

Business Planning Proposals for 2023-28: Opening Update and Overview

To: Communities, Social Mobility, and Inclusion Committee

Meeting Date: 1 November 2022

From: Executive Director of Strategy and Partnerships, Sue Grace
Chief Finance Officer, Tom Kelly

Electoral division(s): All

Key decision: No

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

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

Recommendation: The Committee is recommended to:

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

Officer contact:

Name: Sue Grace
Post: Executive Director
Email: Sue.Grace@cambridgeshire.gov.uk
Tel: 01223

Member contacts:

Names: Cllr Tom Sanderson and Cllr Hilary Cox Condron
Post: Chair/Vice-Chair
Email: Tom.sanderson@cambridgeshire.gov.uk / Hilary.CoxCondron@cambridgeshire.gov.uk
Tel: 01223 706398

1. Overview

- 1.1 The Council's Business Plan sets out how we will spend our resources to achieve our vision and priorities for Cambridgeshire, and the key outcomes we want for the county and its people. The business plan contains a five-year financial plan including estimates of investments, pressures, and savings over the whole period. The business plan now under development is for 2023-28. It is a statutory requirement for local authorities to set a balanced budget ahead of each new financial year.

- 1.2 On 8 February 2022, Full Council agreed the Business Plan for 2022-2027. This included a balanced revenue budget for the 2022/23 financial year with the use of some one-off funding but contained significant revenue budget gaps for subsequent years as a result of expenditure exceeding funding estimates. These budget gaps were, in £000:

Opening Budget Gaps

2022-23	2023-24	2024-25	2025-26	2026-27
balanced	17,396	22,737	16,782	18,337

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

Revised Budget Gaps

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

- 1.4 This is a very large increase in the gap projection. Central government has so far given no indication of further funding to councils to meet pressures, and therefore we are planning on the basis of needing to close this budget gap almost entirely through decisions within the Council's control.
- 1.5 Further information on financial pressures facing the Council are set out below. The Council has a legal requirement to set a balanced budget for 2023/24, and therefore difficult decisions will need to be made in order to close the budget gap. The Council may have to take steps to reduce the growing demand from the public for our services and may have to make dis-investments or reductions in lower priority services.
- 1.6 Inflation is expected to impact our budget over at least the next year in an unprecedented way. Typically, inflation represents a modest part of our overall budget growth, and estimates do not significantly change year-on-year. However, increases over the past year caused by the release of bottlenecks in demand following Covid-19 and then the outbreak of war in Ukraine has seen inflation rise to levels last seen in the 1980s. This impacts on the Council in the same way as it does on people's own household budgets. This could mean the Council will need to consider how we can cut back in some areas in order to make ends meet. The Council has finite funding, and most of our income, including taxation, is fixed at levels set by the government. We also cannot borrow or use cash reserves to fund an ongoing budget gap.

- 1.7 Inflation impacts on the Council's budgets in several ways. Inflation increases the amount we pay on a day-to-day basis for goods and services that we buy from external suppliers. So, rising national inflation indices (such as RPI) directly impact on us. Inflation can also impact us in more acute ways. Several of our large contracts (such as for waste disposal) have inflationary uplifts included into contracts pegged to national indices – as this is on a very large contract the difference between a 2% rise and an 8% rise can be very significant. We also purchase a large amount of electricity, around two thirds of our electricity bill goes to power streetlights. We also need power for the buildings the Council uses to serve the public like libraries, registration offices, highway depots and offices – and keeping these buildings open and warm may be even more important for individuals and communities during the colder months. In September 2022, the government announced some relief from energy price increases for public sector organisations. We are considering the detail of this announcement and its impact, if any, on the price projections we have for this business planning round. If the relief is only for six months, then it will not necessarily provide any reduction in prices faced over the medium-term.
- 1.8 The Council has a large capital programme, and rising costs of materials increase the overall cost of works and so require us to borrow more. Finally, rising inflation is often linked with increased staff costs. Staffing is one of our highest costs and the need to pay staff a fair wage to ensure they can meet inflationary impacts they are facing in their own lives is important. This allows us to recruit and retain essential employees but is a direct cost to the Council.
- 1.9 We are also having to consider uncertain demand for our services following the pandemic. Traditional patterns of accessing social care services have changed, and the Council has a role to play in the wider health and social care system in ensuring people are discharged from hospital into appropriate care. Government reforms around social care have the potential to cost local government billions of pounds extra per year, but government funding is yet to be identified. We are also engaging with the government to agree a Safety Valve deal to address our high needs school funding deficit. This is likely to displace costs previously funded by education grants and require transformational investment from the Council.
- 1.10 This means the Council has a much more challenging budgetary outlook than it did when setting its current business plan some months ago, with the increased costs of inflation on its own doubling our budget gap. Added to this are some unavoidable service pressures and government reforms, which result in the now much larger budget gap of over £28m next year. It is not sustainable to use reserves to close this budget gap as that can only ever be a short-term solution. Council reserves are there to help us to manage risk and provide some buffer if there are large, unexpected pressures. Difficult choices are in prospect as we consider the environmental, social, and financial concerns of the Council, and deliver a strategy that achieves a balanced budget.
- 1.11 The focus on delivering specific and wide-ranging savings to address our medium-term budget gap was mostly paused during the pandemic, and the focus was taken away from more traditional savings and efficiencies. Given the size of the budget gap next year, traditional savings and efficiencies will need to form a bigger part of our budgeting. Alongside this, we will continue working on cross-cutting changes to the way we work and

how we support people who use our services to deliver sustainable change, reduce demand for our services, and reduce the inflationary impact on our services.

1.12 Ideally the Council wants to continue to focus on a range of more fundamental changes to the way we work, but we can only consider investment into these areas when the savings requirement is met. Once this happens these areas could include:

- Economic recovery – Economic recovery is at the heart of improving outcomes for people and managing demand for Council services. Although the economic position has changed significantly and uncertainty around inflation levels continue for the Council and the people of Cambridgeshire, overall Cambridgeshire is well placed to support growth and economic resilience, albeit the potentially severe financial consequences for some sectors and individuals. There are impacts on employment and household income levels for many across Cambridgeshire. The stress and anxiety caused by worrying about not having enough money to buy basic necessities or afford basic utilities, which has significantly increased due to the current inflation levels, is an important factor that affects demand for many of our services.
- Prevention and Early Intervention – To support people to remain as healthy and as independent as possible as well as reduce the health inequalities that have been exposed and exacerbated by the pandemic – we need to work with people and communities to help them help themselves or the person they care for or their community. This means improved access to advice and information about local support, asset building in communities and access to assistive technology. We will continue to build on how we support the networks and groups that developed during the pandemic to continue to be sustainable going forward, and where public services are needed, ensuring support is made available early so that people's needs are less likely to escalate.
- Decentralisation – To manage demand and enable people to remain living in their own homes in their local communities, and delay the need for more specialist services, we will continue to deepen our relationships with the voluntary and community sector, district, parish and town councils, the Combined Authority, and the Greater Cambridge Partnership, as well as other public sector partners, to continue to build place-based support services wrapped around our vulnerable people and communities; to reduce or delay the need for more specialist expensive services and build resilient and sustainable communities where people feel proud to live.
- Environment - Putting climate change and biodiversity at the heart of the Council's work will require economic transformation. Failure to understand the risks of these two crises will impact economically on the lives of our communities and beyond. We aim to deliver 2030 net zero target for the Council as an organisation and develop clear actions for delivery of our Climate Change and Environment Strategy to achieve Net Zero by 2045 for the area, enabling service and investment decisions to be made in this context. Particularly through the generation of clean energy, we can deliver a financial benefit to the Council but also save money through investment into greater energy and resource efficiency.

- Social Value - With a strong focus on outcomes and impact for our communities, we will be working with our public, private, voluntary and community partners to achieve our joint ambitions. We will seek to invest using social value criteria to drive improved outcomes, including health, the living wage and employment. We will look to contribute to keeping spend local through our procurement, spending and organisational activities.

- 1.13 We will try to mitigate the impact of the measures we will need to take to balance the budget by ensuring that any investments we do make are targeted to make the most difference. To do this, we have adopted a triple bottom line scoring system for investment proposals, that reflect the environmental and social impact of decisions as well as the financial requirement. The most efficient investments at delivering environmental or social return will be prioritised.
- 1.14 For several years, the Council has been setting budgets in an increasingly uncertain context. This business planning round continues with that uncertainty, and the estimates made in these papers reflect our best estimates of costs, savings, and income at this point in time. The Council's reserves policy provides for some mitigation of risk should the context change when budgets are set. We proactively monitor all budgets across the Council to ensure any flexibility to meet unexpected pressures is made clear.
- 1.15 In 2021/22, the Council participated in a peer challenge run by the Local Government Association. We have made progress on implementing all recommendations from that review. This includes taking a more strategic approach to business planning for Cambridgeshire and putting in place funding to ensure business change capacity. We are also working towards setting a more medium-term financial plan, subject to the uncertain economic and policy context that the Council is working in. The lack of a detailed multi-year local government finance settlement makes it difficult to predict the resources available to us.
- 1.16 All service committees will consider their relevant revenue business planning proposals and at their meeting in December, they will be asked to endorse proposals to the January 2023 meeting of the Strategy and Resources Committee, as part of the consideration for the overall Business Plan. These proposals are currently being developed and will each have a robust implementation plan, which allows as much mitigation as possible against the impact of current financial challenges. Where proposals reflect joint initiatives between different directorate areas, these will go before the relevant committees to ensure appropriate oversight from all perspectives. Until we have a route to a balanced budget, discretionary investments will be prioritised but not added to the business plan until it is clear what is affordable.
- 1.17 At this stage, the naming and organisation of services in the finance tables attached at Appendix 2, and explained in Appendix 1, reflect the organisational structure prior to September 2022. The final versions of finance tables considered by the Committee will be based on the revised corporate structure.

2. Building the Revenue Budget

- 2.1 As we have a five-year business plan, the first four years of the new business plan already

have a budget allocation. We revise the estimates for demand, inflation, and other pressures first to confirm the budget needed to deliver the same level of service and add in any new pressures or investment proposals. These budget changes are presented first to service committees and, overall, there is a gap between our budget requirement and the funding available.

- 2.2 We then work to close the budget gap through savings and efficiency initiatives, identification of additional income and revision of pressure estimates, presenting these further changes to committees later in the year. Ultimately, a balanced budget needs to be set by 1 March 2023.
- 2.3 Delivering a balanced budget in the current economic context will not be easy, and it is a challenge facing the whole of local government. The Council will need to draw on a range of approaches in order to arrive at a balanced budget, produce an overall sustainable financial strategy and meet the Joint Administration's policy objectives. This will include looking at opportunities for dis-investment from non-statutory services that are not delivering our objectives, as well as strengthening services that result in maintaining people's independence such that they do not need to rely on our services.
- 2.4 As the economic picture develops, and as the policies of the new national government become clearer, we will update the key budget estimates to ensure they are as accurate as we can make them. We intend to set a budget with a reasonable balance of risk, and therefore should not be assuming the worst-case scenario will happen. The Council retains reserves to mitigate against unforeseen risk.
- 2.5 The changes so far to the budget gap estimation have been:

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

- 2.6 More detail about the proposals that make up this table relevant to the Communities, Social Mobility and Inclusion Committee are set out in section 4 of this report.
- 2.7 This budget gap contains our best estimates of likely inflation, demand and other costs that we will face in 2023-28. Our estimate of the potential range of budget gaps over the five-year medium-term ranges from over £140m down to £70m, due to the huge range of uncertainty in most aspects of our work. We believe the current budget gap projected for 2023/24 is at the upper end of the potential range, and through the rest of the medium-term our estimates are broadly in the mid-range of potential outcomes.

3. Capital Programme

3.1 The Capital Programme

- 3.1.1 To assist in delivering its Business Plan, the Council needs to provide, maintain, and update long term assets (often referred to as 'fixed assets'), which are defined as those that have an economic life of more than one year. Expenditure on these long-term assets is categorised as capital expenditure and is detailed within the Capital Programme for the Council.
- 3.1.2 Each year, the Council adopts a ten-year rolling capital programme as part of the Business Plan. The very nature of capital planning necessitates alteration and refinement to proposals and funding during the planning period; therefore, whilst the early years of the Business Plan provide robust, detailed estimates of schemes, the later years only provide indicative forecasts of the likely infrastructure needs and revenue streams for the Council. For each new business planning round, new schemes are developed by services and all existing schemes are reviewed and updated as necessary, before being presented to the Capital Programme Board and subsequently service committees for further review and development.
- 3.1.3 The Strategy and Resources Committee will review the final overall programme in January 2023, in particular regarding the overall levels of borrowing and financing costs, before recommending the programme as part of the overarching Business Plan for Full Council to consider in February 2023.
- 3.1.4 There has been a sharp inflationary rise on construction goods due to international economic conditions and wider supply chain issues, as well as the energy crisis. Where the impact of this is known or can be estimated, it has been included, but further rises are anticipated.

3.2 Revenue Impact of the Capital Programme

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

3.2.2 The Council is required by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Code for Capital Finance in Local Authorities 2021 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to achieve this, the Strategy and Resources Committee recommends an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan. In order to afford a degree of flexibility from year to year, changes to the phasing of the limit are allowed within any three-year block (the current block starts in 2021-22), so long as the aggregate limit remains unchanged. The Strategy and Resources Committee are due to set limits for the 2023-24 Business Plan as part of the Capital Strategy review in December 2022.

3.3 Summary of the Draft Capital Programme

3.3.1 The revised draft Capital Programme is as follows:

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

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

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

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

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

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

4. Overview of the Communities, Social Mobility and Inclusion Committee's Draft Revenue Programme

- 4.1 This section provides an overview of new pressures, risks and the savings and income proposals within the remit of the Committee. The cumulative impacts of the Council's predicated financial position, reorganisation, legacy savings targets and the non-recurrent funding of key services provide a complex and challenging context for the budget planning and the draft revenue programme. Work is underway to consider the inter-relationships set out above and to consider options for 2023/24. Further detail will therefore be presented to the Committee at its meeting on 8 December 2022.
- 4.2 The Committee has responsibility for a range of services that sit across two Council directorates:
- (i) Strategy and Partnerships (Think Communities; Anti-Poverty; Libraries; Cambridgeshire Skills, Archives, Cultural Services; Anti-Poverty Hub)
 - (ii) Place and Sustainability (Registration and Citizenship; Coroners Service; Trading Standards; Domestic Abuse and Sexual Violence Services)
- 4.3 Until the Council's recent reorganisation, these services sat in a single directorate. Over the course of two business planning rounds, both savings and income targets were allocated to the directorate.
- 4.3.1 Income targets have been allocated to libraries, registration services, and the skills services. Although these targets have formed part of the base budget, these targets have proved challenging, and this remains the case in the post-pandemic environment.
- 4.3.2 Recurrent savings targets were allocated not to individual services, but to a range of services. It should be noted that a significant part of the directorate budgets were placed out of scope of these targets because as they were either funded from non-recurrent sources (such as the Think Communities Service and Anti-Poverty Hub) or were given income generation targets that would have been undermined by a concurrent savings target.
- 4.3.3 In addition, proposals that would lead to a reduction in service levels to the public were placed out of scope of the proposed efficiencies (p.119 [Document.ashx \(cmis.uk.com\)](https://cmis.uk.com/Document.ashx))
- 4.4 Unmet Legacy Savings Targets: Recurrent savings and income targets totalling £650,000 were set for a bundle of services (Cambridgeshire Skills, Regulatory Services and Domestic Abuse/Community Services) in the 2021/22 and 2022/23 business planning processes. In those years, these targets were predominantly met from non-recurrent budgets. This approach has been corrected so that the savings and income generation will be recurrent from 2023/24. However, whilst we have been able to address £500,000 of these targets, there are £150,000 of legacy savings for this group of services that we have been unable to identify.
- 4.5 Think Communities Staff: The current Think Communities Service is funded using a combination of core budgets and non-recurrent resource. Indicative staff costs for the

service model for Think Communities are £939,896. Of this, £376,491 is available from core revenue budgets. As the time limited money comes to an end, this represents a shortfall of £563,406. Work is ongoing to reconsider this structure and look at efficiency opportunities that may be realised through closer integration of the Think Communities and Youth in Communities teams. Officers are also examining whether the integration of these services into the wider Communities and Partnerships directorate can offer opportunities to help meet the funding gap.

- 4.6 Think Communities Non-Staff: There are several Think Communities non-staff budgets that are funded through non-recurrent resource. These include the Cultivate Cambridgeshire Fund (£350,000) and costs associated with the community engagement vehicle (£35,000). However, the latter is coming to the end of its useful/serviceable life and disposal is recommended, irrespective of the availability of funding.
- 4.7 Anti-Poverty Hub Staff: The anti-poverty hub is the core of the Council's response to poverty, financial inequality, and the cost-of-living crisis. It delivers the Household Support Fund and access to the longer-term personalised support offers that aim to make a lasting difference to those suffering the effects of poverty. The current staffing model is costed at £583,880, of which none is recurrently funded. The Household Support Fund grant from government has now been allocated in three six-month tranches, each of £3.58 million. Grant conditions allow a reasonable amount to be deducted for administrative costs. Should the grant continue to be available in 2023/24, a reasonable 10% allocation of the fund for administration costs at current rates would provide £358,000 for each six-month period the fund were extended (full year effect £716,000). However, we cannot plan for continuity of the service on that assumption. Officers are undertaking a process mapping review to see if any of the activity of the anti-poverty hub can be undertaken by other services within the Council.
- 4.8 Anti-Poverty Hub Non-Staff: The limitations of the Household Support Fund approach are widely recognised. To make our anti-poverty offer more holistic, personalised and long-term, an allocation of £750,000 has been provided by the Strategy and Resources Committee in 2022/23. Loss of this allocation would fundamentally alter the nature of the Council's anti-poverty offer.
- 4.9 Libraries: Pressures due to increased demand from new developments in South Cambridgeshire. Revenue costs for staffing of £50,000 from 2023/4 and a further £50,000 from 2026-27 are included in the current Table 3, however the timing for the second of these amounts will be reviewed to fall in line with projected dates for the opening of new Library provision. Also see paragraph 5.1.2. As well as this, the service retains income generation targets while traditional sources of income such as fines and DVD rental have fallen away. Furthermore, some initiatives such as the Business Intellectual Property Centres have reached the end of their grant funding period. We are exploring alternative income streams to address this, but this is a challenging approach.
- 4.10 Coroners Service: This year's budget contains additional investment into the service to help deal with a backlog of cases exacerbated by the Covid-19 pandemic. However, increasing pathology costs have outstripped that extra investment. In addition, the necessary renewal of a number of service-related contracts have added cost pressures due to high inflation, despite competitive tendering. Further procurement exercises will result in additional contract renewals in 2023/24. Savings on external venue hire for inquests continue to be

made using facilities both in Cambridgeshire and Peterborough, these having removed approximately £40k of cost from the budget.

5. Overview of the Communities, Social Mobility and Inclusion Committee's Draft Capital Programme

5.1 The revised draft Capital Programme for the Communities, Social Mobility and Inclusion Committee is as follows:

Capital Expenditure	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	Later Yrs £'000
Libraries - Open access & touchdown facilities	492	-	-	-	-	-
EverySpace - Library Improvement Fund	301	9	7	-	-	-
Total	793	9	7	-	-	-

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

Funding Source	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	Later Yrs £'000
Grants	162	19	7	-	-	-
Contributions	129	-	-	-	-	-
Borrowing	492	-	-	-	-	-
Borrowing (Repayable)	10	-10	-	-	-	-
Total	793	9	7	-	-	-

5.3 Papers on the individual schemes have been, or will be, considered separately by the relevant service committee where appropriate.

5.4 New Schemes and Changes to Existing Capital Schemes

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

5.4.2 Libraries Capital Schemes: While not currently subject to revision, we are reviewing capital schemes for libraries relating to the timing of Section 106 receipts and other developments. Any rephasing may have an impact on revenue requirements. More details will be presented to the Committee at its meeting on 8 December 2022.

5.4.3 Communities Capital Fund: Previous reports to the Committee have highlighted that from the original £5m allocated to this capital fund, some elements remain unallocated, some projects have failed to go forward as planned, and some have been subject to delay. This means an element of the original allocation will require rephasing into financial year

2023/24. As the Committee has determined that returned/allocated money will be used to deliver a new fund (Cambridgeshire Priorities Capital Fund), this will not require the allocation of any new capital.

6. Next Steps

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

October / November 2022	Service committees provided with an update of the current position.
November / December 2022	Draft business cases go to committees for consideration. Draft Strategic Framework and MTFS to Strategy and Resources Committee.
January 2023	Strategy and Resources Committee will review the whole draft Business Plan for recommendation to Full Council
February 2023	Full Council will consider the draft Business Plan

7. Alignment with Corporate Priorities

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

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

8. Significant Implications

8.1 Resource Implications

The proposals set out the response to the financial context described in section 4 and the need to change our service offer and model to maintain this within a sustainable budget. The full detail of the financial proposals and impact on budget will be described in the financial tables of the business plan. The proposals will seek to ensure that we make the most effective use of available resources and are delivering the best possible services given the reduced funding.

- 8.2 Procurement/Contractual/Council Contract Procedure Rules Implications
There are no significant implications for the proposals set out in this report. Details for specific proposals will be set out in the business cases. All required procurement activity will be fully compliant with the Council's Contract Procedure Rules.
- 8.3 Statutory, Legal and Risk Implications
The proposals set out in this report respond to the statutory duty on the local authority to deliver a balanced budget. The Council will continue to meet the range of statutory duties for supporting our residents.
- 8.4 Equality and Diversity Implications
Each of the proposals will be developed alongside an Equality Impact Assessment to ensure we have discharged our duties in line with the Equality Act, including the Public Sector Equality Duty, as well as meeting our commitment to implementing the Socio-economic Inequalities Duty. Business cases will include a summary of key points from the relevant Equality Impact Assessment. These summaries will highlight any positive impacts identified and outline mitigations for any negative impacts or justification for retaining a negative impact where this is appropriate.
- 8.5 Engagement and Communications Implications
Our Business Planning proposals are informed by the Council's public consultation and will be discussed with a wide range of partners throughout the process. The feedback from consultation will continue to inform the refinement of proposals. Where this leads to significant amendments to the recommendations, a report would be provided to the Strategy and Resources Committee.
- 8.6 Localism and Local Member Involvement
As the proposals develop, we will have detailed conversations with members about the impact of the proposals on their localities. We are working with members on materials which will help them have conversations with parish councils, local residents, the voluntary sector and other groups about where they can make an impact and support us to mitigate the impact of budget reductions.
- 8.7 Public Health Implications
It will be important to secure a better understanding of the impact the proposals in this paper. Many of the affected services contribute towards Public Health outcomes and importantly the prevention of ill health.
- 8.8 Environment and Climate Change Implications on Priority Areas
The climate and environment implications will vary depending on the detail of each of the proposals. The implications will be completed accordingly within each business case in time for the committee meetings in December 2022.

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Martin Wade

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: Jenni Bartlett

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Amanda Rose

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: Val Thomas

9. Source Documents

9.1 None