; and 5. Transport). The proposed SKPIs meet the PMF KPIs Quality Standards, with measures that are relevant, reliable, clear and fit for use. An outstanding EGI workshop in June is expected to result in further proposals for SKPIs (relating to corporate priority 1. Environment and Sustainability). The first performance data for some of these SKPIs will be presented to S&R in September.

5.4 The SKPIs proposed by Policy and Service Committees are:

Corporate Priority		SKPIs
1.	**Environment and Sustainability**	TBC
2.	**Health and Care**	TBC
3.	**Places and Communities**	TBC
4.	**Children and Young People**	• KS2 educational attainment • KS4 educational attainment • KS4 SEND educational attainment • School readiness at EYFS • Number of children with a Child Protection Plan per 10,000 population (aged 0-17)
5.	**Transport**	• Modes of transport measurements TBC to include cycling, bus and car use • Percentage of the A/B/C/U road network in green/amber/red condition • Killed or seriously injured casualties • Percentage of major infrastructure being delivered to agreed programmes and budgets

5.5 A theme that was covered in the workshops was the difference between KPIs which related to the outcomes of the specific services the relevant committee oversees, and outcomes which relate to the overall strategy of the Council. This issue is not clear cut. In some cases, the same indicator seems appropriate for both purposes, such as educational attainment for the Children and Young People Committee, which both measures the effectiveness of schools in teaching children, and whether the Council is delivering against the children and young people priority ‘ensuring children and young people have the opportunity to thrive’. In other areas of work, different indicators are appropriate. For example, healthy life expectancy is affected by many determinants of health, most of which are not within the scope of the Adults and Health Committee, such as household income and the quality of employment. This is therefore a crucial indicator for measuring progress in priority areas, but not appropriate to allocate to a particular committee, because it sits across several. However, because societal circumstances have many related causes, even this distinction is arguable, because we know that educational attainment is affected by household income also (which is part of the rationale for policies such as Free School Meals).

5.6 One way to cut through this would be to be clear about the status of the SKPIs as measuring cross cutting themes, which all committees will contribute to.

5.7 During the discussions, many Members expressed the view that their committees were not able to provide feedback on the specific SKPIs because some corporate priorities sit across the remit of several committees as opposed to solely within a single place. There was also a common view that the workshops should focus on what was needed for resuming their own business-as-usual performance reporting. Therefore, Strategy and Resources Committee will workshop the measures for the remaining corporate priorities (2. Health and Care and 3. Places and Communities) and any further SKPIs that S&R consider are needed.

5.8 The principles that will be used to develop the new SKPIs are:

- SKPIs can be cross-cutting, so commentary and actions will be drawn from across the council because actions are taken across the council and by our partners
- SKPI targets are long-term 3 years+

6. Amendment to Performance Management Framework

6.1 The Terms of Reference for the Audit and Accounts Committee state the role of the Committee includes:

- To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakness of the control environment.

6.2 On 31 May 2022, Audit and Accounts Committee decided to review the Corporate Services performance report on a quarterly basis, after it has been presented to Strategy and Resources Committee quarterly. This will help the Committee understand the Council's risk exposure if there are areas the Council is performing less well on.

6.3 A suggested amendment to the Performance Management Framework Appendix 1: Roles and Responsibilities, to reflect this change, is:

Audit and Accounts Committee	• Provides independent scrutiny of the Council's performance • Considers whether performance is affecting the Council's exposure to risk • Identifies remedial action

7. Alignment with corporate priorities

7.1 Environment and Sustainability

The report above sets out the implications for this priority in paragraphs 5.1-5.8.

7.2 Health and Care

The report above sets out the implications for this priority in paragraphs 5.1-5.8.

7.3 Places and Communities

The report above sets out the implications for this priority in paragraphs 5.1-5.8.

7.4 Children and Young People

The report above sets out the implications for this priority in paragraphs 5.1-5.8.

7.5 Transport

The report above sets out the implications for this priority in paragraphs 5.1-5.8.

8. Significant Implications

8.1 Resource Implications
There are no significant implications within this category.

8.2 Procurement/Contractual/Council Contract Procedure Rules Implications
There are no significant implications within this category.

8.3 Statutory, Legal and Risk Implications
There are no significant implications within this category.

8.4 Equality and Diversity Implications
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 SKPIs.
- The revised EqIA will ensure that the Council's performance management is inclusive, and decisions to adopt specific SKPIs will not make barriers for people with protected characteristics.
- The outcome of the EqIA review may lead to further revisions to these proposals.

8.5 Engagement and Communications Implications
The report above sets out details of significant implications in paragraphs 5.3-5.8.

8.6 Localism and Local Member Involvement
There are no significant implications within this category.

8.7 Public Health Implications
The report above sets out details of significant implications in paragraphs 5.3-5.8.

8.8 Environment and Climate Change Implications on Priority Areas
The report above sets out details of significant implications in paragraphs 5.3-5.8.

8.8.1 Implication 1: Energy efficient, low carbon buildings.
Neutral Status

8.8.2 Implication 2: Low carbon transport.
Positive Status

Explanation: This report describes progress to measure the Council's Strategic Priority of Environment and Sustainability.

8.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Positive Status
Explanation: This report describes progress to measure the Council's Strategic Priority of Environment and Sustainability.

8.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Positive Status
Explanation: This report describes progress to measure the Council's Strategic Priority of Environment and Sustainability.

8.8.5 Implication 5: Water use, availability and management:
Positive Status
Explanation: This report describes progress to measure the Council's Strategic Priority of Environment and Sustainability.

8.8.6 Implication 6: Air Pollution.
Positive Status
Explanation: This report describes progress to measure the Council's Strategic Priority of Environment and Sustainability.

8.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.
Positive Status
Explanation: This report describes progress to measure the Council's Strategic Priority of Environment and Sustainability.

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? 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: 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

9. Source documents

9.1 Source documents

CCC Performance Management Framework

9.2 Location

CCC Performance Management Framework

Produced on: 15 June 2022

Performance Report

Quarter 4

2021/22 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	• **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

Return to Index

June 2022

Target	Current Quarter	Previous Quarter	Direction for Improvement	Change in Performance
20%	47%	68%	↓	Improving

RAG Rating

Red

Indicator Description

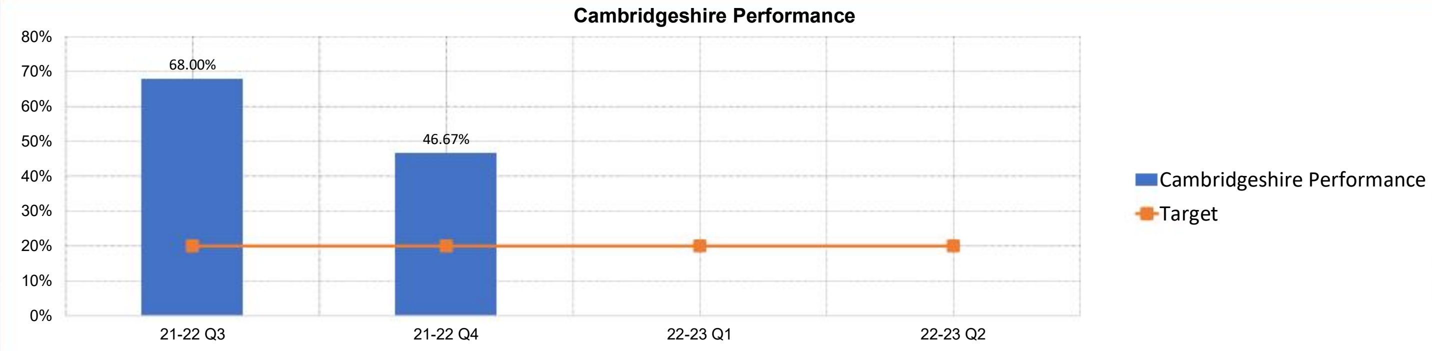
Public Contract Regulations (2015) require all contracts valued over £25,000 to be advertised and to follow a competitive process. External audit findings mean that there is a cross Council drive to promote and enable effective and compliant procurement practice.

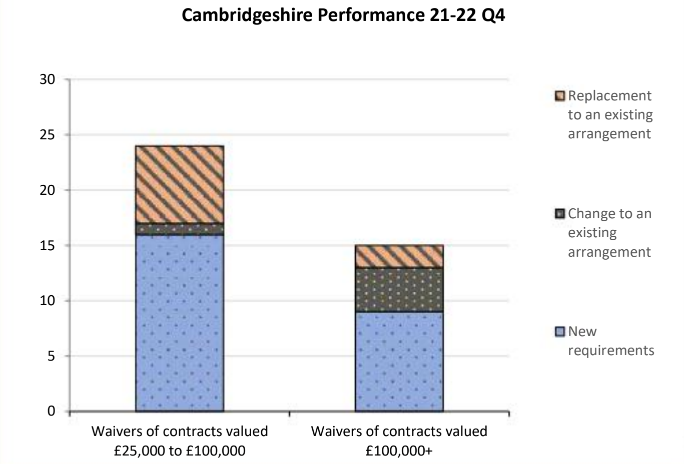
The Council's Contract Procedure Rules allow for exceptions/waivers to be applied for in specific circumstances where the contract is valued either below the relevant UK Procurement Threshold or below the Key Decision Threshold of £500,000. Waiver requests are submitted via the Council's online system 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
YMCA Trinity Group	Competitive tender with only 1 bid (no longer needs a waiver under new CPRs)	£443,764
Papworth Trust	Sole supplier commissioned by DWP to carry out the work	£122,270
CBRE	2 bids received following a further competition (this would no longer require a wavier)	£499,999
Confidential Supplier	Litigation Related	£499,000
Osborne Infrastructure	2 bids received following a competition (this would no longer require a waiver)	£499,999
Multiple suppliers of nursing and residential beds	Multi agency discharge event as urgent need to free up hospital beds	£497,000
Multiple suppliers of dementia beds	As above	£499,300
Uni of Cambridge and an individual	Pandemic research – sole supplier	£110,000
Clark and Kent	Funding awarded with quick spend required for skate park	£100,000

Commentary

It is welcome that 90 waivers have been recorded in the three-month period January-March 2022, as it shows a high level of awareness and visibility - a previous shortcoming being an absence of waivers and the appropriate approvals where necessary.

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. In 2021-22 Quarter 4, 15 waivers were for contracts valued over £100,000, of which 9 were for new requirements.

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, which covered in further detail the procurement activity undertaken during the year, the number, value and distribution of waivers across the Council.

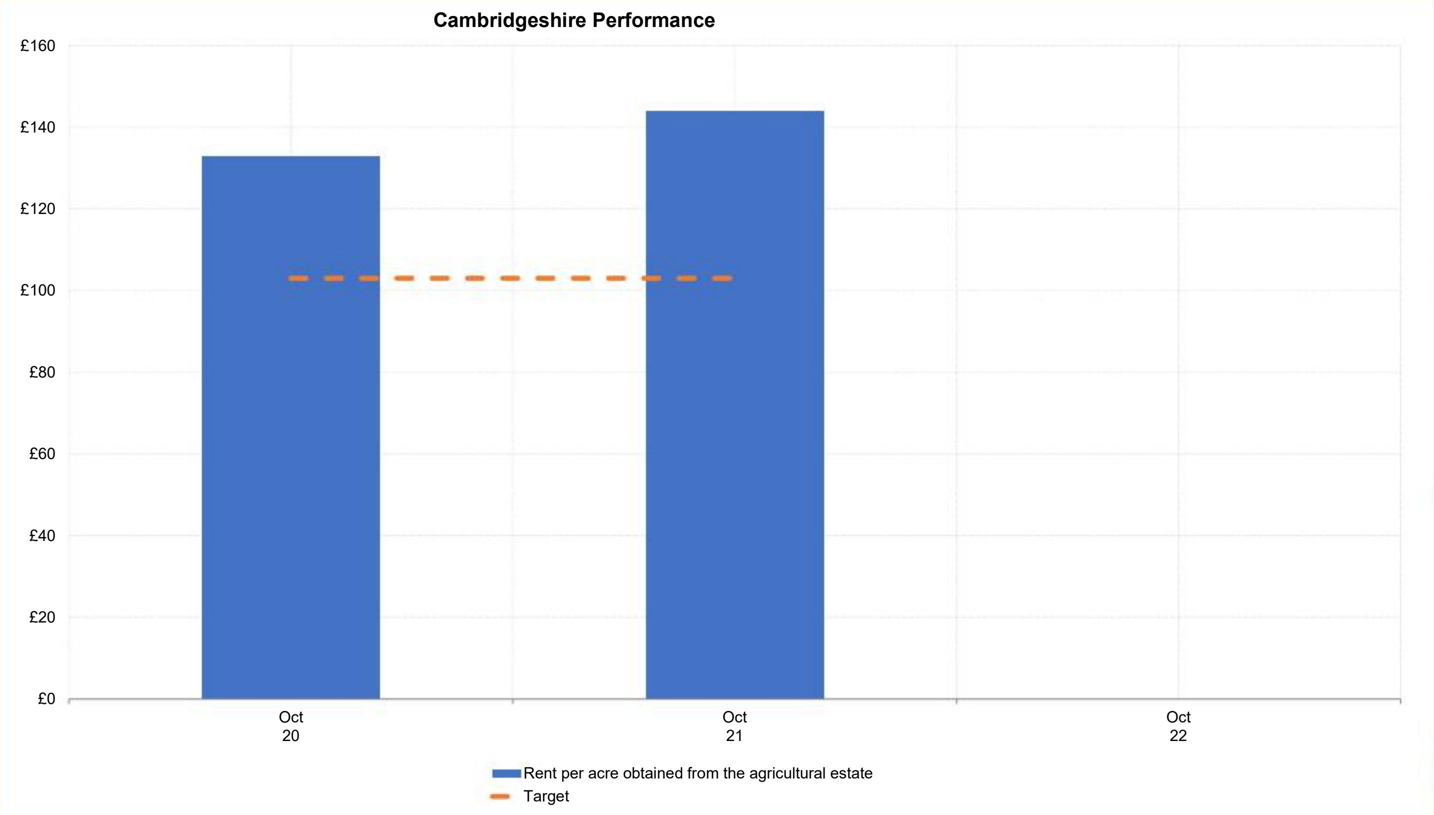
Indicator 171: Rent per acre obtained from the agricultural estate

Return to Index June 2022

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 whch 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 tennacies. 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

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

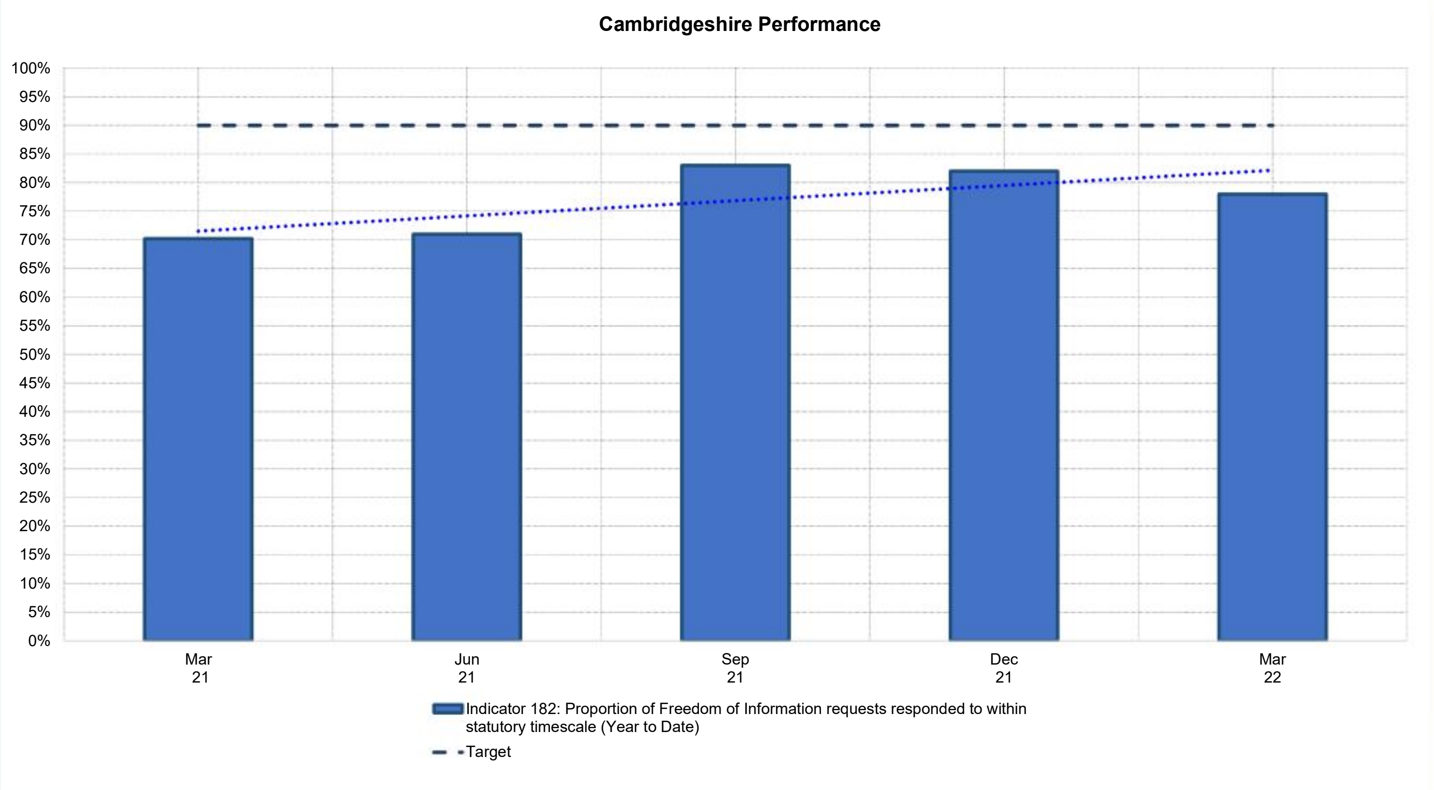
Return to Index

June 2022

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
90.0%	↑	78.0%	82.0%	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

There has been a slight decline in performance, but overall for the year, performance has improved by 8%, from 71% to 79%.

We continue to see requests at a pre-pandemic level. Quarter 4 has been affected by changes in staffing caused by the loss of experienced staff in December and the upskilling of the new officer.

Useful Links

Actions

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

Indicator 183: Percentage of Subject Access Requests completed within statutory timescales (Year to Date)

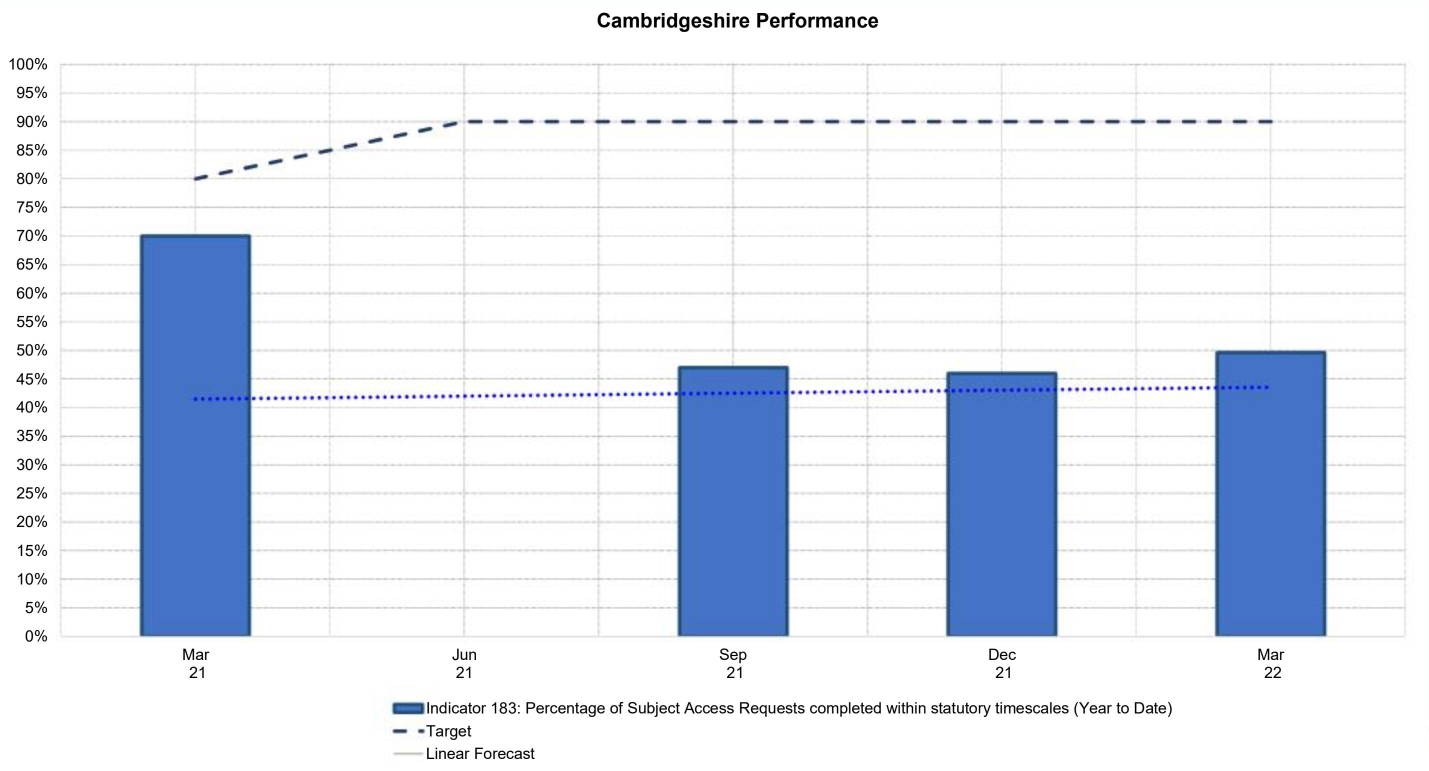
Return to Index

June 2022

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
90.0%	↑	49.6%	46.0%	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.

Commentary

The performance has in the past been affected by (a) pandemic affecting the ability for staff to be in buildings and scanning paper files for redaction and (b) additional staff being recruited to undertake scanning. Additional staff were recruited in September and have begun to scan overdue requests to enable their completion. Whilst the numbers completed in time are low, we are continuing to clear the requests that were delayed as described. This will affect future performance until the backlog of older cases is complete.

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, which requires high levels of concentration and attention to detail.

Useful Links

Actions

We are currently utilising resources from PCC on top of our existing resources within CCC to progress through the older cases whilst dealing with newer matters. We have also designed our own case management system to help better manage workloads and gain better oversight.

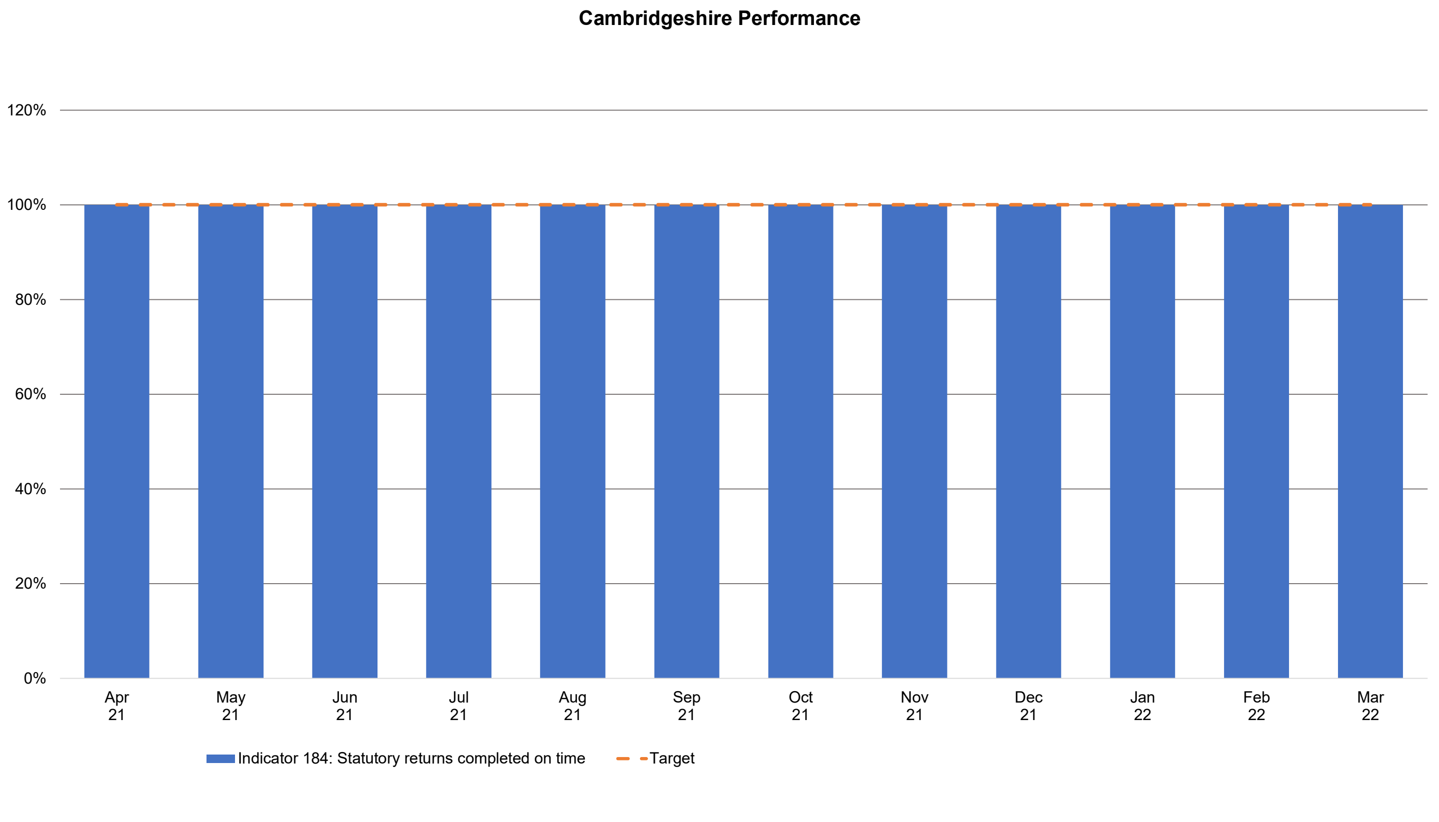
Indicator 184: Statutory returns completed on time

Return to Index June 2022

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

Indicator 187: Proportion of staff feeling valued by the Council as demonstrated through employee engagement survey

Return to Index

June 2022

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
65.0%	↑	59.0%	n/a	n/a

RAG Rating

Amber

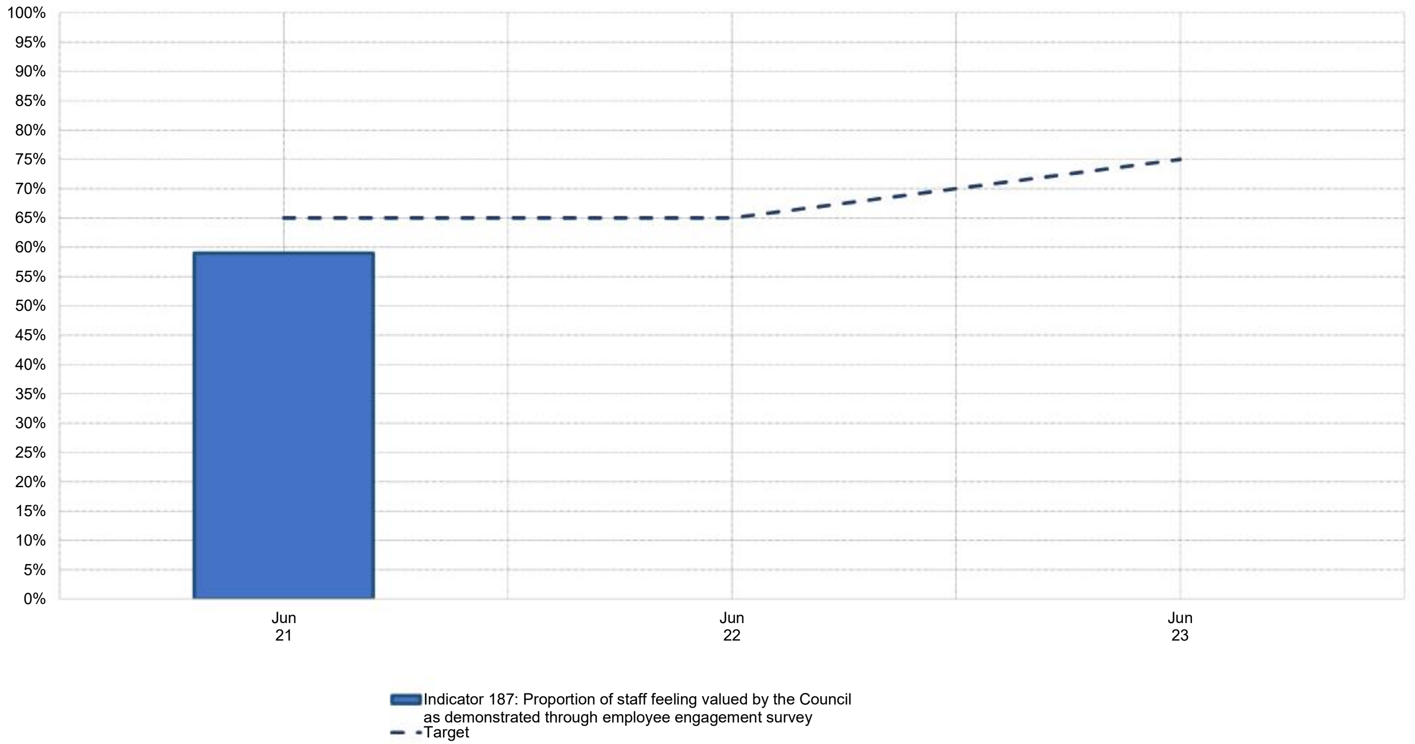
Indicator Description

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%.

Cambridgeshire Performance



Useful Links

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 postive impact on recruitment and retention.

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.

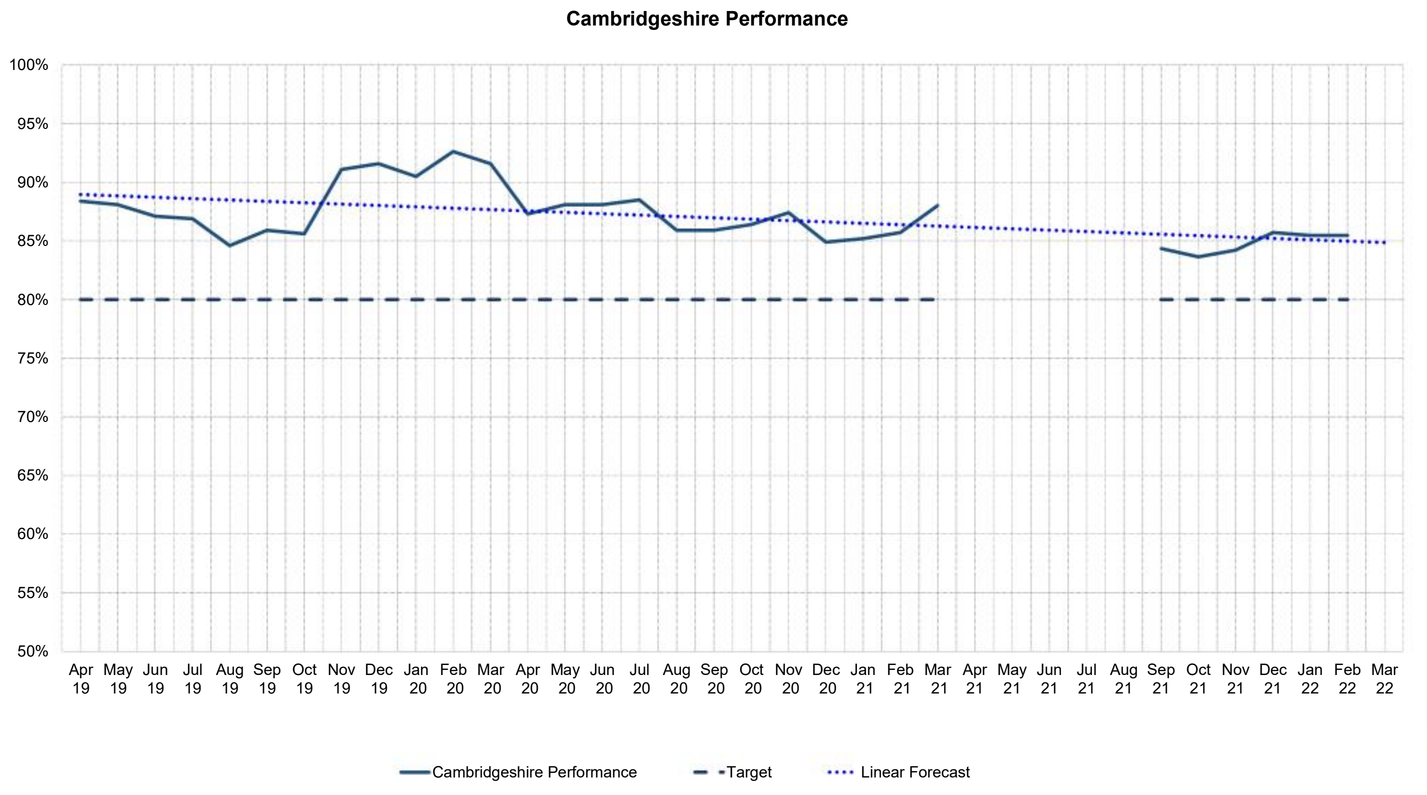
Indicator 190: Proportion of information enquiries resolved at first point of contact

Return to Index June 2022

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
80.0%	↑	85.5%	85.5%	Unchanged

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 representaitve to deal with this would be marked as unresolved. This measures how effecitvely 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 increae 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 cmplex 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

Declining but only by 0.24% and is over 5% above target level

Actions

Indicator 195: Percentage of requests resolved at first line within expected timescales

Return to Index

June 2022

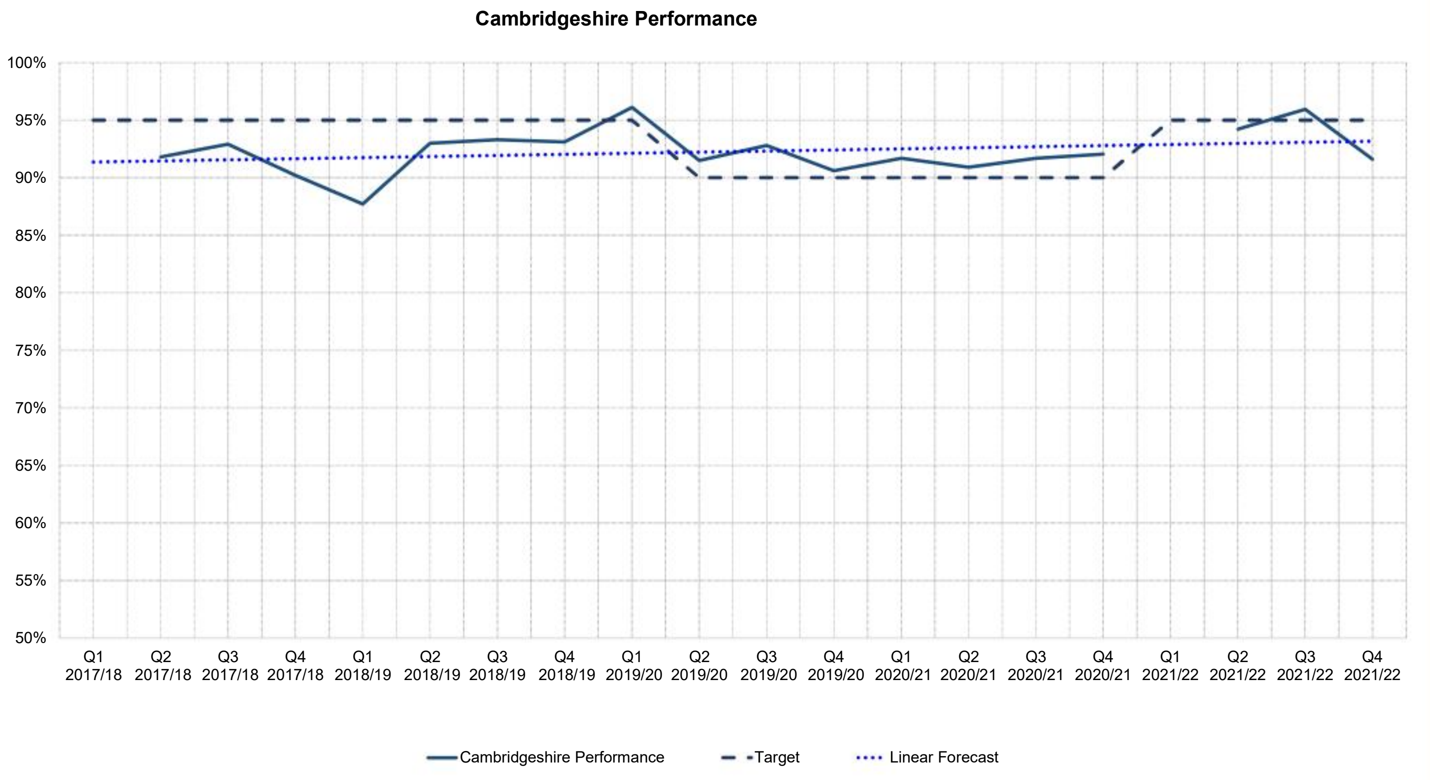
Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
95.0%	↑	91.6%	96.0%	Declining

RAG Rating

Amber

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

These timescales are currently carried over as an OLA from the Service Level Agreement we had within LGSS.

In Q4, there were two events that would have impacted resourcing and therefore response times: a cyber breach in March and issues with the cooling system at Sand Martin House which resulted in services being failed over and some service outages. In addition there was a decrease in Service Desk staffing levels due to sickness and a staff member leaving.

Actions

Indicator 204: Annual forecast of the gross income from our commercial investment as a percentage of initial investment

Return to Index

June 2022

Target	2021-22 Actual	Previous Quarter	Direction for Improvement	Change in Performance
6.0%	5.8%	5.7%	↑	Improving

RAG Rating

Amber

Indicator Description

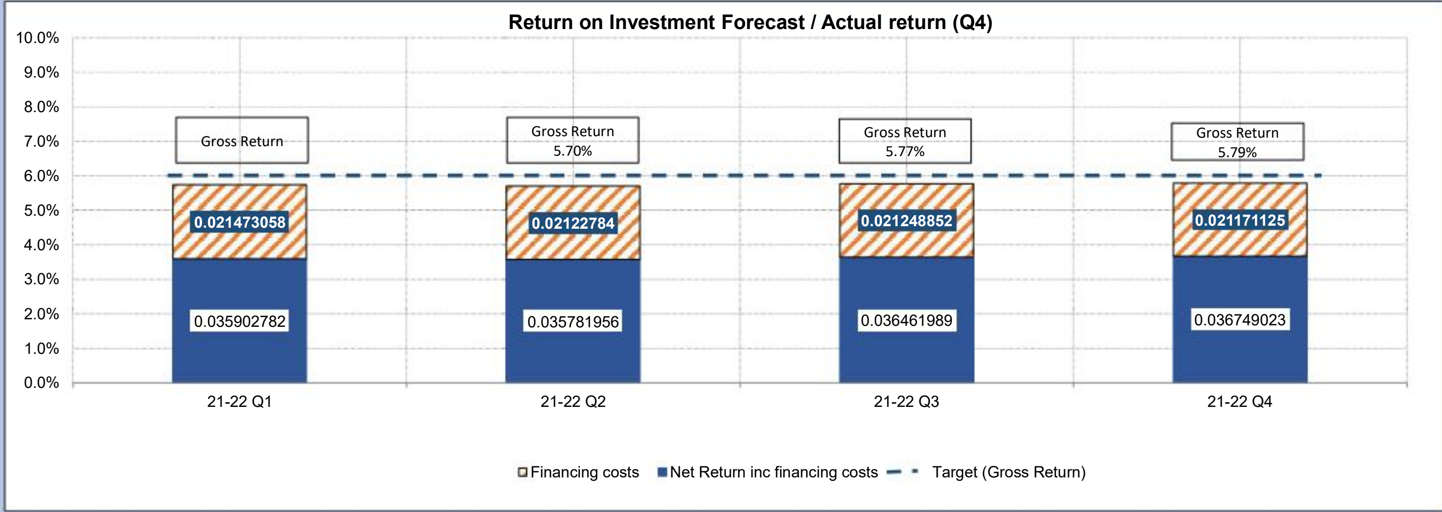
This indicator projects our expected gross income from the commercial investments that provide an income yield or interest receivable against a 6% target.

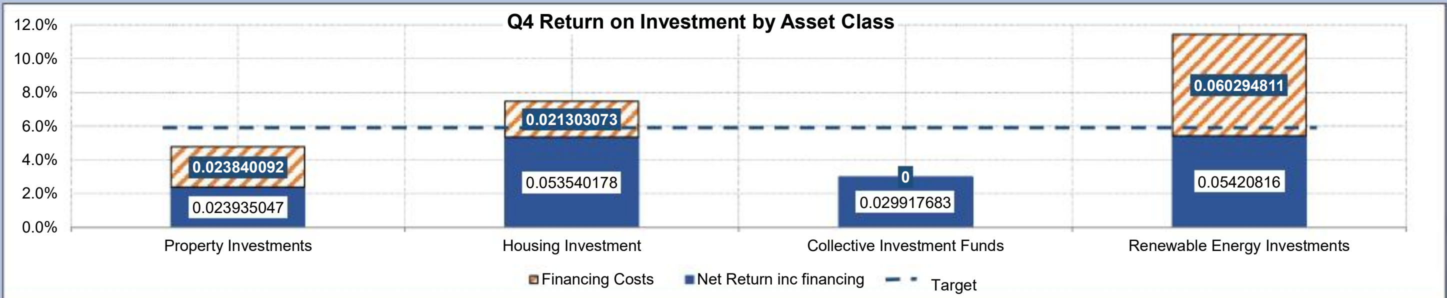
This indicator should be used to judge the performance of our commercial investment portfolio as a whole. It should not be used to predict any differences in actual income against budget. This is detailed within the Finance Monitoring Report.

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%
The gross income receivable across these investments in 2021-22 was £17.6m, with a net income of £11.1m 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 as expected and saw minimal disruption during the pandemic. The student accommodation and leisure assets were more challenged, however we have seen the occupation level at Brunswick House recover to 94% this year (the strongest since 2018) and letting discussion negotiations are in progress for two of the Units at Cromwell Leisure Park. 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.

Indicator 205: Amount of social value achieved

Return to Index

June 2022

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 currently unavailable. Data will be collected through deploying the National Themes Outcomes and Measures (TOMs) framework, Social Value portal and other procurement systems. Data reporting from contract register, Social Value portal and ERP in development.

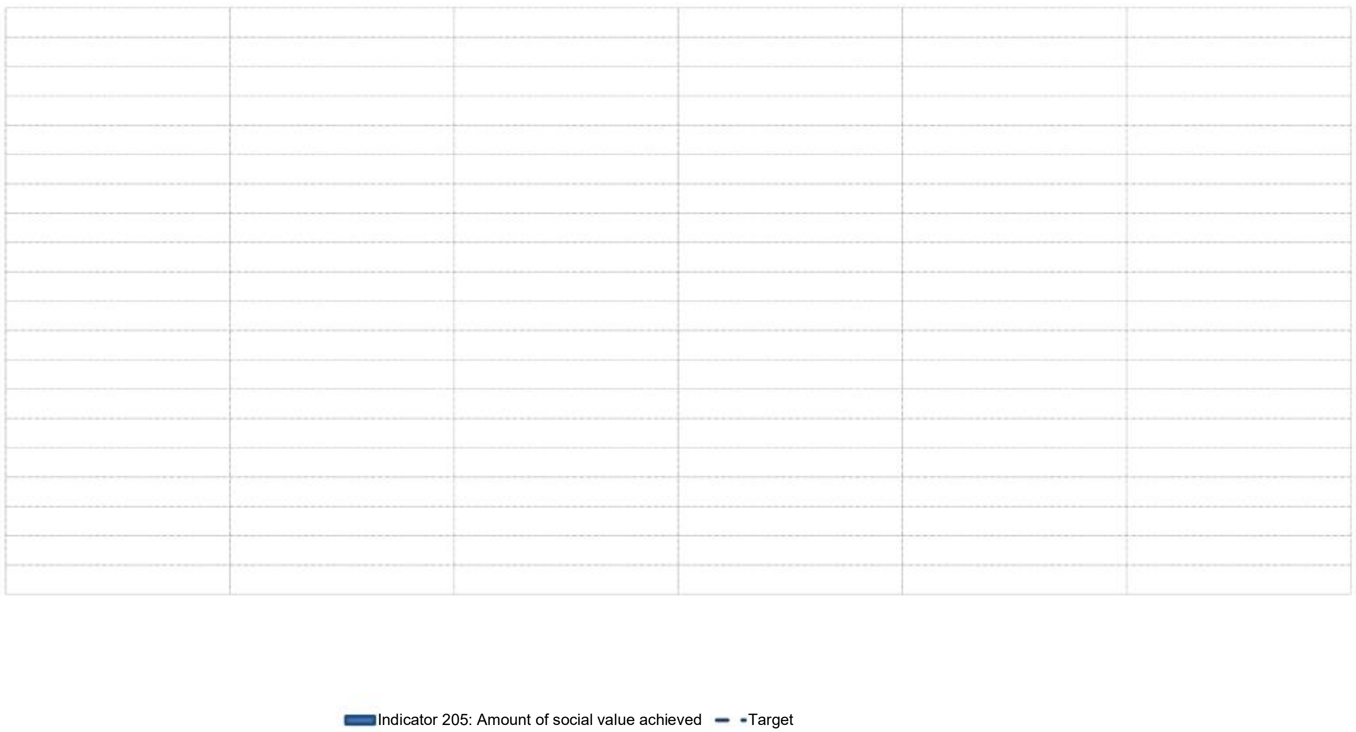
Target in development. Social value overall target to be set within Social Value Policy, with specific target to achieve through procurement. % target to be set based on current base and market trends.

Useful Links

National TOMs Framework 2019 Guidance

Social Value Portal

Cambridgeshire Performance



Commentary

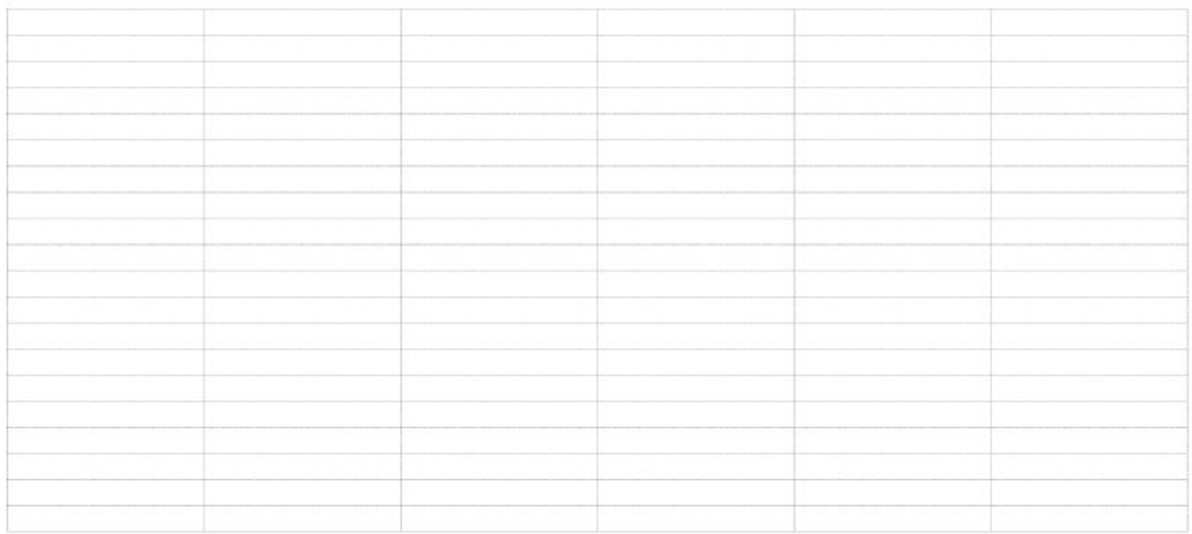
Actions

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
TBC	↑	n/a	n/a	n/a

RAG Rating

In Development

Cambridgeshire Performance



Indicator Description

Data currently unavailable. Data collection in development. Data to be taken from contract register and purchase order information based on supplier address.

Target in development.

Commentary

Useful Links

Actions

Indicator 207: Value of income achieved from all income generating services

[Return to Index](#) June 2022

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
TBC	↑	n/a	n/a	n/a

RAG Rating

In Development

Indicator Description

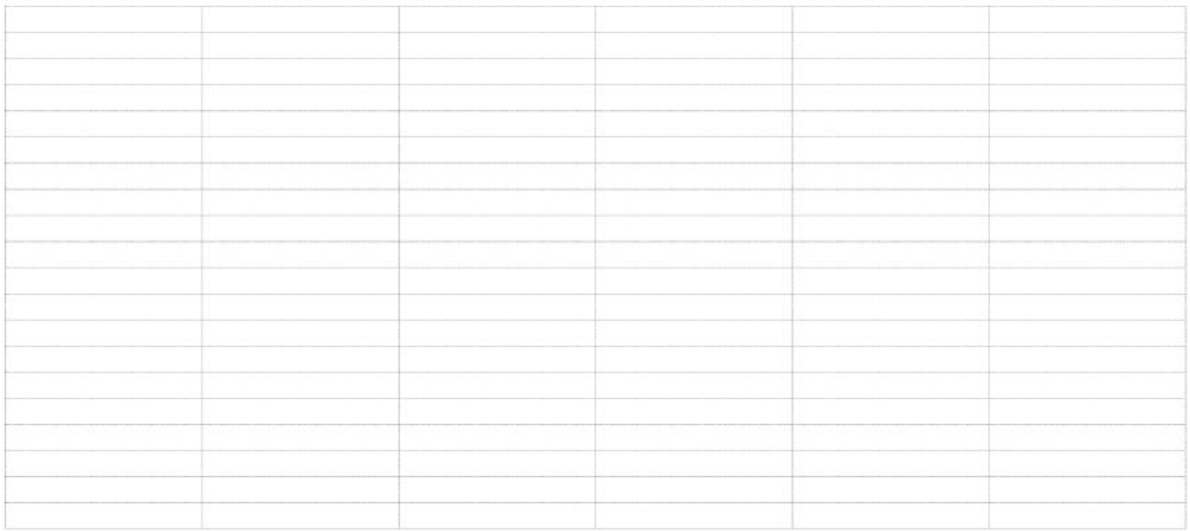
Total turnover achieved from fees and charges from all non statutory services assessed against budgetary target.

Target based on budget.

Data analysis in progress.

Useful Links

Cambridgeshire Performance



Commentary

Actions

Indicator 212: number of staff who have completed Introduction to First Aid e-learning

Return to Index

June 2022

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
2000	↑	2,088	1,920	Improving

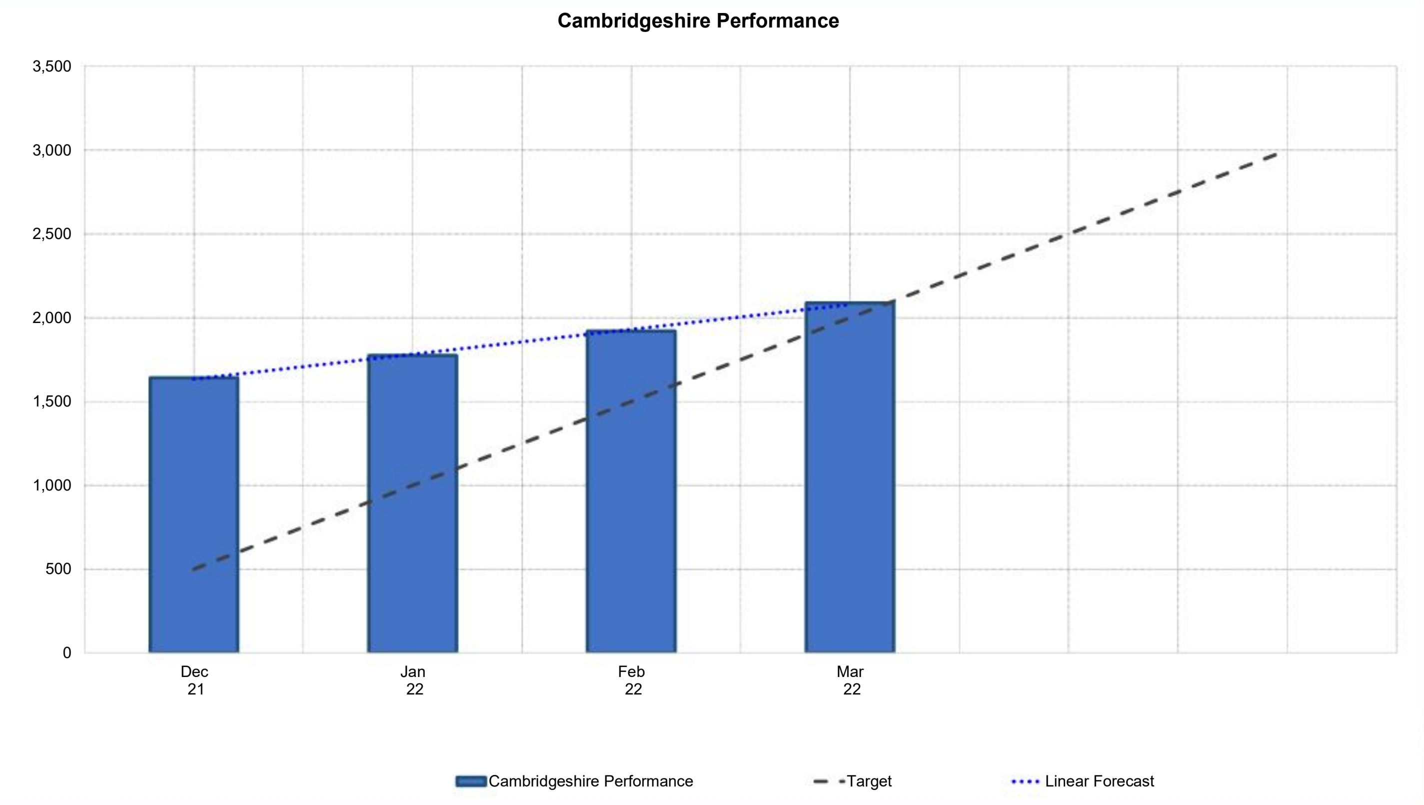
RAG Rating

Green

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 understainding 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 only introduced in October 2021 so there is currently an upward trend due to this not previously being available to staff.

Actions

Staff continue to complete the course with a monthly average of 149 completions each month. There is now 69.5% completion of the course against the KPI target of 3000 completions. The Health & Safety team continue to promote the course via the Service Health & Safety Meetings.

Indicator 213: FTE days lost to anxiety, mental health, depression and stress absence

Return to Index June 2022

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
TBC	↓	10,450	10,060	Declining

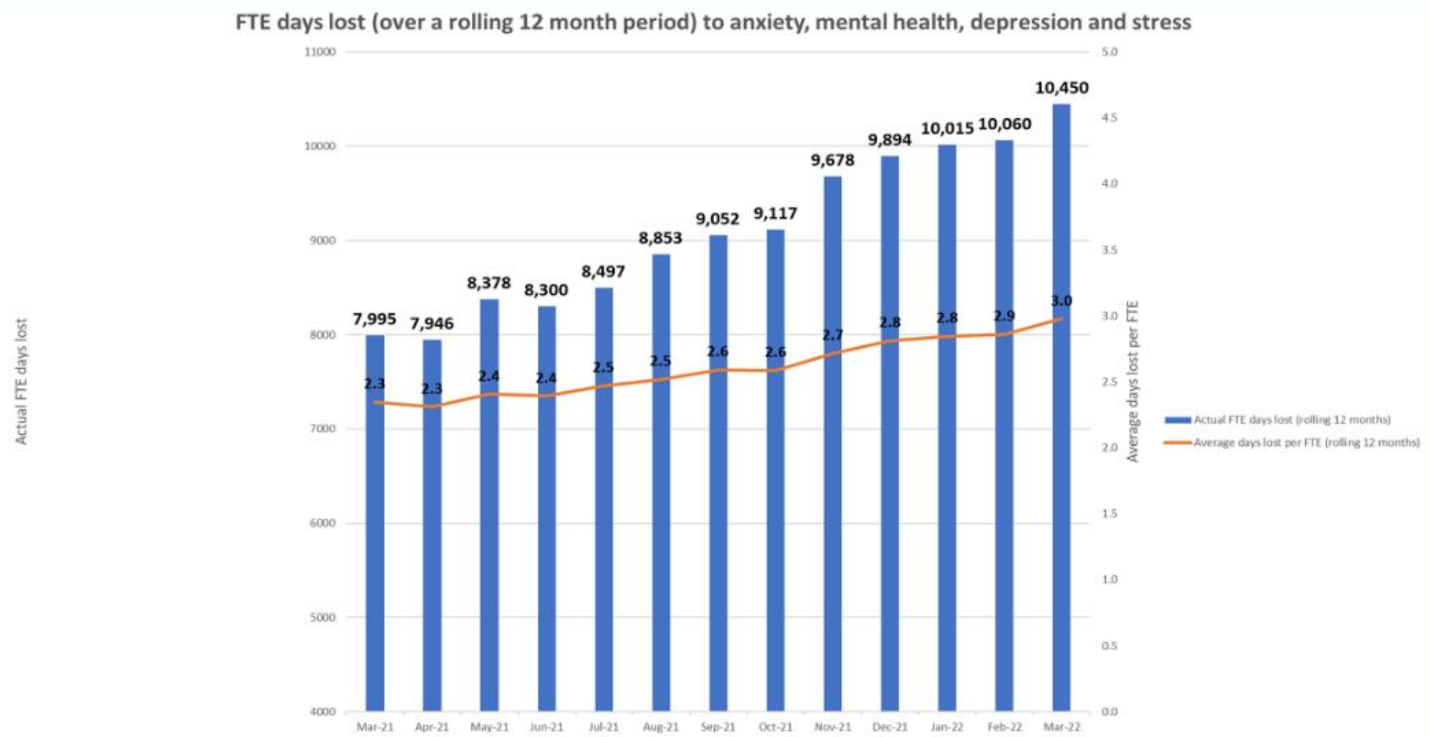
RAG Rating

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.



	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Actual FTE days lost (rolling 12 months)	7995	7946	8378	8300	8497	8853	9052	9117	9678	9894	10015	10060	10450
Average days lost per FTE (rolling 12 months)	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.7	2.8	2.8	2.9	3.0

Wellbeing support

Wellbeing Hours fulfil an important function, alongside the Cambridgeshire Conversations and EDI Conversations, of providing an opportunity for a shared experience and interaction with colleagues.
A comprehensive Wellbeing Portal on Camweb,with up to 5,700 views per month. Some of our most popular blog posts have received up to 1,100 views and comments. We complement this with weekly wellbeing articles in Friday Focus and posts on Yammer and in December we launched our first Wellbeing Newsletter.

We continue to strongly promote the EAP app that is available so that people have access to support, including live chat and the details of the helpline, 24 hours a day and 365 days a year, and recently reminded everyone that this can also be accessed by dependent family members as well.

We have doubled our numbers of trained Mental Health First Aiders (MHFAs) using our existing commissioned training provider through Public Health. 50 employee volunteers offer a non-judgemental listening ear and signposting to other sources of support. At present we average 5 recorded contacts a month and feedback from MHFAs is that they often use the skills they have learned to provide ad hoc support in their teams.
We work with Remploy and Access to Work to promote their Mental Health Support Service, where individuals can get support to remain in or return to work.

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. Stress, anxiety mental health and depression are cited as the top two reasons for long term absence for CCC employees currently. Average absence by FTE related to anxiety, mental health, depression and stress has also risen, but at a steadier pace. As of March 2022 the average CCC employee has taken 3 days per year off due to anxiety, mental health, depression or stress. This increase in absence related to anxiety, mental health, depression and stress 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 an overall increase of 35% of calls to the service in March 21-Feb 22, compared with the previous year of April 20- March 21. Included in the top four reasons for calling were 'Anxiety,' (201 calls) 'Low Mood' (119) and ' Depression' (47). Those calling for 'Bereavement' support also increased by 83% in 21-22, which could also be linked to the pandemic. At the start of EAP therapy during April 20- March 21, 5% of employees were out of work, and half (2.5%) returned by the end of therapy. This year (March 21-Feb 22) 19.35% of employees accessing the counselling were out of work and 8% returned to work after the end of therapy. This is a higher % returning after the support from EAP and CCC, and shows a greater amount of colleagues accessing therapy when off work for sickness absence which may be a reason for the higher useage of the EAP support.

Actions

We are working with our Integrated Care System partners to develop a bespoke referral route for social care colleagues to access enhanced support for conditions affecting their mental health and wellbeing. We are continuing to increase and promote our numbers of mental health first aiders. We are developing a new package of training as a follow on from the successful Mental Health in the Workplace sessions that have been running for employees and managers for the past 2 years'

Indicator 214: Staff turnover (rolling 12 month average)

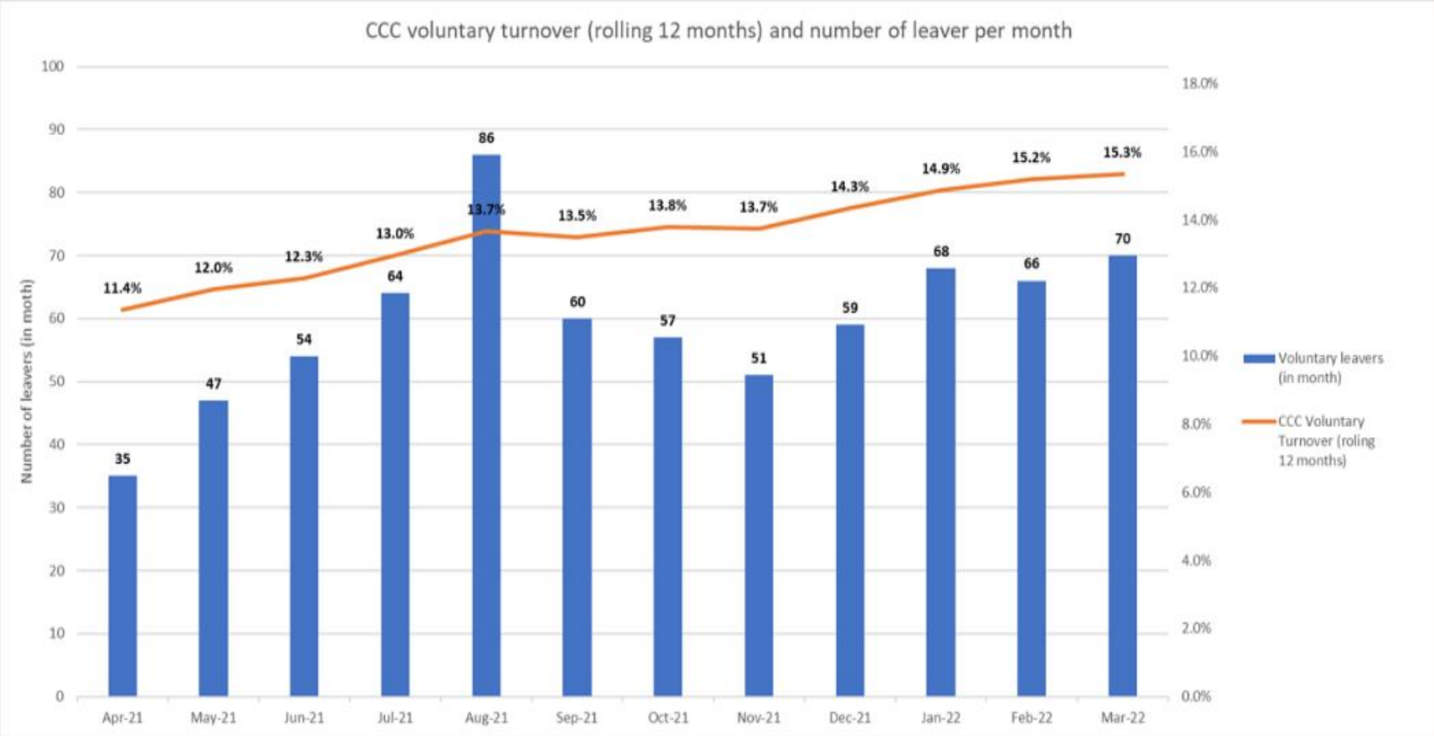
Return to Index

June 2022

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
TBC	↓	15.3%	15.2%	Declining

RAG Rating

Baseline



Indicator 214: Staff turnover (rolling 12 month average)

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.

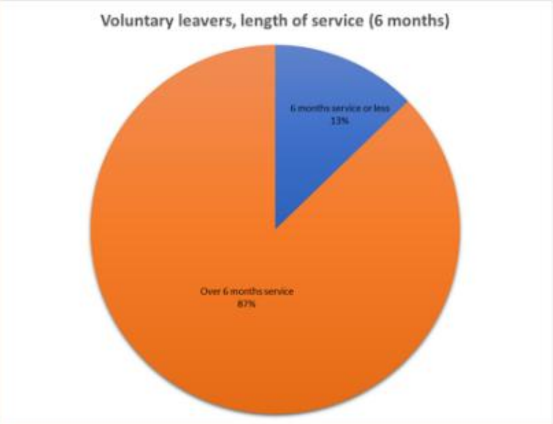
Turnover in all areas of the Council has increased in the last year (as is the case in most organisations).

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.

As a comparison with another local authority, we note Peterborough City Council's current staff turnover is 16.3% (based on voluntary turnover the same as CCC). In their workforce survey, the Local Government Association reports a lower turnover rate of 13.4%, based on all leavers (not just voluntary), with the most recent data available from 2017/2018, which was published in late 2021. This gives a general understanding that CCC is potentially in line with other local authorities. HR intend to review this further for the next report on KPIs.

Turnover and Service

Of the total voluntary leavers for the rolling 12 months period ending 31 March 2022, 13% had 6 months or less service. The average length of service for voluntary leavers in the same period is 5.5 years (this reduces to 4.5 years when excluding those retiring).



Actions

CCC are putting a focus on retention by recruiting a Retention Advisor in the recruitment team within HR Services. This role will have a focus on social care (Childrens and Adults).

Indicator 215: IT & Digital Services Remote Access Availibility

Return to Index

June 2022

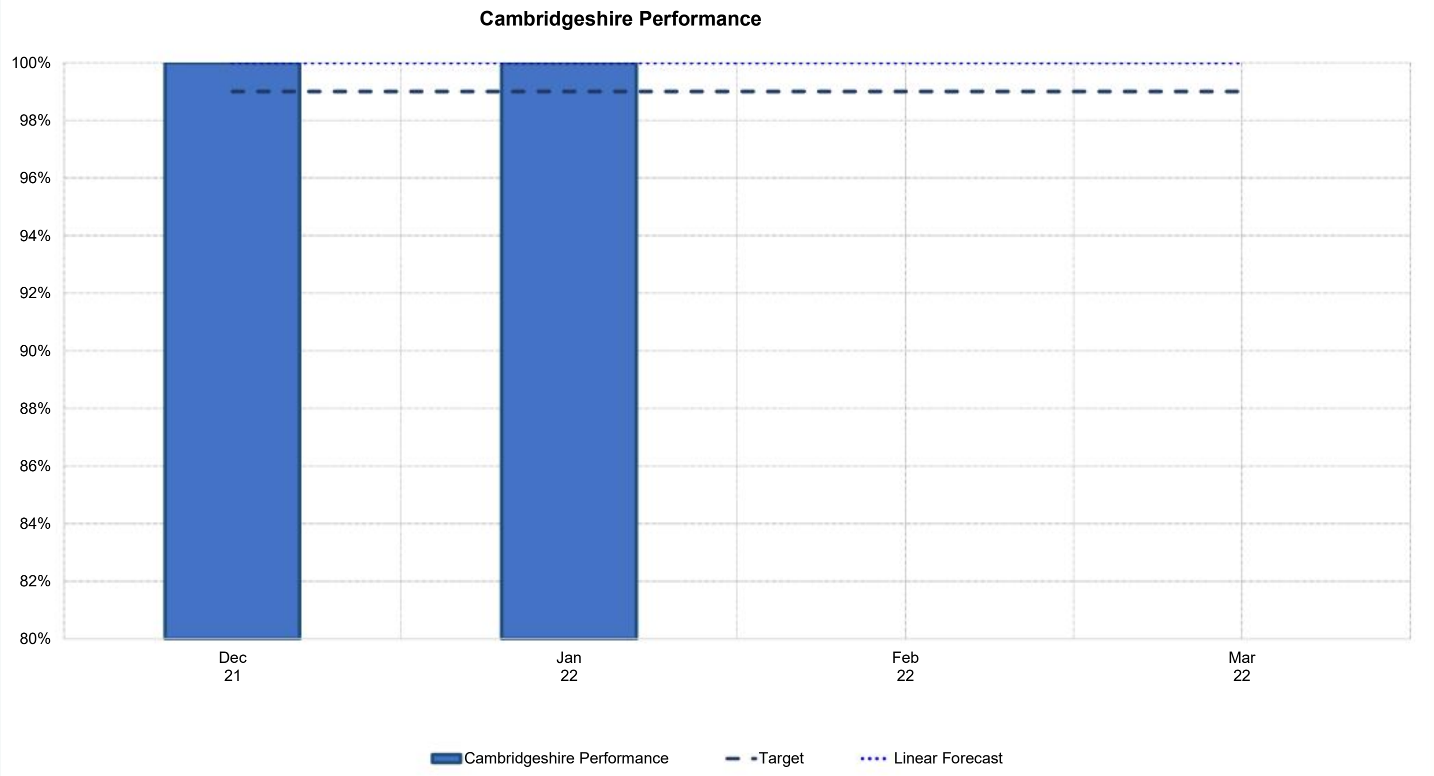
Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
99.0%	↑	100.0%	100.0%	Unchanged

RAG Rating

Green

Indicator Description

This relates to the availibility of remote access to the CCC network - excluding planned outages for maintenance



Commentary

Actions

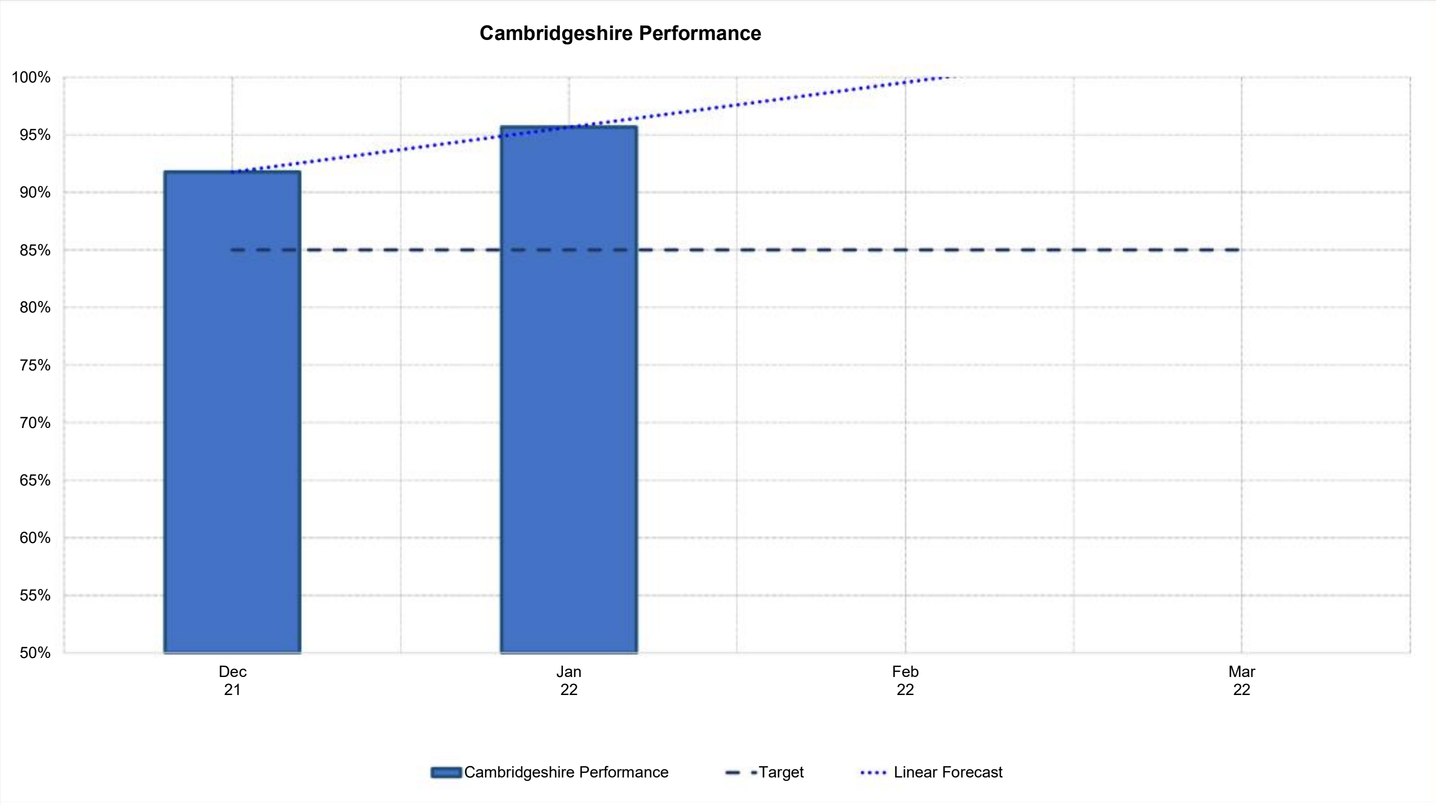
Indicator 216: IT & Digital Services Customer Perception Rating

Return to Index June 2022

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
85.0%	↑	95.7%	91.8%	Improving

RAG Rating

Blue



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 as Excellent, Good, Satisfactory or Poor. This measure will take the % of submiting Excellent

Commentary

Actions

Indicator 217: Website Quality Assurance Score

Return to Index

June 2022

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
85.1%	↑	85.8%	n/a	n/a

RAG Rating

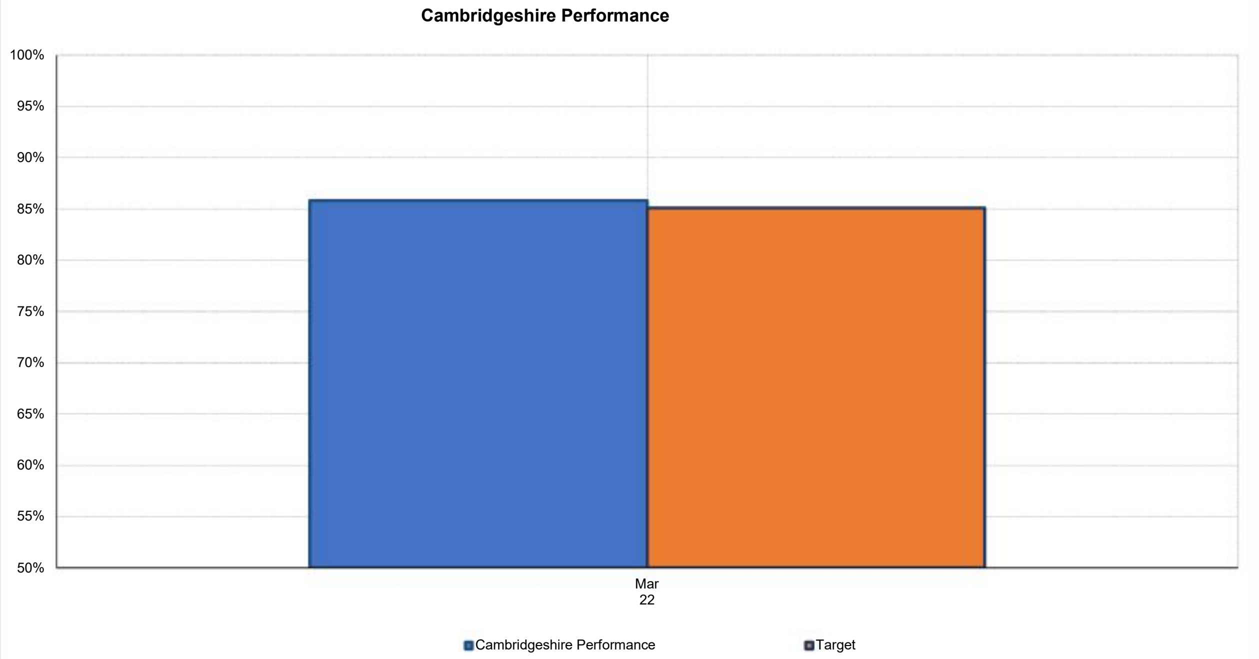
Green

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).

This is the first KPI report for website Quality Assurance (QA). A number of broken link have been fixed in this period but there are some still to be updated. The web team is waiting on some services to provide new links or content to improve the QA score.

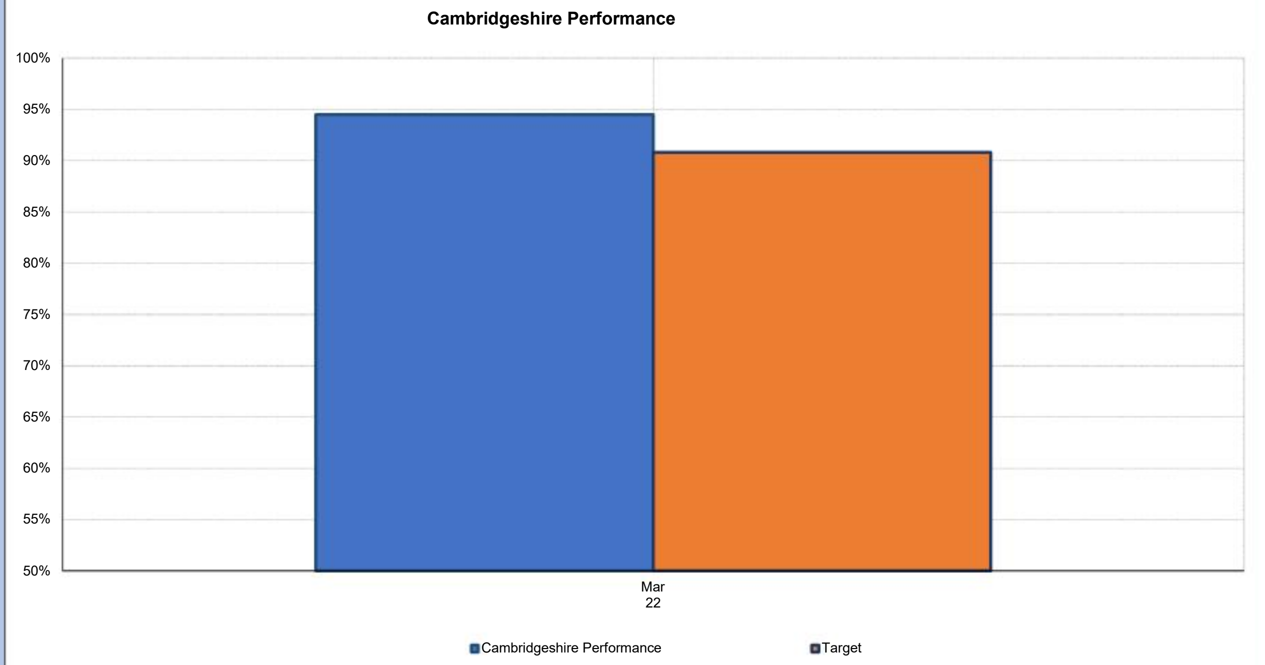
The reading age of some content has been reduced to improve usability and readability.

Actions

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
90.8%	↑	94.5%	n/a	n/a

RAG Rating

Green



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 graph shows the accessibility performance of the County Council website compared to the target score, 7% above the industry benchmark.

This is the first period of reporting for the websites accessibility KPI. During this period, a number of images without alternative text and page heading strucutures have been updated.

Actions

Agenda Item No:11

Treasury Management Report – Quarter Four Update 2021/22

To:	Strategy & Resources Committee
Meeting Date:	27th June 2022
From:	Director of Resources/Section 151 Chief Finance Officer
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	Not applicable
Outcome:	Through this report the Committee supervises the Council's treasury management, and ensures that public money across the Council's cashflows, borrowing and investments is utilised and deployed effectively and in compliance with the Treasury Management Strategy.
Recommendation:	The Strategy & Resources Committee is recommended to note the Treasury Management Quarter Four Outturn Report for 2021/22, and endorse it for consideration at Full Council.

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Tel: 01223 706398

1. Background

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management recommends that Members be updated on treasury management activities regularly (annual, mid-year or quarterly reports). This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

1.2 Updates are provided quarterly to this committee on treasury management activities and are necessarily retrospective in describing the position at the end of a quarter. However, changes to the UK economy and corresponding implications for our treasury management activity can be sometimes fast paced, therefore some of the information relevant to a quarter's report may be partially out of date by the time it is reported. Any significant live treasury management information is therefore presented on a regular basis to committee as part of the Integrated Finance Monitoring Reports.

2. Economic Update

2.1 In Quarter 4, the 1.3% quarter on quarter (q/q) rise in nominal household disposable income was wiped out by a 1.4% q/q rise in consumer prices. As a result, real household incomes fell by 0.1% q/q; the third fall in a row. The GfK measure of consumer confidence has now fallen for four consecutive months, reaching a 17-month low in March 2022.

2.2 With inflation set to keep rising, households can expect a prolonged period of negative real wage growth. The surge in CPI inflation to a new 30-year high of 6.2% in February means that it is now more than three times the Bank of England's 2% target. The rise in core inflation (excluding energy, food and alcohol) from 4.4% in January to 5.2% in February also left it at a 30-year high. In February, a 1.0% month on month (m/m) price rise meant that food and drinks inflation rose from 4.3% to 5.1%. That was the highest rate since September 2011.

2.3 Consumer Prices Index (CPI) inflation is expected to peak at around 8.3% in April and will stay above 7.0% for most of 2022, and above 3.0% for most of 2023. The scheduled 54% rise in utility prices on 1st April will add an extra 1.4 percentage points to CPI inflation in April. The surge in agricultural commodity prices triggered by the war in Ukraine means that food price inflation is expected to climb above 6%.

2.4 Job vacancies increased to a new record high of 1.3 million in February and maintained the upward pressure on wage growth. The three-month average rate of earnings growth rose from 4.6% in December to 4.8% in January. Earnings excluding bonuses rose by another 0.4% m/m, which lifted the average rate of earnings growth from 3.7% to 3.8%.

2.5 The Bank of England Monetary Policy Committee's (MPC's) forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative tightening) holdings of bonds is as follows:

- Raising the Bank Rate is "the active instrument in most circumstances".

- After the Bank Rate hits 0.50%, start reducing its gilt/bond holdings and stop reinvesting maturing gilts.

3. Interest Rate Forecast

3.1 The latest forecast for the Bank Rate along with Public Works Loan Board (PWLB) borrowing rates (certainty rate) from the Council's treasury advisors is set out in Tables 1a and 1b.

3.2 The MPC has tightened short-term interest rates to try to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but without pushing the economy into recession. The latest forecast on 4th February for Quarter 4 is compared to the last forecast (20th December) in the previous quarter. A comparison of these forecasts shows that PWLB rates have increased generally and show a speeding up in the increase in the Bank Rate as inflation is now posing a greater risk. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally due to inflation concerns.

Table 1a: Interest Rate Forecast (%) February 2022

Link Group Interest Rate View 7.2.22	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

Table 2b: Interest Rate Forecast (%) December 2021

Link Group Interest Rate View 20.12.21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

Forecasts for Bank Rate

3.3 The following summarises the potential factors that might influence the future path for the Bank Rate:

- The MPC has now set out on a monetary policy tightening spree. In March, it voted 8-1 for rates to increase to 0.75%.
- If the MPC becomes more heavily focused on combating inflation than on protecting economic growth, the forecast will be revised up further.
- In April, there will be an energy cap increase of 54%, together with a 1.25% rise in employee national insurance. Food inflation will be around 5%, and council tax is likely to rise in the region by 5% too.
- These increases will hit lower-income families hard, despite some limited assistance from the Chancellor, who was asked to postpone the full impact of rising energy costs.
- It is estimated that consumers are sitting on over £160bn of excess savings left over from the pandemic, which will cushion some of the impacts of the above increases. But most of those holdings are held by more affluent households, whereas lower-income families have already spent nearly all their income before these increases hit and have few financial reserves.
- The big issue is whether the current spike in inflation will lead to a second-round effect in terms of labour demanding higher wages (and/or lots of people securing higher wages by changing jobs).
- If the labour market remains very tight during 2022, then wage inflation poses a greater threat to overall inflation being higher for longer, and the MPC may feel it needs to take more action.

Forecasts for Gilt Yields / PWLB Rates

3.4 The current PWLB rates are set as margins over gilt yields as follows:

- PWLB Standard Rate is gilt plus 100 basis points (G+100bps)
- PWLB Certainty Rate is gilt plus 80 basis points (G+80bps)
- Local Infrastructure Rate is gilt plus 60bps (G+60bps)

3.5 The yield curve has flattened out considerably. It is difficult to say currently what effect the Bank of England starting to sell gilts will have on gilt yields once the Bank Rate rises to 1%; it is likely to act cautiously as it has already started to not refinance maturing debt. A passive process of not refinancing maturing debt began in March when the 4% 2022 gilt matured; the Bank owns £25bn of this issuance. A pure roll-off of the £875bn gilt portfolio by not refinancing bonds as they mature would see holdings fall to about £415bn by 2031, which would be about equal to the Bank’s pre-pandemic holding. Last August, the Bank said it would not actively sell gilts until the “Bank Rate had risen to at least 1%” and, “depending on economic circumstances at the time.”

3.6 However, increases in US treasury yields over the next few years could add upside pressure on gilt yields; more recently, gilts have been more correlated to movements in bund yields, rather than treasury yields.

4. Summary Portfolio Position

4.1. The level of net debt borrowing set in the Treasury Management Strategy (TMS) for 31st March 2022 was £805.0m. On 1st April 2021, net debt was £709.3m, and by 31st March 2022 it had reduced to £660.8m (excluding all Third-Party Loans and Equity). This is a decrease in borrowing over the period, due to some loans maturing and not yet being refinanced, combined with slower spend on the Council's Capital Programme than was forecast, plus an increase in cash reserves which have allowed the Council to increase levels of internal borrowing. In particular, the cash flow position was improved at the end of Quarter 4 by a large Section 106 payment, as well as a significant sale of a piece of land.

4.2 Further analysis on borrowing and investment is set out in the next two sections. A snapshot of the Council's debt and investment position is shown in Table 2.

Table 2: Net Borrowing Quarter 4 2021/22

Borrowings	Actual as at 1 April 2021 £m	Actual as at 31 March 2022 £m	Year -date-change £m
Borrowing repayable in >12mth	675.7	724.3	48.6
Borrowing repayable in <12mth	137.0	55.0	-82.0
Total Borrowings	812.7	779.3	-33.4
Less Treasury Investment	-98.1	-113.6	-15.5
Less Third-Party Loans and Equity	-5.3	-4.9	0.4
Total Net Debt/Borrowings	709.3	660.8	- 48.5

5. Investments

5.1 The Treasury Management Strategy for 2021/22, including the Annual Investment Strategy for financial assets, was approved by Council in February 2021. It sets out the Council's investment priorities as being:

1. Security of Capital;
2. Liquidity; and then
3. Yield

5.2 The Council will aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. As shown by the interest rate forecasts in Section 3, the Money Market Fund (MMF) & Call Account rates are increasing daily, therefore the Council will receive a better return on short-term, laddered investment. The Bank rate is at 1%, an increase from 0.1% earlier in 2021.

5.3 At 31st March 2022, the Council's investment balances totalled £113.6m; the balance is split between Money Market Funds, Call/Notice accounts and Collective Investment Funds (see Table 3 below). The balance excludes Third-Party Loans and Share Capital.

Collective Investment Funds

5.4 **Property Fund:** At the end of Quarter 4, the capital value of the investment was £12.6m compared to an original investment value of £12m. The UK commercial property had a good start to 2022, building on strong progress in 2021; high tenant demand was reflected in the industrial sub-sector. However, rental growth in both the retail and office sectors stalled. Overall, the portfolio has retained income better than expected during the pandemic, reflecting the fund's active asset management strategy and tenant engagement. Sector values continued to improve through the quarter, closing a year of strong recovery in valuations. The improvement was helped by the recovery in transaction levels which were back up to their long-term averages. The dividend rate of return on the initial investment for Quarter 4 was 3.5%.

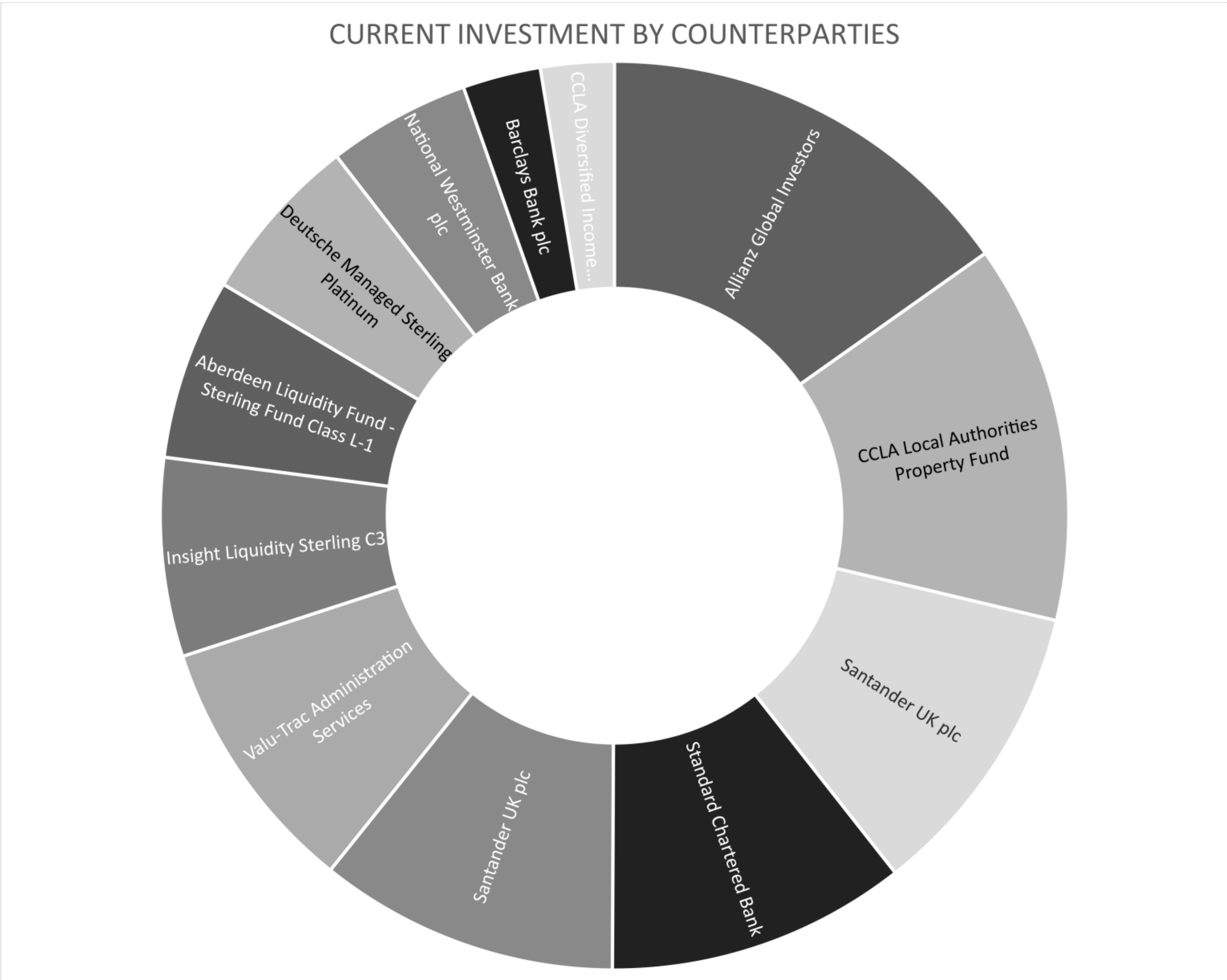
5.5 **Diversified Income Fund:** At the end of Quarter 4, the capital value of the investment was £2.445m compared to an original investment value of £2.450m. Continuing through 2022, monetary policies will continue to tighten, with inflation likely to remain above the projected rate. In this environment, CCLA expects to maintain the portfolio's emphasis on real assets, such as good quality equities with a cautious allocation to the fixed income sectors. The dividend rate of return on the initial investment for Quarter 4 was 2.3%.

5.6 **Multi-Class Credit Fund:** At the end of Quarter 4, the valuation of the CCC share of the fund stood at £14.2m compared to an original investment value of £14.5m. The market in 2022 started somewhat uncertain, and with the invasion of Ukraine, the market has become further volatile. The Council received the annual dividend payment of £304k in 2021/22; the dividend rate of return on the initial investment was 2.1%.

5.7 **Infrastructure Income Fund:** At the end of Quarter 4, the valuation of the CCC share of the fund stood at £8.6m, compared to an original investment value of £8m. Positive momentum in the Fund's core universe accelerated in March and the strategy performed well, recording a strong 7.96% total return for the period. Following heavy capital deployment throughout periods of market weakness earlier in the year, the Fund started the month almost fully invested. The strategy was therefore able to fully capitalise on the positive market backdrop, but it also meant that portfolio activity was relatively muted. The dividend rate of return on the initial investment for Quarter 4 was 3.9%.

5.8 The average level of investment in Quarter 4 (excluding Third-Party Loans and equity) was £781.6m, which carried a weighted average rate of 2.37%. The level of investment funds varies dependent on the timing of precept receipts, grants, and the progress of the capital programme; at the end of Quarter, 4 investments (excluding Third-Party Loans and Equity) totalled £113.6m. Figure 1 overleaf shows the investment by counterparty at 31st March 2022.

Figure 1: CCC Investments allocation by Counterparty



5.9 The table below summarises the maturity profile of the Council's investment portfolio at the end of Quarter 4 2021/22 (excluding Third-Party Loans):

Table 3: Investment maturity profile at end of Quarter 4 2021/22

		Maturity Period					
		0d	0-3m	3-6m	~5yrs	Total	
Product	Access Type	£m	£m	£m	£m	£m	%
Money Market Funds	Same-Day	18.3				18.3	*16.1*
Bank Call Account	Instant Access	37.4				37.4	*32.9*
Notice Account	35 Day Notice			20.0		20.0	*17.6*
Pooled Property Fund	Redemption Period Applies				12.6	12.6	*11.1*
Pooled Diversified Income Fund	Redemption – two days				2.5	**2.5**	*2.2*
Pooled Multi-class credit Fund	Redemption Period Applies				14.2	**14.2**	*12.5*
Income Fund (Energy)	Redemption Period Applies				8.6	**8.6**	*7.6*
	Total	55.7	0.0	20.0	37.9	113.6	*100.0*
	%	*49.0*	*0.0*	*17.6*	*33.4*	*100.0*	

5.10 The tables below set out details of the amounts outstanding on loans and share capital investments classed as capital expenditure advanced to third-party organisations at the end of Quarter 4:

Table 4: Loans/Equity holdings in This Land companies end of Quarter 4 2021/22

Loan Summary	Amount Outstanding (£m)	Repayment Year
Land, Construction & Development loans	113.851	2026/27, 2027/28 and 2028/29
Equity holding	5.851	N/A
Total Loans/Equity in This Land Ltd	119.702	

Table 5: Loans/Equity holdings in Pathfinder Legal Services end of Quarter 4 2021/22

Loan Summary	Original Amount (£m)	Amount Outstanding (£m)	Repayment Year
Cashflow loan	0.325	0.325	2029/30
Equity holding	0.475	0.475	-
Total Loans/Equity in Pathfinder Legal Services	0.800	0.800	

Table 6: Third-Party Loans Principal Outstanding end of Quarter 4 2021/22

Loan Counterparty	Original Amount (£m)	Amount Outstanding (£m)	Repayment Year
Arthur Rank Hospice Charity	4.000	3.280	2042/43
Estover Playing Field 2015 CIC (Guaranteed by March Town Council)	0.350	0.163	2024/25
Wisbech Town Council	0.150	0.150	2043/44
VIVA Arts & Community Group	0.300	0.032	2031/32
Total Third-Party Loans	4.800	3.625	

5.11 Investment returns compared to benchmark returns are shown in Table 7 below. The publication of official LIBOR (London Inter-Bank Offered Rate) figures (and related LIBID (London Inter-Bank Bid Rate) calculations ceased at the end of 2021. Moving forward, the preferred benchmark is SONIA (Sterling Overnight Index Average), which is the risk-free rate for sterling markets administered by the Bank of England. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors. Moving forward, the Council has chosen to use the 30-day backward looking rate on a SONIA basis, as this most accurately reflects the type and length of investments (excluding Collective Investment Funds) that the Council holds. The decision to use backward looking is because this reflects the rates at the time of decision-making, rather than forward looking rates at the time of reporting.

Table 7: Average Benchmark versus Council Performance (excluding Collective Investment Funds) 2021/22

	Benchmark	Benchmark Return	Council Performance
Quarter 1	3m LIBID	-0.04%	0.05%
Quarter 2	3m LIBID	-0.05%	0.08%
Quarter 3	3m LIBID	0.02%	0.10%
Quarter 4	30-day backward SONIA	0.31%	0.32%
For the Year	**30-day backward SONIA**	**0.12%**	**0.13%**

5.12 Leaving market conditions aside, the Council’s return on investments is influenced by several factors, the largest contributors being the duration of investments and the credit quality of the institution or instrument:

- Credit risk is the consideration of the likelihood of default and is controlled through the creditworthiness policy approved by Council.
- The duration of an investment introduces liquidity risk; the risk that funds cannot be accessed when required.
- Interest rate risk, arising from fluctuating market interest rates.

These factors and associated risks are actively managed by the Council's Finance team.

6. Borrowing

6.1 The Council can raise cash through borrowing to fund expenditure on its capital programme for the benefit of Cambridgeshire. The amount of new borrowing needed each year is determined by capital expenditure plans and projections of the Capital Financing Requirement, underlying borrowing requirement, forecast cash-backed reserves and both current and forecast economic conditions.

6.2 The Council will continue to utilise short to medium-term borrowing from other local authorities and authorised brokers, as well as PWLB if either rates are low, or longer-term borrowing is required. The Council intends to keep a proportion of the borrowing portfolio short-dated to take advantage of lower rates; but has also focused on extending the average duration of loans in the portfolio whilst there have been opportunities to fix loans for extended maturities at historically low levels. As a result, the Council's overall average interest rate for borrowing is low at around 2.3%.

6.3 In Quarter 4, the Council repaid on maturity a total of £65.0m, of which £22.0m was short-term loans from other local authorities and £43.0m was longer-term loans from other local authorities and PWLB. Loans raised during Quarter 4 amounted to £77.0m from other local authorities; £47.0m was medium-term borrowing, and £30.0m short-term loans.

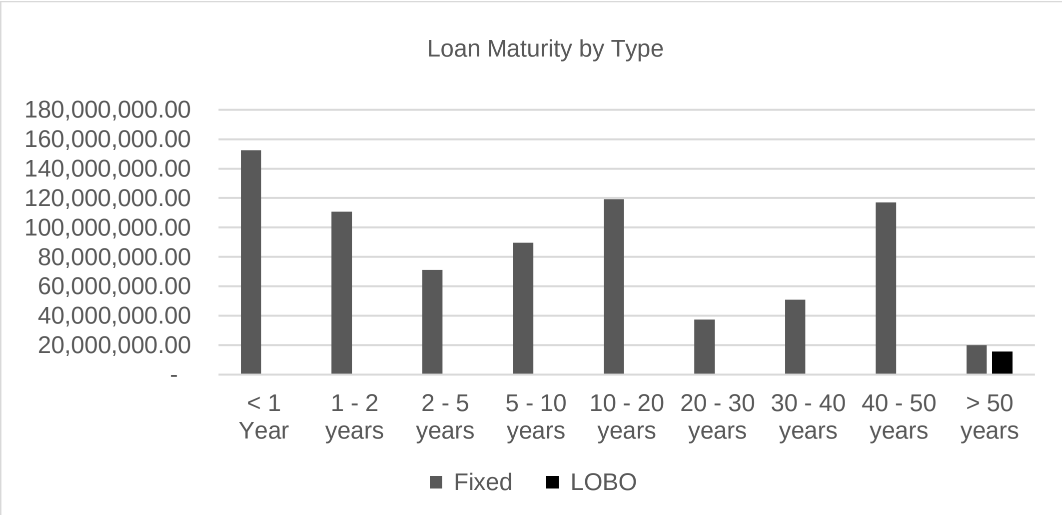
6.4 At the end of Quarter 4, the Council held £779.3m of borrowing of which £55.0m was short-term borrowing that matures in less than 1 year from date of issue. The Council continues to be able to re-finance loans as required, generally at this time at a similar interest rate to the maturity loan. As opportunities arise, we have sought longer loan terms, rather than less than 1 year, in view of the recent historically low rates. However, this is becoming a less favourable option as rates are starting to rise.

6.5 Table 8 overleaf sets out the maturity profile of the Council's borrowing portfolio at the end of Quarter 4; £464.8m is held with the PWLB, £254.0m from other local authorities, £45.0m in market loans and £15.5m is a single market Lender Option Borrower Option (LOBO) loan. Of the £779.3m of borrowing, £152.5m (including both short-term and longer-term loans) will mature in less than 1 year, therefore potentially requiring refinancing.

Table 8: Loan Maturity Profile (Closing) – Quarter 4 2021/22

Term remaining	Borrowing £m	Borrowing %
< 1 Year	152.5	19.6
1 - 2 years	110.7	14.2
2 - 5 years	71.2	9.1
5 - 10 years	89.7	11.5
10 - 20 years	119.2	15.3
20 - 30 years	37.5	4.8
30 - 40 years	51.0	6.5
40 - 50 years	117.0	15.0
> 50 years	30.5	3.9
Total	779.3	100.0

Figure 2: Loan Maturities by Type (Closing) – Quarter 4 2021/22



6.6 The market LOBO loan is included in Table 8 at final maturity rather than next potential call date. In the current environment, the likelihood of the lender exercising their option to increase the interest rate on this loan – and so triggering the Council's option to repayment at par – is considered to be low.

6.7 The Council is in an internally borrowed cash position and balances will need to be replenished at some point in the future (subject to expenditure demands), which is in accordance with our Treasury Management Strategy. This strategy is prudent while investment returns are lower than the cost of servicing debt and also serves to mitigate counterparty risk. The Council therefore plans to maintain this internal borrowing position but will closely monitor those reserves, balances and cashflows supporting this approach.

6.8 No borrowing rescheduling was undertaken during Quarter 4. Rescheduling opportunities are limited in the current economic climate. For PWLB loans, due to the spread between the carrying rate of existing borrowing and early redemption rates, substantial exit (premium) costs would be incurred. For market borrowing, the lender uses the certainty of the loans cashflow profile to hedge against forecast interest rate movements and so would pass the cost of unwinding these instruments onto the Council as an exit (premium) cost. Officers continue to monitor the position regularly.

7. Compliance with Treasury and Prudential Limits

7.1 The Council's treasury and prudential indicators are shown in Appendix 2.

7.2 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ended 31st March 2022, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy for 2021/22.

7.3 All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

8. Debt Financing Budget

8.1 This section summarises the 2021/22 debt financing budget, which is held as a central budget within Corporate Services, and complies with the reporting requirement in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Treasury Management Practice. The overall outturn position is an overspend of £2.8m, summarised in the table below.

	Budget (£m)	Outturn (£m)	Variance (£m)
Interest payable	21.139	18.553	(2.586)
Interest charged to Other Funds	(6.901)	(6.394)	0.507
Interest receivable	(9.604)	(9.989)	(0.385)
Interest charged from Other Funds	10.090	9.953	(0.137)
Capitalisation of interest cost	(2.173)	(1.127)	1.046
Technical & Other	0.598	0.401	(0.197)
MRP	18.145	22.664	4.519
Total	31.295	34.061	2.766

8.2 Minimum Revenue Provision (MRP) is a charge made on the Council's revenue budget to finance its capital programme. The figures presented here include a proposed overpayment of £3.528m. This is money the Council allocates to its capital costs rather than an outbound external expenditure. The proposed overpayment is the estimate of the impact of potential changes to MRP on Third-Party Loans that are currently being consulted on by central government. As the consultation is not yet concluded, and there is a potential for substantial impact should the consultation not resolve in our favour, it is considered prudent to overpay MRP to an equivalent amount. This provides some offset for one year should Government require us to change the MRP approach on Third-Party Loans, and give us time to build into budget for 2023/24 onwards. If the consultation resolves in our favour, we can unwind this overpayment in a future year. (For reference the Statutory Guidance on Minimum Revenue Provision issued by the Secretary of State under section 21(1A) of the Local Government Act 2003 states in paragraph 24 that Local authorities may choose to pay more MRP than they consider prudent in any given year.)

8.3 The Interest Payable on Borrowing underspent by £2.6m. The low borrowing rate was primarily due to the Bank of England base rate cut to an all-time low level, from 0.25% to 0.1%, which resulted in a reduction in borrowing rates. For this reason, CCC was able to secure cheaper market loans from both other Local Authorities and PWLB. Following analysis of capital schemes completed in 2020/21 and how they were funded, the MRP payment for 2021/22 has been recalculated and the year-end position was £1.0m higher than budgeted. Taking into account the £3.5m additional payment for the estimated impact of changes to MRP on Third-Party Loans, the final MRP position was £4.5m higher than budgeted. The Interest Payable underspend was partially offset by a £1.0m overspend on the capitalisation of interest budget; as lower capital spend and lower interest rates resulted in lower interest costs being charged to schemes; consequently, there was a smaller recharge back to the debt financing costs budget.

9. Alignment with Corporate Priorities

9.1 Environment and Sustainability

There are no significant implications for this priority.

9.2 Health and Care

There are no significant implications for this priority.

9.3 Places and Communities

There are no significant implications for this priority.

9.4 Children and Young People

There are no significant implications for this priority.

9.5 Transport

There are no significant implications for this priority.

10. Significant Implications

10.1 Resource Implications

This report provides information on performance against the Treasury Management Strategy. Decisions on treasury management, which are driven by the capital programme and the Council's overall financial position, will impact the Debt Charges Budget and are reported through the Budget Monitoring process.

10.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for this category.

10.3 Statutory, Legal and Risk Implications

The Council continues to operate within the statutory requirements for borrowing and investments. Further details can be found within Appendix 2.

10.4 Equality and Diversity Implications

There are no significant implications for this category.

10.5 Engagement and Communications Implications

There are no significant implications for this category.

10.6 Localism and Local Member Involvement

There are no significant implications for this category.

10.7 Public Health Implications

There are no significant implications for this category.

11. Source documents

11.1 None

Appendix 1: Detailed economic commentary on developments during quarter ended 31st March 2022

Prepared with advice from the Council's treasury management advisors

The UK economy got off to a good start in Q4 of 2021/22, growing by 0.8% m/m in January. That more than reversed the 0.2% m/m fall in December triggered by the Omicron wave. It took GDP 0.8% above the pre-virus February 2020 level. The rise was driven by areas where Omicron hit hardest, with output in consumer-facing services rising by 1.7% m/m after falling by 0.2% m/m in December. Within that, wholesale/retail output rose by 2.5% m/m in January and restaurants/hotels output rose by 3.0% m/m.

- The surge in CPI inflation to a new 30-year high of 6.2% in February means that it is now more than three times the Bank of England's 2% target. The rise in core inflation (excluding energy, food and alcohol) from 4.4% in January to 5.2% in February also left it at a 30-year high. A lot of the latest rises were due to unfavourable base effects as the COVID-19 lockdown in early 2021 meant that price changes were soft a year ago. Even so, a genuinely large 1.0% m/m price rise this February meant that food and drink inflation rose from 4.3% to 5.1%. That was the highest rate since September 2011.

- We think that CPI will likely stay above 7.0% for most of this year and above 3.0% for most of next year. Fuel prices are likely to jump by 11% m/m in March, which would be the largest monthly rise on record and would add 0.3 percentage points (ppts) to CPI inflation. The scheduled 54% rise in utility prices on 1st April will add an extra 1.4ppts to CPI inflation in April. And the surge in agricultural commodity prices triggered by the war in Ukraine means that we expect food price inflation to soon climb above 6%.

- We think that the impact on consumer spending from the fall in real household disposable incomes this year will be cushioned to some extent by fiscal support and, to a greater extent, by a decline in the saving rate. The Chancellor announced some support for households in his Spring Fiscal Statement in March, in the form of tax cuts. The £9.2bn (0.4% of GDP) package for 2022/23, or £18.2bn (0.8% of GDP) if the support measures announced in February are included, will help to offset about half the blow to household finances from higher energy and food bills.

  Households are drawing on their savings to offset lower real incomes**.** The household saving rate dropped from 7.5% in Q3 2021 to 6.8% in Q4. And the £4.0bn rise in cash sitting in households' bank accounts in February, which was smaller than the 2019 average rise of £4.6bn, suggests that households have stopped adding to their excess savings and have begun to reduce them. We estimate that the stock of excess savings has fallen from £161.8bn in January to £161.2bn in February. The £1.9bn leap in consumer credit in February also suggest that households had the confidence to borrow to smooth their spending.

  Meanwhile, the lasting financial market effects from the war in Ukraine so far appear to be higher commodity prices, higher interest rate expectations and wider corporate bond spreads. That's why UK financial conditions have tightened to levels similar to those seen after the Brexit referendum in 2016.

Despite a slight narrowing in the earnings gap between equities and bonds, equities still look favourably valued. And they still trade at a big discount relative to US equities, even after accounting for compositional differences. Even so, we have revised down our forecast for the FTSE 100 from 8,500 to 8,000 for the end of 2022 and from 8,900 to 8,500 for the end of 2023 to reflect the prospect of slower economic growth and higher inflation.

Appendix 2: Treasury and Prudential Indicators Quarter 4

Treasury / Prudential Indicator	2021/22 Indicator	2021/22 Quarter 4
Authorised limit for external debt (Inc' loans raised to on-lend to Housing & Investment Company)	-----£1,074.0m-----	
Operational boundary for external debt (Inc' loans raised to on-lend to Housing & Investment Company)	----- £1,044.0m-----	
Total Net Borrowing – Quarter 4	--------£660.8m------	
Capital Financing Requirement (CFR) *[Including PFI and Finance Lease Liabilities]*	£984.4m	£922.7m^
Ratio of financing costs to net revenue streams – yearly average	8.4%	4.58%
Upper limit of fixed interest rates based on net debt*	150%	115%
Upper limit of variable interest rates based on net debt*	65%	-15%
Principal sums invested over 365 days (excluding Third-Party Loans)	£50.0m	£37.9m
Maturity structure of borrowing limits**: -		
Under 12 months	Max. 80% Min. 0%	19.6%
12 months to 2 years	Max. 50% Min. 0%	14.2%
2 years to 5 years	Max. 50% Min. 0%	9.1%
5 years to 10 years	Max. 50% Min. 0%	11.5%
10 years and above	Max. 100% Min. 0%	45.6%

^ Estimated – this will be updated once the Statement of Accounts position has been finalised

*The interest rate exposure is calculated a percentage of net debt. Due to the mathematical calculation exposures could be greater than 100% or below zero (i.e., negative) depending on the component parts of the formula.

**The Treasury Management Code of Practice guidance notes requires that maturity is determined by the earliest date on which the lender can trigger repayment, which in the case of LOBO loans is the next break/call point. This approach differs to Table 8 at paragraph 6.5 above, which instead shows the Council's LOBO loan at maturity date as the likelihood of the option being exercised is low.

Summary – Prudential and Treasury Indicators at 31st March 2022

The following section provides monitoring of Prudential and Treasury Indicators against the indicators originally approved by the Council in February 2021 as part of the Treasury Management Strategy.

Has the Council adopted CIPFA code of practice for Treasury Management in the Public Services?

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practices and Cross sectoral Guidance Notes. This is a key element of the Treasury Strategy 2021/22, approved by the Council in February 2021.

Limit for exposure to fixed and Variable rate of net borrowing (Borrowing less investments)

	Limit	Actual
Fixed rate	150%	115%
Variable rate	65%	-15%

The interest rate exposure is calculated as a percentage of net debt. Due to the mathematical calculation, exposures could be greater than 100% or below zero (i.e., negative) depending on the component parts of the formula. Where the indicator is negative, it is due to investment income of that category exceeding debt of that category. The formulas are shown below:

Fixed rate calculation:

$$\frac{\text{Fixed rate borrowing* – fixed rate investments}}{\text{Total borrowing – total investments}}$$

Variable rate calculation:

$$\frac{\text{Variable rate borrowing** – fixed rate investments}}{\text{Total borrowing – total investments}}$$

* Defined as greater than 1 year to run
** Defined as less than 1 year to remaining to maturity, or in the case of LOBO borrowing, the next call date falling within 12 months.

Total Principal sums invested for the periods longer than 364 days

	2021/22 Limit £m	Actual £m
Investment longer than 354 days to run*	£50m	£37.9m

**Treasury Management Investment only*

Limit for maturity structure of borrowing

	Upper Limit	Actual
< 1 Year	80%	19.6%
1 - 2 years	50%	14.2%
2 - 5 years	50%	9.1%
5 - 10 years	50%	11.5%
>10 years	100%	45.6%

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

Ratio of financing cost to net revenue stream

2021/22 Original Estimate %	2021/22 Outturn %	Difference %
8.8	6.9	-1.9

Prudence

Gross borrowing and the Capital Financing Requirement (estimated) borrowing liability excluding PFI.

Original 2021/22 Capital Financing Requirement (CFR as of the 31st March 2022) £m	2021/22 CFR (as at 31st March 2022) £m	Actual Gross Borrowings (as at 31st March 2022) £m	Difference between actual borrowings and CFR (as at 31st March 2022) £m
984.4	922.7^	779.3	£167.1

^ Estimated – this will be updated once the Statement of Accounts position has been finalised

Capital Expenditure

Estimates of Capital

For the detail of capital expenditure and funding please refer to the capital outturn in the Integrated Finance Monitoring Report.

External Debt

Authorised Limit for external debt

2021/22 Authorised Limit per TMSS £m	Actual Borrowings £m	Headroom compared to Authorised Limit £m
1,074.0	779.3	294.7

The Authorised Limit is the statutory limit on the Council's level of debt and must not be breached. This is the absolute maximum amount of debt the Council may have in the year.

Operational boundary for external debt

2021/22 Operational Boundary Limit per TMSS £m	Actual Borrowings £m	Headroom compared to Operational Boundary £m
1,044.0	779.3	264.7

The operational boundary is set as a warning signal that debt has reached a level nearing the Authorised Limit and must be monitored carefully.

Agenda Item No: 12

Strategy and Resources Committee Agenda Plan, Training Plan, Appointments to Outside Bodies and Internal Advisory Groups and Panels, and the Appointment of Member Champions

To:	Strategy and Resources Committee
Meeting Date:	27 June 2022
From:	Democratic Services Manager
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	Not applicable

Outcome: To review the Committee's agenda plan and training plan, and appointments to Outside Bodies and Internal Advisory Groups and Panels, and the appointment of Member Champions to lead on specific subject areas.

It is important that the Council is represented on a wide range of outside bodies to enable it to provide clear leadership to the community in partnership with citizens, businesses and other organisations.

Recommendation: It is recommended that the Strategy and Resources Committee:

(i) review its agenda plan attached at Appendix 1;

(ii) review its training plan attached at Appendix 2;

(iii) review the appointments to outside bodies as detailed in Appendix 3;

(iv) review the appointments to Internal Advisory Groups and Panels as detailed in Appendix 4, and agree to change the composition of the County Farms Working Group so that it becomes a cross committee working group under the auspices of Strategy and Resources and Environment and Green Investment Committees with a membership of eight with one member from each group from each of the parent committees; and

(v) review the appointment of Member Champions as detailed in Appendix 5.

Officer contact:
Name: Michelle Rowe
Post: Democratic Services Manager
Email: michelle.rowe@cambridgeshire.gov.uk
Tel: 01223 699180

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 The Strategy and Resources Committee reviews its agenda plan at every meeting.

1.2 The training plan for the Committee has been updated to reflect recent training.

1.3 The County Council's Constitution states that the Strategy and Resources Committee has authority to nominate representatives to Outside Bodies other than the Combined Authority, Greater Cambridge Partnership, Cambridgeshire and Peterborough Fire Authority, the County Councils Network Council, and the Local Government Association.

1.4 Appointments to Outside Bodies and Internal Advisory Groups and Panels are agreed by the relevant Policy and Service Committee.

1.5 The Strategy and Resources Committee at its meeting on 6 July 2021 reviewed and agreed its appointments to Outside Bodies and Internal Advisory Groups and Panels. It also agreed to delegate, on a permanent basis between meetings, the appointment of representatives to any vacancies on outside bodies, groups, and panels, within the remit of the Strategy and Resources Committee, to the Chief Executive in consultation with the Chair and Vice-Chair of Strategy and Resources Committee.

2. Appointments

2.1 The Committee is invited to review its appointments to outside bodies where appointments are required as set out in Appendix 3.

2.2 The internal advisory groups and panels for review are set out in Appendix 4 to this report. There is a proposal to change the composition of the County Farms Working Group so that it becomes a cross committee working group under the auspices of Strategy and Resources and Environment and Green Investment Committees. The membership will be eight members with one from each group from each of the parent committees.

2.3 The appointment of Evidence-Informed Policy Member Champions is set out for review in Appendix 5.

3. Alignment with corporate priorities

3.1 There are no significant implications for the following priorities:

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

4. Significant Implications

4.1 There are no significant implications within these categories

Resource Implications
Procurement/Contractual/Council Contract Procedure Rules Implications
Statutory, Legal and Risk Implications
Equality and Diversity Implications
Engagement and Communications Implications
Localism and Local Member Involvement
Public Health Implications
Environment and Climate Change Implications on Priority Areas

5. Source documents

5.1 Membership of Outside Bodies and Internal Advisory Groups and Panels

Appendix 1

Strategy and Resources Committee Agenda Plan

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
20/09/22	Integrated Finance Management Report for the Period Ending 31st July 2022	R Barnes	2022/082	07/09/22	12/09/22
	New Shire Hall - Multi-Function Room	T Cooper	Not applicable		
	This Land Business Plan and progress report	T Kelly	Not applicable		
	DfE safety valve deal submission	T Kelly	2022/083		
	Strategic Framework	A Askham	Not applicable		
	Corporate Risk Register	A Askham	Not applicable		
20/10/22	Integrated Finance Management Report for the Period Ending 31st August 2022	R Barnes	2022/022	10/10/22	12/10/22

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Treasury Management Report – Quarter 1	E Todd	Not applicable		
	Business Planning Update for 2023-28	T Kelly	Not applicable		
	Corporate Services Performance Report Quarter 1	T Barden	Not applicable		
	Service Committee Review of the draft 2023-24 Capital Programme	T Kelly	Not applicable		
	Corporate Services Report (including financial monitoring)	A Askham/ T Kelly/ S Grace/ F McMillan	Not applicable		
	Re-Procurement of Mobile Phone Contract	S Smith	2022/047		
	IT & Digital Strategy	S Smith	2022/028		
	Commercial Strategy	A Askham/ T Kelly	Not applicable		
	Waste Management PFI Contract – Update on Variations to Waterbeach Facility Permits+[Confidential item]	A Smith	2022/012		
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 Todd	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Corporate Services Report (including financial monitoring)	A Askham/ T Kelly/ S Grace/ F McMillan	Not applicable		
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		
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	A Askham	Not applicable		
	Corporate Services Performance Report Quarter 3	T Barden	Not applicable		
	Treasury Management Report – Quarter 3	E Todd	Not applicable		
	Corporate Services Report (including financial monitoring)	A Askham/ T Kelly/ S Grace/ F McMillan	Not applicable		
02/05/23 Reserve date				19/04/23	21/04/23

Appendix 2

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.	What do we mean by commercial?	The Commercial Strategy is scheduled to be considered by the committee in October.		September 2022	Amanda Askham Tom Kelly	One hour			
4.	Census data and what this means for the council			October 2022	Amanda Askham Tom Barden	Two hours			

To be programmed:

Social value in Procurement

Appendix 3

Cambridgeshire County Council
Appointments to Outside Bodies: Policy and Service Committees

Name of Body	Meetings per Annum	Reps Appointed	Representative(s)	Guidance Classification	Committee to Approve
Cambridge BID Board A five-year initiative set up by Cambridge businesses/organisations to ensure continued investment in Cambridge City Centre.	6	1	Councillor G Bird (L)	Regulated Director	Strategy and Resources
Cambridgeshire Horizons Board Cambridgeshire Horizons still exists as a Limited company to oversee three “live” Rolling Fund investments, two loans and one equity investment, with an initial total value of £20.5m, to support a number of growth projects and developments around Cambridgeshire.	1	1	Councillor L Nethsingha (LD)	Company Director	Strategy and Resources
ESPO Management Committee Purchasing and contracting service for 6 member Authorities.	4	2	1.Councillor B Goodliffe (L) 2.Councillor S Ferguson (Ind)	Other Public Body Representative	Strategy and Resources

Name of Body	Meetings per Annum	Reps Appointed	Representative(s)	Guidance Classification	Committee to Approve
ESPO Finance and Audit Sub Committee	2	1	Councillor B Goodliffe (L)	Other Public Body Representative	Strategy and Resources
ESPO Shareholder representative Representing Cambridgeshire's interests with respect to ESPO Trading Limited	-	1	Councillor B Goodliffe (L)	Other Public Body Representative (The Council partly owns ESPO Trading Limited (less than 20%) so Cllr Howell is the shareholder rep)	Strategy and Resources
Huntingdon BID Board BID is the town management vehicle for Huntingdon. It is an arrangement where businesses in a defined area agree improvements they want to make, over and above what the public agencies have to do. The fund is ring fenced and used solely to deliver the agreed set of projects and activities voted on by the businesses within the BID area.	10	1	Councillor T Sanderson (Ind)	Other Public Body representative	Strategy and Resources

Name of Body	Meetings per Annum	Reps Appointed	Representative(s)	Guidance Classification	Committee to Approve
Pathfinder Legal Services Limited Company jointly owned by Northamptonshire County Council, Central Bedfordshire Council and Cambridgeshire County Council to provide legal services to the owner councils and to other organisations within the public sector and not for profit sector.	4	1	Councillor E Murphy (LD) Consultee Member	Other Public Body Representative [Council's representative on a company it part owns]	Strategy and Resources
This Land Board of Directors	12	1	Councillor N Gough (LD) Coterminous Officer representative: Steve Cox	Company Director (Non Executive Director)	Strategy and Resources

Appendix 4

Appointments to Internal Advisory Groups and Panels

Name of Body	Meetings per Annum	Representatives Appointed	Representative(s)	Contact Details	Committee to Approve
Civic Hub Project Board	12	1	Councillor G Wilson (LD)	Tony Cooper tony.cooper@cambridgeshire.gov.uk	Strategy and Resources
County Farms Working Group	4	7	Councillor L Dupré (LD) Councillor N Gay (Lab) Councillor M Goldsack (C) Councillor P McDonald (LD) Councillor M McGuire (C) Councillor N Shailer (Lab) Councillor M Smith (C)	John MacMillan john.macmillan@cambridgeshire.gov.uk 01223 699092 John Nash john.nash@cambridgeshire.gov.uk	Strategy and Resources

Name of Body	Meetings per Annum	Representatives Appointed	Representative(s)	Contact Details	Committee to Approve
Green Investments and Utilities Advisory Group To build a deeper understanding of green project business cases and new finance mechanisms; To provide a steer on detailed negotiations on new green commercial contracts where risk/rewards need to be balanced; and To inform better decision making at Council meetings for complex green investment projects.	6 (or more meetings dependent on the risks and issues implement-ing green investment projects.)	8 Four from Environment and Green Investment Committee and four from Strategy and Resources Committee	Environment and Green Investment Committee Councillor J Gowing (C) Councillor P Coutts (LD) Councillor C Rae (L) Councillor S Ferguson (Ind.) Strategy and Resources Committee Councillor M Goldsack (C) Councillor L Dupre (LD) Councillor N Gay (L) Councillor T Sanderson (Ind.) (Sub- Cllr Meschini (L))	Sheryl French Project Director, Energy Investment Unit sheryl.french@cambridgeshire.gov.uk 01223 728552	Environment and Green Investment Strategy and Resources
Member Development Panel Oversees training and development for Members.	As required	7	Councillor S Criswell (C) Councillor I Gardener (C) Councillor E Meschini (Lab) Councillor L Nethsingha (LD) Councillor T Sanderson (Ind) Councillor P Slatter (LD) Councillor M Smith (C)	Michelle Rowe Democratic Services Manager michelle.rowe@cambridgeshire.gov.uk 01223 699180	Strategy and Resources

Name of Body	Meetings per Annum	Representatives Appointed	Representative(s)	Contact Details	Committee to Approve
Waterbeach Joint Environment and Green Investment and Strategy and Resources Member Steering Group To review and monitor a project relating to the Waste Private Finance Initiative Contract	TBC	8 Four from Environment and Green Investment Committee and four from Strategy and Resources Committee	Environment and Green Investment Councillor A Bradnam (LD) Councillor S Corney (C) Councillor N Gay (L) Councillor S Ferguson (Ind) Strategy and Resources Councillor S Count (C) Councillor E Meschini (L) Councillor L Dupre (LD) Councillor T Sanderson (Ind)	Steve Cox steve.cox@cambridgeshire.gov.uk 01223 715660	Environment and Green Investment Committee and Strategy and Resources Committee

Appendix 5

Evidence-Informed Policy –
Councillors Lucy Nethsingha and Elisa Meschini

[appointed by Strategy and Resources Committee]

Responsible for promoting the use and presentation of evidence and creating opportunities for fellow Councillors and officers to use that evidence in the decisions they make.

Integrated Finance Monitoring Report for the period ending 31 March 2022

To:	Strategy & Resources Committee
Meeting Date:	27 June 2022
From:	Director of Resources/Section 151 Chief Finance Officer
Electoral division(s):	All
Key decision:	Yes
Forward Plan ref:	2022/068
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 the additional £1.7m Contain Outbreak Management Fund grant income applied centrally, as set out in section 6.1;

b) Approve a total minimum revenue provision payment for the year of £22.664m, including a voluntary overpayment, for the reasons set out in section 9.2;

c) Approve the accounting for the internal borrowing funding swaps set out in section 12.6;

d) Approve the transfers to and from earmarked reserves totalling a net £894k, as set out in section 13.1; and

e) Note and comment on the Finance Monitoring Report for Corporate Services (Appendix 4).

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Tel: 01223 706398

1. Purpose

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

2. Overview

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

Finance and Key Activity

Revenue budget outturn		Capital programme outturn
-£18.760m (-4.3%) year end variance	This is a £0.085m increase in the revenue underspend compared to last month's forecast. There is a £16.988m increase in the capital year-end underspend compared to last month's forecast.	-£43.7m (-25.1%) year end variance

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services	Budgeted no. of care packages 2021/22	Actual Mar 22	Actual May 21	Trend in service user numbers since May 21	Trend in average weekly unit cost since May 21 (budget expects an increase)
Nursing	585	531	492	Increasing	Stayed the same
Residential	987	863	864	Stayed the same	Stayed the same
Community	2,387	1,937	1,932	Stayed the same	Increasing

Working Age Adults receiving long term services	Budgeted no. of care packages 2021/22	Actual Mar 22	Actual May 21	Trend in service user numbers since May 21	Trend in average weekly unit cost since May 21 (budget expects an increase)
Nursing	60	65	69	Stayed the same	Increasing
Residential	346	353	358	Stayed the same	Increasing
Community	2,836	2,954	2,868	Increasing	Increasing

Children in Care	Budgeted no. of placements 2021/22	Actual Mar 22	Actual May 21	Trend in service user numbers since May 21	Trend in average weekly unit cost since May 21 (budget expects an increase)
Children in Care placements	314	268	308	Decreasing	Increasing

Children in Care	Budgeted no. of placements 2021/22	Actual Mar 22	Actual May 21	Trend in service user numbers since May 21	Trend in average weekly unit cost since May 21 (budget expects an increase)
Fostering and Supervised Contact	297	267	226	Increasing	Decreasing
Adoption	477	425	430	Stayed the same	Stayed the same

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position was an underspend of -£18.760m at year-end. This is a movement of -£0.085m on the forecast reported as at the end of February. The underspends are largely within People & Communities (P&C) (-£13.2m), Corporate Services (CS) (-£3.8m), Funding Items (-£3.6m) and Place & Economy (P&E) (-£0.9m), with a pressure in CS Financing (£2.8m). See section 3 for details.

- The Capital Programme is reporting an underspend of -£43.7m compared to the position originally anticipated when the capital programme variations budget was set. This includes full utilisation of the £36.7m capital programme variations budget. See section 12 for details.

- Following feedback from Committee this report no longer RAG rates the forecast revenue and capital positions.

2.3 The Council's revenue underspend is primarily due to the short-term impact of the pandemic and is concentrated in adult social care. The Council budget for this year was set in a period of great uncertainty where the pattern of demand for social care services over the next year was unknown, and where it was unclear the level of risk of cost increases that needed to be provided for centrally.

2.4 The pandemic has impacted on the Council's financial position this year in several main ways:

- Demand for social care services grew by less than expected. Budgets for growth in demand were set before the outcome of much of the pandemic was known and included a significant expected increase in need for key services that has not yet appeared. There is a risk that need for social care was only delayed by the pandemic and could appear in a later year at increased cost. The pandemic has also impacted on the social care provider market, which has seen increased demand for home care and has struggled to fully resource it.
- Contingencies set aside for additional pandemic-related costs were not fully required. In particular, the government announcing very late in the previous financial year that free access to Personal Protective Equipment would continue resulted in the Council budget for this not being required.
- Substantial additional government funding for outbreak management and mitigation has been able to be used to reimburse the Council for costs incurred by its staff in responding to Covid since the start of the pandemic.

2.5 Much of the central provision for pandemic risk was temporary and reversed out in 2022/23, and as was the ability to apply government grant to cover service costs. Therefore, these do not represent an ongoing over-provision of budget. Similarly, much of the budgetary difference between anticipated and actual demand for services in social care was re-baselined as part of setting 2022/23's budget.

2.6 Nevertheless, the Council faces a challenging budget position over the medium-term, with budget gaps from 2023/24, and a continuing high level of uncertainty. We have rising costs from unprecedented inflation impacting both prices and wages, and uncertain levels of demand-led service activity. There is uncertainty about local NHS funding levels and activity that may impact on the Council's costs, particularly as national hospital discharge funding arrangements cease. There are also government reforms coming forward such as changes to Adult Social Care, and implementation of local priorities such as the climate change strategy that will require capacity for internal change.

2.7 The business plan and medium-term financial strategy for 2022-27 assumes a £7.7m underspend returning to general reserves based on the projections in December. S&R Committee will consider the annual budget reset in the May IFMR and will be able to make decisions about reallocation of funding.

3. Revenue Budget

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

Key to abbreviations
CS Financing – Corporate Services Financing

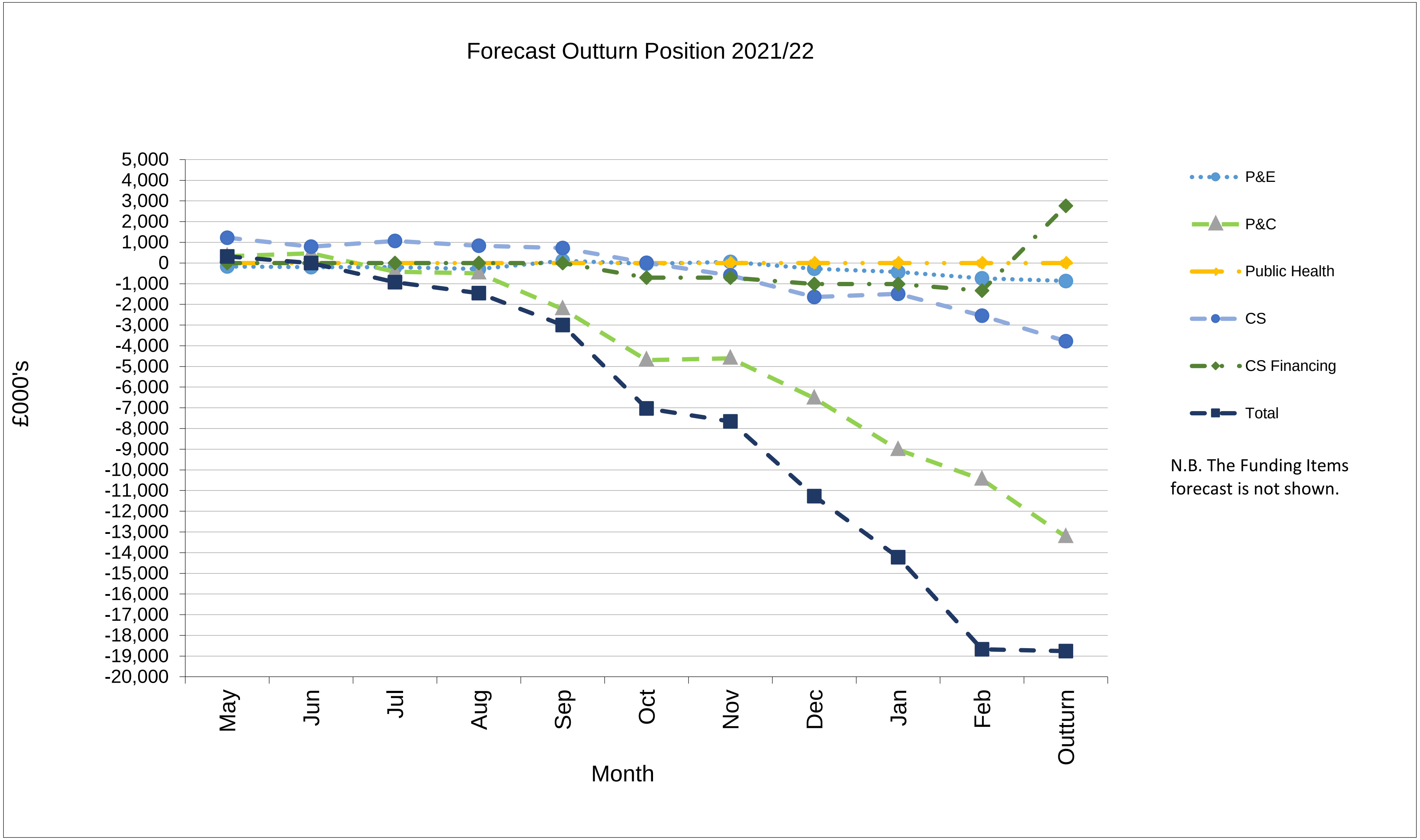
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Original Budget as per Business Plan £000	**Service**	**Revised Budget £000**	**Additional Funding approved from General Reserves £000**	**Total Funds (3)+(4) £000**	**Actual Spending £000**	**Variation £000**	**Variation %**
64,317	Place & Economy	66,048	0	66,048	65,181	-867	-1.3%
302,530	People & Communities	304,934	-2,411	302,523	289,287	-13,236	-4.4%
0	Public Health	0	0	0	0	0	-%
25,489	Corporate Services	22,505	716	23,221	19,443	-3,777	-16.3%
31,295	CS Financing	31,295	0	31,295	34,061	2,766	8.8%
423,632	**Service Net Spending**	**424,782**	**-1,695**	**423,087**	**407,974**	**-15,114**	**-3.6%**
11,745	Funding Items	11,745	1,695	13,440	9,794	-3,646	-27.1%
435,377	**Total Net Spending 2021/22**	**436,527**	**0**	**436,527**	**417,767**	**-18,760**	**-4.3%**

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

2 Public Health's budget is stated to be zero as it is entirely funded by ring-fenced grant, mainly the Public Health Grant. Public Health is underspent by £4,001k on its service budget, but this will be carried-forward into the public health grant reserve. Around £1.8m of this underspend was due to application of COMF grant to staffing spend.

3 The 'Funding Items' budget comprises the £9.2m Combined Authority Levy, the £424k Flood Authority Levy and £3.8m change in general and corporate reserves budget requirement. The 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. Much of this underspend is due to application of COMF grant in respect of previous financial years.

4 Key to column 7: + signifies pressure or reduced income, - signifies underspend or increased income.


Forecast Outturn Position 2021/22
5,000
4,000
3,000
2,000
1,000
0
-1,000
-2,000
-3,000
-4,000
-5,000
-6,000
-7,000
-8,000
-9,000
-10,000
-11,000
-12,000
-13,000
-14,000
-15,000
-16,000
-17,000
-18,000
-19,000
-20,000
£000's
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Outturn
Month
P&E
P&C
Public Health
CS
CS Financing
Total
N.B. The Funding Items forecast is not shown.

3.2 Dedicated Schools Grant (DSG) Deficit Summary

Opening Balance 2021-22 £m, deficit	In-year movement, £m	Closing Balance 2021-22 £m, deficit
26.8	12.4	39.3

At the end of 2021/22 the High Needs Block overspent by approximately £14.85m, which was slightly higher than previous forecasts. However, there were a number of one-off underspends in other areas of the DSG which resulted in a net DSG overspend of £12.43m to the end of the year. When added to the existing DSG deficit of £26.83m brought forward from previous years, and allowing for required prior-year technical adjustments, this results in a cumulative deficit of £39.26m to be carried forward into 2022/23.

This is a ring-fenced grant and, as such, overspends do not currently affect the Council’s bottom line. We continue to work with the Department for Education (DfE) to manage the deficit and evidence plans to reduce spend.

The DfE introduced the safety valve intervention programme in 2020-21 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.

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.

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 were invited to an initial meeting with the DfE in May to discuss the current situation and plans, and as such updates will be provided in due course.

3.3 Summary of Covid-19 Related Costs by Directorate for 2021/22

Directorate	Net Covid-19 Pressure £000
Place & Economy	1,158
People & Communities	10,852
Corporate Services	2,751
Total	**14,761**

These Covid-19 related costs are a mixture of additional expenditure, reduced income, and savings not delivered as a result of the pandemic. They are also net of any external funding received to cover specific functions and pressures (such as the Contain Outbreak Management Fund). Increasingly, some of these additional costs have been included within initial budgets and as such do not impact on the services' outturns reported elsewhere within this report. However, the overall costs related to Covid-19 are still required to be categorized and reported to central government.

3.4 Key exceptions this month are identified below.

Exceptions relate to Forecast Outturns that are considered to be in excess of +/- £250k.

3.4.1 Place & Economy:

-£0.867m (-1.3%) underspend is being reported at year-end. There are no exceptions to report this month; for full and previously reported details, see the P&E Finance Monitoring Report.

3.4.2 People & Communities:

-£13.236m (-4.4%) underspend is being reported at year-end.

- Strategic Management - Adults

Outturn Variance £m	Outturn Variance %
-1.975	(-46%)

A -£1.975m underspend is being reported at year-end. This is an increase of £0.342m on the underspend position previously reported in January, of which £0.247m relates to a change since last month. This increase is primarily due to savings from vacant posts exceeding the target by £974k due to increased vacancy rates being experienced in the second half of the year.

- Learning Disabilities (LD)

Outturn Variance £m	Outturn Variance %
+1.514	(+2%)

A £1.514m pressure is being reported at year-end. This is a decrease of £0.384m on the pressure position previously reported last month. Levels of need have risen greatly over the last year, and this is accompanied by several new service users with LD care packages with very complex health and care needs, requiring significant levels of care that cost much more than we budget for an average new care service.

The primary reasons for the reduction on the year-end position since last month are the application of £178k of NHS winter pressures funding to additional support for service users, which was not forecast, and increased reclaims of direct payments compared to forecast. Service users in receipt of direct payments have annual reviews after which any unspent funds are returned to the Council. The value of unspent direct payments has been higher this year due to some service users being unable to access their normal services and activities due to Covid 19.

Adults Commissioning are developing an LD Accommodation Strategy that will enable them to work with the provider market to develop the provision needed for our service users, both now and looking to future needs. This should lead to more choice when placing service users with complex needs and consequently reduce cost pressure in this area, but this is a long-term programme and it is unlikely to deliver savings in the short term. The LDP social work teams and Adults Commissioning are also working on strategies to increase the uptake of direct payments, to deliver more choice for service users and decrease reliance on the existing care market.

- Older People's Services

Outturn Variance £m	Outturn Variance %
-6.961	(-11%)

A -£6.961m underspend is being reported at year-end. This is an increase of £0.277m on the underspend position previously reported in January and relates in full to a change since last month.

As was reported throughout 2020/21, the impact of the pandemic led to a notable reduction in the number of people having their care and support needs met in care homes. This short-term impact carried forward into forecasting for 2021/22 and included a reduction in care spend relating to the final months of 2020/21 that manifested subsequent to last year-end. Spend and service user numbers today are below the level budgeted for resulting in the in-year underspend. However, the financial position of this service is considerably uncertain. There is a growing number of people who have survived Covid, being left with significant needs, and many vulnerable adults have developed more complex needs as they have not accessed the usual community-based or early help services due to lockdown. The impact of delayed health care treatments such as operations will also impact individual needs and health inequalities negatively. It is anticipated that demand will increase as we complete more annual reviews, many of which are outstanding due to the pandemic.

Hospital Discharge systems continued to be pressured. We continue to expect some substantial cost increases in future years as both NHS funding is unwound fully, and the medium-term recovery of clients assessed as having primary health needs upon hospital discharge return to social care funding streams.

- Central Commissioning - Adults

Outturn Variance £m	Outturn Variance %
-0.437	(-2%)

A -£0.437m underspend is being reported at year-end. This is mostly (£314k) due to the decommissioning of six 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.

- Strategic Management – Children & Safeguarding

Outturn Variance £m	Outturn Variance %
-2.475	(-41%)

A -£2.475m underspend is being reported at year-end. This is an increase of £0.475m on the underspend position previously reported in January, of which £0.275m relates to a change since last month. This increase has predominantly been due to vacancies and the difficulty being faced in recruiting social workers, both substantive and agency.

- SEND Financing - DSG

Outturn Variance £m	Outturn Variance %
+14.956	(+22%)

A £14.956m pressure is forecast within the high needs block of the Dedicated Schools Grant (DSG). This is an increase of £0.332m on the pressure previously reported last month. 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.

- 0-19 Place Planning & Organisation Service

Outturn Variance £m	Outturn Variance %
+0.062	(+2%)

A +£0.062m pressure is forecast. This is a decrease of £0.256m on the pressure position previously reported in September, of which £0.048m relates to a change since last month. The decrease is primarily due to an underspend on the school's growth fund budget partially offsetting the pressure from the reduced number of penalty notices issued for children's unauthorised absences.

- A combination of more minor variances sum with the above to lead to an overall year-end underspend of -£13.236m. For full and previously reported details, see the P&C and PH Finance Monitoring Report.

3.4.3 Public Health:

-£4.001m underspend is being reported at year-end.

- Integrated Lifestyle Services

Outturn Variance £m	Outturn Variance %
-0.297	(-12%)

A -£0.297m underspend is being reported at year-end. The underspend is partly as a result of reduced spend against the £400k Healthy Weight budget. This was new funding incorporated into the budget for 2021/22 and it has taken time to identify providers and commissioning routes especially with the focus on the pandemic, so we are only seeing part year spend against this budget in the current financial year resulting in an underspend of £112k. The remainder of the underspend is due to a combination of factors including £71k related to one off adjustments to income and spend in 2020/21, and £84k of income above budget in 2021/22.

- The overall -£4.001m underspend being reported in the Public Health directorate will be transferred to the Public Health ring-fenced grant reserve at year-end, leading to a balanced budget overall. For full and previously reported details, see the P&C and PH Finance Monitoring Report.

3.4.4 Corporate Services:

-£3.777m (-16.3%) underspend is being reported at year-end.

- IT Managed

Outturn Variance £m	Outturn Variance %
-0.545	(-7%)

A -£0.545m underspend is being reported at year-end. This is primarily due to an underspend of £512k for hardware items partly due to global supplies impacting our ability to procure IT hardware, predominantly Laptops.

- Renewable Energy Investments

Outturn Variance £m	Outturn Variance %
-0.304	(-137%)

A -£0.304m underspend is being reported at year-end. This is the year-end position for the Solar Farm in Soham; the underspend is due to a higher level of income generated in the year and lower maintenance.

- A combination of more minor variances sum with the above to lead to an overall year-end underspend of -£3.777m. For full and previously reported details, see the CS Finance Monitoring Report.

3.4.5 CS Financing:

£2.766m (+8.8%) pressure is being reported at year-end.

- Debt Charges

Outturn Variance £m	Outturn Variance %
2.766	(+8.8%)

A £2.766m pressure is being reported at year-end. This is a change of £4.105m from the underspend position previously reported last month. This is primarily due to the following:

- An additional Minimum Revenue Provision (MRP) payment of £3.528m (See also section 9.2)
- An additional pressure of £533k on the capitalisation of interest budget; lower capital spend and lower interest rates than budgeted resulted in lower interest costs being charged to schemes; consequently there was a smaller recharge back to the financing costs budget.

- For full and previously reported details, see the CS Finance Monitoring Report.

3.4.6 Funding Items:

-£3.646m underspend is being reported at year-end. There are no exceptions to report this month.

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

4. Savings Tracker

4.1 The "Savings Tracker" report is a tool for summarising delivery of savings. Within the tracker the forecast is shown against the original saving approved as part of the 2021-22 Business Planning process. For 2021/22, the Council has delivered £8.4m of savings against its original plan. Blue rated savings totalled £1.3m, exceeding the target on those initiatives. Green rated savings totalled £4.3m. The year-end Savings Tracker is included as Appendix 3 to this report. It is also important to note the relationship with the reported position within this report. As pressures arose in-year, further mitigation and/or additional savings were required to deliver a balanced position.

A summary of Business Plan savings achieved in previous years as per the savings tracker is shown below for comparison:

Financial Year	Business Plan Original Savings £m	Savings Delivered £m	Total Variance £m
2016-17	43.4	35.5	7.9
2017-18	33.4	27.1	6.3
2018-19	38.3	27.8	10.5
2019-20	15.8	13.2	2.6
2020-21	15.9	8.9	7.1
TOTAL	146.8	112.5	34.3

4.2 A summary of 2021-22 Business Plan savings by RAG rating is shown below:

RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	Total Original Savings	Total Variance
Blue	1	-564	-692	Green	22	-4,267	0	Amber	5	-3,016	826	Red	1	-1,192	587	Black	9	-2,335	2,335	-11,374	3,056

5. Key Activity Data

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

6. Funding Changes

6.1 Changes in Grant Income

The following grants from government have variances against the amounts we expected to receive:

Grant	Notes	Impact
Contain Outbreak Management Fund	Part of this grant has been applied centrally to reflect eligible expenditure incurred in the previous financial year that is able to be retrospectively funded by this grant. This funding has reimbursed CCC for corporate and service staff time spent on Covid outbreak mitigation and management in 2020/21.	£1.7m of grant income applied centrally in addition to the £1.4m noted in the Jan IFMR

Strategy & Resources Committee is asked to note the additional £1.7m Contain Outbreak Management Fund grant income applied centrally.

7. Schools

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

7.2 Total schools balances as at 31st March 2022 are as follows:

	31st March 2021 £m (original published balances)	31st March 2021 £m (amended for in-year academy conversions)	31st March 2022 £m	Change £m
Nursery Schools	0.6	0.6	0.4	-0.2
Primary Schools	14.1	14.0	14.0	0.0
Special Schools	0.9	0.9	1.1	0.2
Pupil Referral Units (PRUs)	0.1	0.1	0.2	0.1
Total	**15.7**	**15.6**	**15.7**	**0.1**

It must be noted that further to the DSG and standard grants such as Pupil Premium, and Universal Infant Free School Meals this year schools' budgets also include additional funding for Covid-19 Catch Up and Recovery Premium from the Education & Skills Funding Agency (ESFA). Schools that converted to Academy status prior to 31 March are no longer reported by the Local Authority and therefore are not included within the figures.

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

- Some schools will have delayed or cancelled spending decisions due to the uncertainty around future years funding amounts.
- Some schools have chosen to apply balances in 2022/23 to maintain current staffing levels and class structures.
- Due to the continuing pandemic, schools have been unable to spend elements of some ring-fenced grants.
- Pressures on capital funding have led some schools to reconsider and reprioritise revenue resources to allow for the possibility of capitalisation in future years.

7.3 Analysis is currently being undertaken to look at the individual changes in balances, and appropriate challenge given to both schools in a deficit position, and schools with excessive balances. Schools budget submissions are also currently being scrutinised to identify instances where schools are either planning to use a high proportion of their carry-forward to balance in-year or where already holding excessive balances where these are forecast to increase further. Notwithstanding individual reasons that balances have accumulated, it is also notable that as the centrally held deficit on the high needs block has increased, the growth in individual school reserves has remained stable.

7.4 A more detailed report on financial health of individual schools, including surplus and deficit balances and a school-by-school breakdown will be submitted to Schools Forum for consideration in July. This will include proposals to reconsider the levels of balances deemed as excessive and the appropriate measures to be put in place for those schools requiring improvement or judged inadequate by Ofsted.

The balances can be further analysed in the tables below:

Sector	**Schools with Reported Deficit Balances as at 31st March 2022**
Nursery	2
Primary	11
Total Schools	**13**

Value of revenue deficits at 31st March 2022:

Deficit	**Nursery**	**Primary**	**Total**
£100k+	0	1	**1**
£60k - £100k	2	2	**4**
£20k - £60k	0	3	**3**
£10k - £20k	0	1	**1**
£1k - £10k	0	4	**4**

Value of surplus revenue balances held by schools at 31st March 2022:

Surplus	Nursery	Primary	Special	Total
£0k - £10k	0	2	0	**2**
£10k - £20k	0	5	0	**5**
£20k - £60k	1	24	0	**25**
£60k - £100k	2	25	0	**27**
£100k - £150k	0	23	0	**23**
£150k - £200k	2	5	0	**7**
£200k - £300k	0	14	1	**15**
£300k - £400k	0	3	1	**4**
£400k+	0	6	1	**7**

Please note: the figures in 7.2 and 7.4 are based on the year-end returns from schools. However, following further validation of the Consistent Financial Reporting (CFR) returns the final information on Schools balances published by the Department for Education may differ slightly.

8. General Reserve Balances

8.1 Balances on the general reserve as at 31st March 2022 are £46.5m as set out below:

General Reserve Balance	2021/22 Final Outturn £m
Balance as at 31 March 2021	26.094
Changes Arising:-	
Planned Business Plan adjustments	-0.076
Net Budget revision and redistribution as approved by S&R 6th July 2021	1.695
Additional pensions contributions net underachievement	-0.010
Council Tax counter-fraud reserve transfer 2021-22	-0.464
Highways Maintenance reserve transfer 2021-22	-1.490
COMF funds being applied to 2020-21 spend	3.075
Surplus Corporate Grants	2.535
Place & Economy service underspend	0.867
People & Communities service underspend	13.236
Corporate Services service underspend	3.777
Overspend on capital financing costs	-2.766
Balance as at 31 March 2022	**46.474**

8.2 As a minimum, it is policy that the General Reserve should be no less than 4% of the gross expenditure of the Council (excluding schools' expenditure). (The target was increased from 3% to 4% in the 2022-23 Business Plan.)

8.3 The business plan for 2022/23 was set assuming a certain level of underspend, utilising this funding to redistribute reserves and create a Just Transition Fund.

8.4 Estimated revenue reserves balances over 2023-27 are shown below (as per the Council's Business Plan 2022-23):

Balance as at:	31 March 2023 £m	31 March 2024 £m	31 March 2025 £m	31 March 2026 £m	31 March 2027 £m
General reserve	27.41	28.08	28.84	29.54	30.25
Earmarked reserves[1]	44.56	41.75	39.03	39.03	39.03
Covid Grant Reserve[2]	16.82	11.50	7.02	3.28	1.02
School reserves[3]	-23.00	-23.00	-23.00	-23.00	-23.00
Just Transition Fund	10.78	9.78	8.82	8.07	8.07
High Needs Block Offset Reserve	14.40	14.40	14.40	14.40	14.40
Total	90.96	82.50	75.11	71.32	69.77
General reserve as a % of gross non-school budget	4.0%	4.0%	4.0%	4.0%	4.0%

1) Includes reserves for balances held by individual services for specific matters, agreed timing of government grant use, litigation risk, insurance claims, and provision to offset commercial and partnership risks. Use of these reserves, where known, is factored in.
(2) Unringfenced government grant funding given during early stages of the pandemic. To be applied to relevant spend across Medium Term Financial Strategy (MTFS) period.
(3) This comprises individual maintained school balances held as part of their delegated budgets (which are not available to the County Council centrally) set against the accumulated high needs block deficit. Under the current regulations this leads to a negative balance overall

9. Treasury Management Activity

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

	Budget £m	Outturn £m	Variance £m
Interest payable on Borrowing	21.139	18.553	-2.586
Interest charged to Other Funds	-6.901	-6.394	0.507
Interest receivable	-9.604	-9.989	-0.385
Interest charged from Other Funds	10.090	9.953	-0.137
Capitalisation of Interest Costs	-2.173	-1.127	1.046
Technical & Other	0.598	0.401	-0.197
MRP	18.145	22.664	4.519
Total	**31.295**	**34.061**	**2.766**

9.2 Minimum Revenue Provision (MRP) is a charge made on the Council’s revenue budget to finance its capital programme. The accounts presented here include a proposed overpayment of £3.528m. This is money the Council allocates to its capital costs rather than an outbound external expenditure. The proposed overpayment is the estimate of the impact of potential changes to MRP on third-party loans that are currently being consulted on by central government. As the consultation is not yet concluded, and there is a potential for substantial impact should the consultation not resolve in our favour, it is considered prudent to overpay MRP to an equivalent amount. This provides some offset for one year should Government require us to change MRP approach on third-party loans and gives us time to build into budget for 2023/24 onwards. If the consultation resolves in our favour, we are able to unwind this overpayment in a future year. (For reference the Statutory Guidance on Minimum Revenue Provision issued by the Secretary of State under section 21(1A) of the Local Government Act 2003 states in paragraph 24 that Local authorities may choose to pay more MRP than they consider prudent in any given year.)

Strategy & Resources Committee is asked to approve a total minimum revenue provision payment for the year of £22.664m, including a voluntary overpayment of £3.528m for the reasons set out above.

9.3 The Interest Payable on Borrowing underspent by £2,586k. The low borrowing rate was primarily due to the Bank of England base rate cut to an all-time low level, from 0.25% to 0.1%, which resulted in a reduction in borrowing rates. For this reason, CCC was able to secure cheaper market loans from other Local authorities and PWLB. Following analysis of capital schemes completed in 2020/21 and how they were funded, the MRP payment for 2021/22 has been recalculated and the year-end position was initially £991k higher than budgeted. Taking into account the £3.528m additional payment (see section 10.2 above), the final MRP position was £4,519k higher than budgeted. The Interest Payable underspend was partially offset by a £1.046m overspend on the capitalisation of interest budget; as lower capital spend and lower interest rates resulted in lower interest costs being charged to schemes; consequently there was a smaller recharge back to the financing costs budget.

9.4 The change in the authority’s loan debt over the year was as follows:

	1st April 2021 £m	**31st March 2022 £m**	**Difference**
Long Term Debt	675.7	724.3	**48.6**
Short Term Debt	137.0	55.0	**-82.0**
	812.7	**779.3**	**-33.4**
Less: Investments	98.1	113.6	**15.5**
Less: 3rd Party Loans & Share Capital	5.3	4.9	**-0.4**
Net Debt	**709.3**	**660.8**	**-48.5**

9.5 The summary of the average interest rates at 31.03.2022 is as follows:

- Temporary borrowings 0.2871%
- Market borrowings 0.5645%
- PWLB 1.6675%

The overall average rate on total borrowing was 0.8379%.

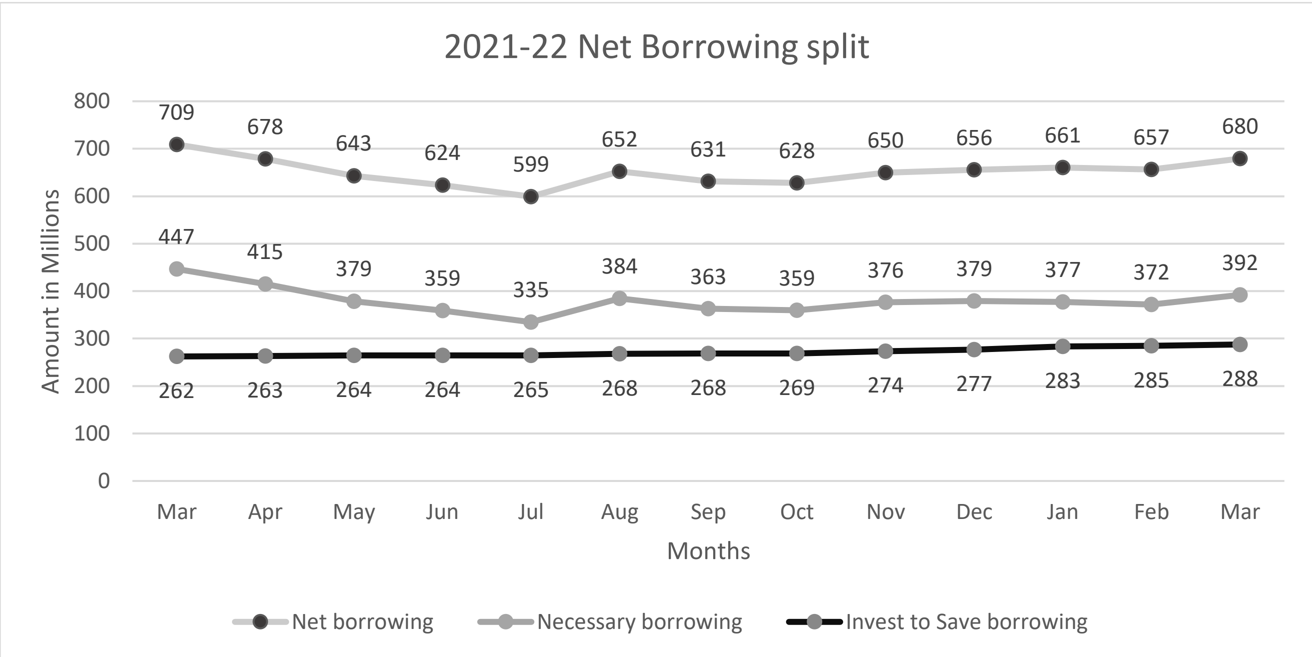
9.6 Each year the Council must approve limits known as Prudential Capital Indicators for the level of its external financing costs and the maximum limits on total debt. The outcome for 2021/22 compares with approved limits as follows:

	Approved	Actual
Financing Costs		
% of Net Revenue Stream	8.40%	4.58%
Authorised Limit for Debt	£1,074.0m	£779.3m
Operational Boundary for Debt	£1,044.0m	£779.3m
Interest Rates Exposure (as % of total net debt)		
Fixed Rate	150%	115%
Variable Rate	65%	-15%
Debt Maturity Range (as % of total debt) *		
Under 1 year	0 to 80%	19.57%
1 – 2 years	0 to 50%	14.20%
2 – 5 years	0 to 50%	9.14%
5 – 10 years	0 to 50%	11.50%
Over 10 years	0 to 100%	45.58%

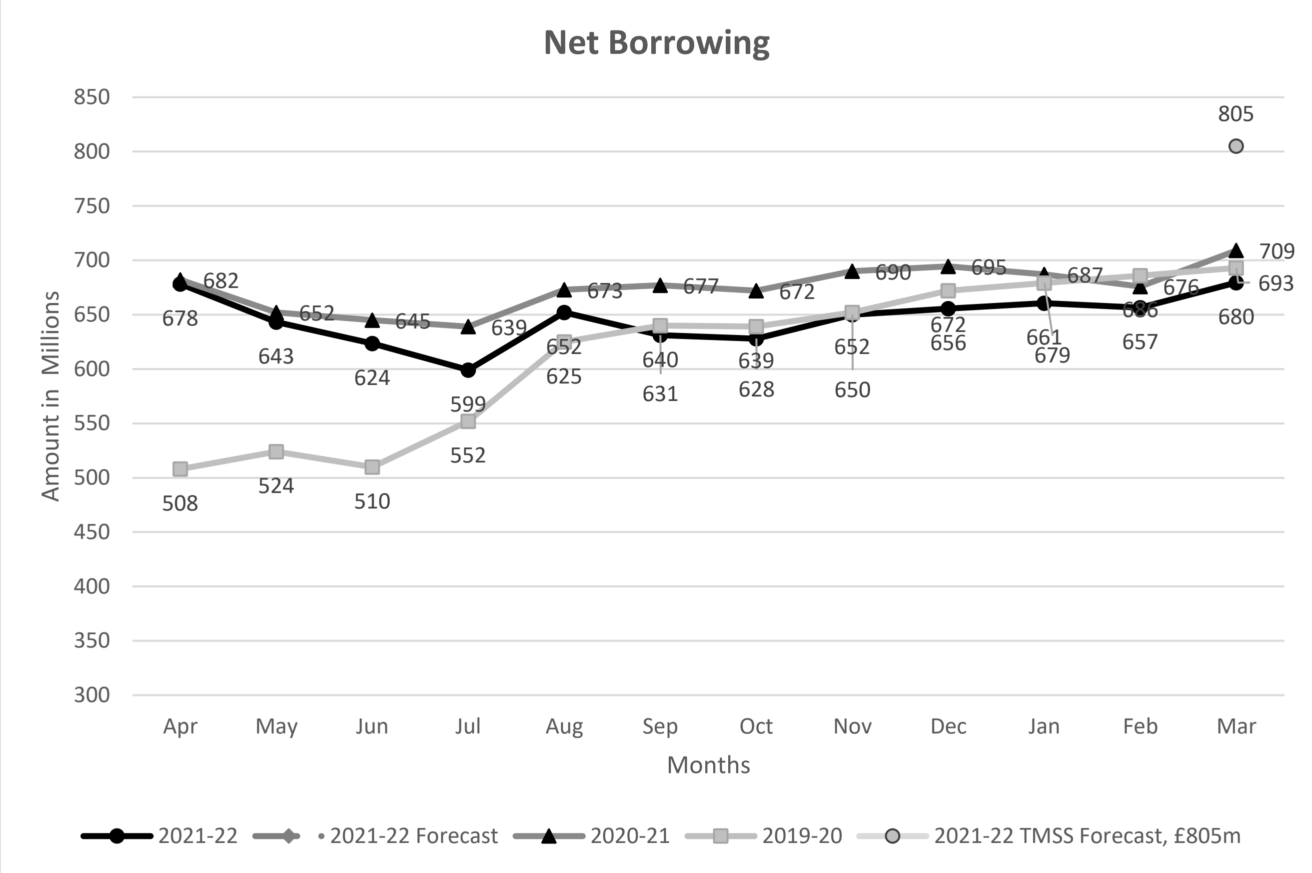
* The guidance for this indicator required that LOBO loans are shown as maturing at the next possible call date rather than at final maturity, regardless of likelihood of this option being exercised.

10. Balance Sheet

10.1 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2021-22, it is estimated that £288m 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.



10.2 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 March 2022, investments held totalled £99.8m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £779.3m, equating to a net borrowing position of £679.5m.



10.3 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 2020-21 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 (and due to the current Covid-19 pandemic the Council is in receipt of further grants compared to before the pandemic). The 2021-22 net borrowing position has taken a similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.

10.4 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 2021-22 TMSS was set in February 2021, it anticipated that net borrowing would reach £805.0m by the end of this financial year. Based on the 2020-21 outturn position and subsequent revisions to the capital programme, the net borrowing was predicted to be below this, at £685m by the end of this financial year. The actual net borrowings at 31/03/2022 were £679.5m, £5.5m lower than previously forecast.

10.5 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.

10.6 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.

10.7 Further detail around the Treasury Management activities can be found in the latest Treasury Management Report.

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

11. Debt Management & Prompt Payment

11.1 An overview of debt management and prompt payment outcomes is shown below:

Measure	**Year End Target**	**Actual as at the end of Mar 2022[1]**
% 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	£10.83m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£1.71m	£3.40m
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	97.1%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	85.0%	80.8%

[1] The sundry debt figures now include Cambridgeshire & Peterborough CCG debts as the CCG reconciliation process has concluded, significantly reducing aged CCG debt over 2 years old.

11.2 Bad Debt Provision

As a result of the levels of debt at year end, assessed for security, the Council has increased the general provision it carries on its balance sheet for bad debt by £0.453m.

11.3 Summary Final Position:

Overall debt outstanding has improved significantly since February. Overdue debt (total less current) has decreased by £4.6m from £22.1m to £17.5m.
This is the most favourable debt position for some time, particularly due to the resolution of historic debt owed by the NHS. Audit And Accounts Committee received a detailed overview of this position at its meeting in May 2022.

11.4 Adult Social Care

Adult Social Care (ASC)– 91 days + debt has decreased by £231k since February. Final balances are £10.83m against a target of £3.37m.

11.5 Sundry (non- Adult Social Care)

Overall sundry 91 days + debt has decreased by £1,372k since February. The largest decrease was in Public Health with debt decreases of £784k. This has resulted in the final sundry 91 days + debt balance being £3.40m against a target of £1.71m.

12. Capital Programme

12.1 Capital financial performance

A summary of capital financial performance is shown below:

Original 2021/22 Budget as per Business Plan £000	Forecast Variance - Outturn (Feb) £000	Service	Revised Budget for 2021/22 £000	Actual- Year to Date (Outturn) £000	Actual Variance - Outturn 2021/22 £000	Actual Variance - Outturn 2021/22 %	Total Scheme Revised Budget (Outturn 2021/22) £000	Total Scheme Forecast Variance (Outturn 2021/22) £000
96,983	-9,177	P&E	106,674	85,622	-21,052	-19.7%	577,153	-1,155
44,588	-9,507	P&C	43,473	31,188	-12,285	-28.3%	535,133	-22,573
10,261	-7,990	Corporate Services	23,816	13,490	-10,326	-43.4%	196,704	-632
151,832	**-26,674**	**Total Spending**	**173,963**	**130,300**	**-43,662**	**-25.1%**	**1,308,990**	**-24,359**

Notes:

1. The ‘Revised Budget’ incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 12.2.
2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2021/22 of £40.0m and is reporting an underspend of £13.4m at year-end.
3. The ‘Total Scheme Forecast Variance’ reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.

12.2 2021-22 capital programme variations budgets

12.2.1 A summary of the use of the 2021-22 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.

Service	Capital Programme Variations Budget £000	Actual Variance - Outturn 2021/22 £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Actual Variance Against Revised Budget - Outturn 2021/22 £000
P&E	-25,237	-46,289	25,237	100.0%	-21,052
P&C	-5,805	-18,090	5,805	100.0%	-12,285
CS	-5,620	-15,946	5,620	100.0%	-10,326
Outturn adjustment	-	-	-	-	-
Total Spending	**-36,662**	**-80,324**	**36,662**	**100.0%**	**-43,662**

12.2.2 As at year-end, Place & Economy, People & Communities and Corporate Services schemes have all exceeded the capital variations budgets allocated to them, reporting in-year underspends of -£21.1m, -£12.3m and -£10.3m respectively. Overall expenditure on the 2021/22 capital programme is therefore underspent by -£43.7m compared to the position originally anticipated when the capital variations budget was set. By comparison, the underspend in 2020-21 was £50.5m.

12.2.3 Although the outturn reflects improved capital delivery on the previous year, and the capital variations budget has been a helpful development to improve budgeting accuracy, it is acknowledged that further attention is required to this area. The Council will always where possible apply capital funding received through grants or contributions before it relies on borrowing. That said, there have been a range of factors causing capital rephasing this year, including delays due to the complexity of decision-making involving multiple external stakeholders, lack of capacity in project team resources, issues with sourcing, supply and lead times of obtaining materials, delays in tendering processes, delayed starts on site, restrictions on sites due to Covid and delays in condition surveys due to Covid.

12.3 Capital Current Year Key Exceptions

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

12.3.1 Place & Economy:

A -£21.052m (-19.7%) in-year underspend is being reported at year-end.

- Delivering the Transport Strategy Aims- Highways Schemes

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,846	266	-2,580	-2,123	-457	0	-2,580

An in-year underspend of -£2.6m is being reported at year-end. This is an increase of £0.52m on the underspend position previously reported in January, of which £0.48m relates to a change since last month. The rephasing is due to the funding allocation and programme not being agreed until September 2021; together with the required involvement of the various district councils and the complexity of the projects means that expenditure has been rephased into next financial year. The delays have also been exacerbated by project team resources. It is anticipated that agreement to 2022/23's allocation and programme will be made earlier, so that 2021/22's rephased schemes plus 2022/23's full programme will be delivered and spent within year.

- Bridge Strengthening

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,126	2,094	-1,032	-289	-743	0	-1,032

An in-year underspend of -£1.0m is being reported at year-end. This is an increase of £0.74m on the underspend position previously reported in January, which relates in full to a change since last month. The reactive capital works bridge repairs scheme needed an extra £475k for minor repairs, so funding was moved from the St Ives Flood Arches/ Town Bridge and North of Girton Bridge, both of which have been rescheduled. In addition, there were delays to other projects due to flooding, issues with road space booking and sourcing of materials. (The St Ives Flood Arches scheme has since started on site on 6th June 2022 and will run until the end of September 2022 subject to weather conditions, for example for the lime mortar repairs. For the North of Girton Bridge scheme the design and flood modelling commenced at the start of the new 2022-23 financial year and is still being progressed. Further stages of this scheme will depend on the outcomes from the modelling and Environment Agency advice.)

- £90m Highways Maintenance schemes - Other

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
6,566	3,860	-2,706	-1,790	-916	0	-2,706

An in-year underspend of -£2.7m is being reported at year-end. This is an increase of £0.8m on the underspend position previously reported in January and relates in full to a change since last month. The increase is primarily due to rephasing of the following scheme:

- Littleport, Mildenhall Road (£828k) –The accelerated programme delivery saw a significant increase in throughput of work within our teams. At the time we were operating with reduced staffing on the team with around 80% capacity. The Littleport scheme went to tender via the Eastern Highways Alliance Framework contract; we only received two returns so needed to seek a waiver to appoint. The tender period ran through November / December. The waiver process added time to appointment of the contractor. This in turn led to a later than originally planned mobilisation which resulted in a start date and duration that would have caused significant impact on the road network at that time due to other works already in place on our and Suffolk's road network. To avoid impact on the travelling public and resultant economic impact of causing traffic disruption we delayed the scheme to a better time.

- King's Dyke

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
12,700	9,532	-3,168	-2,669	-499	0	-3,168

An in-year underspend of -£3.2m is being reported at year-end. This is an increase of £0.57m on the underspend position previously reported in January, of which £0.50m relates to a change since last month. The project is now at a stage where the Council have a more detailed understanding of the cost forecast and the risk profile. In the period there have been several cost savings, including staffing and Network Rail possession costs. The monthly risk budget has been reprofiled to better reflect when the risk items could occur in the programme, many of which have been moved into the next financial year. The construction work undertaken to date by the contractor has also come in below forecast, due to resequencing of the work. The project remains on programme for completion by the end of 2022.

- Lancaster Way

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
792	505	-287	-170	-117	-170	-118

An in-year underspend of -£0.3m is being reported at year-end. There is an expectation that scheme will now underspend against the allocation funding. This scheme is funded by the Combined Authority, so will mean a reduction in the reimbursement claimed.

- Wisbech Town Centre Access Study

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,883	1,190	-693	0	-693	0	-693

An in-year underspend of -£0.7m is being reported at year-end. Closing out the land and design sign off with National Highways and Norfolk County Council has led to this project running into 2022/23.

- Combined Authority Schemes

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,083	1,042	-1,041	-89	-952	0	-1,041

An in-year underspend of -£1.0m is being reported at year-end. This relates to work on the March transport study; cost savings were identified by the contractor and budgets set aside for contingency and risk were not required. This scheme is fully funded by the Combined Authority. A separate scheme for the delivery of the March Transport Study has been set up from 2022/23 and will be reported separately going forward.

- Swaffham Prior Community Heat Scheme

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
8,998	3,349	-5,649	-2,400	-3,249	0	-5,649

An in-year underspend of -£5.6m is being reported at year-end. This is an increase of £3.2m on the underspend position previously reported in November and relates in full to a change since last month. Of this, £2.7m relates to the Heat Network Investment Project (HNIP) spend which, when assessed at year end for the appropriate accounting treatment, was determined should be included within the accounts of the Special Purpose Vehicle, rather than the Council. There have also been delays on the delivery of the energy centre as a result of site asbestos contamination which need to be cleared and the difficulty getting hold of cladding materials. This has meant that some spend is being reprofiled into 2022/23.

- North Angle Solar Farm, Soham

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
21,150	17,554	-3,596	-2,670	-926	0	-3,596

An in-year underspend of -£3.6m is being reported at year-end. This is an increase of £0.9m on the underspend position previously reported in December and relates in full to a change since last month. There was a three month delay due to an administrative problem that UK Power Networks had with the National Grid.

- Decarbonisation Fund

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
4,074	4,005	-69	851	-920	0	-69

An in-year underspend of £0.07m is being reported at year-end. This is a change of £0.9m on the pressure position reported last month. Twenty low carbon heating projects are currently underway, one of which is now completed. Government grant from the Public Sector Decarbonisation Scheme partly funds the investment into the heating programme. Covid-19 has had some impact on delivery, in particular material delays and cost.

- Connecting Cambridgeshire

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
14,937	5,746	-9,191	-8,739	-452	0	-9,191

An in-year underspend of -£9.2m is being reported at year-end. This is an increase of £0.5m on the underspend position previously reported in November and relates in full to a change since last month. The Connecting Cambridgeshire spend for this year was reprofiled and some spend will now be incurred next year. This work relates to Fixed Connectivity – Openreach Superfast Broadband (SFBB):

- £0.9m will be delivered in 2022/23 as Phase 3 of the Openreach SFBB was rephased due to Covid and Contractual delays
- £1.9m will be delivered in 2022/23 as Phase 4 of the Openreach SFBB was rephased due to Covid and Contractual delays
- A further £1m of expenditure will no longer be incurred due to a lower cost base and therefore a saving in the overall cost of the work being delivered for the Openreach SFBB.

There will be a total scheme underspend of £900k from saving from the Openreach SFBB contract 1, Phases 1-3, reducing the original £20m (£16.515m from prudential borrowing, £3.485m from LPSA grant) to £19.1m.

Due to the success of securing additional external funding there has been less requirement to use the Prudential Borrowing allocated to Connecting Cambridgeshire. £4.492m was allocated into 2021/22 but it is not expected this funding will start to be utilised until 2023/24 at the earliest and therefore this funding needs to be rephased.

- For full and previously reported details, see the P&E Finance Monitoring Report.

12.3.2 People & Communities:

A -£12.285m (-28.3%) in-year underspend is being reported at year-end.

- Basic Need- Secondary

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,822	4,673	-1,149	-1,902	753	84	-1,233

- An in-year underspend of -£1.1m is being reported at year-end across Basic Need-Secondary schemes. This is a decrease of £0.9m on the underspend position previously reported in October, of which £0.8m relates to a change since last month. The main schemes included in the changes since October are the following:

- Alconbury Secondary & Special

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,545	1,891	346	-45	391	0	391

Accelerated spend has taken place due to design fees being further progressed than originally anticipated due to early enabling works.

- New capacity to serve Wisbech

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,984	799	-1,185	-1,384	199	0	-1,185

Rephasing has taken place after significant delays in the announcement by the Department for Education (DfE) of the outcome of Wave 14 free school applications. The secondary school approved in wave 14 will now be grant funded by the DfE through its Free Schools programme. This project will now focus solely on the provision of a replacement Social, Emotional and Mental Health (SEMH) school which is currently operating from unsuitable leased accommodation in Wisbech. The budget has been revised in the 2022-23 Business Plan.

- Basic Need- Early Years

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,578	195	-1,383	-1,100	-283	-300	-1,083

- An in-year underspend of -£1.4m is being reported at year-end across Basic Need-Early Years schemes. This is an increase of £0.4m on the underspend previously reported in July, of which £0.3m relates to a change since last month. This relates primarily to the following schemes:

- LA Early Years Provision

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,365	8	-1,357	-1,265	-92	-300	-1,057

Rephasing has taken place as a number of schemes have been delayed with works now expected in 2022/23. The scheme is expecting a £300k underspend which offsets the additional funding request for conversion of the former Meldreth caretaker’s accommodation for early years provision.

- Meldreth Caretaker House

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
15	4	-11	165	-176	0	-176

Rephasing has taken place as there was a delay to the anticipated start on site from January. The project is currently out to tender with an expected completion date of September 2022.

- Condition, Suitability & Maintenance

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,947	3,083	-2,864	-2,313	-551	-853	-2,011

An in-year underspend of -£2.9m is being reported at year-end. This is an increase of £0.6m on the underspend previously reported in January and relates in full to a change since last month. The rephasing is due to a number of factors including the team not having capacity to advance schemes at a faster pace, material lead times, return tender rate from contractors being slow and delays in the completion of school condition surveys because of Covid. The forward plan of works relies on this survey data. £2,011k which is DfE grant funding will be carried forward into 2022/23 to address the maintenance and condition issues identified through the condition surveys.

- Cultural and Community Services

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
4,064	1,361	-2,703	-1,510	-1,193	70	-2,773

An in-year underspend of -£2.7m is being reported at year-end across Cultural and Community Services schemes. This is an increase of £1.2m on the underspend previously reported in December and relates in full to a change since last month. This relates primarily to the following schemes:

- Community Fund

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,194	765	-2,429	-1,510	-919	70	-2,499

The Community Fund has been fully committed in 2021/22, however the approved schemes are at differing stages, this has resulted in rephasing of £2,429k. The budget will need to be carried forward into 2022/23 for those projects with longer construction/implementation timescales. Additional spend of £70k has been approved for one of the projects and will be funded by a specific section 106 contribution.

- Libraries - Open access & touchdown facilities

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
355	41	-314	0	-314	0	-314

Project work was delayed due to Covid 19 restrictions and the inability to use library space until restrictions eased, as well as delays in sourcing contractors for building works. Significant spend is due in the early part of 2022/23.

- Capitalised Interest

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
905	175	-730	0	-730	-730	0

An in-year underspend of -£0.7m is being reported at year-end. This is due to lower capital spend than budgeted and lower interest rates in 2021/22 than anticipated at the time of budget setting, resulting in lower interest costs being charged to schemes.

- For full and previously reported details, see the P&C and PH Finance Monitoring Report.

12.3.3 Corporate Services:

A -£10.326m (-43.4%) in-year underspend is being reported at year-end.

- Capitalisation of Transformation Team

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,682	1,662	-20	-121	101	-20	0

An in-year underspend of -£0.02m is being reported at year-end. This is a reduction of £0.3m on the underspend previously reported in October, of which £0.1m relates to a change since last month.

- Data Centre Relocation

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,909	613	-2,296	-2,000	-296	0	-2,909

An in-year underspend of -£2.3m is being reported at year-end. This is an increase of £0.3m on the underspend position previously reported in September and relates in full to a change since last month. The budget for this scheme has been rephased to reflect the timing of the work. The move of Cambridgeshire's data centre was scheduled to take place in April 2021 however was delayed due to problems with the air-conditioning units within the Sand Martin House building.

- Building Maintenance

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,339	1,847	-492	0	-492	0	-492

An in-year underspend of -£0.5m is being reported at year-end.

- Property Services have completed many schemes this year, with pressures on two large projects, Huntingdon Youth Centre and Buttsgrove, due to additional unforeseen works required. There will be a retention for both projects paid in 2022 – 2023.
- Savings have been made for most of the projects completed as estimated costs have been value engineered.
- Some M&E projects have been delayed because of renewable energy installations on-going. It is not possible to have more than one set of contractors on site at the same time.
- Some projects have not proceeded due to detailed surveys
- Carry forwards will be required for the following high-cost schemes - March Community Centre roof replacement, Speke House heating & ventilation works and a lift replacement at Signet Court. Funding carry forwards will also be requested for continuing committed projects relating to alarm upgrades, heating & boiler replacements, and LED lighting.

- Investment in the CCC asset portfolio

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,779	1,640	-1,139	-787	-352	0	-1,139

An in-year underspend of -£1.1m is being reported at year-end. This is an increase of £0.4m on the underspend position reported last month. The main challenges this year have been the additional work required at Roger Ascham, with increased costs related to planning delays, extra requirements associated with the Air Source Heat Pump (ASHP) and buildings maintenance, which will need to continue into 2022-23. Work will also continue next financial year to complete Bottisham Children's Centre, 78 Victoria Road, Fawcett House (formally CPDC) and Oak Court and the replacement of IT and furniture as required. Additional project management costs will be incurred because programme delivery period has extended due to COVID. The total scheme forecast is an increase of £29k at this stage, this figure will be finalised next financial year.

- Capitalisation of Interest Budget

Revised Budget for 2021/22 £'000	Actual Spend (Outturn 21-22) £'000	Actual Variance (Outturn 21-22) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
785	349	-436	0	-436	0	-436

An in-year underspend of £0.4m is being reported at year-end. This is primarily due to lower capital spend than budgeted and lower interest rates in 2021/22 than anticipated at the time of budget setting, resulting in lower interest costs being charged to schemes. There were also some movements of schemes from Corporate Services to Place & Economy during the 2021/22 financial year.

- For full and previously reported details, see the CS Finance Monitoring Report.

12.4 Capital Total Scheme Key Exceptions

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

12.4.1 Place & Economy:

A -£1.2m (-0.2%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details, see the P&E Finance Monitoring Report.

12.4.2 People & Communities:

A -£22.6m (-4.2%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details, see the P&C and PH Finance Monitoring Report.

12.4.3 Corporate Services:

A -£0.6m (-0.3%) total scheme underspend is forecast.

- Capitalisation of Transformation Team

Total Scheme Revised Budget £’000	Total Scheme Forecast Spend - Outturn £’000	Total Scheme Forecast Spend - Outturn Variance £’000	Variance Last Month (Feb) £’000	Movement £’000
8,382	8,362	-20	-121	101

A total scheme underspend of -£0.02m is forecast on the Capitalisation of Transformation Team scheme, a reduction of £0.3m on the underspend previously reported in October, as noted earlier in section 13.3.3.

- For full and previously reported details, see the CS Finance Monitoring Report.

12.5 Capital Funding Changes

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding1 £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	16.1	3.5	-2.0	4.2	**21.8**	24.8	3.1
Basic Need Grant	0.0	1.0	0.0	0.0	**1.0**	-0.0	-1.0
Capital Maintenance Grant	3.1	2.2	0.0	0.7	**6.1**	4.0	-2.0
Devolved Formula Capital	0.8	1.3	0.0	-0.0	**2.0**	0.8	-1.2
Specific Grants	20.3	4.0	-2.4	4.1	**26.0**	32.7	6.7
S106 Contributions & Community Infrastructure Levy	23.5	-0.3	-3.8	0.6	**20.0**	15.3	-4.7
Capital Receipts	1.6	0.0	0.0	-0.3	**1.3**	4.1	2.8
Other Contributions	16.0	0.6	-2.8	7.2	**21.0**	9.6	-11.4
Revenue Contributions	0.0	0.0	0.0	0.0	**0.0**	7.2	7.2
Prudential Borrowing	70.4	21.6	-18.6	1.3	**74.7**	31.7	-43.0
TOTAL	**151.8**	**33.8**	**-29.6**	**17.9**	**174.0**	**130.3**	**-43.7**

1 Reflects the difference between the anticipated 2020/21 year-end position used at the time of building the initial Capital Programme budget, as incorporated within the 2021/22 Business Plan, and the actual 2020/21 year-end position.

12.6 Key funding changes (of greater than £0.25m or requiring approval):

Funding	Service	Amount (£m)	Reason for Change
Additional / Reduction in Funding (Specific Grants and Other Contributions, Capital Receipts and Prudential Borrowing)	All	-£0.62 (Grants & Contributions) +£15.26 (General Capital Receipts) -£14.64 (Prudential Borrowing)	For accounting reasons, the Council recognises income against the capital programme at the earliest opportunity: Funds received in 2021/22 for the Greater Cambridge Partnership (£17.45m) which have not yet been required in cash flow terms for the specific schemes they relate to have initially been accounted for in place of borrowing to fund other schemes across the capital programme. This will reduce the MRP charge that will be payable for 2022/23. When these funds are needed in the future for the specific schemes that they relate to, the Council will account for the borrowing to repay them. This is an accounting treatment only and has no impact on the actual funds available to the Greater Cambridge Partnership. Similarly, General Capital receipts received in 2021/22 (£15.26m) have been accounted for in place of borrowing to fund schemes across the capital programme. This will also reduce the MRP charge that will be payable for 2022/23. Funds previously received for Basic Need (£0.66m), Horizons (£12.80m), and from the Combined Authority for the Wisbech Access Strategy (£4.60m) and that have already been initially accounted for in place of borrowing are now required to fund expenditure in 2021/22. The Council has therefore accounted for the borrowing to repay these funds in 2021/22. This £18.07m additional borrowing in 2021/22 has then been offset by the £17.45m Greater Cambridge Partnership funding and £15.26m General Capital Receipts funding accounted for in place of borrowing as described above. This results in a net funding swap for 2021/22 of £14.64m. Throughout the year, we forecast our capital financing costs on the basis of these swaps taking place.

Funding	Service	Amount (£m)	Reason for Change
			Strategy & Resources Committee is asked to approve the accounting for the internal borrowing funding swaps set out above.

13. Approval of Earmarked Reserves Carry-forwards and Draw downs

13.1 Under the Scheme of Financial Management, approval is requested for the following transfers to and from earmarked reserves:

Fund Description	Transfer to reserves (+)/ from reserves (-) £000s	Notes
Adults and NHS debt	-1,704	Draw down from reserves set aside at the end of 2020-21 consisting of previously paid Clinical Commissioning Group funds across multiple financial years held pending an overall settlement of outstanding debt. This settlement has now been reached.
Waste PFI	650	Transfer to cover further revenue costs in respect of a Waste capital scheme, funded from the overall underspend.
Cambridgeshire Skills	1,027	Transfer of Cambridgeshire Skills 21-22 year-end balance to earmarked reserve, to continue a reserve to cover grant income risks plus specific provision for anticipated reductions to or claw backs of grant funding and planned spend in 2022-23.
On Street Parking	657	Transfer of On Street Parking 21-22 year-end balance to earmarked reserve – this funding is ringfenced by statute to be spent on specific services.
Litigation	1,158	Transfer to reserves for further expected costs of specific litigation, funded from the overall underspend
Arbury Road Site	-226	Draw down from earmarked reserve for demolition of Arbury Road site.
Capital funding GCP A1307 Bus Priority	-2,455	Draw down from revenue earmarked reserve of Greater Cambridge Partnership New Homes Bonus Funding for Greater Cambridge Partnership A1307 Bus Priority capital scheme.
Total	**-894**	

Strategy & Resources Committee is asked to approve the transfers to and from earmarked reserves listed above, totalling a net -£894k.

14. External and Contextual Issues

14.1 The financial challenges facing the Council have increased during 2021/22 principally due to the unprecedented impact of the Covid-19 pandemic; the financial and human cost has been substantial. Every council department experienced disruption to its budgetary provision, and in some cases completely different patterns of service demand as well as wholly new activities and initiatives needed to be supported dynamically and at short notice. The scale of additional funding in response has also been significant. The major additional grants received by the Council in 2021/22 include the following, totalling £59.7m:

Grant	Awarding Body	Amount, £000
Covid-19 Support Grant	Department of Levelling Up, Housing & Communities (DLUHC)	11,887
Business Rates Compensation - COVID reliefs	DLUHC	9,535
Local Council Tax Support Grant	DLUHC	4,355
Adult Social Care Infection Control and Testing Fund	Department of Health and Social Care (DHSC)	3,866
NHS Covid Contributions	NHS	3,837
Infection Control and Testing Grant	DHSC	3,363
Household Support Fund	Department for Work and Pensions (DWP)	3,252
Contain Outbreak Management Fund	DHSC	3,068
Infection Control round 4 and Testing Fund round 3	DHSC	2,462
Lateral Flow Testing Grant	DHSC	2,409
Council Tax & Business Rates Compensation - 75% income guarantee	DLUHC	2,154
Covid Local Grant Scheme	DWP	1,717
Workforce Fund 2	DHSC	1,574
Local Authority Practical Support for Self-Isolation	DHSC	1,182
Funding support for CEV individuals	DLUHC	1,134
Covid Catch-Up Premium	Department for Education (DFE)	1,012
Covid-19 Sales, Fees and Charges Lost Income Compensation	DLUHC	794
Enduring Transmission Grant	DHSC	791
Covid Winter Grant Scheme	DWP	681
Omicron Support Fund	DHSC	581

14.2 Aside from the pandemic, the Council has remained vigilant to the enduring financial risks and uncertainties it faces throughout the year. CCC continues to face underlying increases in demand for its services, both as a result of population growth and changing demographics, particularly in relation to the ageing population and those with complex care needs. Altogether, these pressures, coupled with assumed levels of government grants, led to a savings requirement of £82m from 2021/22 to 2025/26.

14.3 Despite a relatively stable position in the number of Children in Care, we experienced increasing cost pressures due to changes in complexity of need, and continuing cost inflation within the sector. Specifically, changes in legislation from 1st September which required all local authorities to ensure no young people in care under the age of 16 were placed within unregistered provision. The consequence of this has been a knock-on effect within the residential and fostering markets responding to increased demand as young people moved on from unregistered provision. This led to a significant increase in weekly cost for some placements. Also, we have seen an increase in complexity of need within both existing and new placements. This increased demand, coupled with an overall shortage of availability, has led to price increases within the sector.

14.4 Like councils nationally, Adult Services in Cambridgeshire has faced cost pressures for several years. This has been due to the rising cost of care home and home care provision due to both the requirement to be compliant with the national living wage and the increasing complexity of needs of people receiving care (both older people and working age adults). The financial and human impact of Covid-19 has been substantial; some adults who were previously supported at home by friends, family and local community services were not able to secure this support during Covid due to visiting restrictions during lockdown. This has increased reliance on professional services; the ability to focus on conversations about the use of technology, community support or other preventative services have been restricted due to the reprioritisation of staffing resources towards discharge from hospital work and supporting care providers. Many vulnerable adults developed more complex needs during lockdown as they did not access the usual community-based or early help services. We are expecting the longer-term financial impact of this to be significant. We are also experiencing a high volume of referrals from hospitals and the level of need and complexity of patients needing care or Reablement support is increasing.

14.5 Serious pressures have continued to grow on Special Education Needs and High Needs block of the dedicated schools grant, leading to the carried forward deficit reported in section 3.2. The Department for Education introduced the safety valve intervention programme in 2020-21 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.

14.6 Despite the scale of the challenge the Council has faced this year, the 2021-22 year-end outturn position was a £18.8m underspend. This means that the Council's non-earmarked reserves were topped up by £18.8m, which given the scale of the risks and potential pressures the Council has faced, is a favourable outcome enabling some flexibility in the face of the still very considerable uncertainties and risks looking forward. It is also pleasing that despite the disruption and difficulties with forecasting throughout the year, overall the financial position at outturn was close to expectations. Details of the pressures and underspends that have led to this year's position can be found in previous Finance Monitoring Reports.

14.7 The financial outlook for 2022/23 remains extremely constrained. The ongoing effects of the COVID-19 pandemic, the economic picture, and government reforms continue to make forward planning with any degree of certainty extremely challenging. The ongoing impacts of COVID-19 are expected to extend throughout the Medium Term Financial Strategy period. Some of the specific challenges that the Council expects to face over the next five years as a result of the pandemic are:

- Potential for growing regional and more local inequalities as a result of the economic fallout from the pandemic Potential for growing regional and more local inequalities as a result of the economic fallout from the pandemic
- Ongoing lower levels of fees and charging income, as well as reduced local taxation receipts
- Uncertainty about the need for, and funding for, lasting COVID-19 related costs such as personal protective equipment or infection control procedures in social care providers
- Providing additional support for our local care markets to ensure sufficient appropriate care provision remains available

However, the shift in attitudes and behaviours resulting from the pandemic is also likely to provide a number of opportunities to adapt service delivery models to reduce costs;

- The introduction of Community Hubs to deliver targeted support for vulnerable people has led to increased collaboration across the wider public sector. The delivery mechanisms established during this period will be further developed through the Council's Think Communities Programme.
- A significant increase in agile working has yielded savings on overhead costs for the Council
- A shift towards providing services online, from social worker consultations to music lessons has helped the Council to reduce staff mileage, supporting both the Council's budget position but also our commitment to deliver net zero carbon emissions by 2050

14.8 Beyond the pandemic, there is also a great deal of uncertainty surrounding the UK's public finances. In December 2020 the UK secured a post-Brexit trade deal with the EU, however the impacts of the new trading arrangements on economic growth, labour availability, and the cost of goods and services are still unclear and may yet influence levels of resources available to local authorities. In addition, the UK is experiencing a cost-of-living crisis following extremely high inflation increases including on energy costs. The war in Ukraine and sanctions against Russia are compounding the supply of materials and therefore increasing costs in world markets even further.

14.9 In addition to the international uncertainty, there are a number of Central Government reforms currently expected or that have paused, most notably those on technical aspects of Fair Funding and the Business Rates Retention Scheme, which are expected to affect the Council's funding, as well as the reforms of Adult Social Care.

14.10 The Council expects to see an overall increase in funding (excluding schools grants) of 9.3% to 2026-27, primarily due to increases in Council Tax assumed within the medium term financial strategy. Nevertheless, inflationary pressures, population growth and increased demand for services are expected to result in much higher additional budget pressures over the same period, resulting in a savings requirement of £102m over the next five years.

14.11 Looking ahead the Council faces a larger savings requirement for upcoming years than it has had to deal with for some time. Although there is some additional short term flexibility resulting from the underspend in 2021-22 and carried forward grant balances mitigate the pandemic risk to some degree, the need to deal with financial challenges on a recurrent basis is the priority. There is more information contained with the Council's Medium Term Financial Strategy passed in February.

15. Alignment with corporate priorities

15.1 Environment and Sustainability

There are no significant implications for this priority.

15.2 Health and Care

There are no significant implications for this priority.

15.3 Places and Communities

There are no significant implications for this priority.

15.4 Children and Young People

There are no significant implications for this priority.

15.5 Transport

There are no significant implications for this priority.

16. Significant Implications

16.1 Resource Implications

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

16.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

16.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

16.4 Equality and Diversity Implications

There are no significant implications within this category.

16.5 Engagement and Consultation Implications

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

16.6 Localism and Local Member Involvement

There are no significant implications within this category.

16.7 Public Health Implications

There are no significant implications within this category.

16.8 Environment and Climate Change Implications on Priority Areas

16.8.1 Implication 1: Energy efficient, low carbon buildings.
Status: Neutral
Explanation: There are no significant implications within this category

16.8.2 Implication 2: Low carbon transport.
Status: Neutral
Explanation: There are no significant implications within this category

16.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Status: Neutral
Explanation: There are no significant implications within this category

16.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Status: Neutral
Explanation: There are no significant implications within this category:

16.8.5 Implication 5: Water use, availability and management:
Status: Neutral
Explanation: There are no significant implications within this category

16.8.6 Implication 6: Air Pollution.
Status: Neutral
Explanation: There are no significant implications within this category

16.8.7 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: Tom Kelly

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

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

Have the equality and diversity implications been cleared by your Service Contact? No
Name of Officer: Not applicable

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

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

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

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

17. Source documents

17.1 Source documents

P&E Finance Monitoring Report (Outturn 21-22)
P&C and PH Finance Monitoring Report (Outturn 21-22)
CS Finance Monitoring Report (Outturn 21-22)
Capital Monitoring Report (Outturn 21-22)
CCC Debt Reporting Pack (Outturn 21-22)
CCC Prompt Payment KPIs (Outturn 21-22)
CCC Business Plan 2022-23

Appendix 1 – transfers between Services throughout the year

(Only virements of £1k and above (total value) are shown below)

Budgets and Movements	P&C £'000	P&E £'000	CS Financing £'000	Corporate Services £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	302,530	64,317	31,295	25,489	11,745
Adult's and Children's Recruitment transfer to HR	-177			177	
Permanent element of 2021-26 BP mileage saving C/R.6.104	-164	-5		169	
Centralisation of postage budget	-93	-40		133	
Redundancy and Pensions Corporate Services budget move to P&C	846			-846	
ICT Service (Education) transfer from CS to P&C	-200			200	
Communications transfer	-21			21	
Budget rebaselining as approved by S&R, 6th July	-2,411			716	1,695
Transfer of Qtr 1 Mileage Savings	-234	-7		240	
PPE budget to Property	-7			7	
Transferring three Property budgets from P&C to Corporate services	-93			93	
Transfer of Qtr 2 Mileage Savings	-205	-9		214	
Transfer of Qtr 3 Mileage Savings	-200	-7		207	
Allocation of unringfenced grant £1,140k Domestic Abuse Act Statutory Duty funding to People & Communities as per S&R 29th March 2022	1,140				
Transfer Insurance budgets in line with annual Insurance Fund processes	512	1,638		-2,151	
Allocation of unringfenced grant £10k Biodiversity Net Gain Grant to Place & Economy		10			
Transfer of Qtr 4 Mileage Savings	-227	-8		235	
Funding for 2021/22 Pay Award - 1.75% for Local Government Services Employees	1,554	158		-1,712	
Adjust PH income budget to match revised MoU	-27			27	
Current budget	**302,523**	**66,048**	**31,295**	**23,220**	**13,440**
Rounding	0	0	0	0	0

Appendix 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2021 £000s	Movements in 2021-22 £000s	Balance at 31 March 2022 £000s	Notes
General Reserves				
- County Fund Balance	26,094	20,379	46,474	
1 P&C	0	0	0	
2 P&E	0	0	0	
3 CS (LGSS Cambridge & Shared Services)	925	-14	911	
General Reserves subtotal	27,019	20,365	47,385	
Earmarked Funds				
4 Insurance	4,830	-111	4,719	
5 P&C & Schools	11,412	7,106	18,518	Includes two significant reserve balances approved by S&R (or its predecessor GPC) - £5.5m hospital discharge reserve, plus £4.7m relating to mitigating risks in adult social care through 2022/23 as the long-term effects of the pandemic on budgets are fully determined.
6 PH	4,624	3,879	8,503	
7 P&E	5,184	1,533	6,717	Includes £1,490k for Highways Maintenance
8 Corporate Services	3,867	-609	3,258	
9 Transformation Fund	30,653	-5,641	25,012	Savings realised through change in MRP policy.
10 Innovate & Cultivate Fund	687	-245	442	
11 Corporate- COVID	26,987	0	26,987	Includes remainder of COVID-19 Support Grant 1st, 2nd, 3rd and 4th tranches
12 Council Tax Counter-Fraud work	0	464	464	£464k as approved by S&R 2nd Nov 2021.
13 Specific Risks Reserve	2,140	0	2,140	
14 This Land Credit Loss & Equity Offset	5,850	0	5,850	
15 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	
16 Collection Fund Volatility & Appeals Account	3,690	0	3,690	
17 Grant carry forwards	18,646	-4,615	14,031	Carry forward of unspent grant to spend in accordance with purposes for which the grant was given. At 2021-22 year-end £6.6m related to specific Covid related grants.
Earmarked Funds subtotal	121,510	1,761	123,271	
SUBTOTAL	**148,529**	**22,127**	**170,656**	
Capital Reserves				
18 P&C	3,592	2,524	6,116	
19 P&E	7,315	-3,252	4,063	
20 Corporate Services	10,861	2,996	13,857	
21 Corporate	49,816	23,970	73,787	Section 106 and Community Infrastructure Levy balances.
Capital Reserves subtotal	71,584	26,238	97,823	
GRAND TOTAL	**220,114**	**48,365**	**268,478**	

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

Fund Description	**Balance at 31 March 2021 £000s**	**Movements in 2021-22 £000s**	**Balance at 31 March 2022 £000s**	**Notes**
Short Term Provisions				
1 P&E	0	0	0	
2 P&C	1,955	-1,296	659	
3 Corporate Services	2,093	0	2,093	
Short Term Provisions subtotal	4,048	-1,296	2,752	
Long Term Provisions				
4 Corporate Services	3,613	1,133	4,746	
Long Term Provisions subtotal	3,613	1,133	4,746	
GRAND TOTAL	**7,661**	**-163**	**7,498**	

Appendix 3 – Savings Tracker 2021-22 Year-end

RAG	Reference	Title	Description	Service	Committee	Original Saving 21-22	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 21-22	Variance from Plan £000	% Variance	Direction of travel	Forecast Commentary
Green	A/R.6.114	Learning Disabilities Commissioning	A programme of work commenced in Learning Disability Services in 2016/17 to ensure service-users had the appropriate level of care; some additional work remains, particularly focussing on high cost placements outside of Cambridgeshire and commissioning approaches, as well as the remaining part-year impact of savings made part-way through 2019/20.	P&C	Adults & Health	-250	0	-62	-62	-126	-250	**0**	**0.00**	↔	
Amber	A/R.6.176	Adults Positive Challenge Programme - demand management	New Saving 21/22 £100k Carry-forward saving 20/21 £2,239k Through the Adults Positive Challenge Programme, the County Council has set out to design a new service model for Adult Social Care, which will continue to improve outcomes whilst also being economically sustainable in the face of the huge pressure on the sector. This is the second year of saving through demand management, building on work undertaken through 2019/20, focussing on promoting independence and changing the conversation with staff and service-users to enable people to stay independent for longer. The programme also has a focus of working collaboratively with partner organisations in 2020/21. In later years, the effect of the Preparing for Adulthood workstream will continue to have an effect by reducing the level of demand on services from young people transitioning into adulthood.	P&C	Adults & Health	-2,339					-1,983	**356**	**15.22**	↔	In year saving on track. Brought forward demand management saving continues to be impacted by the pandemic, particularly in the Reablement workstream with the service continuing to support the NHS.
Green	A/R.6.179	Mental Health Commissioning	A retender of supported living contracts gives an opportunity to increase capacity and prevent escalation to higher cost services, over several years. In addition, a number of contract changes have taken place in 2019/20 that have enabled a saving to be taken.	P&C	Adults & Health	-24	-6	-6	-6	-6	-24	**0**	**0.00**	↔	
Green	A/R.6.185	Additional block beds - inflation saving	Through commissioning additional block beds, referred to in A/R.5.005, we can reduce the amount of inflation funding needed for residential and nursing care. Block contracts have set uplifts each year, rather than seeing inflationary increases each time new spot places are commissioned.	P&C	Adults & Health	-606	-152	-151	-152	-151	-606	**0**	**0.00**	↔	
Amber	A/R.6.186	Adult Social Care Transport	Savings can be made in transport costs through a project to review commissioning arrangements, best value, route optimisation and demand management opportunities. This may require transformation funded resource to achieve fully.	P&C	Adults & Health	-250	0	0	-15	-15	-30	**220**	**88.00**	↓	Potential savings have been identified through route optimisation. It is still expected that savings can be achieved, but the majority will be delayed until 22/23 because of the complexity of ensuring the route optimisation identified meets service users' needs. The level of savings that can be delivered through retendering is likely to be adversely impacted by the increase in fuel prices.
Green	A/R.6.187	Additional vacancy factor	Whilst effort is made to ensure all critical posts are filled within People and Communities, slippage in staffing spend always occurs. For many years, a vacancy factor has existed in P&C budgets to account for this; following a review of the level of vacancy savings achieved in recent years we are able to increase that vacancy factor.	P&C	Adults & Health	-150	-40	-40	-40	-30	-150	**0**	**0.00**	↔	
Black	A/R.6.188	Micro-enterprises Support	Transformation funding has been agreed for new approach to supporting the care market, focussing on using micro-enterprises to enable a more local approach to domiciliary care and personal assistants. As well as benefits to an increased local approach and competition, this work should result in a lower cost of care overall.	P&C	Adults & Health	-30	0	0	0	0	0	**30**	**100.00**	↔	Delivery of the saving has been delayed by the pandemic and is now being taken forward as part of the Care Together programme.
Green	A/R.6.210	Unaccompanied Asylum Seeking Young People: Support Costs	During 2020/21, the Government increased the weekly amount it provides to local authorities to support unaccompanied asylum seeking young people. This means that the grant now covers more of the costs of meeting the accommodation and support needs of unaccompanied asylum seeking young people and care leavers. Accordingly, it is possible to make a saving in the contribution to these costs that the Council has historically made from core budgets of £300K per	P&C	C&YP	-300	-75	-75	-75	-75	-300	**0**	**0.00**	↔	

RAG	Reference	Title	Description	Service	Committee	Original Saving 21-22	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 21-22	Variance from Plan £000	% Variance	Direction of travel	Forecast Commentary
Green			annum. Also the service has worked to ensure that placement costs are kept a minimum, without compromising quality, and that young people move from their 'care' placement promptly at age 18 to appropriately supported housing provision.												
Green	A/R.6.211	Adoption and Special Guardianship Order Allowances	A reduction in the number of children coming into care , due to implementation of the Family Safeguarding model and less active care proceedings, means that there are fewer children progressing to adoption or to permanent arrangements with relatives under Special Guardianship Orders. This in turn means that there are fewer carers who require and/or are entitled to receiving financial support in the form of adoption and Special Guardianship Order allowances.	P&C	C&YP	-500	-125	-125	-125	-125	-500	**0**	**0.00**	↔	
Green	A/R.6.212	Clinical Services; Children and young people	Changes to the clinical offer will include a reduction in clinical staff input in the Family Safeguarding Service (previously social work Units) due to changes resulting from the implementation of the Family Safeguarding model, including the introduction of non-case holding Team Managers and Adult practitioners. Additional investment is to be made in developing a shared clinical service for Cambridgeshire and Peterborough for corporate parenting, however a residual saving of £250k can be released. In 2022-23 this will be re-invested in the Family Group Conferencing Service (see proposal A/R.5.008)	P&C	C&YP	-250	-62	-62	-62	-64	-250	**0**	**0.00**	↔	
Black	A/R.6.255	Children in Care - Placement composition and reduction in numbers	Through a mixture of continued recruitment of our own foster carers (thus reducing our use of Independent Foster Agencies) and a reduction in overall numbers of children in care, overall costs of looking after children and young people can be reduced in 2021/22.	P&C	C&YP	-246	0	0	0	0	0	**246**	**100.00**	↔	Due to increasing pressure around placement mix and complexity of need, we do not anticipate meeting this saving target. It is expected that underspends within Childrens Social Care will offset the unachieved savings.
Black	A/R.6.266	Children in Care Stretch Target - Demand Management	Please see A/R.6.255 above.	P&C	C&YP	-1,000	0	0	0	0	0	**1,000**	**100.00**	↔	Due to increasing pressure around changes in placement mix and complexity of need, we do not anticipate meeting this saving target. It is expected that underspends within Childrens Social Care will offset the unachieved savings.
Green	A/R.6.267	Children's Disability: Reduce overprescribing	The Children's Disability 0-25 service has been restructured into teams (from units) to align with the structure in the rest of children's social care. This has released a £50k saving on staffing budgets. In future years, ways to reduce expenditure on providing services to children will be explored in order to bring our costs down to a level closer to that of our statistical neighbours.	P&C	C&YP	-50	-50				-50	**0**	**0.00**	↔	
Green	A/R.6.268	Transport - Children in Care	The impact of ongoing process improvements in the commissioning of transport for children in care.	P&C	C&YP	-300	-300	0	0	0	-300	**0**	**0.00**	↔	
Amber	A/R.6.269	Communities and Partnership Review	A review of services within C&P where efficiencies, or increased income, can be found.	P&C	C,SM&I	-200	-25	-25	-25	-25	-100	**100**	**50.00**	↓	Under Review
Amber	A/R.7.105	Income from utilisation of vacant block care provision by self-funders	Carry-forward saving - incomplete in 20/21.We currently have some vacancies in block purchased provision in care homes. Income can be generated to offset the vacancy cost by allowing people who pay for their own care to use these beds	P&C	Adults & Health	-150	-37	-13	-10	0	-60	**90**	**60.00**	↔	Annual in-year savings target of £150k not fully achieved.
Red	A/R.7.106	Client Contributions Policy Change	Carry-forward saving - incomplete in 20/21 In January 2020, Adults Committee agreed a set of changes to the charging policy for adult social care service-user contributions. We expect this to generate new income of around £1.4m in 2020/21 and are modelling the full-year impact into 2021/22.	P&C	Adults & Health	-1,192	-250	-250	-75	-30	-605	**587**	**49.24**	↔	Ongoing difficulties in recruitment have continued to delay the reassessments project. The shortfall in savings delivery is fully mitigated in the forecast by increases in client contributions not directly linked with reassessments.
Green	B/R.6.201	Review Winter Operations	Review winter operations – increase number of weather domains from 3 to 5	P&E	H&T	-17	0	0	-17	0	-17	**0**	**0.00**	↔	

RAG	Reference	Title	Description	Service	Committee	Original Saving 21-22	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 21-22	Variance from Plan £000	% Variance	Direction of travel	Forecast Commentary
Green	B/R.6.202	Highways: Removal of Old VAS Signs	Removal of old VAS signs	P&E	H&T	-4	-4				-4	**0**	**0.00**	↔	
Green	B/R.7.119	Income from Bus Lane Enforcement	Carry-forward saving - unachieved in 20/21. Due to COVID, existing income target not met in 20/21 Utilising additional bus lane enforcement income to fund highways and transport works, as allowed by current legislation.	P&E	H&T	-650	-163	-162	-163	-162	-650	**0**	**0.00**	↔	
Green	B/R.7.120	Deployment of current surpluses in civil parking enforcement to transport activities	Carry-forward saving - unachieved in 20/21 Due to COVID, existing income target not met in 20/21. Deployment of current surpluses in civil parking enforcement to transport activities, including a contribution to Park & Ride, as allowed by current legislation.	P&E	H&T	-340	-85	-85	-85	-85	-340	**0**	**0.00**	↔	
Black	C/R.6.103	External Auditor fee	Carry-forward saving - not achieved in 20/21 Saving to be achieved from reduction in expenditure on External Audit, as per fees set by Public Sector Audit Appointments	CS	S&R	-15	0	0	0	0	0	**15**	**100.00**	↓	The savings anticipated to be delivered through the PSAA process have not materialised on a national level, this has been recognised as part of the Government's Redmond Review, which has provided additional funding to authorities to partially compensate for these additional pressures.
Blue	C/R.6.104	Reduction in staff mileage	A reduction in staff travel is expected to continue.	CS	S&R	-564	-474	-254	-249	-279	-1,256	**-692**	**-122.70**	↔	Saving overachieved
Green	C/R.6.105	Customer Services	Customer Services have scrutinised their budget, and trends over recent years, and have determined a reduction of £85k is achievable from their base revenue. This is the equivalent to 3 full-time Customer Service Advisors. This reduction will be delivered by removing vacant posts.	CS	S&R	-85	-20	-20	-20	-25	-85	**0**	**0.00**	↔	
Green	E/R.6.033	Drug & Alcohol service - funding reduction built into new service contract	This saving has been built into the contract for Adult Drug and Alcohol Treatment Services which was awarded to Change Grow Live (CGL) and implemented in October 2018. The savings are being achieved through a new service model with strengthened recovery services using cost effective peer support models to avoid readmission, different staffing models, and a mobile outreach service.	PH	Adults & Health	-63	-16	-16	-16	-16	-63	**0**	**0.00**	↔	
Green	E/R.6.043	Joint re-procurement of Integrated Lifestyle Services	Carry-forward saving - incomplete in 20/21 Delivery of this saving has been delayed due to Covid-19 Re-commissioning of the integrated lifestyle services as one service across Cambridgeshire and Peterborough. Peterborough City Council will delegate authority to Cambridgeshire County Council to commission, contract and performance manage the new provider.	PH	Adults & Health	-17	-4	-4	-4	-4	-17	**0**	**0.00**	↔	
Green	F/R.6.003	Babbage House closure	The lease on Babbage House is due to end in 2020-21, and will not be renewed.	CS	S&R	-198	-198				-198	**0**	**0.00**	↔	
Black	F/R.6.109	Cambs 2020 Operational Savings	Savings to the running costs of corporate buildings as a result of the Cambs 2020 programme.	CS	S&R	-605	0	0	0	0	0	**605**	**100.00**	↓	The savings from Shire Hall will not be achieved until such time as the sale is complete.
Black	F/R.7.106	Utilisation/commercialisation of physical assets	Carry-forward saving - unachieved in 20/21. One Public Estate	CS	S&R	-36	0	0	0	0	0	**36**	**100.00**	↔	There has been no development in this area.
Black	F/R.7.110	Return on Commercial Property Investments	Carry-forward saving - unachieved in 20/21The Council is developing a portfolio of commercial property investments. This is the rental income generated from the leases of these properties.	CS	S&R	-105	0	0	0	0	0	**105**	**100.00**	↓	This is now reported on separately by each investment; this entry should be removed.
Green	F/R.7.127	County Farms - Commercial uses	Conversion of barns on the County Farms Estate for non-agricultural	CS	S&R	-45	-11	-11	-11	-12	-45	**0**	**0.00**	↔	

RAG	Reference	Title	Description	Service	Committee	Original Saving 21-22	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 21-22	Variance from Plan £000	% Variance	Direction of travel	Forecast Commentary
			commercial uses, including storage and distribution.												
Black	F/R.7.131	Commercial Income	Commercial return from the Council's Commercial Strategy, to be generated by the newly developed Commercial Team.	CS	S&R	-232	0	0	0	0	0	**232**	**100.00**	↔	Saving not achieved. However, as part of the budget rebaselining exercise approved by S&R at the July 2021 meeting this pressure is now removed.
Amber	F/R.7.140	Tesco - Income Generation	Estimated annual rent increase.	CS	S&R	-77	0	0	0	-17	-17	**60**	**77.92**	↑	The % increase for 21-22 was not line with the estimated investment figure.
Green	F/R.7.141	Evolution Business Park - Income Generation	Estimated annual rent increase.	CS	S&R	-12	-3	-3	-3	-3	-12	**0**	**0.00**	↔	
Green	F/R.7.142	Kingsbridge - Income Generation	Estimated annual rent increase.	CS	S&R	-11	-3	-3	-3	-2	-11	**0**	**0.00**	↔	
Black	F/R.7.143	Brunswick House - Income Generation	Estimated annual rent increase.	CS	S&R	-66	0	0	0	0	0	**66**	**100.00**	↓	The percentage increase for 21-22 was not in line with the estimated investment figure.
Green	F/R.7.144	County Farms	Increase in rental income for the county farms estate.	CS	S&R	-40	-10	-10	-10	-10	-40	**0**	**0.00**	↔	
Green	G/R.6.003	MRP: Accountable Body (effect of capital swaps)	As Accountable Body the Council incurs certain administrative costs in undertaking this role. However it also holds the cash on an interim basis pending utilisation by those parties. The Council maximises the use of these resources whilst not detrimentally affecting those resources. This is only possible where the body or partnership does not use the funds that have been awarded in the financial year in which they are provided. This is an adverse effect, it is the reversal of savings made in previous years as the cash received in prior years is utilised by the parties for whom we hold the funds and can no longer be used to offset borrowing requirements	CS	S&R	-355	-88	-89	-89	-89	-355	**0**	**0.00**	↔	

Key to RAG ratings

Total saving	**Over £500k**	**£100-500k**	**Below £100k**
Black	100% non-achieving	100% non-achieving	100% non-achieving
Red	Percentage variance more than 19%	-	-
Amber	Under-achieving by 14% to 19%	Percentage variance more than 19%	Percentage variance more than 19%
Green	Percentage variance less than 14%	Percentage variance less than 19%	Percentage variance less than 19%
Blue	Over-achieving	Over-achieving	Over-achieving

Appendix 4

Service: Corporate Services
Subject: Finance Monitoring Report – Final Report 2022

Key Indicators

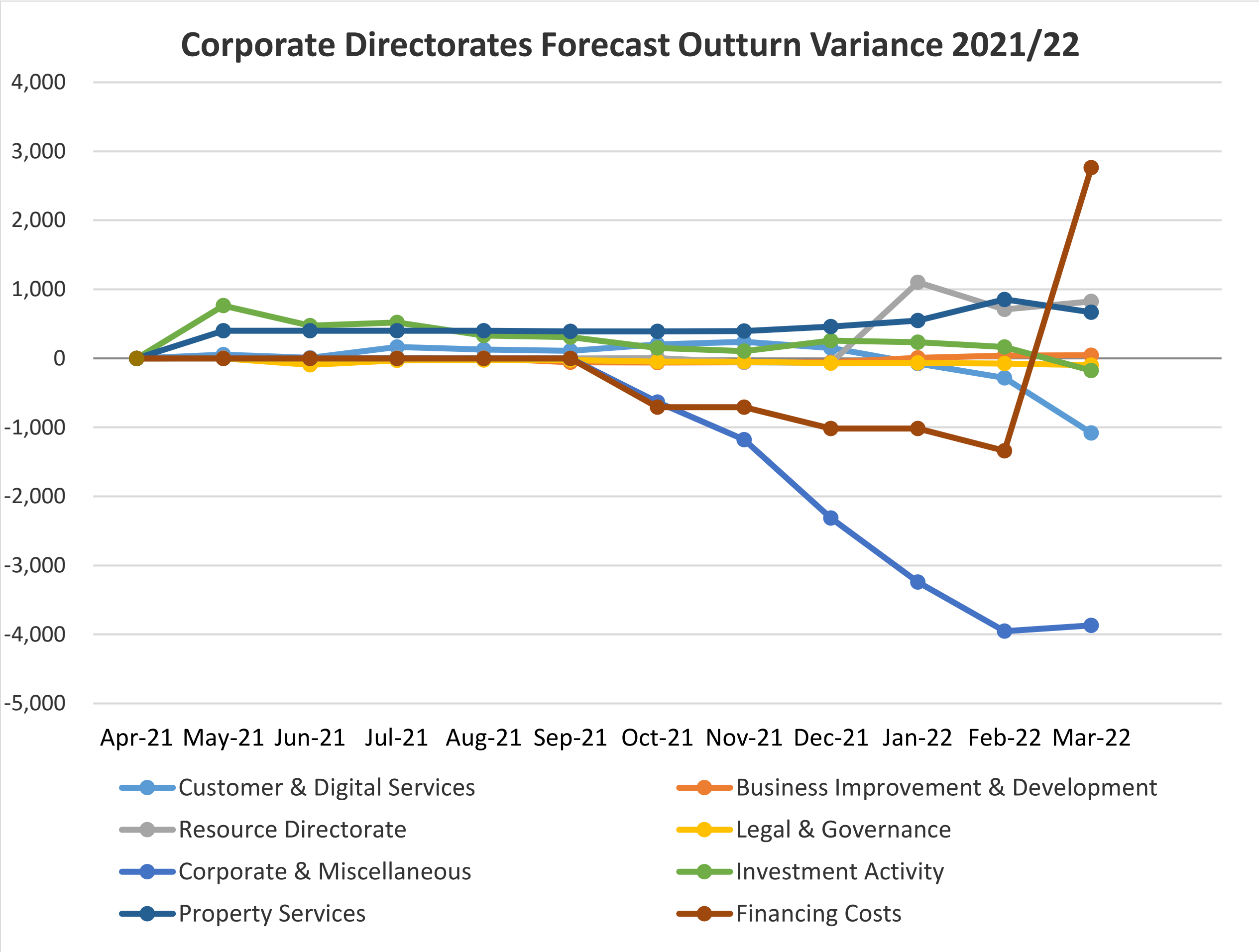
Previous Status	Category	Target	Current Status	Section Ref.
Green	Income and Expenditure	Balanced year end position	**Green**	1.1 – 1.3
Green	Capital Programme	Remain within overall resources	**Green**	2

Contents

1. Revenue Executive Summary

1.1 Overall Position

Overall Corporate Services & Financing has an underspend of £1,011k in 2021/22, a decrease of £2,870k since February.



1.2 Summary of Revenue position by Directorate

The service level budgetary control report for Corporate Services & Financing Costs for the year 2021/22 can be found in appendix 1.

Outturn Variance (previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	Outturn Variance %
-282	Customer & Digital Services	17,214	16,134	-1,081	-6.3%
42	Business Improvement & Development	1,985	1,940	-46	-2.3%
709	Resources Directorate	4,923	5,746	824	16.7%
-77	Legal & Governance	2,335	2,237	-98	-4.2%
-3,953	Corporate & Miscellaneous	5,334	1,464	-3,870	-72.6%
165	Investment Activity	-11,300	-11,477	-177	-1.6%
855	Property Services	2,729	3,399	670	24.6%
-1,339	Financing Costs	31,295	34,061	2,766	8.8%
-3,881	**Total**	**54,516**	**53,504**	**-1,011**	**-1.9%**

Further analysis can be found in appendix 2 for Corporate Services

1.3 Significant Issues

At year end, the overall Corporate Services outturn position is an underspend of £1,011k.

Significant issues are detailed below:

Customer and Digital Services

The overall position of Customer and Digital Services budgets in 2021/22 is an underspend of £1,081k an increase in underspend of £798k from the previous forecast.

The Director, Customer & Digital Service budgets are underspent by £103k due to vacancies in Emergency Management and additional income received in the Corporate Services Director budget.

IT & Digital is overspent by £141k, with an improved position on the previous forecast due to an underspend from staff working on IT capital schemes and shared resources with PCC. The IT Managed budgets are now showing an underspend due to an improvement of £315k than previously forecast for Hardware items, due to global supplies impacting our ability to procure IT hardware predominantly Laptops. A £283k improved position occurred because previously committed expenditure was investigated which resulted in a saving due to the resolution of a complex historical (LGSS) recharging situation. We have also seen an increase for additional costs of mobile phones of £140k.

Business Improvement & Development

The overall position for Business Improvement & Development budgets in 2021/22 is an underspend of £46k, which is a decrease in spend of £88k from the previous forecast due to staffing underspends across the directorate.

Resources Directorate

The overall position for Resources Directorate budgets in 2021/22 is an overspend of £824k, an increase of £115k from the previous forecast. This is mainly due to an increased overspend of £171k for the Insurance provision requirement.

Corporate & Miscellaneous

The overall position for Corporate & Miscellaneous budgets in 2021/22 is an underspend of £3,870k, a decrease of £82k from the previous forecast, this is mainly due to the increased allowance for bad debt.

Investment Activity

The overall position for Investment Activity budgets in 2021/22 is an underspend of £177k, an increase of £342k from the previous forecast. The changes relate to the increase from Shareholder Dividend of £70k, an improved position from the investment properties of £95k and the estimated March income to be received from the renewable energy scheme has increased the outturn by £167k.

Property Services

The overall position for Property Services budgets in 2021/22 is an overspend of £670k, a decrease of £185k from the previous forecast. The final pressure across property maintenance and compliance was less than expected, with continued savings on cleaning, waste & utilities, which helped to offset higher repairs and maintenance. The running costs of Shire Hall contributed to £506k of the total overspend. We have also seen an improved position for the County Farms rent for Oct 21 – Mar 22, which was higher than the previous forecast.

Financing Costs

The overall position for Financing costs budgets is an overspend of £2,766k, an increase of £4,105k from the previous forecast. This is primarily due to an additional Minimum Revenue Provision (MRP) payment of £3.528m for the estimate of the impact of changes to MRP on third-party loans that is currently being consulted on, and an additional pressure of £533k on the capitalisation of interest budget.

Covid 19 – Financial Impact

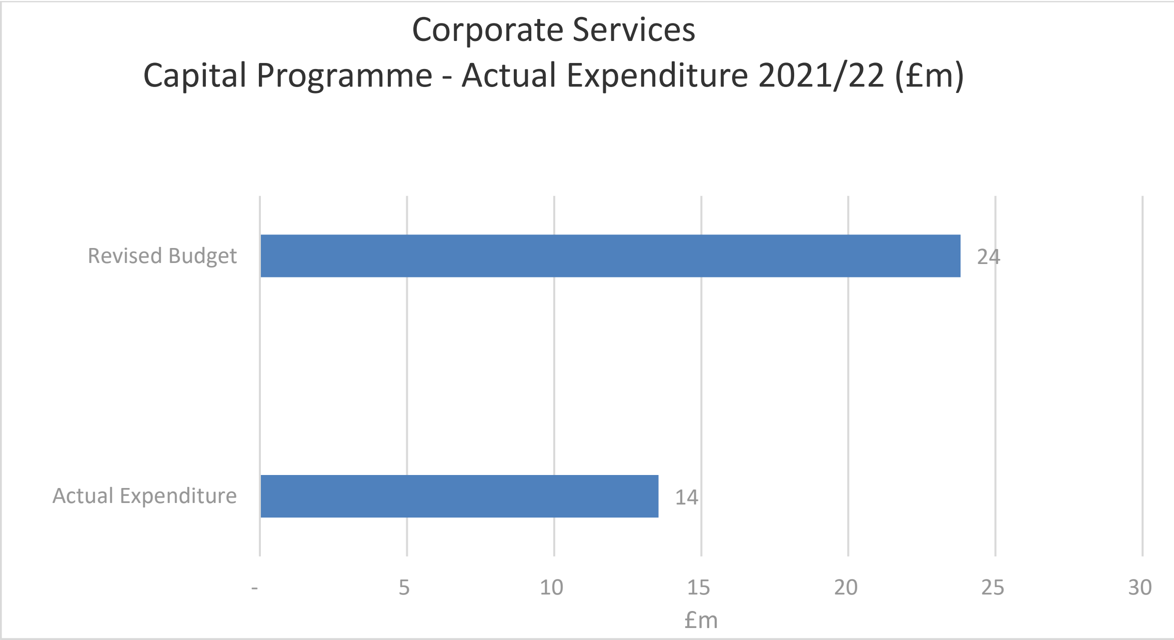
Overall Financial costs associated with managing the implications of the Coronavirus pandemic, including any loss of income in 2021/22:

Service Area	Details	2021/22 £000
IT – continued remote working	Remote working continues as per government guidance.	310
Postage	Postage directly related to Covid-19	20
Temporary mortuary	Site cost for provision of body storage	32
Communications-Test and Trace	Staff and advertising costs towards the Test and Trace Service	266
Information Management	Cambs 2020 programme removal costs – delays due to Covid-19 pandemic	43
Democratic & Member Services	Hire of external venues for Council AGM	20
Council Tax	Income saving rephased due to pressures on the District Council's Revenue & Benefits teams impacting timeline for project mobilisation	650
Cromwell Leisure	We anticipate that in the current climate, two of the restaurant units will generate minimal income during 2021-22 and the cinema is facing further challenges	337
County Farms	Reduction in income from new investments & a small decline on existing income	205
Pools Property Fund Investment	Expecting the risk of further challenges ahead, a forecast of 5% income reduction is likely.	0
Property Services	Health and Safety supplies, cleaning, water testing, additional resource.	94
Brunswick House	A reduction in the occupancy levels since it is expected that some students will stay at home and opt for online learning and a drop in international student numbers is expected.	737
Compliance	To carry out ventilation surveys to 109 buildings to ensure the safe capacities of our buildings for Covid-19 management	102
Compliance	C02 monitors to be installed to ensure safe working in our buildings for Covid-19 management	144

2. Capital Executive Summary

2.1 Expenditure

Corporate Services has a capital budget of £23,816k and expenditure of £13,490k in 2021/22.



Please note the variations budget has been updated to reflect the recent changes to the hierarchy, resulting in a lower figure and therefore increasing the overall budget from £15m to £24m.

There are three exceptions to report this month.

Building Maintenance

The Building Maintenance schemes has underspent by £492k in 2021/22.

- Property Services have completed a large majority of schemes this year, with two large projects, Huntingdon Youth Centre & Buttsgrove overspending due to additional unforeseen works required. There will be a retention for both projects paid in 2022 – 2023.
- Some M&E projects have been delayed because of renewable energy installations on-going. It is not possible to have more than one set of contractors on site at the same time.
- Some projects have not proceeded due to detailed surveys.
- Carry forwards will be required for the following high-cost schemes - March Community Centre roof replacement, Speke House heating & ventilation works and a lift replacement at Signet Court. Funding carry forwards will also be requested for continuing committed projects relating to alarm upgrades, heating & boiler replacements, and LED lighting.

Capitalisation of Interest Budget

An in-year underspend of £436k is being reported at year-end. This is primarily due to lower capital spend than budgeted and lower interest rates in 2021/22 than anticipated at the time of budget setting, resulting in lower interest costs being charged to schemes. There were also some movements of schemes from Corporate Services to Place & Economy during the 2021/22 financial year.

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

2.2 Funding

Corporate Services has a capital budget of £24m in 2021/22. This includes £5m of funding carried forward from 2020/21.

3. Savings Tracker Summary

The savings tracker is produced quarterly. The Q3 table can be found in appendix 4

4. Technical Notes

A technical financial appendix has been included as appendix 5 for Corporate Services.

This appendix covers:

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

Appendix 1 – Corporate Services Level Financial Information

Previous Forecast Outturn Variance £000's	Service	Budget 2021/22 £000's	Actual Outturn £000's	Variance £000's	Variance %
	Customer & Digital Services				
14	Director, Customer & Digital Services	450	347	-103	-23%
13	Chief Executive	130	145	15	11%
-16	Communication and Information	751	672	-79	-11%
-317	Customer Services	2,068	1,750	-318	-15%
292	IT & Digital Service	2,588	2,729	141	5%
-83	IT Managed	7,320	6,775	-545	-7%
0	Elections	170	170	0	0%
-56	Human Resources	1,637	1,567	-70	-4%
-9	Health, Safety & Wellbeing	184	165	-19	-10%
-121	Learning & Development	1,917	1,815	-103	-5%
-282	**Customer & Digital Services Total**	**17,214**	**16,134**	**-1,081**	**-6%**
	Business Improvement & Development				
320	Policy, Design and Delivery	648	896	248	38%
-91	Commercial Team	268	182	-86	-32%
-187	Business Intelligence	1,069	862	-207	-19%
42	**Business Improvement & Development Total**	**1,985**	**1,940**	**-46**	**-2%**
	Resources Directorate				
0	Resources Directorate	376	347	-30	-8%
-99	Professional Finance	1,860	1,757	-102	-6%
5	Procurement	622	612	-10	-2%
30	CCC Finance Operations	427	482	56	13%
-15	Shared Finance Operations	445	483	38	9%
1,073	Insurance	55	1,299	1,244	2245%
0	External Audit	75	42	-33	-44%
-286	Shared Services	1,063	724	-339	-32%
709	**Resources Directorate Total**	**4,923**	**5,746**	**824**	**17%**
	Legal & Governance				
6	Legal & Governance Services	105	126	21	20%
-32	Information Management	885	830	-55	-6%
1	Democratic & Member Services	332	329	-3	-1%
-53	Members´ Allowances	1,013	952	-60	-6%
-77	**Legal & Governance Total**	**2,335**	**2,237**	**-98**	**-4%**
	Corporate & Miscellaneous				
-1,075	Central Services and Organisation-Wide Risks	828	-133	-961	-116%
-1,566	Pandemic Risk	1,573	0	-1,573	-100%
-1,300	Investment in Social Care Capacity	1,300	0	-1,300	-100%
16	Subscriptions	110	129	19	17%
-28	Authority-wide Miscellaneous	94	39	-55	-59%
0	Transformation Fund	1,429	1,429	0	0%
-3,953	**Corporate & Miscellaneous Total**	**5,334**	**1,464**	**-3,870**	**-73%**
	Investment Activity				
556	Property Investments	-3,544	-3,083	461	13%
-37	Shareholder Company Dividends & Fees	-491	-598	-107	-22%
-61	Housing Investment (This Land Company)	-6,063	-6,096	-33	-1%
201	Contract Efficiencies & Other Income	-201	0	201	100%
-359	Collective Investment Funds	-779	-1,175	-396	-51%
-137	Renewable Energy Investments	-222	-526	-304	-137%
165	**Commercial Activity Total**	**-11,300**	**-11,477**	**-177**	**-2%**
	Property Services				
709	Facilities Management	5,285	5,939	655	12%
41	Property Services	811	843	31	4%
38	Property Compliance	208	197	-11	-5%

Previous Forecast Outturn Variance £000's	Service	Budget 2021/22 £000's	Actual Outturn £000's	Variance £000's	Variance %
35	County Farms	-4,287	-4,337	-51	-1%
32	Strategic Assets	712	757	45	6%
855	**Property Services Total**	**2,729**	**3,399**	**670**	**25%**
	Financing Costs				
-1,339	Debt Charges and Interest	31,295	34,061	2,766	9%
-1,339	**Financing Costs Total**	**31,295**	**34,061**	**2,766**	**9%**
-3,881	**Total**	**54,516**	**53,504**	**-1,011**	**-2%**

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

Agenda Item No: 14

Integrated Finance Monitoring Report for the period ending 31 May 2022

To:	Strategy & Resources Committee
Meeting Date:	27 June 2022
From:	Director of Resources/Section 151 Chief Finance Officer
Electoral division(s):	All
Key decision:	Yes
Forward Plan ref:	2022/021
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) Approve the budget virements proposed in the tables at 3.1, redistributing £4.5m of budget permanently, reducing budgets temporarily by £499k, and allocating £775k of increase in the Public Health Grant into Public Health services;

b) Approve the allocation of funding from the Just Transition Fund of up to £2.175m for Net Zero Carbon and £1.7m for Flood Mitigation, subject to the endorsement of Energy & Green Investment Committee, as shown in 3.2;

c) Note the government grant allocation of £3.58m to extend the Household Support Fund and agree the allocation of £1.87m from the Covid Grant Reserve to supplement this locally (as committed in the 2022-27 Business Plan), as shown in 3.3;

d) Delegate to Adults and Health committee the allocation of this £2.6m reserve balance to public health projects, as shown in 3.4;

e) Note the recommendation from Children & Young People Committee regarding the continuation of discretionary after school club transport arrangements, as shown in 3.5;

f) Note changes in grants, and to approve the budget movements set out in table 4.5.1;

g) Approve £280k additional prudential borrowing for the Northstowe bus link, to be repaid once the £280k S106 contribution is received, as set out in 4.6;

h) Approve £847k additional borrowing in 2022/23 for the Waterbeach Waste Treatment Facilities scheme, as set out in 4.6.2;

i) Give approval to proceed to contract award on the projects listed based upon the reprofiling of the programme that has taken place and the further review of the programme commencing in the Autumn as part of the annual business planning round, as set out in 4.7 ;

j) Note the update on Highways Maintenance and Construction Programmes market conditions as outlined above, as set out in 4.8;

k) Approve the net nil redistribution of reserves in the table at 5.1;

l) Note the Corporate Services Finance Monitoring Report in Appendix B.

Officer contact:
Name: Stephen Howarth
Post: Assistant Director 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 May 2022 at Appendix A and the Corporate Services Finance Monitoring Report for the period ending 31 May 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 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.
Status: Positive
Explanation: There is a recommendation to approve the allocation of funding from the Just Transition Fund of up to £2.175m for Net Zero Carbon intervention.

4.8.2 Implication 2: Low carbon transport.
Status: Positive
Explanation: There is a recommendation to approve the allocation of funding from the Just Transition Fund of up to £2.175m for Net Zero Carbon intervention. Also there is a recommendation to approve prudential borrowing for the Northstowe bus link which also includes 125m of foot- and cycleway.

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Status: Positive
Explanation: There are three Flood mitigation proposals for activity funded by the Just Transition Fund to address both flooding issues and lack of quality green space in March.

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Status: Positive
Explanation: In confidential Appendix 4 prudential borrowing is being requested for the Waterbeach Waste Treatment Facilities scheme.

4.8.5 Implication 5: Water use, availability and management:
Status: Positive
Explanation: There are three Flood mitigation proposals for activity funded by the Just Transition Fund to address both flooding issues and lack of quality green space in March.

4.8.6 Implication 6: Air Pollution.
Status: Neutral
Explanation: While this paper proposes no significant implications within this category, it should be noted that section 6.6 under “Revised Phasing” includes a range of cycle-way related projects whose delivery will assist in modal shift towards non-polluting transport options.

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: Tom Kelly

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

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

Have the equality and diversity implications been cleared by your Service Contact? No
Name of Officer: Not applicable

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

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

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

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 (May 22)
P&C and PH Finance Monitoring Report (May 22)
CS Finance Monitoring Report (May 22)
Capital Monitoring Report (May 22)
CCC Debt Reporting Pack (May 22)
CCC Prompt Payment KPIs (May 22)

Appendix A

Integrated Finance Monitoring Report May 2022

Contents

1. Executive Summary

1.1 This report presents financial information to assess progress in delivering the Council's Business Plan.

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

- Revenue: £456m net budget
- Capital: £155m (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	26	0.0%	0	0.0%
Place & Economy	172	0.3%	0	0.0%
Corporate Services	-58	0.2%	0	0.0%
Public Health	0	0.0%	-	-
Capital Financing	0	0.0%	-	-
Funding Items	0	0.0%	-	-
Net Spending Total	**140**	**0.0%**	**0**	**0.0%**

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 £17m in 2023/24.

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 are presented with the assumption that any accompanying recommendations to committees will be agreed.

1.2 Key Issues

Whilst we are currently forecasting a mostly balanced revenue position for 2022/23 at the end of May, this is in the context of large budget increases planned in as noted above. Those estimates are subject to uncertainty.

The Council faces a challenging budget position over the medium-term, with budget gaps from 2023/24. We have rising costs from high inflation impacting both prices and wages, and unpredictable levels of demand-led service activity. There is uncertainty about local NHS funding levels and activity that may impact on the Council's costs, particularly as national hospital discharge funding arrangements cease. There are also government reforms coming forward such as changes to Adult Social Care, and implementation of local priorities such as the climate change strategy that will require capacity for internal change.

Inflation remains a major concern for our budget in the short-term and is expected to be at a sustained high level through to 2023. This has a direct consequence on costs that we pay, both in terms of market costs and contracts with uplifts tied to inflation rates. It also has an indirect consequence through staffing costs and people's economic position, which can drive rising demand for social care (and diminished ability to pay care contributions) and more call on our community services.

We are also facing risk and uncertainty in delivering our capital programme. The international supply chains for materials are disrupted, which is driving up prices and making deliverability less clear. Inflation is affecting many aspects of the capital programme, which is expanded on later in this report.

The Council underspent in 2021/22, caused by several drivers many of which were either temporary, pandemic-related or have been addressed through business planning. This underspend does cause our general reserve to be higher than expected, and this report offers recommendations about using that to specifically mitigate against some of the risks set out here.

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.

1.3 Key Issues by Service Area

1.3.1 People & Communities – Adults

For many years, Adult Services in Cambridgeshire faced rising costs through increasing numbers of people receiving care and higher unit costs. The pandemic shifted the cost trends we have been seeing, particularly impacting demand for home care provision for Older People which has not been growing at pre pandemic rates. However, the cost of provision has continued to rise and the pandemic, followed by the current cost of living crisis, have placed further cost pressures on to providers and the Council.

Over recent years, we have delivered a programme of demand management and cost avoidance in Adult Social Care through additional reablement capacity, investment in Technology Enabled Care and embedding new ways of working in our teams. Before the pandemic this work was successful in mitigating increased demand and likely put us in a better position to manage during the pandemic.

The financial position of this service in 2022/23 is hard to forecast. There is a growing number of people who have survived Covid, being left with significant needs, and many vulnerable adults have developed more complex needs as they have not accessed the usual community-based or early help services due to lockdown. The impact of delayed health care treatments such as operations will also impact individual needs and health inequalities negatively. It is anticipated that demand will increase as we complete more annual reviews, many of which are outstanding due to the pandemic, and budgets allow for demand growth.

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. This puts further pressure on costs.

In line with the government's 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', and this remains a source of uncertainty. We have made investments in recent years and the current year in market support and workforce, which will help mitigate provider challenges and lead into this wider reform work.

Hospital Discharge systems continue to be pressured and NHS funding for discharge pathways ended in March 2022. The medium-term recovery of clients assessed as having primary health needs upon hospital discharge return to social care funding streams and this will increase our costs.

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

Older people aged 65+ receiving long term services	**Budgeted no. of care packages 2022/23**	**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	585	531	-	-
Residential	987	863	-	-
Community	2,387	1,937	-	-

Working Age Adults receiving long term services	Budgeted no. of care packages 2022/23	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	59	65	-	-
Residential	350	350	-	-
Community	2,906	2,961	-	-

1.3.2 People & Communities – Children's & Education

Recruitment remains a risk within Children's Services following staffing underspends in 2021/22 and continues to be monitored closely. Having successfully worked to minimise rising numbers of looked after children, there is uncertainty heading out of the pandemic, compounded by the economic situation, as to what the future trend will be.

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 May 2022 is:

Children in Care	Budgeted no. of care packages 2022/23	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	260	-	-
Fostering and Supervised Contact	266	249	-	-
Adoption	461	424	-	-

1.3.3 Place & Economy

P&E revenue budgets are currently forecasting a balanced position. The main variable, demand-led service within the directorate is Waste, which is closely monitored through the year. Generally, these budgets are delivered to the forecast level and mitigating savings found if overspending.

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.

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.

The work to bring the Waterbeach waste facility into compliance with odour regulations is a large capital scheme this year with knock-on revenue impacts as waste is diverted while work is carried out. Between funding allocated in the business plan and one-off funding recommended as part of this report, we believe sufficient funding is now set aside, though if works take longer than anticipated this may change.

1.3.4 Corporate Services

Corporate Services are currently forecasting a largely balanced position, and with most services consisting predominantly of staffing budgets we would expect accurate forecasting through the year. These services are key enablers of the wider delivery of services and improvement plans, and recently have implemented such things as new IT systems, property investments and transformation work.

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.

Within CS 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. Our ability to deal with any cost shocks in the short-term through allocated revenue budget is therefore diminished and reserves would need to be relied upon to a greater extent.

1.3.5 Public Health

Public Health budgets were impacted by the pandemic as a result of the redirection of many GPs and other health services towards Covid focussed activity. As a result, several of the more demand led budgets underspent.

There is a need to catch-up on Public Health activity missed over the pandemic which will require investment of the one-off grant reserves that the service holds. Some providers of Public Health services are also under pressure from influences such as inflation and workforce, and we have a role to play in managing that.

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

2 Revenue Budget

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

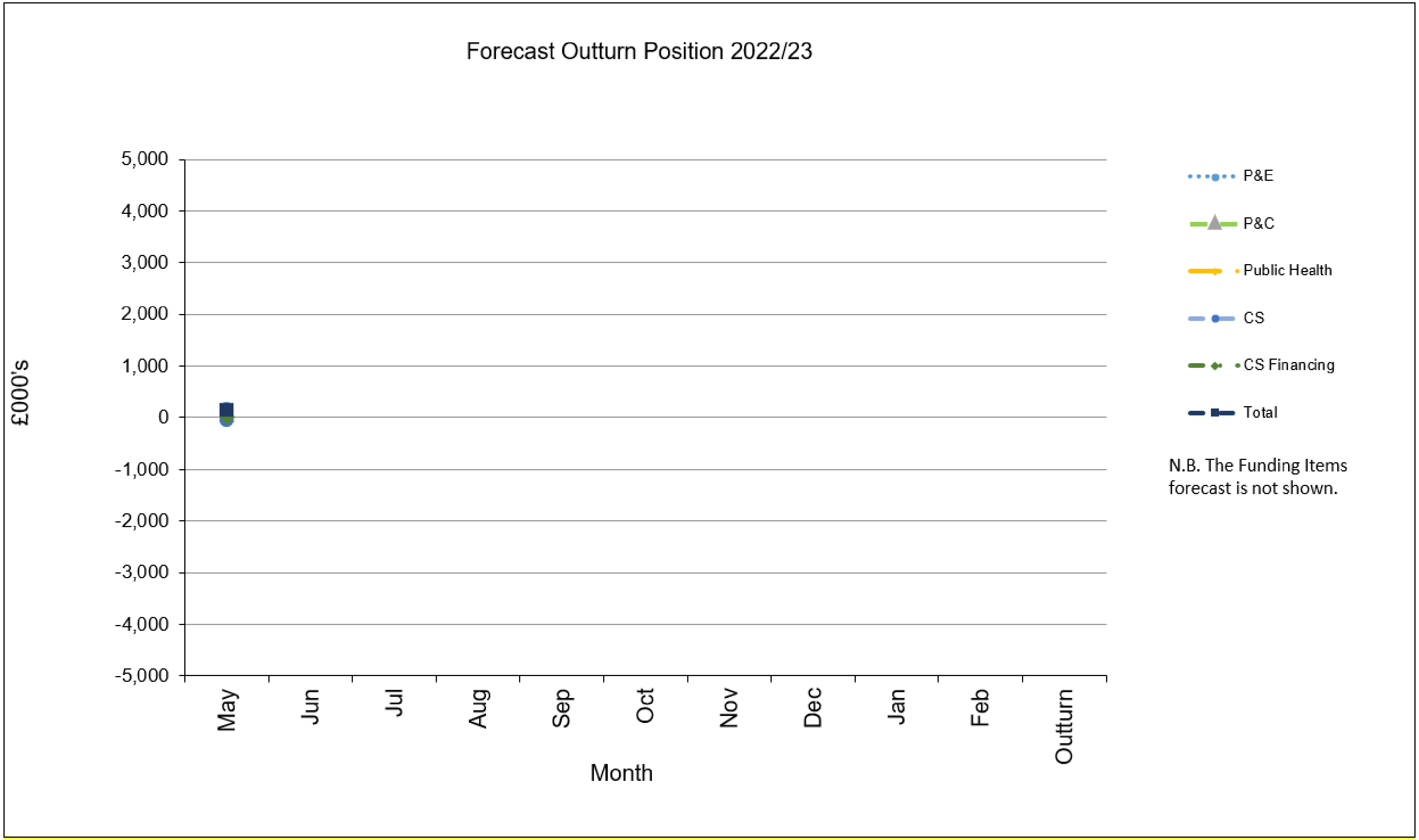
Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
-	People & Communities	321,043	31,460	26	0.3%
-	Place & Economy	68,174	3,553	172	0.0%
-	Corporate Services	27,716	6,953	-58	0.2%
-	Public Health	27,301	-9,072	0	0.0%
-	Capital Financing	33,275	-2,701	0	0.0%
-	Funding Items	6,431	6,430	0	0.0%
-	**Net Spending Total**	**483,940**	**36,623**	**140**	**0.0%**
-	Public Health Grant	-27,301	-6,825	0	0.0%
-	**Overall Total**	**456,639**	**29,798**	**140**	**0.0%**
-	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 £9.2m Combined Authority Levy, the £424k Flood Authority Levy and £3.8m 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, ie more income received than budgeted.
4. The Public Health Grant 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.

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

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


Forecast Outturn Position 2022/23
5,000
4,000
3,000
2,000
1,000
0
-1,000
-2,000
-3,000
-4,000
-5,000
£000's
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Outturn
Month
P&E
P&C
Public Health
CS
CS Financing
Total
N.B. The Funding Items forecast is not shown.

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. The agreement will include a plan to eliminate the in-year deficit through cost control and demand management, and will provide for eliminating the accumulated deficit through a combination of government funding and council funds. Senior Officers have met with the DfE in May to discuss the current situation and plans, and as such updates will be provided in due course. 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.

2.4 Savings Tracker

2.4.1 The Savings Tracker is a reporting tool for summarising delivery of planned revenue savings. Within the Tracker, the forecast delivery of savings is shown against the original saving approved in the 2022-27 Business Plan. The Tracker is completed at the end of each quarter and reported in the next IFMR. It is important to note the relationship between the reported savings projections and the overall revenue financial position reported in this report. If pressures arise in-year, further mitigation and/or additional savings will be required to deliver a balanced position.

2.4.2 The first Savings Tracker of 2022/23 will be completed at the end of June.

3 Revenue Budget & Funding Changes

3.1 Budget Reset

In recent years, a review of budgets set has been conducted at the start of each financial year. Many of the key estimates for budgets, such as demand projections and inflation calculations, are made over the Autumn and early Winter of the previous financial year as part of the business planning process. A budget review is therefore required to check for significant expected opening budget variances as a result of development since those estimates were made. This reflects a dynamic approach to budgeting that acknowledges the complexity and uncertainty in making forward looking financial estimates, and supports an agile allocation of resources responding to the latest circumstances while ensuring budget manager accountability.

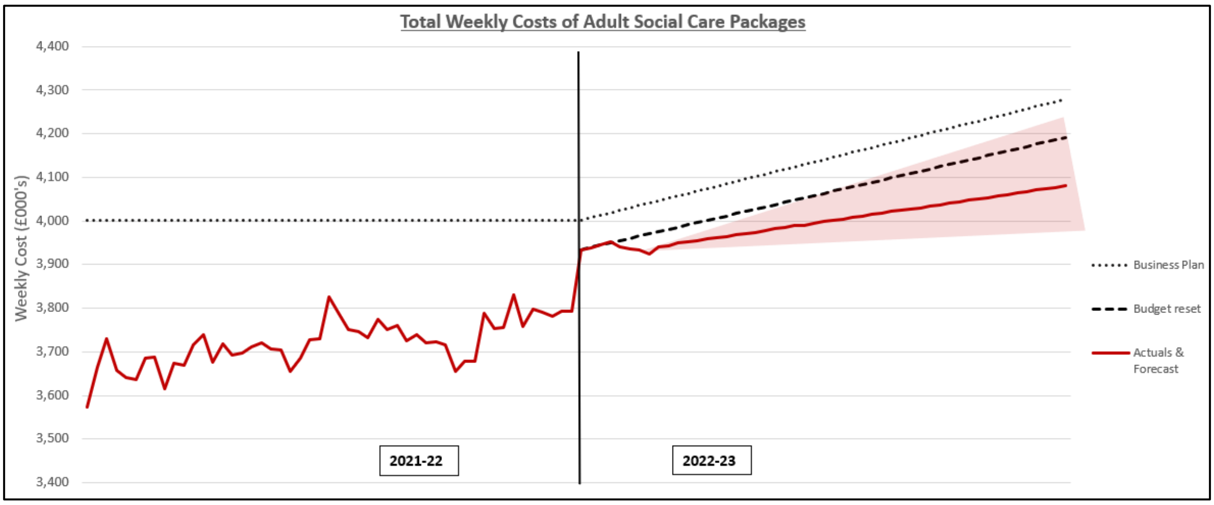
The aim of this review is to ensure budgets are appropriate as at the 1st of April, taking into account development since budgets were set, and allowing for growth in-year. Several budget redistributions are proposed below.

The proposals in this section are distinguished from other exceptions in this report due to their permanent nature. There are several pressures that have emerged due to the significant economic developments over the first half of this calendar year. The increasing level of inflation, both generally and on specific types of goods, have resulted in higher than expected contractual uplifts on several of our main large PFI contracts (Waste and Streetlighting). Similarly, we will see inflationary pressures in the price that we pay for gas and electricity across Council buildings and expect to see higher increases in pay for staff as national negotiations are concluded later in the year.

There are two investments also to factor into this process. There is a need to invest some additional revenue funding in transformation cyber security functionality in line with move to Cloud services – this is subject to a paper at June's S&R Committee meeting. There has also been a need identified for additional resource within Business Intelligence to bolster the ability to provide analytical and reporting functions mainly to our adult social care teams. This proposal has been scrutinised internally and received support of the Council's social care and corporate teams.

At the same time, we can reset the budget allocation for two of our service blocks. Firstly, Adult Social Care budgets have seen growth of nearly £20m planned in for 2022/23 for both demand and inflation based on best estimates made in Autumn 2021. When estimates were made, we assumed there would be a growth in the number of people receiving adult social care services in the second half of the year. In many cases, particularly in older people's services, this expected growth did not take place.

The graph below shows the trajectory of weekly spend on packages across 2021/22 and projected forward into 2022/23. Current and projected spend levels are clearly below the level allowed for in the business plan. Spend was on a slight upward trajectory in 2021/22 (budgets allowed for substantial growth), and following the jump at the start of the year for annual uplifts, we project spend that remains below the business plan budget level.



We were able to account for part of the gap between spend and budget during business planning through a rebaselining adjustment, and this can be extended as growth assumed in the later part of the year did not take place at the level allowed for.

Other care types, such as domiciliary care, or care for working age adults, have not seen this effect and in some cases have seen increased costs. This is accounted for in the net adjustment proposed, along with allocating the whole ASC Market Sustainability Grant to new costs expected in 2022/23. After this adjustment, Older People budgets will still have provision for inflationary increases and around £2m for demand growth in-year. Adult Social Care also retains a service risk reserve of several million pounds to mitigate unexpected demand changes in-year.

Despite this proposed adjustment, there remains significant uncertainty in Adult Social Care budgets due to the economic situation, unknown medium-term impacts of Covid, NHS reforms, and national social care reforms. While we should budget based on best estimates of these costs, it is important to bear in mind the risk and it is appropriate that we maintain reserve funding to mitigate these risks both specifically in this service and centrally through our general reserves.

As a statutory service, this budget adjustment does not limit the amount of expenditure we will make for people with an assessed care need, but does reflect our best estimate of the level of budget provision that will be needed this year.

Secondly in terms of reduced budget allocation, we can reduce the allocation for capital financing costs. Over the last financial year we have borrowed less than we expected, and at a slightly lower average interest rate. This has partly been due to lower than budgeted capital spend, as well as much government grant income being front loaded in the last two financial years. We also expect the ongoing annual charge for the minimum revenue provision to be lower than budgeted for similar reasons.

We can also recognise budget for income we get from retention of business rates from the Alconbury Weald enterprise zone

Alongside these changes, the Public Health Grant has been increased for 2022/23. Alongside funding expected inflationary costs in the Public Health directorate, it is proposed to reinvest this grant increase in additional child weight management services and provide discretionary uplifts to some contracts to bring us in line with rates paid by similar authorities.

A table of proposed permanent budget adjustments is shown below:

Item	**Virement £000**
Contractual inflationary increases linked on PFI contracts and linked energy inflation	2,251
Further 1% assumption in staff pay inflation	1,402
Energy costs inflation	341
IT – end user device connectivity and security	245
Additional business intelligence and reporting capacity to support adult social care	212
Various minor budget corrections under officer delegation	45
Net budget increases	4,496
Rebaselining of Adult Social Care budgets, including demand projections, use of IBCF grant and allocation of market sustainability grant	-3,525
Capital financing costs	-769
Alconbury Weald Enterprise Zone Business Rates	-202
Net budget decreases	-4,496
Public Health Grant increase	-776
Public Health inflation	276
Child weight management investment	350
Public Health provider sustainability	150
Net Public Health budget changes	0
Overall net budget changes	0

In addition to these permanent adjustments, some temporary changes to budgets are proposed for 2022/23 only, pending full consideration in the business planning process for ongoing impact. Firstly, we expect mileage spend to be lower than budgeted as hybrid working is continuing to take place. We will fully review mileage budgets in 2022/23 and make proposals for permanent budget changes if appropriate during business planning. Secondly, we make no provision for day-to-day staffing slippage within our central services. Some degree of slippage inevitably occurs and has been budgeted for in most services for many years. This would bring central services in line for 2022/23. An offsetting temporary budget adjustment is proposed for those impacts of changes to shared services arrangements with Peterborough City Council that are already agreed and in place, with permanent budget changes to be considered once the full review of the senior management structure has concluded. The net reduction of these temporary virements would be transferred to the general fund.

A table of proposed temporary budget adjustments is shown below:

Item	Virement £000
Reduction in staff mileage budget across whole council	-500
Staff vacancy factor in central services	-250
Impact of changes to shared services arrangements	251
Net budget increases	-499

Recommendation A: Approve the budget virements proposed in the tables at 3.1, redistributing £4.5m of budget permanently, reducing budgets temporarily by a net £499k, and allocating £775k of increase in the Public Health Grant into Public Health services.

3.2 Just Transition Fund

There are two proposals to draw down funding from the Just Transition Fund (JTF). The JTF was established in 2022/23 as a £14m fund for ensuring a fair transition to a sustainable future for Cambridgeshire. Around £3m was allocated in the 2022-27 business plan, and these proposals would allocate a further £3.9m.

An outline of each proposal is provided here, and it is proposed that S&R Committee agrees an envelope of funding for these key priorities, contingent on a detailed review of the business cases by the relevant service committee and receiving that committee's endorsement.

3.2.1 Enabling Net Zero

The criteria and process for securing Just Transition Funding was agreed at Committee in March 2022. Recent research by PwC 'Accelerating Net Zero Delivery: Unlocking the benefits of climate action in UK city-regions' found that 'place-based' carbon reduction measures would produce far better environmental, economic and social results, at lower cost, than a national 'one size fits all' approach. However, this research also identified blockers and barriers to the delivery environment including lack of knowledge, high upfront costs, mistrust in technologies, inconvenience and supply skill deficits. For the Council to deliver a transition to a net zero carbon county by 2045, it will need to understand, upskill, plan and deliver carbon emissions reductions across everything it does including procurement, asset management, new funding models, construction, supporting communities and investing in place making. A business case 'Enabling net Zero' has been developed for the Council to address delivery barriers and get it into a position where it can drive down carbon emissions at scale through all services and staff doing their bit and aligning efforts for place making.

The 'Enabling Net Zero' business case is a £2.175m intervention programme requiring Just Transition Funds. The detailed business case will be presented to 7th July Environment and Green Investment Committee and if endorsed will start to address the blockers and barriers to delivery. It covers improving carbon literacy and technical competence; using data and intelligence smartly; aligning strategy, governance and decisions making; maximising finance opportunities; communications and supporting services to deliver carbon reductions.

3.2.2 Floods Mitigation

These three proposals for activity funded by the JTF total £1.7m and fall under the JTF criteria of:

- Significantly improving the natural environment
- Flood mitigation and prevention
- Creation of infrastructure to support places

The three proposals are:
(A) March Natural Flood Risk Management
(B) Flood Mitigation Designs & Solutions
(C) Community Led Nature Restoration

Natural flood risk management aims to address both the flooding issues and the lack of good quality green space in March. We will undertake an initial period of research, reviewing nature enhancing activities in other locations across the UK and Europe and will build on modelling already undertaken by Anglian Water to jointly identify where there are opportunities across the town to implement nature-based solutions. Working with the residents of March, we will focus primarily on publicly owned land (i.e. County, District and Town Council) such as parks and verges and solutions such as rain gardens, green streets, holding ponds, planters and the replacement of impermeable surfaces with permeable ones. This would be the first time we would have looked at natural flood risk management solutions across an entire town and will give us examples and experience in using these methods elsewhere across the county. This would also contribute to a key priority of biodiversity net gain.

Flood mitigation designs & solutions will allow us to proactively plan for flood risk and have a series off 'shovel ready' projects to enable us to seek out partner funding and other support. We have identified 13 locations across the county that have seen frequent surface water flooding in the past 3 years, and four more where we expect to see it in the next few years. This is a staged approach, allowing for surface flood water risk assessments to identify key areas and solutions, and then to implement alongside funding from other agencies (such as Anglian Water or the Environment Agency).

Community Led Nature Restoration will provide the catalyst for a County scale, community-led nature recovery approach, initially designing a scalable toolkit for local communities while contributing to the Nature Recovery Strategy for Cambridgeshire as a whole and improving biodiversity. This pilot programme will explore how CNR plans can be created, implemented locally and how these can then be integrated with the countywide Local Nature Recovery (LNR) Networks and overall Nature Recovery Strategy, being led by the LNP. It will also explore different means of delivering this process including options around developing a social enterprise approach. Stage 2 will roll this out across the county based on our CCES and developing biodiversity strategy and supported by a core team. It builds on the Local Nature

Partnerships (LNP) approach, and work of the Cambridgeshire and Peterborough Future Parks Accelerator (CPFPA), by developing Community Nature Recovery Plans (CNR) for open spaces, supporting the local populations which surround them, to identify restoration opportunities that deliver the greatest impact.

Recommendation B: Approve the allocation of funding from the Just Transition Fund of up to £2.175m for Net Zero Carbon and £1.7m for Flood Mitigation, subject to the endorsement of Energy & Green Investment Committee.

3.3 Household Support Fund

Throughout 2021/22, government provided funding for a Household Support Fund (HSF) via a ringfenced grant. The Fund was intended to provide support to households through free school meals for eligible children during school holidays, and for payments to people in need. No confirmation of this grant being extended was received when the business plan covering 2022/23 was set, and so locally Council agreed to allocate reserve funding for a similar free school meals scheme and for a direct support scheme if government did not extend the grant. Government has directed that a certain percentage of the grant is spent on pensioners, which is a new requirement.

Government has since confirmed that it is extending the HSF for six months of 2022/23 and has allocated £3.58m of grant funding to Cambridgeshire for this. In order to meet the policies agreed by Council in February, however, particularly the need to have free school meals covering the whole year, and to have a direct support scheme that is comprehensive, some reserves allocation would still be required.

Recommendation C: Note the government grant allocation of £3.58m to extend the Household Support Fund and agree the allocation of £1.87m from the Covid Grant Reserve to supplement this locally (as committed in the 2022-27 Business Plan).

3.4 Public Health Reserves

At the end of 2021/22 the Public Health Directorate had an underspend of £4m which was transferred to Public Health reserves. Following this transfer the Public Health reserve balance at the start of the current financial year stood at £8.5m of which £5.75m was committed to specific projects, and £2.75m was uncommitted. Two further amounts totalling £156k of reserve funding have been committed since that time with the approval of the Chief Finance Officer under approval rules allowed in the Constitution. These relate to:

- i) Training Programme Manager for eating disorders - £78k for spend over two years; and
- ii) Public Health Children’s Manager - £78k for spend over 2 years.

This leaves a balance of uncommitted reserves of £2.6m. In order to ensure this can be best used for evidence-led public health interventions it is proposed to delegate management of this reserve balance to Adults and Health Committee.

Recommendation D: Delegate to Adults and Health committee the allocation of this £2.6m reserve balance to public health projects.

3.5 After School Club Transport

At its May meeting, Children and Young People's (CYP) Committee agreed to extend the policy of discretionary funding for after school club transport. The paper contained the recommendation that S&R committee approves additional funding. The cost of this provision is likely to be £17k. It has subsequently been ascertained that the service is likely to have sufficient budget for this provision, therefore not further budget allocation is required. If this changes, we will report further to this committee.

Recommendation E: To note the recommendation from Children & Young People's Committee regarding the continuation of discretionary after school club transport arrangements

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
-	Place & Economy	75,730	1,075	0	0.0%	553,387	0
-	People & Communities	68,644	963	0	0.0%	581,519	0
-	Corporate Services	9,943	661	0	0.0%	57,933	0
-	**Total**	**154,317**	**2,699**	**0**	**0.0%**	**1,192,839**	**0**

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	0	0	0.0%	0
People & Communities	-9,502	0	0	0.0%	0
Corporate Services	-2,459	0	0	0.0%	0
Total	**-30,621**	**0**	**0**	**0.0%**	**0**

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

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

4.4 Capital Funding Changes Summary

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	0.0	**19.0**	19.2	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	1.1	-1.9	0.7	**19.5**	18.6	-0.9
S106 Contributions & Community Infrastructure Levy	28.0	0.4	-14.1	0.0	**14.3**	14.0	-0.3
Capital Receipts	1.5	0.0	-0.1	0.0	**1.3**	1.3	0.0
Other Contributions	10.2	-0.4	-4.2	-1.8	**3.8**	5.2	1.4
Revenue Contributions	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0
Prudential Borrowing	90.6	26.8	-35.7	-9.5	**72.8**	72.5	-0.3
TOTAL	**192.2**	**26.1**	**-55.3**	**-8.8**	**154.3**	**154.3**	**0.0**

Notes on this table:

1. 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.

4.5 Capital Funding Changes Requiring Approval

4.5.1 The table below details changes that require committee approval (where the change is greater than £250k).

Funding	Service	Amount £m	Reason for Change
Rolled Forward Funding	All services	+26.1	The Capital Programme Board has reviewed overspends and underspends at the end of 2021/22, and many of these are a result of changes to the timing of expenditure, rather than variations against total costs. As such, this funding is still required in 2022/23 to complete projects. Of the £26.1m funding to be carried forward, £26.8m relates to prudential borrowing with the remainder relating to adjustments to other funding sources. Further details are available in Appendix 5, which shows capital roll-forwards.

Revised Phasing	All services	-59.3	There have been some changes to schemes since the 2022/23 Business Plan was finalised. The following schemes have been rephased resulting in the following changes to their 2022/23 funding requirement: P&E, -£17.4m: • Bar Hill to Northstowe Cycle Route (-£763k) • Boxworth to A14 cycle route (-£550k) • Hilton to Fenstanton cycle route (-£500k) • Buckden to Hinchingbrooke cycle route (-£780k) • Guided Busway (-£3,868k) • King's Dyke (-£600k) • St Neots Future High Street Fund (-£619k) • March Future High Street Fund (-£1,286k) • Babraham Smart Energy Grid (-£644k) • North Angle Solar Farm, Soham (+£258k) • Decarbonisation Fund (-£5,048k) • Oil Dependency Fund (-£435k) • Investment in Connecting Cambridgeshire (-£2,284k) P&C, -£40.2m • North West Cambridge (NIAB site) primary (-£7,499k) • Ermine Street Primary, Alconbury, Phase 2 (-£1,756k) • St Philips Primary School (-£1,046k) • Waterbeach New Town Primary (-£8,013k) • Alconbury Weald secondary and Special (-£609k) • Sir Harry Smith Community College (-£1,243k) • Cambourne Village College Phase 3b (-£4,997k) • Duxford Community C of E Primary School Rebuild (-£745k) • Townley Primary Permanent Accommodation (-£435k) • Samuel Pepys Special School (-£2,915k) • Acquisition of LNCH (-£900k) • Independent Living Service : East Cambridgeshire (-£9,222k) CS -£1.7m • IT Strategy (-£377k) • Community Hub- East Barnwell (-£1,364k) Other schemes below the de minimis make up the difference.
Revised Phasing	All services	+4.0	Capital programme variations budgets Since 2016/17, we have factored in a 'Capital Programme Variations' line for each Service, which effectively reduces the capital programme budget to reflect a certain level of variation that is anticipated. Capital programme variations budgets were included in the 2022/23 Business Plan, but

			these have been revised for 2022/23 as a result of the rolled forward and revised phasing exercise carried out as noted above.
Additional/ Reduction in Funding (Grants and Prudential borrowing)	P&C	+8.6 (grants) -8.4 (prudential borrowing)	P&C, +£8.6m School Conditions Allocation +£0.9m, prudential borrowing -£0.8m: The School Conditions grant allocation from Central Government has increased by £866k. This will be utilised this year and prudential borrowing will reduce by £750k. It is anticipated that £500k will be used towards the Duxford Community C of E Primary School Rebuild scheme. Additional Special Educational Needs (SEN) funding +£6.8m, prudential borrowing -£6.8m Additional High Needs Provision Capital Allocations funding of £6,778k was announced by central government for 2022/23. It is anticipated that this funding will be used toward the capital cost of the new area special school to be established in Alconbury Weald (£5.0m), the Samuel Pepys Special School (£778k) and the Additional Countywide SEN places scheme (£1.0m). The prudential borrowing requirement will reduce by £6,778k across these schemes. Basic Need Grant +£1.0m grant, -£0.9m prudential borrowing Additional Basic Need Grant funding of £992k was announced by central government for 2022/23. It is anticipated that this funding will be used toward the capital cost of Littleport Community Primary (£649k) and Kennett Primary School (£343k). The prudential borrowing requirement will reduce by £913k across these schemes.
Additional/ Reduction in Funding (Prudential borrowing)	P&C	+0.4 -0.6	Capital Programme Board (CPB) has considered a virement to move budget from the Northstowe Secondary scheme to the Northstowe Pathfinder Primary scheme to better reflect the 2022/23 requirements. The final account on the Northstowe Secondary scheme has been agreed and £571k of savings have been realised against the risk register. It is proposed to move £350k to the Northstowe Primary scheme for conversion of community space to classrooms. The prudential borrowing requirement across the capital programme will reduce by the remaining £221k saving. CPB is recommending the approval of this virement to S&R.
Additional/ Reduction in Funding (Prudential borrowing)	CS	+0.5 -0.8	Capital Programme Board (CPB) has considered a virement to move budget from the IT Data Centre Relocation scheme to the IT Education System Replacement and IT Strategy schemes to better reflect the 2022/23 requirements. The full scheme budget for the Data Centre Relocation scheme is anticipated to be underspent by £0.8m. It is proposed to move £0.4m to the IT Education System Replacement scheme and £0.1m to the IT Strategy scheme. The prudential borrowing requirement across the capital programme will reduce by the remaining £0.2m saving. CPB was provided with schedules of works for the IT budgets and is recommending the approval of this virement to S&R.

Additional/ Reduction in Funding (Grants, Other contributions)	P&E	-6.5 (grants)	Changes in grants, contributions and prudential borrowing are anticipated in relation to the following schemes: • Wisbech Town Centre Access Study (-£4,481k) reduction of funding from the Cambridgeshire & Peterborough Combined Authority (CPCA) due to a change in remit of scheme (changed to design only) • March Area Transport Study (+£2.367k) additional funding from the Cambridgeshire & Peterborough Combined Authority (CPCA) • Investment in Connecting Cambridgeshire (-£4.413k) reduction in grants and contributions due to lower expenditure claims anticipated for 2022/23 than at the time the 22-23 Business Plan was set

Recommendation F: To note changes in grants, and to approve the budget movements set out in table 4.5.1

4.6 Further proposed changes to capital schemes

4.6.1 Northstowe Bus Only Link

In order to provide a bus link between the new development at Northstowe and Longstanton Park & Ride, CCC Transport Assessment negotiated an initial S106 payment of £128k in 2017/18. The link consists of approximately 100m of carriageway and 125m of foot- and cycleway. So far, £128k has been spent on staff costs, preliminary design and detailed design. The most recent cost estimate to complete the project stands at approximately £577k. In 2019/2020 additional DfT funding was made available, raising the total budget to £428k, against a total project cost of £708k. The project is as a result approximately £280k underfunded. Recently, however the Transport Assessment team confirmed additional £280k S106 funding agreements for the Northstowe development. Trigger points for the payment of these additional sums are due in 2-5 years' time. Prudential borrowing of £280k is therefore requested in advance of receiving the £280k S106 payment, to be repaid once the £280k S106 contribution is received.

Recommendation G: Approve £280k additional prudential borrowing for the Northstowe bus link, to be repaid once the £280k S106 contribution is received.

4.6.2 Waterbeach Waste Treatment Facilities

In the 2022-23 Business Plan a total budget of £12m was approved for the Waterbeach Waste Treatment Facilities scheme. This is a project to make changes to the In Vessel Composting facility (IVC) and the Mechanical and Biological Treatment facility (MBT) at Waterbeach Waste Management Park to allow the facilities to continue to operate within the framework of updated environmental permits from the Environmental Agency (EA). The EA have issued a Notice of Variation for both the IVC and the MBT at Waterbeach, following the EA's statutory review of permits across the biowaste treatment industry sector. The variation to both permits requires the facilities to meet the sector specific Best Available Technique conclusions (BATc), as set out in the Waste Treatment BAT document, which have to be met by 17th August 2022. The updates have included new permit conditions which limit odour emissions. Previously, no absolute value for odour emissions was included in the permits and the facilities' odour emissions are significantly above the new limit.

Should either the IVC or the MBT fail to achieve BATc compliance by this date, then waste processing at these facilities will need to cease until they are compliant. If this were to happen then the waste that were to be processed would need to be diverted to a third-party facility or sent directly to landfill at significantly increased operational cost (potentially in excess of £10m per year).

The latest estimated capital costs provided by Amey (our PFI Contractor who commissioned and manage these facilities for us) show an increase in total scheme costs of £5m-£8m depending on the project management solution. The increase is primarily around the costs of implementation of the works and supervision as well as a change in timescales from Amey meaning a longer period and higher revenue costs of diverting waste away from the Waste Treatment Facilities. The Waste team are proposing to carry out some soft market-testing before the procurement of the supervision, and plan to include 3 new posts to bring in some dedicated resource for managing this project.

At this stage additional borrowing of £847k is requested for 2022-23. The budget impact on future years of a further total scheme increase will be taken through the 2023-24 Business Planning process. The estimated annual cost of borrowing for this scheme will start in 2024/25 at £1,439k, and decreases each year thereafter.

Recommendation H: Approve £847k additional borrowing in 2022/23 for the Waterbeach Waste Treatment Facilities scheme.

4.7 Education schemes – market conditions

4.7.1 Current market conditions

At present, the Council's design and build framework contractors are currently producing MS4 (tenders) for a number of projects to commence on site this year, generally for completion for the start of the new academic years in September 2023 and 2024. They are now sending early warnings of escalating costs across construction work packages and the likelihood that previous estimates of cost for projects will be exceeded. These previous estimates were used as the basis of producing the budgets for projects in the 22-23 business plan.

The construction industry is still being impacted by the legacy of post Covid recovery and the rapid volatility of energy price rises. The recent conflict in the Ukraine and sanctions against Russia have compounded existing problems with the supply of materials and inputs (energy) and therefore increased their costs in world markets even further. This is causing a sharp rise in the cost of construction works, as well as general inflation

4.7.2 Key cost influencers

Headline factors contributing to increased costs:

- Rising energy and oil prices
- Material prices – Steel, cladding, brick, blocks, plastic products, and M&E services.
- On-going supply chain issues due to post coronavirus and Brexit.
- Russian invasion of Ukraine.
- National insurance increase.
- Duty on red diesel.
- Rising global inflation pressure. UK inflation expected to peak above 10% this year in latest Bank of England report.

For example, Steel pricing for sections is now up around £1500/tonne compared to £550/tonne in August 2020, following British steel adding an unprecedented £250/ tonne with immediate effect recently. Standard offer period for quotes is now 24 hours.
Commodity prices account for between 30% and 50% of the cost inputs into major school building projects.

It is impossible to predict when the situation will get back normal in the foreseeable future as there are too many external factors affecting availability and causing this surging price volatility. Contractors are pricing for this uncertainty/risk in their tenders and being more selective about the work they are prepared to bid for. This increases tender costs further.
There are analyses of the construction market that suggest a fall in overall economic activity as projects become unaffordable will lead to a stabilisation in supply chains late in 2022, with a return to more normal levels of tender price inflation post 2Q23 within the construction sector, (4% per annum).
There are no predictions of future falls in construction costs and any financial benefit to the delay of capital projects. However, there may be a benefit in terms of the level of risk being included in the contract.

4.7.3 Current Education Capital Schemes

Prior to the review of the current 5-year capital programme which will commence in the Autumn of 2022, the following school capital projects need to proceed to tender award and contract stage to ensure delivery by agreed completion dates and meet the Council's statutory place planning sufficiency duty:

- Duxford Primary School – fire reinstatement works
- Cambourne Village College Phase 3b – expansion of the village college by 4 forms of entry (600 places) and a new 350 place sixth form
- Alconbury Weald Special School – new 150 place special school

- Sir Harry Smith Academy – expansion by a 2 forms of entry (FE) (300 places)

Pre-tender estimates or early warnings received on these four schemes suggest cost increases in the range of 20% to 30%. Cost

The current capital programme makes provision for tender inflation of between 4% and 7% on projects based upon the BCIS index. The most recent published indexed now records a figure of 8.5%. However, it is felt that the latest BCIS forecasts of all-in tender price indices may still not reflect the reality of what’s happening currently in the world and marketplaces based on conversations with contractors that are compiling tenders. As more current tenders are produced, the cost data from these will feed into the BCIS and the forecasts for inflation subsequently adjusted.

The Education Capital Team continues to scrutinise and review costs at the individual project level and consider the scope of the project and any opportunities for phased development;

Duxford Primary School – Fire Reinstatement Works

Original MS4 project cost estimate £7.38m was £0.685m above the business plan budget. Reductions to the amount of work undertaken in the existing school building; a review of all costs and tender packages and a funding contribution for the condition works has enabled the scheme to now proceed within the overall adjusted project budget of £6.995m.

Cambourne Village College – Expansion by 4FE (600 places) and Provision of New Sixth Form

Original MS4 project cost estimate £35.82m was £6.67m above budget. A review of all costs has been undertaken and savings of approximately £0.75m have been identified. Of the tendered costs, three sub-contract quotes have been sought for each construction works package. A total of 90% of the value of the building works have complied with this requirement, so the scope for reductions is limited. The current cost reflects the market price. Options for reducing the scope or phasing development are also being considered. The only viable option that would deliver a scheme within the project budget would be to omit the 6th form element of the proposal and deliver it at a later date. An agreement has been reached already with the College and Office of the Regional Schools Commissioner to defer the opening date by one year delaying the opening of the sixth form from September 2023 to September 2024.

However, it is uncertain whether further deferrals would be approved by the Office of the Regional Schools Commissioner or be acceptable to the Trust that sponsors Cambourne Village College. Also, in an inflationary environment while some of the capital cost could be deferred (approx. £6m) once the sixth form is delivered the eventual cost will be higher.

Alconbury Weald Special School – new 150 place special school

An MS4 (tender) cost is not anticipated until the end of June 2022. However in anticipation of rising prices and supply chain issues, design packages are being secured earlier than usual to seek to mitigate the cost increases that may come through at the end of June 2022. It is suggested that £5m of the recently allocated DfE capital grant for additional SEND places is earmarked to cover this risk.

Sir Harry Smith Academy – Expansion by a 2FE (300 places)

An MS4 (tender) cost is not expected until September 2022. However, it is anticipated that inflationary impacts can be accommodated within the established project budget of £9.99m. This budget represents a generic cost based upon the accommodation required to deliver a typical 2FE expansion. An assessment f the current accommodation available at the school against DfE recommended areas suggests that the required number of places can be provided with a smaller build.

However, there remains a need to consider how these increased costs can be managed at programme level. A re-profiling of the schools capital programme has taken place in-year looking critically at the scope of projects (see above) and their phasing within it using the latest data on current pupil numbers, pupil forecasts and changes to housing build out rates within the major development areas within Cambridgeshire. That work is reflected in the table outlining the budget amendments that have taken place since approval of the 2022/23 business plan.

Recommendation I: To give approval to proceed to contract award on the projects listed above based upon the reprofiling of the programme that has taken place and the further review of the programme commencing in the Autumn as part of the annual business planning round

4.8 Highways Maintenance & Construction Programmes

4.8.1 Current Market Conditions

The road construction industry is along with all infrastructure delivery affected by the global economic conditions causing price rises and materials shortages. Workforce skills and capacity shortages post Covid and post Brexit are also impacting on capacity of our supply chain. In general prices in road construction are forecast to rise by around 20% to 25% this year. Price rises will affect all road and transport construction projects, maintenance and new builds. We are receiving warnings of supply pressures across a range of materials particularly bitumen and steel products.

4.8.2 Key cost influencers

Headline contributing factors

- Energy up 50% on 2021

- Oil – Bitumen products up 49% on 2021
- Steel up 25% on 2021, some fabricated structural steel up 70%
- Cement up 16% on 2021
- Timber products up between 20% and 40% on 2021
- Workforce capacity
- National Insurance increase
- Red Diesel duty rise
- Inflation
- Electronic components supply (streetlights and traffic signals)

Highways Maintenance makes significant use of bitumen products. At present supply is ok but prices are significantly increased since the start of the financial year. Bridge and Structures maintenance is being influenced by steel and cement prices rises. New road construction schemes will be affected by all areas of construction cost increases. Traffic signal and streetlighting components are having longer lead-in times due to supply pressures. For example, street lighting columns lead-in time is around 25 weeks up from 2 to 4 weeks sin 2021. Current industry forecasts are that prices will continue to rise for the foreseeable future and are more likely to stabilise at a higher level rather than reduce back to pre-2022 levels.

4.8.3 Impact on Highways and Transport Programmes 2022/23

Highway Maintenance is anticipating a forecast 20% increase in cost across all works. This is affecting revenue and capital funded works programmes. Highway Maintenance programmes do not hold a risk and contingency budget. All cost increases will result in either a reduction in the scale of works programmes or an overspend. To deliver the agreed maintenance programmes additional funding will be required or programmes will need to be reviewed later in the year and scales reduced to keep within current budgets. Funding may need to be moved between revenue works programmes to ensure urgent and safety works are carried out throughout the year.

4.8.4 New Transport Schemes

Transport Projects include an inflationary risk allocation of 7 to 10%. This is not forecast to be sufficient to manage price rises within all projects. Projects are being monitored and price increases managed within project or escalated to Governance Boards for mitigation decisions which may include seeking additional funding to keep to scope or scope reduction.

Recommendation J: To note the update on Highways Maintenance and Construction Programmes market conditions as outlined above

5 Balance Sheet

5.1 Reserves

At the end of May, the Council has revenue reserves totalling £153m. 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.

Alongside the budget reset described above, there is a need to undertake a redistribution of reserves balances. This is due to several reserves, particularly the general fund, being above their policy target balances at the end of 2021/22.

The budget for 2022/23 was set assuming a certain level of underspend in 2021/22 that would revert to the general fund and was factored into planning around increasing the target balance of that reserve. The year-end underspend position was, however, higher.

It is proposed to redistribute the excess balance of the general fund and high needs block offset reserves. The majority of this would be to a new 'post-pandemic recovery and budgeting account' to recognise the unprecedented uncertainty in the medium-term that we are facing through a combination of inflationary pressures, uncertainty of demand for services, government reforms (such as to adult social care) and interest rates. Emerging from the pandemic, and recovering from it, will present budget pressures and may require investment. While we do retain a general reserve intended to provide mitigation for risks, the scale of the uncertainty is such that further mitigation is required, and some further capacity for investment may be needed.

Secondly, it is proposed to create a 'business change reserve'. The recent Local Government Association peer challenge of Cambridgeshire identified the need for temporary funding to ensure that there is the necessary capability to develop and deliver the strategic priorities of the organisation. This complements the review of shared arrangements with Peterborough City Council and the review of senior management capacity.

Finally, additional short-term funding is required to further bolster the Council's commitments to meeting regulatory compliance in waste management.

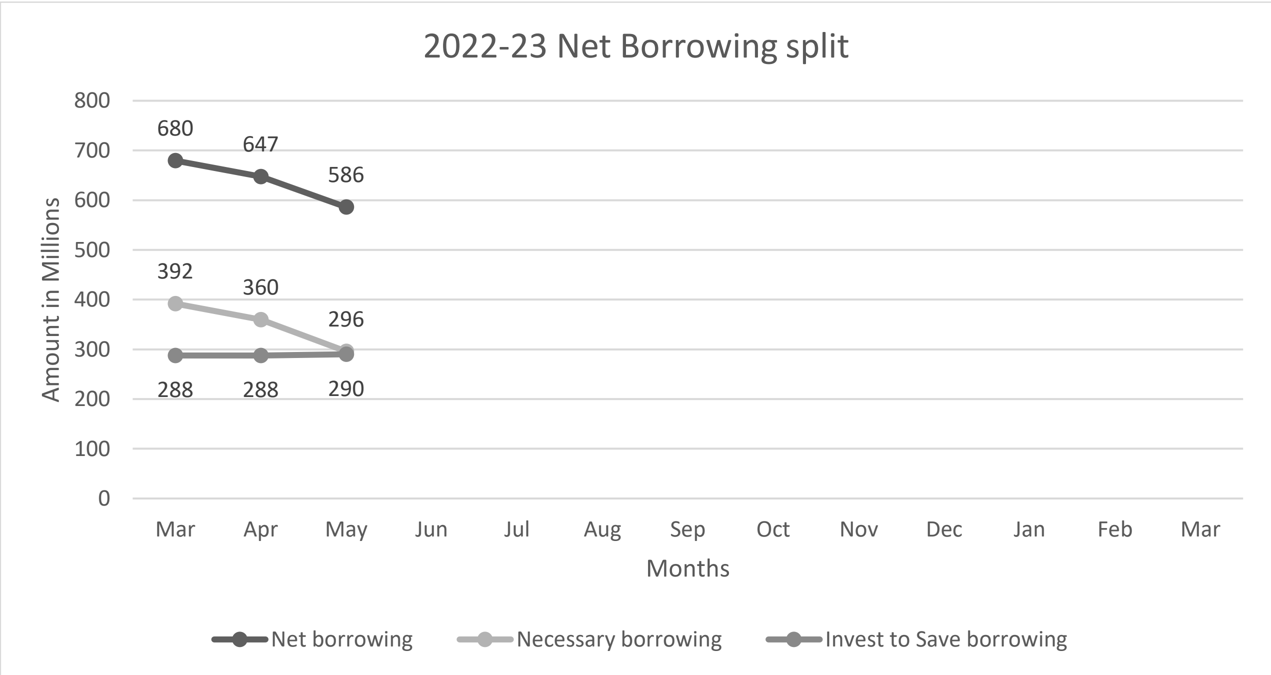
The table overleaf summarises the proposed redistribution of reserves.

Reserve	Movement	Notes
General Fund	-9,634	Brings balance back to 4% target
High Needs Block Offset	-1,965	Brings balance back to target – deficit growth in 2021/22
Legacy Transformation Fund	-649	Brings balance back to maximum of residual commitments for schemes agreed under former transformation fund
Post-pandemic recovery and budgeting account	7,017	
Business change reserve	4,000	
P&E Earmarked reserves	1,231	Relating to Waterbeach waste facility works – revenue impact of plant closure
Total change	**0**	

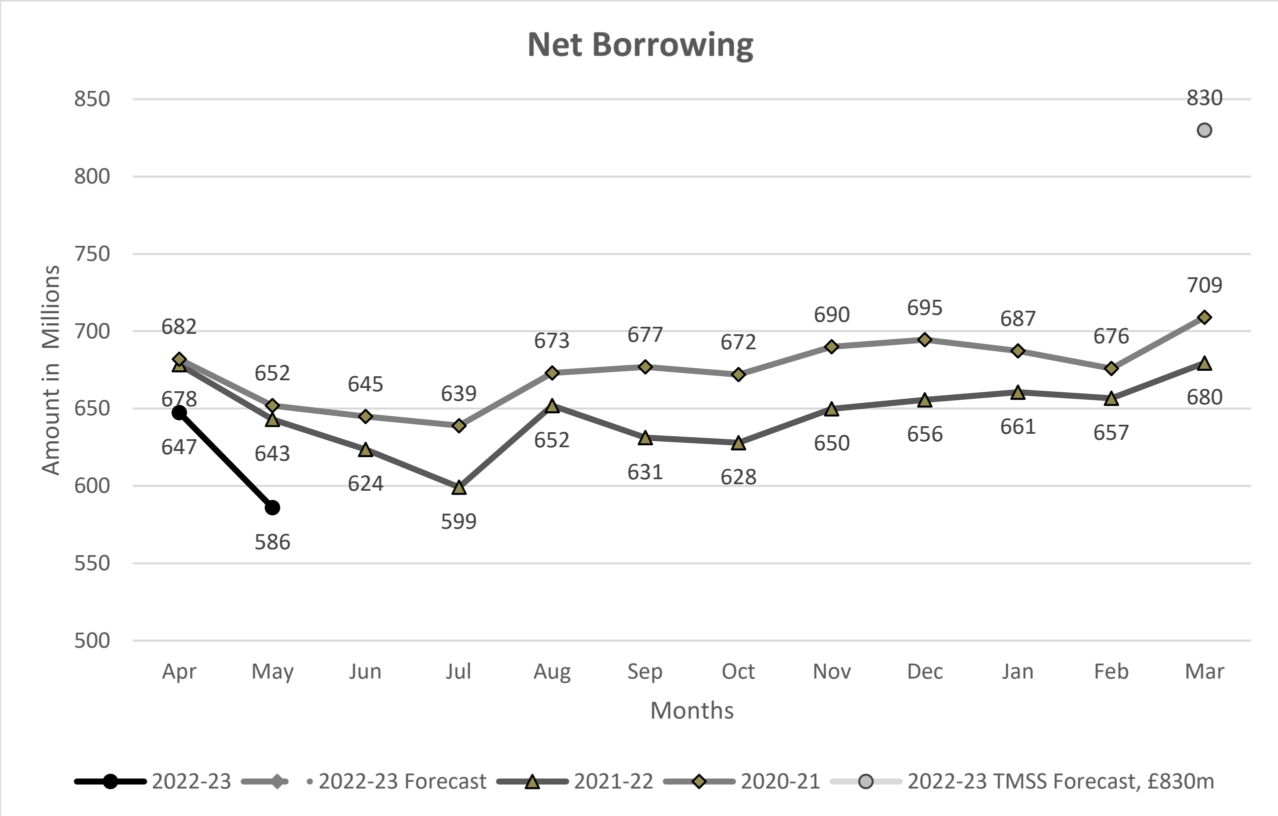
Recommendation K: To approve the net nil redistribution of reserves in the table at 5.1

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 £290m 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 May 2022, investments held totalled £163.2m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £749.3m, equating to a net borrowing position of £586.0m.



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 May 2022**
% of income collected (owed to the council) within 90 days: Adult Social Care	85%	83%
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£3.37m	£12.20m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£1.71m	£2.58m
% of invoices registered on ERP within 2 working days	98.0%	99.3%
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	98.6%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	84.9%

A commercial debt write-off of £138k was agreed by the Chief Finance Officer following delegation from S&R Committee.

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 (and due to the current Covid-19 pandemic the Council is in receipt of further grants compared to before the pandemic). 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 £830.0m 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.

6.5 Further detail around the Treasury Management activities can be found in the latest Treasury Management Report.

Appendix 1 – Revenue – commentaries on exceptions

1. People and Communities

- Overall forecast outturn variance is balanced.

1a 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.

1b 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 £102.7m 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 have met with the DfE in May to discuss the current situation and plans, and as such updates will be provided in due course.

Appendix 2 – Capital – commentaries on exceptions

There are no exceptions to report.

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	P&E £'000	Capital Financing £'000	Corporate Services £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	321,579	66,101	34,044	27,811	5,777
Post BP, pre initial budget load adjustments between CS and P&E- Energy Schemes		-369		369	
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, from central provision	1,836	191		-2,027	
Proposed budget resetting movements as outlined in May IFMR	-3,454	2,251	-769	1,519	655
Current budget	**321,060**	**68,174**	**33,275**	**27,716**	**6,432**
Rounding	-2	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 as part of business planning) £000s	Balance at 31 May 2022 £000s	Notes
General Reserves				
- County Fund Balance	46,474	-9,281	37,193	
General Reserves subtotal	46,474	-9,281	37,193	
1 Insurance	4,719	3	4,722	
2 P&C & Schools	18,518	-175	18,343	
3 PH	8,503	0	8,503	
4 P&E	6,717	0	6,717	
5 Corporate Services	4,554	0	4,554	
6 Just Transition Fund	0	11,110	11,110	Starting balance of £14m, with allocations made in business planning
7 High Needs Block Offset Reserve	0	14,400	14,400	
8 Transformation Fund	25,012	-20,861	4,151	Balance for legacy Transformation projects
9 Innovate & Cultivate Fund	442	350	792	
10 Corporate- COVID	26,987	-4,573	22,414	Includes remainder of COVID-19 Support Grants. Allocated over medium-term.
11 Specific Risks Reserve	2,140	1,429	3,569	
12 This Land Credit Loss & Equity Offset	5,850	0	5,850	
13 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	
14 Collection Fund Volatility & Appeals Account	3,690	0	3,690	
15 Local Government Settlement phasing reserve	0	4,324	4,324	
16 Grant carry forwards	14,031	-14,031	0	Carry forward of unspent ring-fenced grants
Other Earmarked Funds subtotal	124,103	-8,024	116,079	
SUBTOTAL	**170,577**	**-17,305**	**153,272**	
17 P&C	6,116	0	6,116	
18 P&E	4,063	0	4,063	
19 Corporate Services	13,857	0	13,857	
20 Corporate	73,787	11,642	85,429	
Capital Reserves subtotal	111,016	11,642	109,465	
GRAND TOTAL	**281,593**	**-5,663**	**262,736**	

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 £000s	Balance at 31 May 2022 £000s	Notes
1 P&E	0	0	0	
2 P&C	659	0	659	
3 Corporate Services	2,093	0	2,093	
Short Term Provisions subtotal	2,752	0	2,752	
4 Corporate Services	4,746	0	4,746	
Long Term Provisions subtotal	4,746	0	4,746	
GRAND TOTAL	**7,498**	**0**	**7,498**	

Appendix 5 – Capital Rephasing compared to 2022-23 Business Plan

CHANGE IN FIGURES

		EXPENDITURE								FUNDING						
Scheme Ref.	**Scheme Name**	**Up to 2021-22 (£k)**	**2022-23 (£k)**	**2023-24 (£k)**	**2024-25 (£k)**	**2025-26 (£k)**	**2026-27 (£k)**	**Later Yrs (£k)**	**TOTAL (£k)**	**Grants (£k)**	**Dvp Cont. (£k)**	**Other Cont. (£k)**	**Capital Receipts (£k)**	**Borrow-ing (£k)**	**Reason for Change in Spend / Rephasing**	**Is there a detailed plan for spend in place? Y/N**
A/C.01.021	North West Cambridge (NIAB site) primary	1	-7,500	3,199	4,152	148	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.01.034	St Neots, Wintringham Park primary	-21	-118	-	-	-	-	-	**-139**	-	-	-	-	-139	Final account savings	
A/C.01.040	Confidential Scheme	-56	-1,700	356	1,306	94	-	-	**-**	-	-	-	-	-	Slippage of schemes to September 2024	
A/C.01.043	Confidential Scheme	-49	49	-	-	-	-	-	**0**	649	-	-	-	-649	Slippage of scheme from 21/22. Additional Basic Need grant from increase in the 2022/23 grant	
A/C.01.044	Confidential Scheme	-50	-	50	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme	
A/C.01.062	Waterbeach Primary School	-50	-132	-	-	-	-	-	**-182**	-	-	-	-	-182	Final account savings	
A/C.01.067	Marleigh Primary - Cambridge (WING)	107	-107	-	-	-	-	-	**-0**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.01.068	St Philips Primary School	-46	-1,000	1,003	43	-	-	-	**0**	-	-	-	-	-	Slippage of scheme scope not yet agreed	
A/C.01.070	St Ives, Eastfield / Westfield	-55	-	-	-	-	-	-	**-55**	-	-	-	-	-55	Final account savings	
A/C.01.071	Confidential Scheme	-21	100	-	-	-	-	-	**79**	343	-	-	-	-264	Change in scope and increasing market costs. Additional Basic Need from grant increase in 2022/23	
A/C.01.073	Confidential Scheme	-8	8	-	-	-	-	-	**0**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.01.074	Confidential Scheme	1	-1	-	-	-	-	-	**-0**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.01.075	Confidential Scheme	-20	-200	-2,780	1,110	1,840	50	-	**-**	-	-	-	-	-	Works to slip two years from 2024 to 2026	
A/C.01.076	Confidential Scheme	-	-200	-2,500	1,400	1,265	35	-	**-**	-	-	-	-	-	Works to slip one year from 2024 to 2025	
A/C.01.077	Waterbeach New Town Primary	-63	-7,950	4,013	3,825	175	-	-	**-0**	-	-	-	-	-	Slippage from 2023 to 2024 due to re-design as will built as straight 3FE + 3EY, not phased.	
A/C.01.078	Confidential Scheme	-38	-170	-1,992	1,350	780	70	-	**0**	-	-	-	-	-	Slipped from 2024 to 2025 completion as dependent on housing.	
A/C.01.079	Confidential Scheme	-10	-80	-410	-8,000	5,100	3,240	160	**-**	-	-	-	-	-	Project to slip from 2025 to 2026 earliest. Project may drop out of BP if developer does not progress planning for housing.	
A/C.01.080	Confidential Scheme	-15	-	15	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.02.006	Northstowe secondary	-137	-434	-	-	-	-	-	**-571**	-	-	-	-	-571	Final account agreed. Savings against risk register realised. A £350k virement is requested from this scheme to Pathfinder Primary (New scheme).	
A/C.02.009	Alconbury Weald secondary and Special	591	-1,200	5,609	-	-	-	-	**5,000**	5,000	-	-	-	-	Slippage of scheme, additional inflation costs and High Needs Grant funding adjustment	
A/C.02.012	Cromwell Community College	-5	5	-	-	-	-	-	**0**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.02.015	Sir Harry Smith Community College	57	-1,300	1,243	-	-	-	-	**0**	-	-	-	-	-	Slippage of scheme Contract period slightly longer with December 23 completion, therefore will be spread over a longer period than anticipated.	
A/C.02.016	Cambourne Village College Phase 3b	203	-5,200	10,917	-	-	-	-	**5,920**	-	-	-	-	5,920	Slippage of scheme and additional inflation costs anticipated for MS4 award	
A/C.02.017	NCA secondary Cambridge Expansion	-20	20	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.03.003	LA Early Years Provision	-538	538	-	-	-	-	-	**0**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.03.004	Cottenham Early Years	-15	15	-	-	-	-	-	**-0**	-	-	-	-	-	Slippage of scheme from 21/22	

		EXPENDITURE								FUNDING						
Scheme Ref.	**Scheme Name**	**Up to 2021-22 (£k)**	**2022-23 (£k)**	**2023-24 (£k)**	**2024-25 (£k)**	**2025-26 (£k)**	**2026-27 (£k)**	**Later Yrs (£k)**	**TOTAL (£k)**	**Grants (£k)**	**Dvp Cont. (£k)**	**Other Cont. (£k)**	**Capital Receipts (£k)**	**Borrow-ing (£k)**	**Reason for Change in Spend / Rephasing**	**Is there a detailed plan for spend in place? Y/N**
A/C.04.007	Confidential Scheme	-2	2	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.04.008	Duxford Community C of E Primary School Rebuild	52	-797	1,610	-	-	-	-	**865**	500	-	-	-	365	Slippage of scheme due to judicial review of planning. £500k of School Conditions Allocations (SCA) C/F to be used to reduce borrowing. £865k additional inflation costs for MS4 award.	
A/C.04.009	Confidential Scheme	41	-	-	-	-	-	-	**41**	-	-	-	-	41	Overspend last year	
A/C.04.010	Confidential Scheme	-20	-415	435	-	-	-	-	**-**	-	-	-	-	-	Slippage as forecast start on site later, now February 23 for summer 23 completion.	
A/C.04.011	Confidential Scheme	-15	15	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.05.001	School Condition, Maintenance & Suitability	-2,011	2,127	-	-	-	-	-	**116**	366	-	-	-	-250	Additional School Conditions Grant from the 22-23 BP assumption and grant c/f.	
A/C.07.001	School Devolved Formula Capital	-1,202	1,198	-	-	-	-	-	**-4**	-4	-	-	-	-	Adjustment for grant settlement	
A/C.08.005	Spring Common Special School	-202	25	-	-	-	-	-	**-177**	-	-	-	-	-177	Savings realised in risk register and contingency.	
A/C.08.007	Samuel Pepys Special School	-1,115	-1,800	-	2,715	200	-	-	**-0**	778	-	-	-	-778	Slippage due to land acquisition, completion will now be August 24, in lieu December 23. So now construction works now on site in 22-23. High needs grant funding adjustment	
A/C.08.009	Confidential Scheme	-1	1	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.08.010	Confidential Scheme	-100	100	-	-	-	-	-	**-**	1,000	-	-	-	-1,000	Slippage - Detailed works to be confirmed as part of DFE Safety Volve schedule. High Needs Grant funding adjustment	
A/C.08.011	New SEMH Provision Wisbech	300	-300	-	-	-	-	-	**-0**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.09.004	Confidential Scheme	-	-900	-	-	-	900	-	**-**	-	-	-	-	-	Land not required until year 5 of BP earliest now based on forecasts.	
A/C.12.007	Independent Living Service : East Cambridgeshire	-553	-8,669	6,475	4,007	-	-	-	**1,260**	-	-	-	-	1,260	Rephasing and additional costs as taken to CPB	
A/C.13.004	Community Fund	-1,486	1,486	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.13.005	Histon Library Rebuild	-36	36	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.13.006	Confidential Scheme	-314	314	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
C/C.1.006	Confidential Scheme	-296	-470	-	-	-	-	-	**-766**	-	-	-	-	-766	The full scheme budget will be underspent, since the estimate to finish the current scheme of work in 22-23 is lower.	
C/C.1.007	IT Strategy	457	-377	-	-	-	-	-	**80**	-	-	-	-	80	Additional costs are estimated for the current scheme of work required in 22-23	
C/C.1.008	IT Infrastructure Refresh	-113	-	-	-	-	-	-	**-113**	-	-	-	-	-113	The full budget was not required in 21-22	
C/C.1.009	Capitalisation of Policy, Design and Delivery Team	-19	-	-	-	-	-	-	**-19**	-	-	-	-19	-	The capital staff expenditure in 21-22 was lower than the budget.	
C/C.1.010	Confidential Scheme	-	447	-	-	-	-	-	**447**	-	-	-	-	447	The scheme of work has been revised with projects initially part of the IT Strategy now coming under here.	
C/C.2.002	Development Funding	-163	-	-	-	-	-	-	**-163**	-	-	-	-	-163	The full budget was not required in 21-22	
C/C.3.003	Building Maintenance	-492	492	-	-	-	-	-	**-**	-	-	-	-	-	Work to be completed in 22-23 for 2 large schemes and smaller works committed to be carried over.	
C/C.4.001	Lower Portland Farm	-73	-	-	-	-	-	-	**-73**	-	-	-	-	-73	The full budget was not required in 21-22	
C/C.4.006	County Farms investment (Viability)	-119	119	-	-	-	-	-	**-**	-	-	-	-	-	The farms expenditure is expected to be higher in 22-23, request to carry over.	

		EXPENDITURE								FUNDING						
Scheme Ref.	**Scheme Name**	**Up to 2021-22 (£k)**	**2022-23 (£k)**	**2023-24 (£k)**	**2024-25 (£k)**	**2025-26 (£k)**	**2026-27 (£k)**	**Later Yrs (£k)**	**TOTAL (£k)**	**Grants (£k)**	**Dvp Cont. (£k)**	**Other Cont. (£k)**	**Capital Receipts (£k)**	**Borrow-ing (£k)**	**Reason for Change in Spend / Rephasing**	**Is there a detailed plan for spend in place? Y/N**
C/C.4.009	Shire Hall Relocation	-709	157	-	-	-	-	-	**-552**	-	-	-	-	-552	Although the main work is complete, there are a few unfinished items to be completed in 22-23 and the defect payment is held back until July 22	
C/C.4.010	Mill Farmhouse, Somersham	-58	58	-	-	-	-	-	**-**	-	-	-	-	-	Work has not started yet, carried over into 22-23	
B/C.1.002	Air Quality Monitoring	-	2	2	2	2	2	-	**10**	10	-	-	-	-	Additional Integrated Transport block (ITB) funding	
B/C.1.009	Major Scheme Development & Delivery	-	240	-	-	-	-	-	**240**	-	240	-	-	-	Additional S106 funding towards Northstowe Bus link	
B/C.1.011	Local Infrastructure improvements	131	-118	13	13	13	13	-	**65**	65	-	-	-	-	Adjustment of Slippage figure for schemes from 21/22. Plus additional Integrated Transport block (ITB) grant	
B/C.1.012	Safety Schemes	20	-14	6	6	6	6	-	**30**	30	-	-	-	-	Adjustment of Slippage figure for schemes from 21/22. Plus additional Integrated Transport block (ITB) grant	
B/C.1.015	Strategy and Scheme Development work	-17	17	-	-	-	-	-	**-**	-	-	-	-	-	Adjustment of Slippage figure for schemes from 21/22	
B/C.1.019	Delivering the Transport Strategy Aims	-690	484	4	4	4	4	-	**-190**	-190	-	-	-	-	Slippage of schemes from 21/22. Plus additional Integrated Transport block (ITB) grant. Virement of £100k to B/C.1.021, £110k to B/C3.012 (cycling schemes).	
B/C.1.020	Bar Hill to Northstowe cycle route	41	-779	1,035	-	-	-	-	**297**	-9	306	-	-	-	Reprofile of scheme. Increase of S106 contribution available to scheme. Scheme build most likely to take place in 23/24.	
B/C.1.021	Girton to Oakington Cycle Route	-124	224	-	-	-	-	-	**100**	100	-	-	-	-	Slippage of schemes from 21/22, virement of £100k from B/C.1.019.	
B/C.1.023	Boxworth to A14 Cycle Route	-	-550	550	-	-	-	-	**-**	-	-	-	-	-	Grant funding still to be agreed with National Highways	
B/C.1.024	Dry Drayton to NMU link cycle route	-	-201	201	-	-	-	-	**-**	-	-	-	-	-	Grant funding still to be agreed with National Highways	
B/C.1.026	Hilton to Fenstanton Cycle Route	-	-500	500	-	-	-	-	**-**	-	-	-	-	-	Grant funding still to be agreed with National Highways	
B/C.1.027	Buckden to Hinchingbrooke cycle route	-	-780	780	-	-	-	-	**-**	-	-	-	-	-	Grant funding still to be agreed with National Highways	
B/C.1.050	A14	-	-	-	-	-	-	-	**-**	-	-	-	-	-		
B/C.2.001	Carriageway & Footway Maintenance including Cycle Paths	177	-177	-	-	-	-	-	**-**	-	-	-	-	-	Adjustment of Slippage figure for schemes from 21/22	
B/C.2.004	Bridge strengthening	-889	889	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.3.001	Highways Maintenance (carriageways only from 2015/16 onwards)	-1,556	1,556	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.3.002	Footpaths and Pavements	-425	425	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.3.005	Ely Bypass	-12	12	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.3.006	Guided Busway	11	-3,879	3,868	-	-	-	-	**-**	-	-	-	-	-	Rephasing to match likelihood of settlement	
B/C.3.007	Confidential Scheme	-3,168	2,568	600	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.3.008	Wisbech Town Centre Access Study	-4,829	-3,788	-	-	-	-	-	**-8,617**	-8,617	-	-	-	-	Revised budget to match project remit changed to design only and not delivery.	
B/C.3.009	Wheatsheaf Crossroads	-58	58	-	-	-	-	-	**-**	-	-	-	-	-	Adjustment of Slippage figure for schemes from 21/22	
B/C.3.010	St Neots Future High Street Fund	-45	-619	907	-995	-	-	-	**-752**	-	-	-752	-	-	Rephasing of scheme. Overall reduction as HDC procuring the services of design consultants plus internal management costs.	

		EXPENDITURE								FUNDING						
Scheme Ref.	**Scheme Name**	**Up to 2021-22 (£k)**	**2022-23 (£k)**	**2023-24 (£k)**	**2024-25 (£k)**	**2025-26 (£k)**	**2026-27 (£k)**	**Later Yrs (£k)**	**TOTAL (£k)**	**Grants (£k)**	**Dvp Cont. (£k)**	**Other Cont. (£k)**	**Capital Receipts (£k)**	**Borrow-ing (£k)**	**Reason for Change in Spend / Rephasing**	**Is there a detailed plan for spend in place? Y/N**
B/C.3.011	March Future High Street Fund	-94	-1,286	656	-315	-	-	-	**-1,039**	-	-	-1,039	-	-	Rephasing of scheme. Overall reduction as FDC procuring the services of design consultants plus internal management costs.	
B/C.3.012	Cambridge Cycling Infrastructure	-307	417	-	-	-	-	-	**110**	110	-	-	-	-	Slippage of schemes from 21/22, virement of £110k from B/C.1.019.	
B/C.4.002	Confidential Scheme	-68	68	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.4.003	Confidential Scheme	-	847	7,520	-	-	-	-	**8,367**	-	-	-	-	8,367	Additional cost of scheme	
B/C.5.013	Swaffham Prior Community Heat Scheme	-3,251	728	-	-	-	-	-	**-2,523**	-2,912	-	-	-	389	Adjustment by £2.5m as the Heat Network element has been removed from reporting in the Capital Monitoring Report.	
B/C.5.014	Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	-357	357	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.015	Babraham Smart Energy Grid	-195	-449	644	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.016	Trumpington Smart Energy Grid	1	-	-	-	-	-	-1	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.017	Stanground Closed Landfill Energy Project	-	150	-150	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.018	Woodston Closed Landfill Energy Project	138	-	-	-	-	-	-138	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.019	North Angle Solar Farm, Soham	-796	1,054	-258	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.020	Fordham Renewable Energy Network Demonstrator	-609	609	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.021	Decarbonisation Fund	671	-5,048	-2,014	3,196	3,195	-	-	**-**	-	-	-	-	-	22-23 forecasts relate to projects that were originally expected to be complete in 21-22 but have over-run or been delayed for various reasons.	
B/C.5.023	Oil Dependency Fund	-65	-435	167	167	166	-	-	**-**	-	-	-	-	-	Funding £500k of £570k staffing expenditure	
B/C.5.024	Climate Action Fund	-	-230	230	-	-	-	-	**-**	-	-	-	-	-	Funding £70k of £570k staffing expenditure	
B/C.6.002	Investment in Connecting Cambridgeshire - Fixed Connectivity	-2,791	-6,680	450	780	-	-	-	**-8,241**	-3,331	-	-6,690	-	1,780	£2.8m budgeted in 2021/22 will be delivered in 2022/23 as Ph 3 & 4 of the Openreach SFBB slipped due to Covid & contractual delays. A further £1m no longer to be incurred due to lower cost base and therefore a saving in the overall cost of the work being delivered for the Openreach SFBB. The £1.8m adjustment to borrowing relates to a correction to show prior year borrowing expenditure that has already been incurred.	Y
B/C.6.003	Investment in Connecting Cambridgeshire - Mobile Connectivity	-225	100	630	150	-	-	-	**655**	655	-	-	-	-	Change in budget & funding due to work being broken down into work packages as requested for greater granularity & nuance	Y
B/C.6.004	Investment in Connecting Cambridgeshire - Public Access WiFi	-443	80	120	100	-	-	-	**-143**	-143	-	-	-	-	Change in budget & funding due to work being broken down into work packages as requested for greater granularity & nuance	Y
B/C.6.005	Investment in Connecting Cambridgeshire - Smart Work Streams	-1,305	-462	110	40	-	-	-	**-1,617**	-1,617	-	-	-	-	Change in budget & funding due to work being broken down into work packages as requested for greater granularity & nuance	Y
B/C.6.006	Investment in Connecting Cambridgeshire - Programme Delivery	-2,865	265	550	560	-	-	-	**-1,490**	1,275	-	-2,165	-	-600	Change in budget & funding due to work being broken down into work packages as requested for greater granularity & nuance	Y

		EXPENDITURE								FUNDING						
Scheme Ref.	Scheme Name	Up to 2021-22 (£k)	2022-23 (£k)	2023-24 (£k)	2024-25 (£k)	2025-26 (£k)	2026-27 (£k)	Later Yrs (£k)	TOTAL (£k)	Grants (£k)	Dvp Cont. (£k)	Other Cont. (£k)	Capital Receipts (£k)	Borrow-ing (£k)	Reason for Change in Spend / Rephasing	Is there a detailed plan for spend in place? Y/N
F/C.3.119	Cambs 2020 Spokes Asset Review	-1,138	1,138	-	-	-	-	-	**-**	-	-	-	-	-	Timescales for the scheme of work has changed, the full budget is required in 22-23 to complete.	
C/C.1.001	Essential CCC Business Systems Upgrade	-94	94	-	-	-	-	-	**-**	-	-	-	-	-	Budget requested in 22-23 for smaller upgrades to ensure activity continues to operate effectively.	
C/C.4.008	Community Hub- East Barnwell	-1,524	160	350	1,014	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
Lancaster	Lancaster Way	-287	287	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
B/C.1.019	Arbury Road	-12	12	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
B/C.1.019	Swavesey Park & Ride	-25	25	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
Pathfinder	Northstowe First Primary - Pathfinder	-	350	-	-	-	-	-	**350**	-	-	-	-	350	A £350k virement is requested from scheme A/C.02.006 Northstowe secondary to this Northstowe Pathfinder Primary scheme for conversion of community space to classrooms.	
0	Treescape Fund	-	36	-	-	-	-	-	**36**	36	-	-	-	-	2021/22 project, grant funded.	
0	School Ground Source Heat Pump Projects	-926	926	-	-	-	-	-	**-**	-	-	-	-	-	Comberton is the only school GSHP project that progressed to installation works. Work there is ongoing and scheduled to complete in October 2022.	
0	Cambridge Electric Vehicle Chargepoints	-139	139	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
0	Electric Vehicle Chargers	-194	194	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
0	March Area Transport Study	-	2,367	-	-	-	-	-	**2,367**	2,367	-	-	-	-	Scheme fully funded by CPCA	
0	Northstowe Heritage Centre	-375	375	-	-	-	-	-	**-**	-	-	-	-	-	Carry forward of grant funding to 22/23	
0	Spencer Drove, Soham	-97	97	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
B/C.4.032	Scheme Development for Highways Initiatives	-424	424	-	-	-	-	-	**-**	-	-	-	-	-	Slippage of scheme from 21/22	
		-37,736	**-41,929**	**44,714**	**16,630**	**12,988**	**4,320**	**21**	**-992**	**-3,539**	**546**	**-10,646**	**-19**	**12,667**		

Appendix B

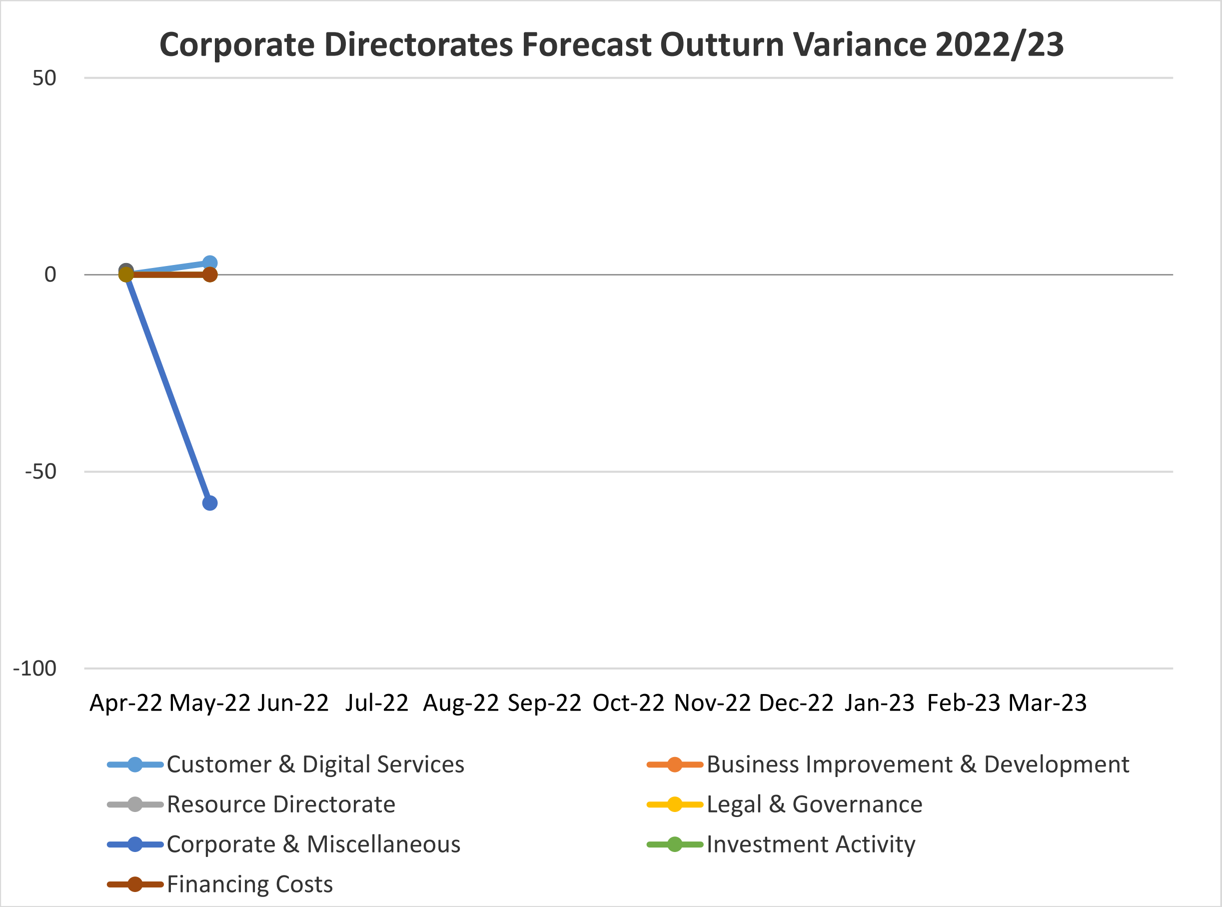
Service: Corporate Services
Subject: Finance Monitoring Report – May 2022
Date: 27 June 2022

Contents

1. Revenue Executive Summary

1.1 Overall Position

Corporate Services & Financing has a budget of £60,990k in 2022/23 and is currently forecasting an underspend of £58k.



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	18,303	5,197	3	0.0%
0	Business Improvement & Development	2,263	746	0	0.0%
0	Resources Directorate	10,916	444	0	0.0%
0	Legal & Governance	2,430	407	0	0.0%
0	Corporate & Miscellaneous	5,725	-292	-61	-1.1%
0	Investment Activity	-11,920	451	0	0.0%
0	Financing Costs	33,275	-2,701	0	0.0%
0	**Total**	**60,990**	**4,252**	**-58**	**-0.1%**

1.3 Significant Issues

Corporate Services are currently forecasting an underspend of £58k.

Since the approval of the 2022/23 Business Plan in February some new pressures have been identified and these are being addressed by a budget re-set to be recommended at Strategy & Resources Committee on 27th June. It is proposed to allocate the following budgets to address pressures within CS:

- ESPO Dividend, additional income -£50k
- Additional salary inflation estimated £1.4m
- Further mileage savings estimated -£500k
- Shared staff arrangement ending tbc £252k
- Central staff recruitment delays anticipated -£250k
- IT software £142k
- EDI staff shared with PCC £24k
- Additional resource to support adults system for 3 years £159k
- Corporate buildings - inflation required for electricity & gas £341k

The budgets within this report assume that Strategy and Resources Committee approve these changes.

Significant issues are detailed below:

Customer and Digital Services

Customer and Digital Services budgets are currently forecasting an overspend of £3k.

There are no exceptions to report this month.

Business Improvement & Development

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

Resources Directorate

Resources Directorate budgets are currently predicting a balanced position.

Legal and Governance

Legal and Governance budgets are currently predicting a balanced position.

Corporate & Miscellaneous

Corporate & Miscellaneous budgets are currently forecasting an underspend of £61k

There are no exceptions to report this month.

Investment Activity

Investment Activity budgets are currently predicting a balanced position.

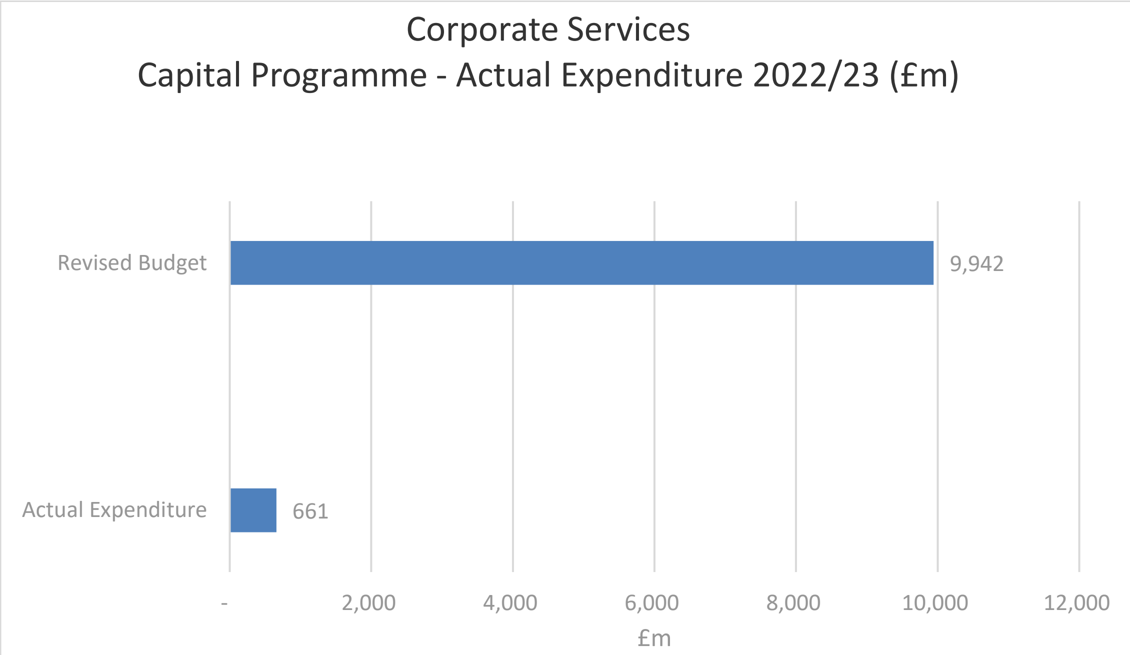
Financing Costs

Financing costs budget is currently predicting a balance position.

2. Capital Executive Summary

2.1 Expenditure

Corporate Services has a capital budget of £9,942k and expenditure to date of £661k in 2022/23.

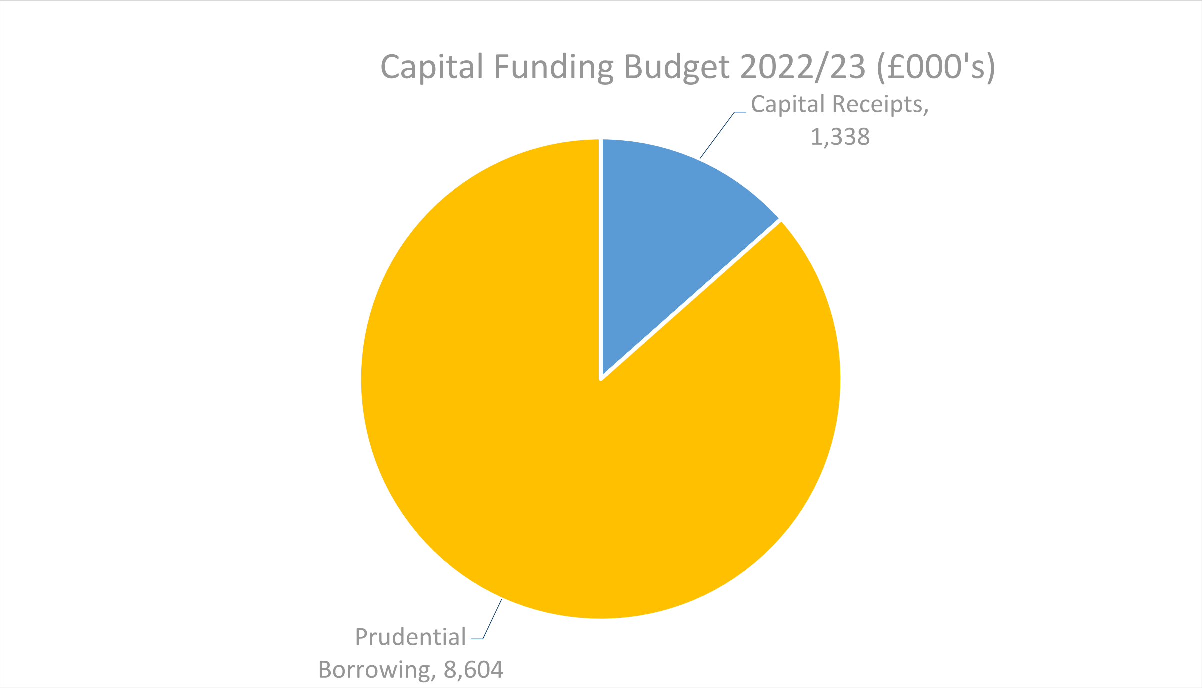


There are no exceptions to report this month.

Rephasing funding requests from 2021/22	£
IT Strategy	-377,000
County Farms investment (Viability)	119,000
Building Maintenance	492,000
IT Education System Replacement	447,000
Data Centre Relocation	-470,000
Shire Hall Relocation	157,000
Mill Farmhouse, Somersham	58,000
Cambs 2020 Spokes Asset Review	1,138,000
Essential CCC Business Systems Upgrade	94,000
East Barnwell	160,000

2.2 Funding

Corporate Services has a capital budget of £9,942k in 2022/23. This includes £1,438k of funding carried forward from 2021/22 & adjustments made to the total capital scheme budget.



3. Savings Tracker Summary

The savings tracker is produced quarterly. The Q1 table will be included in the July report.

Appendix 1 – Corporate Services Level Financial Information

Previous Forecast Outturn Variance £000's	Service	Budget 2022/23 £000's	Actual May 2022 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
	Customer & Digital Services				
0	Director, Customer & Digital Services	422	-73	0	0%
0	Chief Executive's Office	244	39	0	0%
0	Communications	790	167	0	0%
0	Customer Services	2,075	85	0	0%
0	IT Services	10,826	4,446	0	0%
0	Elections	175	0	0	0%
0	Human Resources	1,864	221	0	0%
0	Learning & Development	1,907	312	3	0%
0	**Customer & Digital Services Total**	**18,303**	**5,197**	**3**	**0%**
	Business Improvement & Development				
0	Policy, Design and Delivery	801	378	0	0%
0	Commercial Team	266	50	0	0%
0	Business Intelligence	1,196	318	0	0%
0	**Business Improvement & Development Total**	**2,263**	**746**	**0**	**0%**
	Resources Directorate				
0	Director of Resources	359	55	0	0%
0	Professional Finance	1,899	422	0	0%
0	Procurement	654	121	0	0%
0	CCC Finance Operations	151	49	0	0%
0	Internal Audit	446	26	0	0%
0	Insurance Fund	2,436	33	0	0%
0	Lead Authority Services	1,370	42	0	0%
0	External Audit	75	-151	0	0%
	Property Services				
0	Facilities Management	6,062	773	0	0%
0	Property Services	925	167	0	0%
0	Property Compliance	210	-48	0	0%
0	County Farms	-4,502	-198	0	0%
0	Strategic Assets	830	-846	0	0%
0	**Property Services Total**	**3,525**	**-152**	**0**	**0%**
0	**Resources Directorate Total**	**10,916**	**444**	**0**	**0%**
	Legal & Governance Services				
0	Legal & Governance Services	177	26	0	0%
0	Information Management	911	173	0	0%
0	Democratic & Member Services	334	40	0	0%
0	Members´ Allowances	1,008	170	0	0%
0	**Legal & Governance Total**	**2,430**	**407**	**0**	**0%**
	Investment Activity				
0	Property Investments	-3,610	50	0	0%
0	Company Dividends & Fees	-571	0	0	0%
0	This Land	-6,063	338	0	0%
0	Contract Efficiencies & Other Income	-405	0	0	0%
0	Collective Investment Funds	-1,050	113	0	0%
0	Renewable Energy Investments	-222	-49	0	0%
0	**Investment Activity Total**	**-11,920**	**451**	**0**	**0%**

Previous Forecast Outturn Variance £000's	Service	Budget 2022/23 £000's	Actual May 2022 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
	Corporate & Miscellaneous				
0	Central Services and Organisation-Wide Risks	4,898	-294	-61	-1%
0	Local Government Subscriptions	110	4	0	0%
0	Authority-wide Miscellaneous	717	-2	0	0%
0	**Corporate & Miscellaneous Total**	**5,725**	**-292**	**-61**	**-1%**
	Financing Costs				
0	Debt Charges and Interest	33,275	-2,701	0	0%
0	**Financing Costs Total**	**33,275**	**-2,701**	**0**	**0%**
0	**Total**	**60,990**	**4,252**	**-58**	**0%**