

Tuesday, 29 March 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

AGENDA

Open to Public and Press by appointment only

CONSTITUTIONAL MATTERS

1 Apologies for absence and declarations of interest

Guidance on declaring interests is available at

<http://tinyurl.com/ccc-conduct-code>

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OTHER DECISION

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KEY DECISIONS

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Attending meetings and COVID-19

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[Live Web Stream - Cambridgeshire County Council](#). If you wish to speak on an item, please contact the Committee Clerk to discuss as you may be able to contribute to the meeting remotely.

The Strategy and Resources comprises the following members:

Councillor Lucy Nethsingha (Chair) Councillor Elisa Meschini (Vice-Chair) Councillor Chris Boden Councillor Steve Count Councillor Steve Criswell Councillor Lorna Dupre Councillor Mark Goldsack Councillor Richard Howitt Councillor Samantha Hoy Councillor Peter McDonald Councillor Mac McGuire Councillor Edna Murphy Councillor Tom Sanderson Councillor Josh Schumann and Councillor Graham Wilson

| | |
|------------------|-------------------------------------|
| Clerk Name: | Michelle Rowe |
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STRATEGY AND RESOURCES COMMITTEE MINUTES-ACTION LOG

This is the updated action log as at 21st March 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 27th January 2022 | | | | | |
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| Minute number | Item title | Responsible officer(s) | Action | Comments | Completed |
| 44 | Minutes – 17th December 2021 and Action Log | Michelle Rowe Amanda Askham Jon Lewis | One Member queried why there was no action relating to Wisbech, Soham and St. Neots Schools being included on the Corporate Risk Register. The Chair asked the Democratic Services Manager to check the minutes of the last meeting | <p>The Children and Young People Committee in November agreed the following:</p> <p>To recommend to the Strategy and Resources Committee that a risk is identified in the corporate risk register around the non-delivery of free schools; and agree to fund required school places if free school projects approved through the DfE's central Free School Programme were not to proceed and the Council has an identified basic need for places in the area that school would serve.</p> <p>It was not raised at the December Strategy and Resources Committee so was not included in the minutes.</p> <p>We have a corporate risk around failure to deliver (which we monitor in CLT) and as part of this we have a "Placement Sufficiency" trigger which we monitor – in a number of areas, including Education. The Service Director: Education has reviewed whether the situation in</p> | Completed |

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| | | | | Wisbech changes the impact and likelihood of the overall risk against placements across the county and determined that it does not. This escalation has therefore been considered appropriately and the Council has an existing mechanism for monitoring placement sufficiency, including free schools. | |
| 46 | Integrated Finance Monitoring Report for the period ending 30 November 2021 | S Howarth | Consider in future reporting the RAG rating for funding not used in year. | As reported to the last meeting, a review of financial reporting was underway ahead of the start of the new financial year. | Completed. |
| 47 | Education Systems Programme | A Askham J Lewis | The Interim Chief Executive agreed to work with the Service Director of Education to investigate inhouse opportunities for project management across the Council. | The BID, IT and Education teams have met to scope the work and to ensure that programme and project resource from the corporate PMO is used. The only exception to this is for additional technical IT project capacity, which will be brought into the IT team, ensuring that skills transfer is part of any external contract. | Completed |
| 54 | Shire Hall Campus. Cambridge – Commercial Update | Tony Cooper | Action set out in confidential minutes. | The requested analysis of the financial impacts of the Cambs 2020 programme is provided as Appendix 7 to the Integrated Finance Monitoring Report on today's agenda. | Completed |

Joint Agreement and Peer Review Action Tracking

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| To: | Strategy and Resources Committee |
| Meeting Date: | 29th March 2022 |
| From: | Amanda Askham, Director of Business Improvement and Development |
| Electoral division(s): | All |
| Key decision: | No |
| Forward Plan ref: | Not applicable |
| Outcomes: | <p>The outcome of good monitoring against agreed actions is a transparent view of progress against plans, informed decision making on resource allocation and an agile response when adjustments are necessary.</p> <p>The Joint Agreement Action Plan describes activity to deliver the priorities and approaches for delivering improved outcomes for the people of Cambridgeshire set out in the Joint Agreement.</p> <p>Peer Review is an improvement approach for Local Government. Therefore, the outcome from successfully following through on the recommendations of the report will be improved corporate performance.</p> |
| Recommendations: | <p>The Committee is asked to:</p> <ul style="list-style-type: none">a) review the monitoring against actions identified in the joint agreement and peer review action plans.b) agree to transfer any remaining open actions to the Council's new Performance Management Framework with monitoring and reporting through appropriate committee governance. |

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1. Background

- 1.1 On 14th May 2021, a Joint Agreement was signed by the leaders of the Liberal Democrat, Labour and Independent groups. The Joint Administration agreement prioritises COVID-19 recovery for all of Cambridgeshire and puts healthy living and tackling the climate emergency central to the Council's agenda. It shows the Administration's commitment to forming strong and positive partnerships in the areas of public health, support for business, climate change and net-zero, public transport, and building affordable, sustainable homes.
- 1.2 The Joint Administration's thematic [action plan](#) was approved by Strategy and Resources Committee in July 2021, so that the Council could start delivering on the Administration's Joint Agreement immediately. In September 2021 and December 2021, the [Joint Agreement Tracker](#) and milestone updates were discussed.
- 1.3 At the same time, the Council invited a team of Peers from the Local Government Association (LGA) to undertake a Corporate Peer Review. A peer review is a proven improvement approach for Local Government, delivered by a team of experienced councillors and officers selected to reflect CCC's requirements and focus. The Corporate Peer Review report presented 11 key recommendations and 5 further shared services recommendations. From these recommendations, Members and Officers developed an [action plan](#).
- 1.4 The Peer Challenge Team revisited the Council earlier this month to carry out the LGA's recommended 'Check-in' process, which is a follow up visit to review progress against the agreed action plan and impact of the Peer Challenge visit and report. The output of this visit is a letter to the Council.
- 1.5 This report provides an update on all milestones in the Joint Agreement action plan and Peer Review action plan.
- 1.6 It is recommended that this will be the last Joint Agreement action plan tracker report in this format as future performance and monitoring will be reported within the new [Performance Framework](#), which was agreed at Full Council in February 2022.

2. Joint Agreement Action Plan Tracker

- 2.1 This Joint Agreement Tracker is presented in three sections: activity which is completed and closed, activity which will be transferred to the new Performance Framework, and policy development, much of which is ongoing. The expectation is that policy changes will result in future actions, the delivery and impact of which will be monitored by each committee under the revised performance framework.

Table 1. Activity - completed and closed actions

| Ref. | Action | Milestone | Committee | Lead Officer(s) | Success criteria | Baseline position May 2021 | Achieved | Update / comments by lead officer |
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| G.2 | Bring forward to the public domain (to the greatest extent legally possible) further information about the farms audit findings and the Council's actions in response | Jul 21 and Sep 21 | A&A | Fiona McMillan/Tony Cooper | Further information about farms audit published | Report is not in public domain | Complete | <p>Two reports were taken to Constitution & Ethics Committee on 27th July 2021.</p> <p>The Farms Audit has been to committee and the report is in the public domain. Progress on the Farms Audit is now overseen by the County Farms Working Group.</p> <p>The Constitution & Ethics Committee considered a conduct investigation report relating to the farms audit on 25th February. The report was made public here</p> <p>The Audit and Accounts Committee considered the issue again on 7th March, and agreed to adjourn discussion of this item until another meeting of the committee could be arranged, to enable further advice to be obtained</p> |
| CE.1 | Explore procurement routes to enable free school | Jul '21 | CYP | Jonathan Lewis | Free School Meal vouchers available during summer holiday 2021 | Free School Meal vouchers not available in | Complete | Paper for proposed scheme agreed at CYP Committee on the 1 st March. Funding of £3.6m covers |

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| | vouchers during the summer '21 school holidays | | | | | summer 21 school holidays | | the next financial year (Easter 2022 -February Half-Term 2023). |
| CE.3 | Agree an action plan for improving prevention and early intervention for children with Special Educational Needs and Disabilities (SEND). | Aug '21 | CYP | Jonathan Lewis | Action plan reported to CYP | 4.2% of children in school in Cambs have Education Health Care Plans compared to 3.4% in CIPFA neighbours; 10.6% of children in school on the lower level in school SEN support compared to 11.9% in similar areas | Complete | Action plan agreed at CYP committee Transformation plan includes agreed measures and will be brought to committee again in June '22 for review. Transformation funding secured from Schools Forum. |
| G.1 | Deliver a Public Service Reform briefing and workshop to update political leaders across the Cambridgeshire and Peterborough system on current initiatives | Sep-21 | S&R | Amanda Askham | Leaders fully briefed and engaged at the workshop | N/a | Complete | Briefings delivered at Leader's Summits – October '21 and February '22 |
| C.8 | Identify budget implications and options for removing 50p charge on book borrowing for people on Universal Credit. | Sep '21 | CSMI | Paul Fox | Report to CSMI to enable decision for removal of universal book borrowing charge | 50p charge for reserving books applied to everyone | Complete | Analysis of budget implications completed and is being considered by the cross-party group which has been established to review all aspects of library services. |

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| F.3 | Committee review of financial strategy, budget outturn and forward-looking projections and investment | Sep '21 & Dec '21 | S&R | Tom Kelly | Relevant reports to Committees enable a four-year balanced budget to be presented to Full Council | Financial strategy reported in 2021-22 Business Plan and via monitoring reports | Complete | <p>Balanced budget approved for 2022-23.</p> <p>Financial strategy fully refreshed, in view of updated projections and funding estimates and investments prioritised after Committee review.</p> <p>Ongoing review resource deployment / outcomes review.</p> |
| C.6 | Deliver Diversity & Inclusion training to Safeguarding partnership Board members | Oct '21 | Safeguarding Board | Jo Procter | Training delivered | | Complete | <p>Developed and in place. We worked with local children and young people across the County to gain their experiences of unconscious bias - this related to a range of areas including race, sexuality, accents and gender. We used their experiences to develop virtual training (SWAY) entitled "Children's Experiences of Unconscious Bias" which was launched mid October 2021. This has been shared across the partnership and to date, has been viewed over 1,100 times. The training explains what unconscious bias is, how its formed and provides tools for people to understand what their unconscious biases may be.</p> |
| H.9 | Identify and provide more support for both informal Carers and Young Carers | Nov '21 | CSMI | Paul Fox | Number of carers supported increases | <p>2,900 carers supported during 2020-21, reported in adults statutory returns</p> <p>400 young carers (as noted in either social care</p> | Complete – indicator transferred to CYP committee KPI set | <p><u>YOUNG CARERS</u></p> <p>A co-chaired Young Carers County Wide Steering group, Youth Advisory board and a range of training established and delivered. Two Young Carers represented CCC young people for the Chief Executive recruitment.</p> |

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| | | | | | | assessment or child and family assessment) receiving support at the end of March 2021 | | <p>Partnership with LECA Littleport Academy young carers group to celebrate outstanding contributions during the pandemic. Created a support and well-being resource with delivery of 55, to date, "Well-being boxes".</p> <p>Partnership with Centre 33 to deliver Young Carer awareness training with over 20 participants.</p> <p><u>INFORMAL CARERS</u> Identification of informal carers and connecting to existing support continues. A support toolkit will launch in December.</p> <p>Breaks for Carers pilot recruited several volunteers last month; extending project by two months within the current funding. Carers reporting how much they value the break, and that the new social contact for their loved one is appreciated.</p> <p>Working towards gaining the Carers accreditation</p> |
| CE.4 | Ensure the pre-birth to five multi-disciplinary teams (Best Start in Life) work with children with Special Educational Needs & Disability | Nov '21 | CYP | Helen Gregg | Increasing numbers of SEND families engaged by pre-birth to five multi-disciplinary teams | 1,058 children open to SEND Early Support in Q4 2020-21 | This phase complete indicator transferred to CYP committee KPI set | SEND has been added to the Healthy Child Programme Specification as a focus and as part of the Best Start Outcomes Framework. |

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| | (SEND) and their families. | | | | | | | |
| F.5 | <p>Real Living wage – short term steps: in-year uplift for those directly employed below RLW.</p> <p>Then detailed consideration of longer-term implications of full RLW Foundation accreditation to include incremental progress year-by-year for contractors.</p> | Nov '21 | S&R | Tom Kelly & Janet Atkin | In-year uplift paid to eligible employees in 2021-22; full RLW accreditation considered by Staffing and Appeals | 1.7% of directly employed CCC employees paid below RLW | <p>This phase complete with future budget committed.</p> <p>Future commitments to be monitored through S&R</p> | <p>In year uplift for 92 staff directly employed below the RLW has been processed for November payroll.</p> <p>Budget committed for future year uplifts for employed staff as well as social care supply chain, through a planned approach</p> |
| F.9 | Establishment of a Strategic Programme Management Office (SPMO) | Nov '21 | S&R | Amanda Askham | SPMO established | No SPMO in place | <p>Complete</p> <p>Performance indicators transferred to S&R committee KPI set</p> | <p>SPMO platform (POWA), methodology and capacity agreed.</p> <p>Stakeholder engagement currently being undertaken to ensure new process is adopted across the council.</p> |
| T.7 | Develop and adopt new standards for pedestrian and cycling infrastructure informed by | Dec '21 | H&T | Sue Procter | New standards adopted as policy by H&T | | <p>Complete</p> <p>Performance indicators transferred to H&T</p> | The Active Travel Strategy for Cambridgeshire report is being presented to H&T Committee 8 th March 2022. this report seeks approval of the draft strategy and |

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| | Local Transport Note (LTN)120. | | | | | | committee KPI set | <p>high level action plan for consultation.</p> <p>This includes reference to the alignment to national and local policy and guidance and LTN 1/20</p> <p>Existing network: The optimum standard of cycling infrastructure appropriate to a location will be pursued in line with LTN 1/20</p> <p>It is recognised, however, that where highway space is limited and private land acquisition not possible, compromises may need to be made.</p> <p>For new developments: Any new cycle infrastructure should accord with LTN 1/20</p> |
| F.6 | Lobbying for fairer funding for Cambridgeshire and national policy reform progress | Dec '21 & Feb '22 | S&R | Tom Kelly | Ongoing lobbying work formally acknowledged | Lobbying ongoing | This phase complete but lobbying ongoing and impact will be monitored through S&R finance papers | <p>CCC has participated in joint lobbying) with a range of authorities with lowest per capita funding, and with neighbouring Schools Forums regarding high needs.</p> <p>With a one-year funding settlement the indications are that there will be a detailed funding consultation by DHLUC with the sector during 2022 which we are preparing for.</p> |
| CE.7 | Campaign to keep state nursery schools open, to keep schools in local | Dec '21 | CYP | Jon Lewis/ Christine Birchall | Ongoing campaign and lobbying work formally acknowledged | Number of schools in LA control Fair funding campaign ongoing | This phase complete but lobbying ongoing | No further action at this point. We have meet with maintained nursery schools to look at their financial position. |

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| | authority control, and for fair funding for Cambridgeshire schools. | | | | No reduction in numbers of schools in LA control (excl. those changed due to inadequate rating forced changed or new school) | | and will be monitored through CYP | |
| CE.8 | Advocate hard and publicly for better SEND funding | Dec '21 | CYP | Jon Lewis/ Christine Birchall | Ongoing campaign and lobbying work | | This phase complete but lobbying ongoing and will be monitored through CYP | Draft campaign developed. Work planned within overall SEND programme communications |
| C.5 | Support local neighbourhoods to develop youth provision | Jan '22 | CSMI | Paul Fox | New youth provision available | Approximately 1,700 children with open district team early help involvements at end May 2021 | This phase complete but support ongoing and will be monitored through COSMIC | 34.5k in small grants awarded to 53 local community groups, across the county generating match funding of 1.5 million. Support from YiC helped Romsey Mill and the Kite Trust to develop their core offer and reach across county. Training offer developed to support local youth groups – all parish councils have been contacted with information about how to contact TiC team and individual engagement has taken place including at the Parish Conference to promote the set up of Youth Groups. 40hrs of expert input has been given to ICF applications to support Youth Bid and take the opportunity to signpost to other support if not successful. |

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| T.6 | To secure high quality transport infrastructure improvements required from major developments, aligned with GCP and CPCA. | Jan '22 | E&GI | David Allatt | High quality transport infrastructure secured from major developments | [How much money has been secured in financial year 2020-21] | This phase complete, future schemes to be monitored through E&GI/ H&T | <p>Funded schemes as follows:</p> <p>West Cambridge – Transport mitigation package worth £20m (inc. C2C contribution).</p> <p>Bourn Airfield - £20m C2C contribution plus wider transport mitigation.</p> <p>Northstowe Transport mitigation Package worth £14.5m.</p> |
| C.4 | Deliver services and opportunities in the Youth Engagement Offer | Mar '22 | CSMI | Paul Fox | Deliver Youth Engagement Offer | NEET rate May 2021 = 2.82% | This phase complete but support ongoing and will be monitored through COSMIC | <p>Think Communities continues to lead the NEET strategy cross system group with practical focused projects, including YiC workers supporting the dissemination of Winter Support Funding to targeted families. An additional £15k was secured to continue our outreach work in Fenland as part of the Social Mobility Opportunity area work. Partnership bids are in place with full scope and the Longhurst group to implement support project for those in independent living to progress into employment. Delivery of the National Citizen Service for year 11s has delivered 126 places, plus our first SEND specific programme and we have promoted our desert rat challenge programme to NEET young people. The NEET strategy group continues to meet and has improved data monitoring, identification of at-risk young people and referral to our transition advisors. CCC also now have access to ESFA systems to be able</p> |

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| | | | | | | | | to signpost young people to opportunities in a more effective way. NEET stats have remained at 2.8% good performance given the impact of the pandemic. |
| T.2 | Carry out consultation on new active travel strategy for the County | Mar '22 Delayed – approval in March '22, Consultation in Autumn 2022 | H&T | Jeremy Smith | Strategy developed and consulted on; results reported to H&T | No specific Active Travel Strategy in place for Cambridgeshire; CPCA has responsibility for strategic transport planning | In progress | Draft Strategy will be considered by Committee in March 2022 for approval to consult Autumn 2022. |
| T.9 | Explore funding options for additional capital maintenance schemes to enhance the County networks and further gulley clearance. | Mar '22 | H&T | Jon Munslow | Funding for additional schemes identified | [Baseline spend amount on capital maintenance schemes 2021-22 budget] | Complete | Ongoing process in line with service horizon scanning. |
| T.11 | Implement additional footway maintenance schemes | Mar '22 | H&T | Jon Munslow | Additional schemes delivered compared to baseline | [Number of schemes planned for 2021-22 in budget] | Complete | £4m for 5 years for footway maintenance, now delivered as Highway capital maintenance program. 23 footway improvements completed 21/22. |
| E.6 | Implement tree planting scheme on the land acquired as part of the A14 scheme | Mar '22 | H&T | Jon Munslow | Scheme implemented and increased numbers of trees planted | Any trees planted so far? | Complete | We have taken on land suitable for tree planting as part of the A14 negotiations with National Highways. The land is to be held in readiness for future tree planting. A |

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| | | | | | | | | programme of tree planting will be organised at a future time. |
| T.13 | Conclude the work of the HGV Members Working Group and agree an HGV management policy which must limit HGVs rat-running through villages and urban communities | Dec '21 Revised date of April '22 to allow for wider consultation and evidence gathering | H&T | Sue Procter | New HGV policy adopted by H&T | HGV Members Working Group ongoing | In progress | <p>Cllr Lorna Dupre is Chair. The terms of reference have been agreed</p> <p>The group has been meeting over the last year and listened to evidence from a number of guests from Police, Road Haulage Association, CPCA, HDC planning, Development Management, and National Highways.</p> <p>It has discussed enforcement options and planning control measures and voluntary codes.</p> <p>We now have an outline for the revised policy which is being developed – initial draft by April 2022.</p> |

Table 2. Activity – transferred to new performance framework

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| H.10 | Increase air quality monitoring across Cambridgeshire, including in villages as well as in towns, cities, and along major trunk roads. | Mar '22 This activity will be ongoing as part of the Climate Change and Environme | A&H | Steve Cox | Increase in air quality monitoring sensors and data collation | District councils have responsibility for monitoring air quality under Local Air Quality Management regime; some County Council collaboration around specific projects | In progress | Consideration and discussion with District Council partners as part of the Climate Change and Environment Strategy action plan. |
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| | | nt Strategy action plan | | | | | | |
| CE.9 | Improvement in services which provide targeted support for children and young people in the community (for example youth services and children's centres) | Mar '22 Ongoing | CYP | Nicola Curley | Increase in appropriate targeted services for young people and families | 1,150 children and young people open to district early help teams for 'targeted support' in May 2021 580 children open to Child and Family Centres for targeted support | Ongoing Performanc e indicators transferred to CYP committee KPI set | 720 children open to Child and Family centres for targeted support. Between July and Dec 21. 720 Early Help Assessments completed in respect of 10–17-year-olds. |
| T.5 | Commence procurement for replacement of Cambridge Sub Regional Transport Model (CSRM) in partnership with GCP and CPCA. | Oct '21 Delayed to align with CPCA bidding process. Revised due date of May '22 | H&T | Jeremy Smith | Procurement advert placed and process started | | In progress Will be reported through H&T | Bid for funding of model replacement made to Combined Authority. CPCA will determine whether funding should be allocated in March 2022 at the earliest. |
| H.8 | Increase in direct payments for adult social care users | Jun '22 | A&H | Will Patten / Charlotte Black | Additional direct payments made compared to baseline | 980 clients receiving a direct payment in March 2021 statutory returns | In progress | In March 2021, there were 980 adult clients in receipt of Direct Payment. Work was undertaken with operational teams and the Direct Payment Support Service, People Plus, to raise awareness of the support available to both practitioners and service users. |

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| | | | | | | | | <p>Lockdown and self-isolation due to COVID has meant that the current number sits at 867.</p> <p>There were fewer referrals for DPs during the pandemic due to concerns over Personal Assistants bringing exposure to the virus into clients' homes.</p> <p>Extra commissioning capacity has been created to ensure a continued focus on expanding Direct Payments.</p> <p>Individual Service Funds are due to be introduced from August 2022 as part of the Care Together programme, initially in East Cambridgeshire.</p> |
| CE.5 | Agreement of system-wide outcomes monitoring framework by Children & Maternity Health Executive Board | Oct '21 Target date revised to July '22 due to national delay in ICSs | CYP | Raj Lakshman | Outcomes framework agreed by Board | No system wide outcomes framework in place | In progress ICS now expected in July | <p>Five key strategies have been co-produced. BSIL, Strong Families & Strong Communities, Children's Mental Health, SEND and Autism.</p> <p>Work is underway to develop key performance indicators to support the outcomes within these strategies.</p> <p>This will become part of the Health and Wellbeing Strategy Children and Young People priority</p> |
| C.2 | Place Leads Partnership to take the lead in identifying and addressing community inequalities; | Oct '21 Delivery date revised to align with revised national | CSMI | Paul Fox | Ongoing updates of work of Place Leads Partnership | Significant health inequalities between different parts of county and within communities, particularly where | In progress ICS now expected in July | <p>The work via the Place Leads group has been paused to allow the broader priority-setting work at Public Service Board level, with CEO's and Leaders, to develop and conclude. This work will ensure a shared focus on agreed priorities</p> |

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| | aligning closely with the two Integrated Partnerships which are the key community delivery arms for the Integrated Care System (ICS). | implementation date for ICSs. July '22 | | | | there is income deprivation | | where collectively partners can make the most difference. |
| C.3 | Strong Families, Strong Communities: Implement the Best Start in Life and Early Help strategy as part of the development of the Children's Collaborative (part of the ICS) | Jan '22 Target date revised to July '22 due to national delay in ICSs | CYP | Nicola Curley | Strategies are implemented | Best Start In Life strategy implementation ongoing; Early Help Strategy in development; Children's Collaborative in development | In progress ICS now expected in July | Strong Families Strong Communities - finance in place and consultation ready to launch when agreed; contextual safeguarding development underway with partners; ICS full implementation delayed but work on children's and maternity collaborative continues. |
| CE.2 | Work with schools to increase breakfast clubs in schools during the school term | Nov '21 Revised date for reviewing success in order to compare Summer '22 data with previous | CYP | Jonathan Lewis | Increase number of breakfast clubs in summer term 2022 compared to summer term 2021 | Data not previously collected. | In progress | Next paper to go to the CYP committee in May, comparison data available for review by October '22 |

| | | year. Oct '22 | | | | | | |
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| H.1 | Develop and deliver care in neighbourhoods moving from domiciliary care agencies to carers in local neighbourhoods . | Phased over the next 2 years | A&H | Will Patten | | Virtually all home care provided by agencies; Neighbourhood Cares pilot taken place | In progress | <p>CCC contracted with Community Catalysts for a 2-year pilot of Care Micro-Enterprise Development in East Cambridgeshire.</p> <p>A local community catalyst was recruited and is providing support to individuals who wish to set up a Community Interest Company (CIC) or become a sole trader (micro-provider) delivering care and support services in East Cambridgeshire. This is part of the place-based programme Care Together.</p> <p>Target is to develop 25 care micro-enterprises, delivering over 400 hours of support in East Cambridgeshire alone after 12 months, doubling to 50 care micro-enterprises after 2 years.</p> <p>With the £2.9m budget for countywide roll-out of the Care Together programme approved, the approach will be replicated in other districts.</p> <p>Benefit to service users is increased choice and control with lower turnover of care staff; Benefit to the Council is market diversification and resilience, cost avoidance, reduced carbon footprint and traffic and social mobility from improved income generation opportunities in rural areas.</p> |

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| H.10 | Develop and deliver health and care from the Princess of Wales site. | Phased over the next 3 years | A&H | Will Patten / Cambridgeshire Community Services | Independent Living accommodation built and occupied meeting local forecast demand | Shortage of residential and nursing care beds, project to address this ongoing | In progress | The initial feasibility study has been completed and we are on track to complete the initial design work by May 22. Negotiations are ongoing with the NHS for the purchase of land on which the service will be built on. In preparation for the next phase of implementation, we are mobilising resources. This includes contracting with design and build contractors, housing providers, and care providers. Further collaborative work for the detailed design will take place with organisations such as Healthwatch. |
| H.7 | Adopt and implement the ten Healthy New Town principles for new developments and seek to embed them in District and City Council Local Plans | Dependent on plan schedule | A&H | Emmeline Watkins / Iain Green | Healthy New Towns principles embedded in Local Plans | Healthy New Town principles in operation in Northstowe development; not embedded in Local Plans | In progress | Review of local plans against Health New Town Principles is ongoing. Embedding will occur at the state of local plan reviews. |

Table 3. Policy Development

| Ref. | Action | Milestone | Committee | Lead Officer(s) | Success criteria | Baseline position May 2021 | Achieved | Update / comments by lead officer |
|------|---|-----------|-----------|-----------------|--------------------------------|----------------------------|----------|---|
| F.10 | Review of Performance Framework and reporting | Nov '21 | S&R | Amanda Askham | Reviewed Performance Framework | N/a as new review | Complete | New framework discussed and agreed at S&R Jan '22 and Full Council Feb '22. |

| | | | | | | | | |
|-----|---|---|-----|---------------|--|--|--|--|
| | | | | | reported to S&R and adopted | | | |
| G.4 | Review of corporate strategy and strategic framework | Nov '21 | S&R | Amanda Askham | Corporate Strategy and Strategic Framework reported to S&R and adopted | Corporate Strategy in place to deliver previous administration's priorities. | Complete – Phase 1 | New corporate strategy discussed and agreed at S&R Jan '22 and Full Council Feb '22. |
| F.4 | Position of This Land to be considered within LGA Peer Challenge and an action plan produced | Update Sep '21 Review completed Dec '21 | S&R | Tom Kelly | Action plan reported to S&R | N/a as new review | Complete | Review completed. Action plan developed with This Land in response and reported at January S&R, an update report to be discussed in March S&R. |
| F.1 | On behalf of Cambridgeshire, its businesses, and citizens we will develop and facilitate a COVID -19 recovery strategy starting with: - a review of emerging evidence of Needs and Impacts on Cambridgeshire | Reporting quarterly from Sep '21 | S&R | Amanda Askham | Needs assessment documents published | Previous review of impacts and needs discussed by General Purposes Committee in 2020 | This phase complete but reporting of COVID impacts will be ongoing | First suite of data published Sept '21 Second suite published Dec '21 Third suite (focus on children and young people - educational disruption, impacts on safeguarding, health impacts) published early Mar '22. |
| H.4 | Implement a clear action plan to deliver "health in all policies" including criteria for evaluating policies | Oct '21 Ongoing | A&H | Jyoti Atri | Action plan implemented | Health implications included as mandatory section of committee papers | Ongoing | PH/BID finalising framework and action plan for Health Impact Assessments. Agreement with ICS partners to align Health Impact Assessment methodology across ICS and CCC. Joint work ongoing with ICS to ensure that Health Impact |

| | | | | | | | | |
|------|--|-------------------------------|-----|-------------|--|---|-------------|---|
| | | | | | | | | <p>Assessment approach aligns across key partners.</p> <p>Whilst the corporate framework and process were in development, health impacts assessment continued according to project need.</p> <p>Objectives around developing an offer and an ask to key directorates are being added to individual objective setting for 22/23.</p> |
| T.3 | Work in partnership with the Greater Cambridge Partnership on a review of the road hierarchy | Oct '21 Ongoing | H&T | Sue Procter | Review of road hierarchy reported to H&T | Review underway and ongoing | In progress | The GCP has now published a report to its Joint Assembly setting out some initial ideas on potential road and street categories and how they could be applied to the network in the city. The proposal is that these initial ideas are put out to public consultation later this year. Work continues with officers to support the review. |
| T.12 | Review the 20mph policy and the qualifying criteria | Oct '21 Ongoing | H&T | Sue Procter | Review reported and criteria agreed by H&T | N/a as new review | In progress | Overview report presented to January 2022 H&T Committee. Agreement given to establish Member Working Group to agree selection and prioritisation criteria and funding mechanism for locally sponsored/requested 20mph areas/schemes. Initial 2022/23 programme of schemes to be picked up from existing Local Highway Initiative 20mph proposals. |
| H.2 | Develop a primary and early intervention Prevention Strategy that will build on | Nov '21 | A&H | Val Thomas | Strategy reported to A&H | No system-wide Primary and Early Intervention | In progress | There are a number of strategies in development that will fit into an overarching Prevention Strategy. The Cardiovascular Diseases Prevention |

| | | | | | | | | |
|------|---|--|-----|-----------|--|-------------------|---|---|
| | existing work and involve communities, the ICS and other partners across the system. | Target date revised to July '22 due to national delay in ICSs and continuing COVID response | | | | Strategy in place | | Strategy is being developed with the ICP and the final draft for circulation is scheduled for the end of March. The Work and Health, Obesity and Public Mental Health Strategies have their first drafts scheduled for June. These will be presented to the July meeting of the Adult and Health Committee. |
| F.12 | <p>Review process for decision making on spending and investments to ensure that all decisions are:</p> <ul style="list-style-type: none"> - 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 | <p>Nov '21</p> <p>Ongoing</p> | S&R | Tom Kelly | Review completed and mechanisms for changing decision-making criteria in place | N/a as new review | <p>First phase complete</p> <p>- work is ongoing and will be monitored through E&GI and S&R</p> | <p>The Social Value Portal has been procured and mobilisation underway through workshops. This is the national social value measurement framework and is widely used in the sector and will enable weighting for social and environmental criteria in procurement in a robust way.</p> <p>Impact assessments for proposals (including equalities) formed part of the Jan 2021 budget papers at S&R.</p> <p>A Social Value policy is under development and will enable clarity in targets over the medium term.</p> <p>There are significant investments in net zero across the business plan including increases in allocation to energy projects and nearly zero buildings standard for construction.</p> <p>Further development through the strategic framework and progress further for business planning 2023-28.</p> |

| | | | | | | | | |
|------|---|------------------------------------|------|-----------------------------------|--|-------------------|--|---|
| C.7 | Full review of the library service to ensure it is meeting the needs of our residents | July '22 (revised from Dec '21) | CSMI | Paul Fox | Review reported to CSMI | N/a as new review | In progress | A formal cross party review group has been established to review all aspects of library services as agreed at Communities, Social Mobility and Inclusion Committee. A briefing note that is in progress will shortly be published ahead of a full report with recommendations in July 2022. |
| E.1 | Review the Climate Change and Environment Strategy (Sustainability Strategy) to bring forward net-zero target towards 2030 and alignment of key resources including the Environment Fund. | Dec '21 Ongoing | E&GI | Sheryl French/ Quinton Carroll | Revised Climate Change and Environment Strategy to E&GI with clear action plan and milestones | N/a as new review | Ongoing Carbon emissions will be monitored in E&GI | Reviewed Strategy supported at E+GI Committee on 16 th December and formally adopted by Full Council on 8 th February 2022. A Net Zero Resourcing plan is being developed and due for discussion at E&GI on 28 th April 2022. |
| E.4 | Review biodiversity across the Council's land and property assets to identify a programme for 'doubling nature' | Dec '21 Ongoing | E&GI | Quinton Carroll | Proposed programme reported to E&GI | N/a as new review | Ongoing Biodiversity indicators will be monitored in E&GI | This work is about to go out to tender (Feb 22) for commencement March/April 2022. |
| CE.6 | Develop an integrated approach to support Children and Young People's mental health and wellbeing | Dec '21 Ongoing | CYP | Raj Lakshman | Multi partner agreement/process identified to support CYP mental health and wellbeing outcomes | | In progress | YOUnited service which provides a single integrated front door to access counselling services and more specialist CAMH services has been launched. A CYP Mental Health Strategy is being developed, this should be completed by the end of March. Progress is reported into the Early Help Partnership Board and Children and Maternity Collaborative. |

| | | | | | | | | |
|------|---|---|--------------------|--|--|--|---------------------|---|
| E.3 | Produce a Tree and Woodland strategy | Dec '21 Revised date July '22 | E&GI | Quinton Carroll / Emily Bolton / Tony Cooper | Tree and Woodland Strategy to E&GI | CUSPE report highlighted importance of trees; work on strategy ongoing. | In progress | A draft strategy has been produced and is being circulated internally for comment. Strategy to be discussed at E&GI committee in early summer 2022. |
| T.14 | Bring proposals back to committee for Residents' Parking Schemes in consultations with GCP and in-line with the Integrated Parking Strategy | Dec '21 | H&T | Sue Procter | Proposals reported and considered by H&T | Residents' Parking Schemes paused in March 2021 whilst awaiting Integrated Parking Strategy. | Complete | GCP are now taking forward Implementation of new Residents Parking schemes. Approval of Traffic Regulation Orders for new scheme is still the responsibility of the Highway Authority. |
| H.3 | Identify what the Safeguarding Partnership Board can do for vulnerable individuals who do not meet statutory threshold for services | Dec '21 Ongoing | Safeguarding Board | Jo Procter | Report to Safeguarding Board | | This phase complete | We have commenced work on this action. The MARM guidance has been refreshed and will be launched in March with a suite of training available to support practitioners. We have produced resources on Hoarding and a NRPF multi agency protocol and Virtual training (SWAY) to accompany it. |

3. Peer Review Action Plan Tracker

- 3.1 The following tables provide updates against each recommendation from the Peer Review. Where activity is in progress, ongoing or not yet started, it will either transfer to the new Performance Framework or be monitored and reported through Strategy and Resources Committee.

| Table 3: Corporate Peer Challenge Key Recommendations | | | | | | |
|--|--|--|------------------|------------------|------------------------|--|
| | Recommendation | Action | Milestone | Committee | Lead Officer(s) | Update |
| 1.3 | Take action to recalibrate member roles, behaviours and conduct. | Member training, development and ongoing support has been arranged with support from the LGA – first training (Role of Statutory Officers) 8 th December 2021 | Oct '21 | S&R | CLT | <p>Ongoing – monitor through S&R</p> <p>First workshop delivered; any further needs will be met through the Members' training programme.</p> <p>Further work in this area will be aligned with the development of the Council's organisational culture which will be the subject of a future report to the Committee.</p> |
| 1.4 | Sustainable capacity in the Chief Executive role needs to be established for Cambridgeshire | New CCC only Chief Executive has been appointed. | | | | <p>Complete</p> <p>Permanent Chief Executive started 21st February</p> |
| 1.5 | <p>Embrace the opportunity to reset, clarify and rebuild the different roles for the CA, the GCP, CCC and District and Town & Parish Councils in place shaping and place delivery, and take the lead where appropriate.</p> <p>Clarify the Council's role and ambitions in creating the conditions for sustainable and inclusive economic growth and</p> | <p>Partnerships across the Cambridgeshire system have deepened over the last 6 months, with improved relationships and a clearer route to delivery of shared objectives.</p> <p>This has been driven by a number of activities including:</p> <ul style="list-style-type: none"> - System wide workshops on Health, wellbeing and the new ICS arrangements (Oct '21) - Leader and Chief Exec workshops to agree system priorities (Oct '21 and Feb '22) - Combined Authority purpose workshop (Feb '22) | Oct '21 | S&R | Stephen Moir / CLT | <p>Ongoing – monitor through S&R and service committees</p> <p>Output from system meetings have been to agree a system wide priorities for each forum (ICS, CPCA, LAs). Work has now been commissioned to draw these together into one set of key priorities for Cambridgeshire and Peterborough. To be played back to all forums and agreed in April '22.</p> <p>Decentralisation principles and approach to be discussed in the</p> |

| | | | | | | |
|-----|--|---|---------|-----|-----------|--|
| | allocate resource and leadership to this work. | <ul style="list-style-type: none"> - Regular public sector leaders meetings and briefings, Chaired by CCC Leader - Local Council conference (Jan '22) <p>These meetings have involved political leaders and Chief Executives from all tiers of LA, the Combined Authority, the Greater Cambridge Partnership, Police, Fire and partners in the Health system.</p> <p>The Joint Administration has been developing its approach to decentralisation - its key place shaping policy. This work starts from the principle that the Council will have to radically reshape over the next few years to ensure that public services are controlled by and answerable to local communities as far as is possible.</p> | | | | <p>Communities Social Mobility and Inclusion Committee and the Strategy and Resources Committee during March and April '22.</p> <p>Changes to senior leadership roles have started so that leadership is better aligned to the place shaping and decentralisation agenda: Executive Director Place and Economy now shared with the Combined Authority (Jan '22) recruitment to interim Communities Director role for CCC only (Feb '22).</p> |
| 1.6 | Review 'This Land' | <p>Specialist independent consultancy Avison Young appointed in Sep '21 to determine:</p> <ul style="list-style-type: none"> • Are the assumptions that This Land has made in its latest business plan reasonable and robust? • Is there a clear understanding about the exposure to risk, particularly in the medium term? • How could This Land adapt its plans to adjust its risk appetite or strategy? • How could the firm quicken the pace of housing delivery and are there examples from other local authority related housing companies? • Does This Land have the skills, capabilities and expertise to be expected of a housing development company of this type? • Is the company operating effectively and with good governance in order to deliver the business plan? <p>Review completed December '21 – full report available here</p> | Dec '21 | S&R | Tom Kelly | <p>Review complete This Land action plan will be monitored and reported through S&R</p> <p>Review completed and discussed in Strategy and Resources Committee (Jan '22) Committee report at this link</p> <p>Review recommendations accepted by committee; action plan being developed with actions against a number of recommendations already underway.</p> |

| | | | | | | |
|-----|--|---|---------|-----|--------------------|---|
| 1.8 | Further develop the current organisational resource to better support wider transformation and innovation. | <p>Business cases to deliver the Joint Administration's immediate priorities were developed as part of the 22/23 business planning process. These included consideration of new capacity and new skills to deliver.</p> <p>The corporate strategy and business plan for 22/23 was developed as a short-term tactical response to the difficult financial position inherited by the Joint Administration, along with the immediate and pressing challenges from the impacts of COVID, Brexit and the Climate Emergency. Following this tactical approach to year one, the emphasis is now on Joint Administration's longer-term priorities. There will be a robust review of the organisational capacity and skills needed with a focus on an outward looking, open minded and innovative culture.</p> <p>A number of training course, workshops and seminars have taken place over the last 6 months including: Social Value Procurement; Triple Bottom Line accounting and Doughnut Economics; community wealth building and creating a 'wellbeing economy' economy, and carbon literacy training.</p> | Dec '21 | S&R | Stephen Moir / CLT | <p>Ongoing – monitor through S&R</p> <p>With the new budget agreed at Full Council in Feb '22 recruitment to new roles and skills sets has started.</p> <p>The new Chief Executive will work with the Joint Administration to carry out full a review of operating model, skills and capacity and organisational culture (starting Mar '22) and this work is also aligned with discussions with PCC related to the shared service arrangements.</p> <p>A Rapid Improvement Team (RIT) was established (Jul '21) to review all proposals and capacity requests and to ensure that business cases for change are aligned to corporate and committee priorities.</p> <p>Corporate project methodology agreed. POWA platform developed for project recording and monitoring.</p> <p>Members and officers are being actively encouraged to engage in learning and development which gives a wide perspective on the role of Local Government and on opportunities for innovation.</p> |
|-----|--|---|---------|-----|--------------------|---|

Table 4: Corporate Peer Challenge Shared Services Recommendations

| | | | | | | |
|-----|---|--|-------------------|-----|--|--|
| 2.1 | Organise an independently facilitated workshop for both sets of politicians and senior management to explore: | A series of facilitated workshops for politicians and senior managers has been set up to explore the issues laid out in a, b and c of this recommendation and will be supported by the LGA and Local Partnerships. | Sep '21 – Mar '22 | S&R | Senior Leadership (Administration/ Stephen Moir/ CLT) | <p>Ongoing – monitor through S&R</p> <p>First workshop delivered Nov '21.</p> |
|-----|---|--|-------------------|-----|--|--|

| | | | | | | |
|-----|--|---|--|--|--|--|
| | <p>a) All the options for shared arrangements and their relative pros and cons both for the councils and for their respective roles in the emerging ICS and in opportunities for Place shaping.</p> <p>b) The implications of decoupling existing joint management posts.</p> <p>c) The balance of shared management against the requirement for sufficient strategic capacity for each council.</p> | <p>First workshop in November '21 was for the Leaders and Deputy Leaders of each council, supported by the Chief Executive and Business Improvement Director, to determine the principles and approach for shared service reviews.</p> <p>Following this workshop a number of activities were commissioned:</p> <ul style="list-style-type: none"> - External review of Children's services in CCC - Local Partnerships to construct a set of appraisal criteria from the latest strategic objectives and design principles of both councils for review by Leaders, Deputy Leaders and new Chief Executives (Mar '22) - Rationale for sharing / business cases to be review against these criteria. <p>From these actions, Local Partnerships will work with the Leaders, Administrations and Senior Officers to agree an action plan which includes the recommendations below.</p> | | | | <p>External review of Children's services commissioned, report due Mar '22.</p> <p>Local Partnerships commissioned to develop assessment criteria based on new corporate strategies in both councils (this work delayed as new strategies are developed and agreed – in CCC Corporate Strategy was agreed 8th Feb '22, in PCC strategy is still out for consultation).</p> <p>The new Chief Executives in CCC and PCC have been discussing shared service model and priorities with the respective Administrations and with each other and their management teams. There will be a fuller report provided to S&R committee at the next meeting and the Chief Executive will provide a verbal update to the Committee.</p> |
| 2.2 | Develop a vision and roadmap for shared services which includes a strategic plan with clear oversight and clear benefits realisation. | | | | | |
| 2.3 | Ensure that the strategic map respects the strategic directions of both councils and is able to deliver different policies across each council. | | | | | |
| 2.4 | Consider developing an internal transformation team to own and drive the work in a consistent manner. | | | | | |
| 2.5 | Develop some shared services to deliver greater efficiencies through shared data and client record systems and a shared service Target Operating Model where appropriate. | | | | | |

4. Alignment with corporate priorities

- 4.1 The Corporate Strategic Framework is being reviewed as part of the annual planning cycle, with the priorities and ambitions described in the Joint Agreement forming the foundations of the new strategy.

5. Significant Implications

- 5.1 Delivery of the Joint Agreement and Peer Review action plans will have implications for all areas of the Council and actions are being developed and delivered in all committees.

6. Source documents

- 6.1 [Joint Agreement](#)
- 6.2 [Joint Agreement Action Plan](#)
- 6.3 [Joint Agreement Tracker](#)
- 6.4 [Peer Review and Peer Review Action Plan](#)

Integrated Finance Monitoring Report for the period ending 31 January 2022

| | |
|------------------------|---|
| To: | Strategy & Resources Committee |
| Meeting Date: | 29 March 2022 |
| From: | Chief Finance Officer |
| Electoral division(s): | All |
| Key decision: | Yes |
| Forward Plan ref: | 2022/002 |
| 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: | <p>Strategy & Resources Committee (S&R) is recommended to:</p> <ul style="list-style-type: none"> a) Approve the proposal for the use of £407k from Public Health reserves to support additional work on Health Checks in 2022/23, as set out in section 6.1; b) Approve earmarking £1,490k of the underspend on Funding items to invest in the Highways Maintenance Service as set out in section 6.2 and Appendix 6; c) Approve the transfer of £830k to earmarked reserves to enable expenditure to take place in 2022/23 for workforce development for the Adult Social Care and Health workforce across the Integrated Care System, as set out in section 6.3; d) Approve the transfer of funding into an earmarked reserve for continuing discharge to assess support for Cambridgeshire residents in 2022/23, delegate confirmation of the amount at year end to the Chief Finance Officer in consultation with the Chair and Vice-Chair of this committee, and delegate to the Executive Director of P&C authority to agree expenditure from this reserve, as set out in section 6.4; e) Approve the allocation of the additional unringfenced grant £1.14m Domestic Abuse Act Statutory Duty funding to People & Communities in 2021/22 and £1.14m in 2022/23, as set out in section 6.5; f) Note the changes in government grant income of £332k additional Local tax losses 2020-21 grant income, £375k reduction in |

anticipated sales, fees and charges loss of income compensation 2020-21 and £1.4m of Contain Outbreak Management Fund grant income applied centrally as set out in section 6.6;

- g) Note the changes in forecast income in relation to business rates of an estimated £1.43m Business Rates Retention 2021-22 pool dividend and forecast £202k Alconbury Enterprise Zone Business Rates payment in respect of rates collected for 2021-22 as set out in section 6.7;
- h) Approve the debt write-offs of £29,108 and £27,784 relating to the estates of service users where there is now no prospect of debts being recovered, as set out in section 7.2;
- i) Approve additional prudential borrowing of £389k for 2022/23 for the Swaffham Prior Community Heat Project and £1,099k for 2022/23 for the North Angle Solar Farm scheme, as set out in section 8.6;
- j) Note the update provided on the Council's treasury management activity set out in section 9.10;
- k) Note and comment on the Finance Monitoring Report for Corporate Services (Appendix 4).
- l) Approve the criteria for accessing the Just Transition Fund (Appendix 5).
- m) Note the updated pricing and business case for the Babraham Road Smart Energy Grid, including the increase in capital cost of £630k, and authorise the Chief Finance Officer to make resulting budget changes in consultation with the Chair and Vice Chair and in accordance with the Addendum.

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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 forecast financial position at year-end and its key activity data for care budgets.

Finance and Key Activity

| | | |
|---|--|--|
| Revenue budget forecast outturn -£14.225m (-3.3%) forecast year end variance, however, there continues to be uncertainty about the pandemic impact in the coming months Green | This is a £2.954m increase in the forecast revenue underspend compared to last month. There is a £7.697m increase in the forecast capital year-end underspend compared to last month. | Capital programme forecast outturn -£23.5m (-13.5%) forecast year end variance Green |
|---|--|--|

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 Jan 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 | 520 | 492 | Increasing | Stayed the same |
| Residential | 987 | 866 | 864 | Stayed the same | Stayed the same |
| Community | 2,387 | 1,936 | 1,932 | Stayed the same | Stayed the same |

| Working Age Adults receiving long term services | Budgeted no. of care packages 2021/22 | Actual Jan 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 | 66 | 69 | Stayed the same | Increasing |
| Residential | 346 | 355 | 358 | Stayed the same | Increasing |
| Community | 2,836 | 2,945 | 2,868 | Increasing | Increasing |

| Children in Care | Budgeted no. of placements 2021/22 | Actual Jan 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 | 284 | 308 | Decreasing | Increasing |

| | Budgeted no. of placements 2021/22 | Actual Jan 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 | | | | | |
| Fostering and Supervised Contact | 297 | 260 | 226 | Increasing | Decreasing |
| Adoption | 477 | 429 | 430 | Stayed the same | Stayed the same |

Further details can be found in the quarterly service committee performance reports.

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end underspend of -£15.715m. The forecast underspends are largely within People & Communities (P&C) (-£9.0m), Funding Items (-£2.3m), Corporate Services (CS) (-£1.5m), CS Financing (-£1.0m) and Place & Economy (P&E) (-£0.5m). See section 3 for details.
- The Capital Programme is forecasting a year-end underspend of -£23.5m at year-end. This includes use of the capital programme variations budget. See section 8 for details.

2.3 The Council's forecast revenue underspend this financial year is primarily due to the short-term impact of the Covid-19 pandemic, and is concentrated in adult social care and corporate budgets. 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 As the current year has progressed the level of demand for social care services, and the level of general risk that needed to be funded, have not been as high as anticipated. Much of the central provision for risk was only for one year and is reversed out in 2022/23 so does not present a long-term over-provision of budget. Similarly, much of the budgetary gap between anticipated and actual demand levels in social care has been re-baselined as part of setting 2022/23's budget.

2.5 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.

2.6 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 early in 2022/23 the annual budget reset and will be able to make decisions about reallocation of additional funding once the final outturn for this year fully known.

3. Revenue Budget

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

Key to abbreviations

CS Financing – Corporate Services Financing

DoT – Direction of Travel (up arrow means the position has improved since last month)

| Original Budget as per Business Plan £000 | Forecast Variance (Dec) £000 | Service | Current Budget for 2021/22 £000 | Actual (Jan) £000 | Forecast Variance (Jan) £000 | Forecast Variance (Jan) % | Overall Status | DoT |
|---|------------------------------|---------------------------------|---------------------------------|-------------------|------------------------------|---------------------------|----------------|-----|
| 64,317 | -276 | Place & Economy | 64,250 | 43,649 | -436 | -0.7% | Green | ↑ |
| 302,530 | -6,537 | People & Communities | 299,570 | 218,346 | -9,028 | -3.0% | Green | ↑ |
| 0 | 0 | Public Health | 0 | -26,619 | 0 | - | Green | ↑ |
| 25,489 | -1,638 | Corporate Services | 26,821 | 17,804 | -1,492 | -5.6% | Green | ↓ |
| 31,295 | -1,015 | CS Financing | 31,295 | 31,116 | -1,015 | -3.2% | Green | ↑ |
| 423,632 | -9,467 | Service Net Spending | 421,937 | 284,296 | -11,971 | -2.8% | Green | ↑ |
| 11,745 | -1,804 | Funding Items | 13,440 | 13,440 | -2,254 | - | Green | ↑ |
| 435,377 | -11,271 | Grand Total Net Spending | 435,377 | 297,735 | -14,225 | -3.3% | Green | ↑ |
| 155,583 | | Schools | 155,583 | | | | | |
| 590,960 | | Total Spending 2021/22 | 590,960 | | | | | |

¹ The budget figures in this table are net.

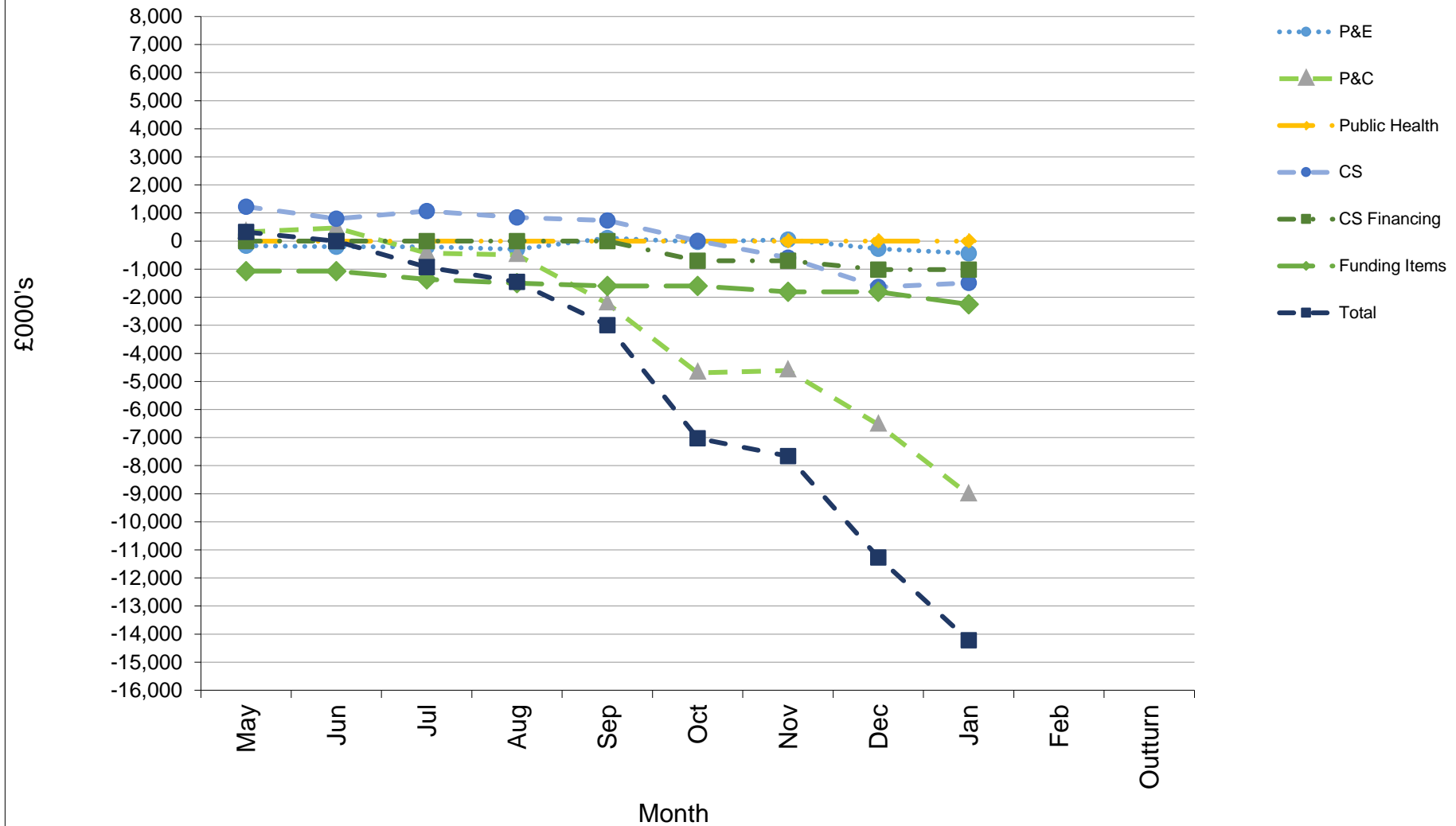
² For budget virements between Services throughout the year, please see [Appendix 1](#).

³ 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 expected to be underspent by £3,185k on its service budget, but this will be carried-forward into the public health grant reserve.

⁴ 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 forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, i.e., more income received than budgeted.

⁵ These forecasts assume that any recommendations to committee within this report are agreed.

Forecast Outturn Position 2021/22



3.2 Dedicated Schools Grant (DSG) Deficit Summary

| Opening Balance 2021-22 £m, deficit | Forecast in-year movement, £m | Forecast Closing Balance 2021-22 £m, deficit |
|--|--|---|
| 26.8 | 14.8 | 41.6 |

A cumulative DSG deficit of £26.4m has been carried forward into 2021/22, which has now been adjusted to £26.8m following clawback of funding relating to Early Years. Based on initial budget requirements for 2021/22 an underlying forecast pressure of £11.2m relating to High Needs was identified. However, as need for services has continued to increase at a faster rate than previous forecasts the in-year forecast pressure on High Needs has now risen to £14.734m.

There are some minimal offsetting underspends elsewhere within the DSG resulting in a net forecast overspend of £14.822m. This is a ring-fenced grant and, as such, overspends do not currently affect the Council's bottom line, but remains a risk. We continue to work with the Department for Education (DfE) to manage the deficit and evidence plans to reduce spend. Despite this ring-fence, the underlying causes of increasing high needs costs do have an impact on the Council's revenue budget, as costs for home to school transport and capital works to provide school places are closely linked to them.

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

| Directorate | Net Covid-19 Pressure £000 |
|----------------------|---|
| Place & Economy | 854 |
| People & Communities | 10,123 |
| Corporate Services | 3,136 |
| Total | 14,113 |

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' forecast 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:

£0.436m (-0.7%) underspend is forecast. 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:

£9.028m (-3.0%) underspend is forecast at year-end.

- Strategic Management - Adults

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| -1.633 | (-27%) |

A £1.633m underspend is forecast. This is an increase of £0.572m on the underspend position previously reported last month. This increase is primarily due to underspends from vacant posts now being forecast at £500k over expectation due to increased vacancy rates being experienced in the second half of the year.

- Older People's Services

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| -6.684 | (-11%) |

A £6.684m underspend is forecast. This is an increase of £0.6m on the underspend position previously reported in October and relates in full to a change since last month.

As was reported throughout 2020/21, the impact of the pandemic has led to a notable reduction in the number of people having their care and support needs met in care homes. This short-term impact has carried forward into forecasting for 2021/22 and includes a reduction in care spend relating to the final months of 2020/21 that has manifested since year-end. Spend today is below the level budgeted for and therefore budget is available for rising demand or costs. This is causing the forecasted underspend on the Older People's budget, but 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 on 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 continue to be pressured and we expect some substantial cost increases as both NHS funding is unwound fully at the end of March 2022, and the medium-term recovery of clients assessed as having primary health needs upon hospital discharge return to social care funding streams.

We will continue to review in detail activity information and other cost drivers to validate this forecast position. This remains subject to variation as circumstances change and more data comes through the system.

- Strategic Management – Children & Safeguarding

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| -2.000 | (-56%) |

A -£2.000m underspend is forecast. This is an increase of £1.1m on the underspend position previously reported in October and relates in full to a change since last month. This increase has predominantly been due to vacancies and the difficulty being faced in recruiting social workers.

- SEND Financing - DSG

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| +14.974 | (+22%) |

A £14.974m pressure is forecast within the high needs block of the Dedicated Schools Grant (DSG). This is an increase of £0.330m 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. The revised forecast in-year pressure reflects the latest identified shortfall between available funding and current budget requirements.

- Financing - DSG

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| -14.822 | (-19%) |

This line relates to the £14.822m 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). This reserve is currently negative (a deficit on the DSG). Within P&C, spend of £76.4m is funded from the ring-fenced Dedicated Schools Grant. The DSG balance brought forward from 2020/21 was a deficit of £26.4m, which has now been adjusted to £26.8m following clawback of funding relating to Early Years.

This is a ring-fenced grant and, as such, pressures 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.

- Home to School Transport – Special

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| +1.200 | (+8%) |

A £1.200m pressure is forecast. This is an increase of £0.500m on the pressure position previously reported in November and relates in full to a change since last month. This reflects the significant increase in numbers of pupils with Education, Health and Care Plans (EHCPs), which is also driving the DSG deficit referred to

above. The revised position is due to the continuing demand for places at Special Schools and High Needs Units combined with an increase in complexity of transport need, often resulting in children being transported in individual taxis with a Passenger Assistant.

- Home to School Transport – Mainstream

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| -0.500 | (-5%) |

A -£0.500m underspend is forecast. The 2021/22 budget was based on 2020/21 contracts as it was not possible to retender routes due to Covid, resulting in increased forecast costs. However, tendering has now resumed and completed for September 2021 transport commitments, resulting in efficiencies for some routes.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of -£9.028m. For full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

3.4.3 Public Health:

-£3.185m underspend is forecast for year-end.

- Smoking Cessation GP & Pharmacy

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| -0.253 | (-37%) |

A -£0.253m underspend is forecast. Planned activity and spend for Stop Smoking Services has not been achieved due to the ongoing impact of the pandemic and the GP involvement in the Vaccination Programme. GP payments are made based on unit cost and activity.

- Public Health Directorate Staffing and Running Costs

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| -1.679 | (-75%) |

A -£1.679m underspend is forecast. This is an increase of -£0.302m on the underspend position previously reported in November and relates in full to a change since last month. The underspend is due to vacant posts and significant grant funding. The current national demand for Public Health specialists is making recruitment very difficult and repeat advertising is being required for some posts. In addition, many of the staff within the Public Health Directorate have focused much of their time on Outbreak Management work which is funded by the Contain Outbreak Management Fund grant.

- Contain Outbreak Management Fund

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| -0.396 | (-3%) |

A -£0.396m underspend is forecast. The Contain Outbreak Management Fund (COMF) is a series of large grant payments given to the Council across 2020/21

and 2021/22 to fund local Covid outbreak management activity. Funding from the grant which is contributing to current year spend in the Public Health Directorate is reflected in the detailed forecasts across the directorate, with the remaining contribution from the grant to Public Health Directorate costs across the lifespan of the funding reflected against the grant. A similar use of this grant is made in other Council services that have worked on outbreak management and mitigation since Autumn 2020, noted in detailed service forecasts and in the Funding Items forecast.

- The overall -£3.185m 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. There are no exceptions to report this month; for full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

3.4.4 Corporate Services:

-£1.492m (-5.6%) underspend is forecast for year-end.

- Customer Services

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| -0.266 | (-13%) |

A -£0.266m underspend is forecast. This is due to the challenge of recruiting suitably skilled individuals into our Customer Service Advisor Vacancies. This is in spite of the campaigns we have run over the last 12 months. The most recent campaign appointed 1.5FTE advisors who will start in Jan 2022, alongside two new Team Managers. With the plans to re-open some Council buildings, where a reception presence is needed, some of our Customer Service Assistants will no longer be able to be redeployed into our vacant Advisor positions in the Contact Centre. This, alongside the remaining vacancies, will create additional and potentially significant pressure on our ability to sustain operational performance. It will also have an impact on the availability of capacity to drive through service improvements. We are currently looking at how we address this situation so that we can mitigate the impact of these staffing pressures.

- Insurance

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| +1.073 | (+48%) |

A £1.073m pressure is forecast. This is due to the need to increase the Insurance Fund to the recommended level as per the latest actuary report.

- Investment in Social Care Capacity

| Outturn Variance £m | Outturn Variance % |
|--------------------------------|-------------------------------|
| -1.300 | (-100%) |

A -£1.300m underspend is forecast. This is an increase of £0.650m on the underspend position previously reported in October and relates in full to a change since last month. The Investment in Social Care Capacity budget is a contingency budget held to offset any pressures resulting from Covid-19 in adult or children's

social care. As a result of the pandemic significant additional grant funding has been received that has mitigated pressures, and in 2021/22 budget allocations to social care departments appear sufficient. This underspend reflects that no call on this budget is expected. This budget provision was only temporary and is removed in 2022/23 budgets.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of -£1.492m. For full and previously reported details, see the [CS Finance Monitoring Report](#).

3.4.5 CS Financing:

-£1.015m (-3.2%) underspend is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [CS Finance Monitoring Report](#).

3.4.6 Funding Items:

-£2.254m underspend is forecast for year-end. This is an increase of £0.450m on the underspend position previously reported in November and relates in full to a change since last month. This is primarily due to the application of Contain Outbreak Management Fund (COMF) grant to this line. As noted elsewhere in this report, the COMF is a large grant given in stages from Autumn 2020 through to April 2021 for spend incurred, or to be incurred, in mitigating or managing local outbreaks. The transfer of grant funding to this line is to reflect staff time spent on eligible outbreak management work across the organisation in the second half of the previous financial year. This transfer was not done last year as the uncertain trajectory of the pandemic meant it was prudent to retain as much grant as possible for future outbreaks. As government guidance around outbreak management is becoming less strict, and as the government expects us to have spent this grant by June 2022 it is now appropriate to fund the staff time spent on outbreak management and so reimburse general Council resources for that time. We are continuing to review this grant to maximise the amount spent this financial year.

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. Currently, the Council is on track to deliver £8.4m of savings against its original plan. Blue rated savings total £1.2m, exceeding the target on those initiatives. Green rated savings total £4.5m. The Savings Tracker as at the end of quarter 3 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 arise in-year, further mitigation and/or additional savings will be 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 | -613 | Green | 25 | -4,464 | 0 | Amber | 4 | -2,939 | 766 | Red | 1 | -1,192 | 587 | Black | 7 | -2,215 | 2,215 | -11,374 | 2,955 |

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 Use of Public Health reserves

At their meeting on 17th March, Adults & Health Committee reviewed the current position on Public Health reserves and agreed a recommendation to request that Strategy & Resources Committee approve the use of £407k from Public Health reserves to support additional work on Health Checks in 2022/23.

The commissioning approach for NHS Health Checks was the subject of a separate paper to Adults & Health Committee. The paper proposed delivery costs for GP health checks in 2022/23 of £806k, of which £399k is already budgeted for in 2022/23. The remaining £407k is requested to be funded from Public Health reserves.

There was previously an earmarked reserve for Health Checks but this was given up when reserves were reviewed in the latter part of 2021. At that stage it was felt that in year Health Check numbers were picking up and the reserve would not be needed. However, the impact of the Omicron variant of Covid over the winter months has led to the number of Health Checks being undertaken continuing to be suppressed. As a result the in-year forecast is for an underspend of £411k against the Health Checks budgets. This underspend will be transferred to Public Health reserves at year end and the request is that £407k of this funding is approved for use in 2022/23 to increase the number of checks that can be undertaken.

Strategy & Resources Committee is asked to approve the proposal for the use of £407k from Public Health reserves to support additional work on Health Checks in 2022/23.

6.2 Transfer to reserves for Highways Maintenance Service

Appendix 6 outlines the case for additional funding to be earmarked in the Highways Maintenance Service for 2022/23.

Strategy & Resources Committee is asked to agree to earmark £1,440k of the underspend on Funding items to invest in the Highways Maintenance Service as outlined in Appendix 6.

6.3 Transfer to reserves for workforce development for the Adult Social Care and Health workforce across the Integrated Care System

We are currently seeing significant pressures on the Adult Social Care workforce in Cambridgeshire. These include widespread staffing issues driving cost pressures including increased hourly rates, higher recruitment costs, retention incentives, increased agency use, increased training costs and increased staff sickness costs.

Staff health and wellbeing is challenged, leading many staff to leave the sector which is contributing to the difficulties faced by providers.

The position in Cambridgeshire is reflected across the eastern region, and similar issues are being seen by our health partners. The £1.6m of government funding received in the form of the Workforce Development Grant ends on 31st March 2022, however, pressures within the system will remain. We have been allocated £1.6m of funding for 2022/23 for the work required by the reforms of Adult Social Care due to come into effect in 2023, and some of this funding could be used to support the cost of care. However, we have also been in discussion with regional Local Authority and Health partners with regard to addressing workforce issues in a joined-up way across the system.

Strategy & Resources Committee is asked to approve the transfer to earmarked reserves of up to £830k to fund workforce development for the Adult Social Care and Health workforce at Integrated Care System and county wide level, working alongside regional Local Authority and Health partners. This reflects external funding contributions for workforce support across financial years received but not yet spent.

6.4 Transfer to reserves for continuing discharge to assess support for Cambridgeshire residents

National funding for care following hospital discharges comes to an end on the 31st of March, and we are anticipating further funding from the NHS this financial year to recognise the increased costs incurred by the Council in supporting hospital discharges. Significant pressures remain in the health and care system that could risk an escalation in costs to the Adult Social Care budget. We are in discussion with health partners over funding to continue to sustain discharge support capacity into 2022/23 for the benefit of Cambridgeshire residents. We are in a position to earmark general funding this financial year to enable support to continue pending consultation with the system discharge group which brings together local authority and health colleagues. As discussions are not concluded, a delegation to the Chief Finance Officer is required to ensure that this can be done ahead of year-end, and the final value will be confirmed in the outturn finance report to this committee in June, and deployed to services under the superintendence of the Adults and Health Committee

Strategy & Resources Committee is asked to approve the transfer of funding into an earmarked reserve for continuing discharge to assess support for Cambridgeshire residents in 2022/23, agree that spend may take place from 1 April from this reserve to continue discharge support, and delegate confirmation of the amount at year end to the Chief Finance Officer in consultation with the Chair and Vice-Chair of this committee.

6.5 Domestic Abuse Act Statutory Duty Funding

The Domestic Abuse Act 2021 came into force in late April 2021. The Act places a statutory duty on local authorities regarding the provision of safe accommodation for victims of Domestic Violence. New funding was announced in 2021/22 by the Ministry of Housing, Communities and Local Government (MHCLG) to meet the Domestic Abuse Act and Statutory Duty. The 2021/22 funding has been received and confirmed

as unringfenced. There remains an expectation that this funding is spent in line with new requirements Councils have in this area, and so Strategy & Resources Committee is asked to approve the allocation of the grant funding to People & Communities for support within safe accommodation for Domestic Violence victims for both 2021/22 (£1,140,318) and 2022/23 (£1,143,474). The report to Communities, Social Mobility and Inclusion Committee in September 2021 on the Council's Domestic Abuse Safe Accommodation Strategy can be found [here](#).

Strategy & Resources Committee is asked to approve the allocation of the additional unringfenced grant £1,140,318 Domestic Abuse Act Statutory Duty funding to People & Communities in 2021/22 and £1,143,474 in 2022/23

6.6 Changes in Grant Income

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

| Grant | Notes | Impact |
|--|---|---|
| Local tax losses 2020-21 grant | The final outturn data has now been published and the second instalment will be made providing authorities with the remaining grant due to them. The total grant due to Cambridgeshire County Council is £2,153,600 which is slightly lower than the most recent forecast, though higher than the budgeted amount. As we are not a billing authority, we have only limited ability to project this grant. | Additional grant income of £332k |
| Sales, fees and charges loss of income compensation 2020-21 - reconciliation | Following final reconciliation of lost charging income over the Covid period, government will reduce our final payment as there was a lower than expected loss of income (reflected in our 2020/21 accounts and in the first quarter of this year). | £375k reduction in anticipated grant |
| Contain Outbreak Management Fund | As noted in section 3.4.3 above, part of this grant will be applied centrally to reflect eligible expenditure incurred in the previous financial year that is able to be retrospectively funded by this grant. This funding will reimburse CCC for corporate and service staff time spent on Covid outbreak mitigation and management in 2020/21. | £1.4m of grant income applied centrally |

Strategy & Resources Committee is asked to note these funding changes.

6.7 Changes in projected Business Rates Income

Business Rates Retention 2021-22 Pool Dividend: Since April 2020 Cambridgeshire has been a member of a Business Rates pool with district councils and Cambridgeshire Fire Authority, administered by South Cambridgeshire District Council. The pool operates on the principle that wherever possible no authority will be worse off than if they had not pooled, subject to sufficient funds being available. The pool dividend is defined as the additional money the pool receives over and above what each council would have received if there had not been a pool. The forecast 2021-22 pool dividend applicable to the Council is estimated to be £1.43m based on the 2021-22 3rd quarter report from South Cambridgeshire District Council, which is in line with our forecasts. An accrual will be made at year-end based on the most up-to-date forecast to apply the income to revenue in 2021-22.

Alconbury Weald Enterprise Zone National Non-Domestic Rates (NNDR) income 2021-22: There is a memorandum of understanding (MOU) between the Council, the Combined Authority and Huntingdonshire District Council (HDC) regarding the development and delivery of the Alconbury Weald Enterprise Zone. As part of this the Council is due to receive its share of 18% retained business rates. The forecast Alconbury Enterprise Zone NNDR payment from Hunts DC in respect of rates collected for 2021-22 is currently estimated to be £202k. An accrual will be made at year-end based on the most up-to-date forecast to apply the income to revenue in 2021-22.

Strategy & Resources Committee is asked to note these changes in forecast income in relation to business rates

7. Debt Write-Offs

7.1 The Scheme of Financial Management requires that any proposed write-off of debts over £25,000 be reported to the Strategy & Resources Committee to seek authorisation.

7.2 Request to write-off debts owed by estates of two service-users

There are two debts of over £25,000 relating to the estates of service users in receipt of council arranged adult social care who have died and where we believe there is no prospect of recovering debts. Debt A is £29k in total, and Debt B £28k. This request to authorise write-offs follows extensive work to recover or secure the debt between the Council's income and social care teams, with the use of external legal advisers.

In the case of Debt A, which was accrued between 2016 and 2019, invoices from CCC went partly unpaid by a service-user's spouse, who was managing their financial affairs. We were unable to secure a deferred payment agreement on the service-user's house as that required the spouse's consent as a joint-owner. Upon the service-user's death, due to that joint-ownership the house did not form part of the estate from which this debt could be paid, and the estate does not have sufficient funds from other sources.

In the case of Debt B, a debt built up for a service-user who lacked capacity. In these cases, CCC applies to the Court of Protection for a deputyship, which takes an increasingly long time to get agreed; at the point of a deputyship being awarded

assessed client contributions can be paid against the debt. Unfortunately in this case, the service-user died before the deputyship was awarded. We are unable to trace next of kin for the service-user, despite extensive effort involving Pathfinder Legal Services and a tracing agent. We are therefore unable to make a claim against the service-user's estate without extensive further work to identify next of kin which is likely to be uneconomic.

It should be emphasised that debt write offs are used exceptionally, and social care contributions are collected successfully from thousands of clients and their estates each month.

Strategy & Resources Committee is asked to approve debt write-offs of £29,108 and £27,784 relating to the estates of these service users, where there is now no prospect of debts being recovered.

8. Capital Programme

8.1 Capital financial performance

A summary of capital financial performance is shown below:

| Original 2021/22 Budget as per Business Plan £000 | Forecast Variance - Outturn (Dec) £000 | Service | Revised Budget for 2021/22 £000 | Actual-Year to Date (Jan) £000 | Forecast Variance - Outturn (Jan) £000 | Forecast Variance - Outturn (Jan) % | Total Scheme Revised Budget (Jan) £000 | Total Scheme Forecast Variance (Jan) £000 |
|---|--|-----------------------|---------------------------------|--------------------------------|--|-------------------------------------|--|---|
| 96,983 | -3,892 | P&E | 106,426 | 52,153 | -8,261 | -7.8% | 575,386 | -1,155 |
| 44,588 | -6,383 | P&C | 43,473 | 22,872 | -9,711 | -22.3% | 535,133 | -22,474 |
| 10,261 | -5,496 | Corporate Services | 23,816 | 13,548 | -5,496 | -23.1% | 196,704 | -674 |
| - | - | Outturn adjustment | - | - | - | - | - | - |
| 151,832 | -15,771 | Total Spending | 173,715 | 88,573 | -23,468 | -13.5% | 1,307,223 | -24,303 |

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 8.2.
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 currently forecasting a balanced budget 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.

8.2 2021-22 capital programme variations budgets

8.2.1 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 | Forecast Variance - Outturn (Jan) £000 | Capital Programme Variations Budget Used £000 | Capital Programme Variations Budget Used % | Revised Forecast Variance - Outturn (Jan) £000 |
|-----------------------|--|--|---|--|--|
| P&E | -25,237 | -33,498 | 25,237 | 100.0% | -8,261 |
| P&C | -5,805 | -15,516 | 5,805 | 100.0% | -9,711 |
| CS | -5,620 | -11,116 | 5,620 | 100.0% | -5,496 |
| Outturn adjustment | - | - | - | - | - |
| Total Spending | -36,662 | -60,130 | 36,662 | 100.0% | -23,468 |

8.2.2 As at the end of January, Place & Economy, People & Communities and Corporate Services schemes have all exceeded the capital variations budgets allocated to them, forecasting in-year underspends of -£8.3m, -£9.7m and -£5.5m respectively. The current overall forecast position is therefore a -£23.5m underspend; the forecast will be updated as the year progresses.

8.3 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.

8.3.1 Place & Economy:

A -£8.261m (-7.8%) underspend is forecast at year-end.

- Delivering the Transport Strategy Aims- Highways Schemes

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/ pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|---|--|
| 2,846 | 793 | -2,053 | -1,372 | -681 | 0 | -2,053 |

An in-year underspend of -£2.1m is forecast. This is an increase of £0.7m on the underspend position previously reported in October, of which £0.68m relates to a change since last month. Most schemes have been delayed due to late agreement in September 2021; together with the required involvement of the various district councils and the complexity of the projects this will mean that expenditure will be rephased into next financial year. The delays have also been exacerbated by project team resources. It is anticipated that agreement to next year's allocation and programme will be made earlier, so that this year's rephased schemes plus next year's full programme will be delivered and spent within year.

- Bridge Strengthening

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/ pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|---|--|
| 3,126 | 2,837 | -289 | -130 | -159 | 0 | -289 |

An in-year underspend of -£0.3m is forecast. The reactive capital works bridge repairs scheme needs an extra £475k for minor repairs, so funding this year will be moved from the St Ives Flood Arches/ Town Bridge and North of Girton Bridge, both of which have been delayed.

- £90m Highways Maintenance schemes - Other

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/ pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|---|--|
| 6,566 | 4,696 | -1,870 | -1,049 | -821 | 0 | -1,870 |

An in-year underspend of -£1.9m is forecast. This is an increase of £1.1m on the underspend position previously reported in November, of which £0.8m relates to a change since last month. The increase is primarily due to rephasing of the following schemes:

- Haddenham (£600k) - 60% of the spend is expected to occur in this financial year (£240k), with the remainder to fall in 2022/23 (£360k). This is due to the procurement of the Eastern Highways Framework 3 (EHF3) contract requiring an exemption waiver, as we only received two tender returns from contractors. Delays in the design and tender process were due to current resource levels within the team overseeing the delivery process.
- Cromwell Road Wisbech (£450k) – The programmed start date is 21/3/2022; this scheme was originally scheduled to commence in early February 2022. Works have been delayed due to the scarcity of concrete components with no alternatives on the market that can fulfil the design.

- Pothole grant funding

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/ pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|---|--|
| 6,841 | 6,756 | -85 | -752 | 667 | 0 | -85 |

An in-year underspend of -£0.1m is forecast. This is a reduction of £0.5m on the underspend position previously reported in October and relates in full to a change since last month. There is a March 2022 programme planned, reducing the previously forecast in-year underspend.

- Footways

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|--|--|
| 4,000 | 3,539 | -461 | 0 | -461 | 0 | -461 |

An in-year underspend of -£0.5m is forecast. A number of Footway schemes have been delayed and will be completed in 2022/23, these include the following:

- Hills Road, Cambridge
- Gwydir Street, Cambridge
- Oxford Road/Windsor Road, Cambridge

- King's Dyke

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|--|--|
| 12,700 | 10,102 | -2,598 | 0 | -2,598 | 0 | -2,598 |

An in-year underspend of -£2.6m is forecast. 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, Network Rail possession costs including a commitment from Network Rail that the Council will receive a significant refund this financial year. 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.

- Emergency Active Fund

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|--|--|
| 785 | 490 | -295 | -175 | -120 | 0 | -295 |

An in-year underspend of -£0.3m is forecast. Following preliminary development of the original 53 schemes, an extended consultation period during Autumn 2021, analysis of the data by the Business Intelligence Unit, scheme detailed design, road safety audit and traffic management complexities, plus engagement with the Greater Cambridge Partnership (GCP) over schemes that formed part of the City Access strategy now being taken forward by the GCP, only some simple and cycle parking projects are programmed to be delivered by end March 2022, with the majority of the schemes programmed for delivery from April to August 2022.

- For full and previously reported details, see the [P&E Finance Monitoring Report](#).

8.3.2 People & Communities:

A -£9.711m (-22.3%) underspend is forecast at year-end.

- Condition, Suitability & Maintenance

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/ pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|---|--|
| 5,947 | 3,634 | -2,313 | 0 | -2,313 | 0 | -2,313 |

An in-year underspend of -£2.3m is forecast. The rephasing is due to the team not having capacity to advance schemes at a faster pace and delays in the completion of school condition surveys because of Covid. The forward plan of works relies on this survey data. The £2,313k which is DfE grant funding will be carried forward into 2022/23 to address the maintenance and condition issues identified now that the condition surveys have been completed.

- Temporary Accommodation

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/ pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|---|--|
| 1,000 | 650 | -350 | 0 | -350 | -350 | 0 |

An in-year underspend of -£0.4m is forecast. There has been a significant reduction in the number of new temporary solutions required across the county, realising a £350k underspend in 2021/22. This is a total scheme underspend on the project. (See also 8.4.2.)

- Adult Social Care

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/ pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|---|--|
| 10,719 | 5,128 | -5,591 | -5,104 | -487 | -400 | -5,191 |

An in-year underspend of -£5.6m is forecast across Adult Social Care schemes. 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 change relates to the following scheme:

- Care Suites East Cambridgeshire

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/ pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|---|--|
| 5,620 | 163 | -5,457 | -4,970 | -487 | 0 | -5,457 |

Rephasing of -£5,457k is expected. The planning stages of the project and confirming the overall scope has led to a delay in the commencement.

- For full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

8.3.3 Corporate Services:

A -£5.496m (-23.1%) underspend is forecast at year-end.

- IT Strategy

| Revised Budget for 2021/22 £'000 | Forecast Spend - Outturn (Jan) £'000 | Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 | Breakdown of Variance: Underspend/pressure £'000 | Breakdown of Variance: Rephasing £'000 |
|----------------------------------|--------------------------------------|---|---------------------------------|----------------|--|--|
| 1,584 | 1,494 | -90 | -90 | 0 | 0 | -90 |

An in-year underspend of -£0.1m is forecast. This is a decrease of £0.4m on the underspend position previously reported in September and relates to a change since November. (This change should have been picked up in the December IFMR exception reporting but was omitted in error). The budget for this scheme has been rephased to reflect the timing of the work. As project resources have been required to work on the resolution of the data centre's air-conditioning issue, projects within the current financial year have been delayed and will be finalised in 2022-23. This will reduce the borrowing requirement by £90k in this financial year.

- For full and previously reported details, see the [CS Finance Monitoring Report](#).

8.4 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:

8.4.1 Place & Economy:

A -£1.155m (-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](#).

8.4.2 People & Communities:

A -£22.5m (-4.2%) total scheme underspend is forecast.

- Temporary Accommodation

| Total Scheme Revised Budget £'000 | Total Scheme Forecast Spend - Outturn (Jan) £'000 | Total Scheme Forecast Spend - Outturn Variance (Jan) £'000 | Variance Last Month (Dec) £'000 | Movement £'000 |
|-----------------------------------|---|--|---------------------------------|----------------|
| 12,500 | 12,150 | -350 | 0 | -350 |

A total scheme underspend of -£0.4m is forecast on the Temporary Accommodation scheme. As reported in section 8.3.2, there has been a significant reduction in the number of new temporary solutions required across the county, realising a £350k underspend on the project.

- For full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

8.4.3 Corporate Services:

A -£0.7m (-0.3%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details, see the [CS Finance Monitoring Report](#).

8.5 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 | 25.1 | 3.3 |
| Basic Need Grant | 0.0 | 1.0 | 0.0 | 0.0 | 1.0 | 1.0 | 0.0 |
| Capital Maintenance Grant | 3.1 | 2.2 | 0.0 | 0.7 | 6.1 | 3.7 | -2.3 |
| Devolved Formula Capital | 0.8 | 1.3 | 0.0 | -0.0 | 2.0 | 2.0 | 0.0 |
| Specific Grants | 20.3 | 4.0 | -2.4 | 4.0 | 25.8 | 17.7 | -8.1 |
| S106 Contributions & Community Infrastructure Levy | 23.5 | -0.3 | -3.8 | 0.6 | 20.0 | 18.6 | -1.4 |
| Capital Receipts | 1.6 | 0.0 | 0.0 | -0.3 | 1.3 | 1.6 | 0.2 |
| Other Contributions | 16.0 | 0.6 | -2.8 | 7.1 | 21.0 | 21.1 | 0.2 |
| Revenue Contributions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Prudential Borrowing | 70.4 | 21.6 | -18.6 | 1.3 | 74.7 | 59.4 | -15.3 |
| TOTAL | 151.8 | 33.8 | -29.6 | 17.6 | 173.7 | 150.2 | -23.5 |

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.

8.6 North Angle Solar Farm and Swaffham Prior Community Heat Network

In December 2020, the Commercial and Investment Committee approved the investment case for the North Angle solar farm (NASF) project, which included scoping options for a private wire connection to the Swaffham Prior Community Heat Network (SPCHN) project. Shortly after, in January 2021, the investment case for the Swaffham Prior Community Heat Network was approved by the Environment and Sustainability Committee.

In March 2021, the Commercial and Investment Committee approved the option to progress a private wire between North Angle Solar Farm and Swaffham Prior Community Heat Network. The other option was for UKPN to deliver a grid connection from Burwell sub-station to the North Angle Solar Farm and a grid connection from Burwell sub-station to the Swaffham Prior Community Heat Project. The rationale for choosing the private wire option was a £2m cost saving compared to separate connections to Burwell sub-station from both projects.

Construction of the North Angle Solar Farm began in September 2021. Despite difficult ground conditions, expected during a winter build, it is progressing well. The piling has been completed and works to mount the solar panels is underway. The project is on track to be constructed during 2022.

Construction of the Swaffham Prior Community Heat Network started in August 2021. The main components of this project include the energy centre, the heat network and the customer connections. The Energy Centre building is nearly complete. Inside the building, the mechanical and electrical installation works have started and the evaporators for the Air Source Heat Pump are now installed on the external slab. Whilst there were some early problems that delayed the energy centre superstructure, these have now been resolved. Thirty-four boreholes, 200m deep, have been completed to date in the field adjacent to the energy centre and 40% of the heat network is now complete throughout the village with a completion anticipated in Spring. 102 homes in the village have committed to join the scheme to date.

The private wire when complete, will run from North Angle Solar Farm (NASF) to Burwell sub-station and sell renewable electricity to the grid through wholesale markets and supply and sell to the Swaffham Prior Community Heat Project (SPCHN) to run its energy centre.

As reported to Environment and Green Investment Committee (E&GI) on 3rd March the finalised capital costs have now been received for the private wire. Further information can be found in the report to E&GI [here](#). Similar to all capital projects during the pandemic, costs have increased since March 2021, triggering the need to come to E&GI Committee and S&R with a revised investment case. Whilst capital costs for the private wire have increased, the expected revenue from both the NASF and SPCHN have also increased greatly as a result of higher sale prices for electricity and heat. This means that the overall business cases from the two projects are better now, even with the increased capital costs for the private wire, than when agreed by C&I and E&S Committees.

The key point is that the capital cost increase for the private wire in February 2022 remains lower than the original (March 2021) cost for the two direct cost connections and considerably better value than the February 2022 costs for the two direct connections once inflation costs have been applied. The increased budget request for the private wire is unavoidable due to the following reasons:

- Significant inflation of raw material and product costs in the past year. For example, the base rate of copper has increased by over 10% in the last 12 months, aluminium by over 30% and shipping by over 600%.
- Since the original budget was provided in March 2021 an additional sub-station at North Angle Solar Farm has been included as a result of discussions with UKPN.
- Additional equipment to operate the private wire as a microgrid is now included which is additional to the original budget.
- The non-contestable works for the private wire being delivered by UKPN have increased by 13%.
- March 2021 costs were market estimates, but the final costs of the private wire are based on costs from an Independent Connections Provider (ICP), a preferred bidder, selected by Bouygues from four tender submissions for the delivery of the private wire.

Additional prudential borrowing for private wire costs of £389k is requested for the Swaffham Prior Community Heat Project and £1,099k for the North Angle Solar Farm scheme in 2022-23. The schemes will be funded by borrowing (and £3.5m grant for SPCHN); the annual cost of the additional borrowing is estimated at £53k starting in 2024/25 for NASF and £14k starting in 2023/24 for SPCHN, decreasing each year thereafter.

Strategy & Resources Committee is asked to approve additional prudential borrowing of £389k for 2022/23 for the Swaffham Prior Community Heat Project and £1,099k for 2022/23 for the North Angle Solar Farm scheme

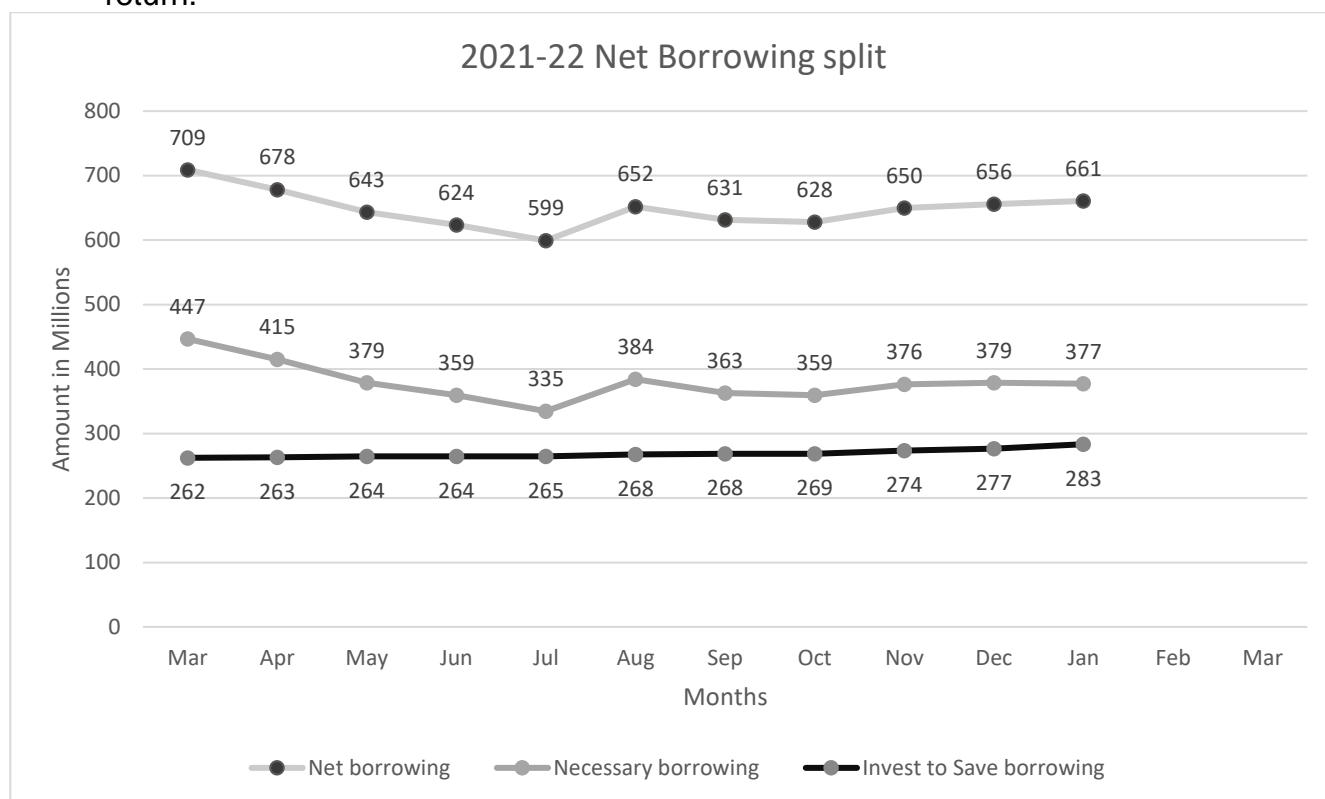
9. Balance Sheet

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

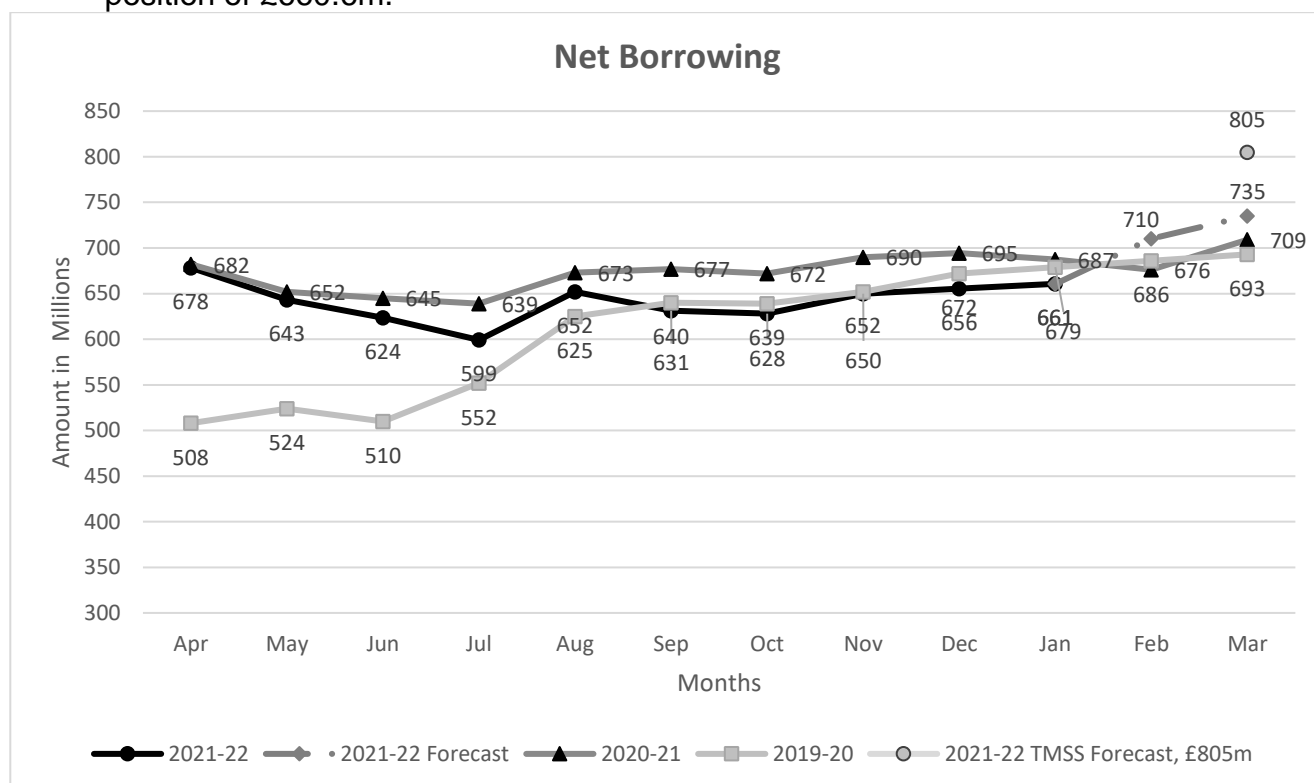
| Measure | Year End Target | Actual as at the end of Jan 2022 ¹ |
|--|-----------------|---|
| % of income collected (owed to the council) within 90 days: Adult Social Care | 85% | 87% |
| Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care | £3.37m | £10.48m |
| Level of debt outstanding (owed to the council) 91 days +, £m: Sundry | £1.71m | £2.72m |
| % of Undisputed Commercial Supplier Invoices Paid Within 30 Days | 95.0% | 96.8% |
| % of Undisputed Commercial Supplier Invoices Paid Within Terms | 85.0% | 80.1% |

¹ The debt figures exclude Cambridgeshire & Peterborough CCG debts as these are considered collectable and are subject to separate reconciliation. That reconciliation process has now concluded with a payment having been made by the CCG in December to clear aged debt pre-April 2020. We are still working to apply the CCG payments to the relevant invoices along with a payment they made to us on account in 2020/21, but subsequent reports will show a reduction in the Council's overall debt due to this NHS debt being cleared.

9.2 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 £283m 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.



- 9.3 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 January 2022, investments held totalled £114.9m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £775.5m, equating to a net borrowing position of £660.6m.



- 9.4 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 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.
- 9.5 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 is currently predicted to be below this, at £735m by the end of this financial year
- 9.6 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.

- 9.7 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.
- 9.8 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).
- 9.9 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](#).
- 9.10 Update on Treasury Management Position in Quarter 4

Strategy & Resources Committee and Full Council receive regular reports on performance of treasury management in line with the prudential code and our Treasury Management Strategy. These are necessarily retrospective and in a fast-changing economic environment can not reflect latest updates. Given recent changes to economic conditions, including those caused by the Russian invasion of Ukraine, this section provides a brief update on the implications for the Council's borrowing and treasury management in quarter 4 ahead of the formal reporting.

The interest rates on new borrowing from the Public Works Loans Board (the main source of CCC's borrowing) have increased over recent weeks mainly due to the increased Bank of England base rate though those rates have stabilised. We have not had the need to take out substantial PWLB borrowing in recent months and where we have we can still often re-finance at a rate lower than the maturing debt. We believe that markets have priced in several further increases in the base rate over the next year.

Inflation is rising faster than most predictions expected, and that coupled with uncertainty in the international economy may mean the Bank of England limits rate increases. The increase in inflation is a concern for next year's budgets, although they were set on the basis of rising costs and we retain reserves that are available to mitigate higher than expected inflationary pressures.

In the short-term, the economic impact in the UK of the invasion of Ukraine is being felt in any sectors exposed to sanctioned parts of the Russian economy, in particular some investment funds that have Russian equity or bond investments. The Council's treasury investments are very minimally exposed, with funds the Council has invested in having marginal exposure to one Russian and one Ukrainian company and no exposure to Russian sovereign debt. Previous sanctions against Russia, and the focus of our investments on cleaner investments, have limited the prospect for any investment by our funds in that country.

The impact of the invasion and sanctions on the global economy remain uncertain, and the Council will maintain close discussions with our treasury management advisor and our investment funds.

10. Alignment with corporate priorities

10.1 Communities at the heart of everything we do

There are no significant implications for this priority.

10.2 A good quality of life for everyone

There are no significant implications for this priority.

10.3 Helping our children learn, develop and live life to the full

There are no significant implications for this priority.

10.4 Cambridgeshire: a well-connected, safe, clean, green environment

There are no significant implications for this priority.

10.5 Protecting and caring for those who need us

There are no significant implications for this priority.

11. Significant Implications

11.1 Resource Implications

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

11.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

11.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

11.4 Equality and Diversity Implications

There are no significant implications within this category.

11.5 Engagement and Consultation Implications

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

11.6 Localism and Local Member Involvement

There are no significant implications within this category.

11.7 Public Health Implications

There are no significant implications within this category.

11.8 Environment and Climate Change Implications on Priority Areas

11.8.1 Implication 1: Energy efficient, low carbon buildings.

Status: Positive

Explanation: In relation to recommendation 8.6 re North Angle Solar Farm (NASF) and Swaffham Prior Community Heat Network (SPCHN), the private wire will enable the SPCHN Energy centre to run on clean renewable energy from NASF. This energy centre will then provide renewable energy to warm homes within Swaffham Prior.

11.8.2 Implication 2: Low carbon transport.

Status: Neutral

Explanation: There are no significant implications within this category

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

Status: Positive

Explanation: In relation to recommendation 8.6 re North Angle Solar Farm (NASF) and Swaffham Prior Community Heat Network (SPCHN), whilst this scheme will require the construction of a substation on current agricultural land, biodiversity net gain will be included as part of the planning application and it is anticipated that the habitat will improve as a result of the project through landscaping.

11.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Status: Negative

Explanation: In relation to recommendation 8.6 re North Angle Solar Farm (NASF) and Swaffham Prior Community Heat Network (SPCHN), this project will likely cause waste which will need to be carted off site and disposed of. Plastic may be used as packaging. A waste management plan will be agreed as part of the project to reduce the negative impact.

11.8.5 Implication 5: Water use, availability and management:

Status: Neutral

Explanation: There are no significant implications within this category

11.8.6 Implication 6: Air Pollution.

Status: Positive

Explanation: In relation to recommendation 8.6 re North Angle Solar Farm (NASF) and Swaffham Prior Community Heat Network (SPCHN), there will be a reduction in carbon emissions from reduction in fossil fuels.

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

Status: Positive

Explanation: In relation to recommendation 8.6 re North Angle Solar Farm (NASF) and Swaffham Prior Community Heat Network (SPCHN), this project supports the SPCHN which is tackling fuel poverty in a local community to move off fossil fuels

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

12. Source documents

12.1 Source documents

P&E Finance Monitoring Report (January 22)

P&C and PH Finance Monitoring Report (January 22)

CS Finance Monitoring Report (January 22)

Capital Monitoring Report (January 22)

CCC Debt Reporting Pack (January 22)

CCC Prompt Payment KPIs (January 22)

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 | |
| Current budget | 299,570 | 64,250 | 31,295 | 26,821 | 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 Jan 2022 £000s | Forecast Balance at 31 March 2022 £000s | Notes |
|--|--------------------------------|----------------------------|------------------------------|---|---|
| - County Fund Balance | 26,094 | 1,619 | 27,713 | 41,938 | |
| 1 P&C | 0 | 0 | 0 | 0 | |
| 2 P&E | 0 | 0 | 0 | 0 | |
| 3 CS (LGSS Cambridge & Shared Services) | 925 | -22 | 903 | 903 | |
| General Reserves subtotal | 27,019 | 1,597 | 28,617 | 42,842 | |
| 4 Insurance | 4,830 | -106 | 4,725 | 4,725 | |
| Specific Earmarked Reserves subtotal | 4,830 | -106 | 4,725 | 4,725 | |
| 5 P&C | 8,547 | -2,186 | 6,361 | 8,070 | Forecast includes £830k for ASC workforce development (as requested 6.3) and £2m for Adults' risks (approved Dec 21 S&R meeting). |
| 6 PH | 4,624 | 0 | 4,624 | 2,470 | |
| 7 P&E | 5,184 | 1,533 | 6,717 | 6,666 | Forecast includes £1,490k for Highways Maintenance (as requested in App. 6) |
| 8 Corporate Services | 3,867 | 585 | 4,452 | 2,850 | |
| 9 Transformation Fund | 30,653 | -5,016 | 25,637 | 22,284 | Funding realised through change in MRP policy. |
| 10 Innovate & Cultivate Fund | 687 | 37 | 724 | 365 | |
| 11 Corporate- COVID | 26,987 | 0 | 26,987 | 26,987 | Includes remainder of COVID-19 Support Grant 1st, 2nd, 3rd and 4th tranches |
| 12 Council Tax Counter-Fraud work | 0 | 464 | 464 | 464 | £464k as approved by S&R 2nd Nov 2021. |
| 13 Specific Risks Reserve | 2,140 | 0 | 2,140 | 2,140 | |
| 14 This Land Credit Loss & Equity Offset | 5,850 | 0 | 5,850 | 5,850 | |
| 15 Revaluation & Repair Usable (Commercial Property) | 2,940 | 0 | 2,940 | 2,940 | |
| 16 Collection Fund Volatility & Appeals Account | 3,690 | 0 | 3,690 | 3,690 | |
| 17 Grant carry forwards | 18,646 | -18,646 | 0 | 0 | Carry forward of unspent grant to spend in accordance with purposes for which the grant was given. At 2020-21 year-end £14.6m related to specific Covid related grants. |
| Other Earmarked Funds subtotal | 113,815 | -23,229 | 90,585 | 84,777 | |
| SUBTOTAL | 145,664 | -21,737 | 123,927 | 132,343 | |
| 18 P&C | 3,592 | 0 | 3,592 | 0 | |
| 19 P&E | 7,315 | -634 | 6,681 | 0 | |
| 20 Corporate Services | 10,861 | 1,151 | 12,012 | 0 | |
| 21 Corporate | 49,816 | 21,681 | 71,497 | 53,931 | Section 106 and Community Infrastructure Levy balances. |
| Capital Reserves subtotal | 71,584 | 22,198 | 93,782 | 53,931 | |
| GRAND TOTAL | 217,249 | 461 | 217,709 | 186,274 | |

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 Jan 2022 £000s | Forecast Balance at 31 March 2022 £000s | Notes |
|---------------------------------------|---|---------------------------------------|---|--|--------------|
| 1 P&E | 0 | 0 | 0 | 0 | |
| 2 P&C | 1,955 | -425 | 1,530 | 1,530 | |
| 3 Corporate Services | 2,093 | 2 | 2,095 | 2,093 | |
| Short Term Provisions subtotal | 4,048 | -423 | 3,625 | 3,623 | |
| 4 Corporate Services | 3,613 | 0 | 3,613 | 3,613 | |
| Long Term Provisions subtotal | 3,613 | 0 | 3,613 | 3,613 | |
| GRAND TOTAL | 7,661 | -423 | 7,238 | 7,236 | |

Appendix 3 - Savings Tracker 2021-22 Quarter 3

| 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 | ↔ | Outcomes based commissioning saving delayed to the following year due to competing priorities for Commissioning during the pandemic. The delay is mitigated by the identification of out of county placements that should be 100% health funded. |
| 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 | ↔ | On track. |
| 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 | ↔ | On track |
| 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 of £250k should 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. |
| 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 | ↔ | On track. |
| 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 | 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. |

| 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 |
|-------|-----------|---|--|---------|-----------|-----------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------|-------------------------|------------|---------------------|--|
| | | | 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. | | | | | | | | | | | | |
| 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 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. | P&C | C&YP | -300 | -75 | -75 | -75 | -75 | -300 | 0 | 0.00 | ↔ | On track |
| 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 | ↔ | On track |
| 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 | ↔ | On track |
| 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 | ↔ | Savings taken at budget build so considered achieved as new structure fits inside revised budget. |

| 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.6.268 | 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 | ↔ | On track. |
| 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 expected to be 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 | ↔ | |
| 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 | ↔ | |

| 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 | 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 | -3 | -4 | -4 | -4 | -15 | 0 | 0.00 | ↔ | |
| 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 | -200 | -1,177 | -613 | -108.69 | ↔ | Q1, Q2 & Q3 saving achieved. |
| 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 in to 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. |
| Green | 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 | -26 | -26 | -26 | -27 | -105 | 0 | 0.00 | ↔ | |
| Green | F/R.7.127 | County Farms - Commercial uses | Conversion of barns on the County Farms Estate for non-agricultural commercial uses, including storage and distribution. | CS | S&R | -45 | -11 | -11 | -11 | -12 | -45 | 0 | 0.00 | ↔ | |
| 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. |
| Green | F/R.7.140 | Tesco - Income Generation | Estimated annual rent increase. | CS | S&R | -77 | 0 | 0 | 0 | -77 | -77 | 0 | 0.00 | ↔ | |
| 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 | ↔ | |

| 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 | 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 | 0 | 0 | -20 | -20 | -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 – January 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 |

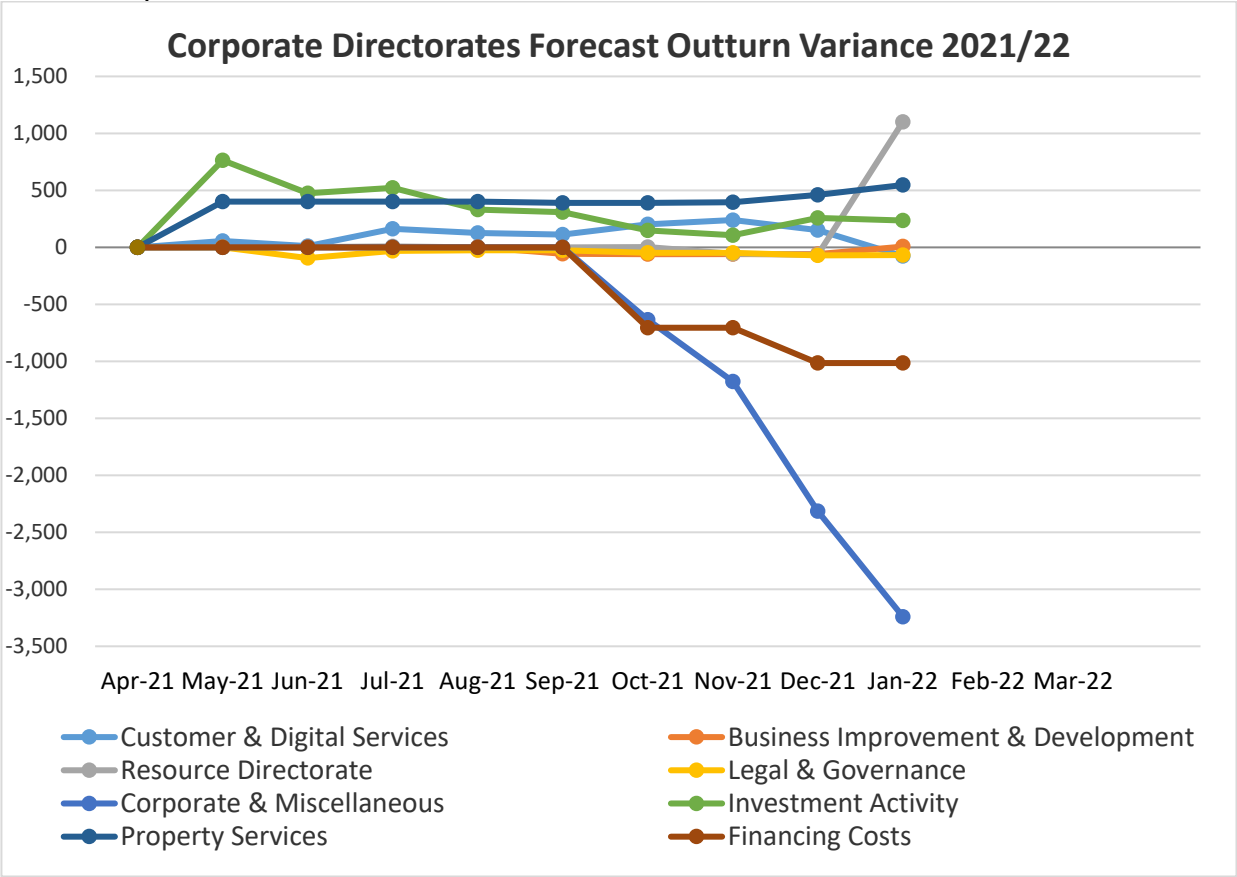
Contents

| Section | Item | Description | Page |
|---------|-------------------------------------|---|-------|
| 1 | Revenue Executive Summary | High level summary of information; By Directorate Narrative on key issues in revenue financial position | 2-7 |
| 2 | Capital Executive Summary | Summary of the position of the Capital programme | 8 |
| 3 | Savings Tracker Summary | Summary of the latest position on delivery of savings | 9 |
| 4 | Technical Note | Explanation of technical items that are included in some reports | 9 |
| Appx 1 | Service Level Financial Information | Detailed financial tables for Corporate Services | 10-11 |

1. Revenue Executive Summary

1.1 Overall Position

Corporate Services & Financing has a budget of £58,116k in 2021/22 and is currently forecasting an underspend of £2,507k.



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 % | Status |
|--------|--|------------------------------------|-----------------|-----------------|------------------------------|--------------------------|--------------|
| 151 | | Customer & Digital Services | 17,003 | 16,950 | -77 | -0.5% | Green |
| -58 | | Business Improvement & Development | 1,914 | 1,984 | 7 | 0.4% | Amber |
| -65 | | Resources Directorate | 7,046 | 4,006 | 1,102 | 0.4% | Amber |
| -69 | | Legal & Governance | 2,326 | 1,814 | -67 | -2.9% | Green |
| -2,315 | | Corporate & Miscellaneous | 7,199 | 422 | -3,240 | -45% | Green |
| 258 | | Investment Activity | -11,317 | -10,908 | 236 | 2.1% | Amber |
| 461 | | Property Services | 2,650 | 3,537 | 547 | 20.6% | Amber |
| -1,015 | | Financing Costs | 31,295 | 31,116 | -1,015 | -3.2% | Green |
| -2,653 | | Total | 58,116 | 48,920 | -2,507 | -4.3% | Green |

Further analysis can be found in appendix 2 for Corporate Services

1.3 Significant Issues

Corporate Services are currently forecasting an underspend of £2,507k, a decrease of £146k since last month.

Significant issues are detailed below:

Customer and Digital Services

Customer and Digital Services budgets are currently forecasting an underspend of £77k, a decrease of £228k from the previous forecast.

The IT budgets have been updated to include a forecast underspend for the usage of mobile data/phones £60k and £40k underspend due to vacancies and the capitalisation of staff costs focused on the IT Strategy and Data Centre projects.

Business Improvement & Development

Business and Digital Services budgets are currently forecasting an overspend of £7k, an increase of £141k from the previous forecast.

There are no exceptions to report this month.

Resources Directorate

Resources Directorate is forecasting an overspend of £1,102k, an increase of £1,167k from the previous forecast.

Insurance

The Insurance budget is forecasting an overspend of £1,073k, which is due to the need to increase the insurance fund to the recommended level as per the latest actuary report.

Legal and Governance

Legal and Governance budgets are currently forecasting an underspend of £67k, a decrease of £2k from the previous forecast.

There are no exceptions to report this month.

Corporate & Miscellaneous

Corporate & Miscellaneous budgets are currently forecasting an underspend of £3,240k, an increase of £925k from the previous forecast. The forecast has been updated to reflect the total underspend for the Investment in Social Care contingency budget.

Investment Activity

Investment Activity is currently forecasting an overspend of £236k, a decrease of £99k from the previous forecast.

The Contract Efficiencies and External Income budget is forecasting an overspend of £201k. Planned new income generation from increasing advertising and sponsorship, a target held on behalf of the entire organisation, has not been achieved this year due to some COVID impact in this market, and a long-term underperforming contract has been purposefully managed to expiry to allow for new engagement and procurement in 2022 for better and increased returns.

Property Services

Property Services is currently forecasting an overspend of £547k, an increase of £86k from the previous forecast.

There are no exceptions to report this month.

Financing Costs

Financing costs is currently forecasting an underspend of £1,015k, same as the previous forecast.

There are no exceptions to report this month.

Covid 19 – Financial Impact

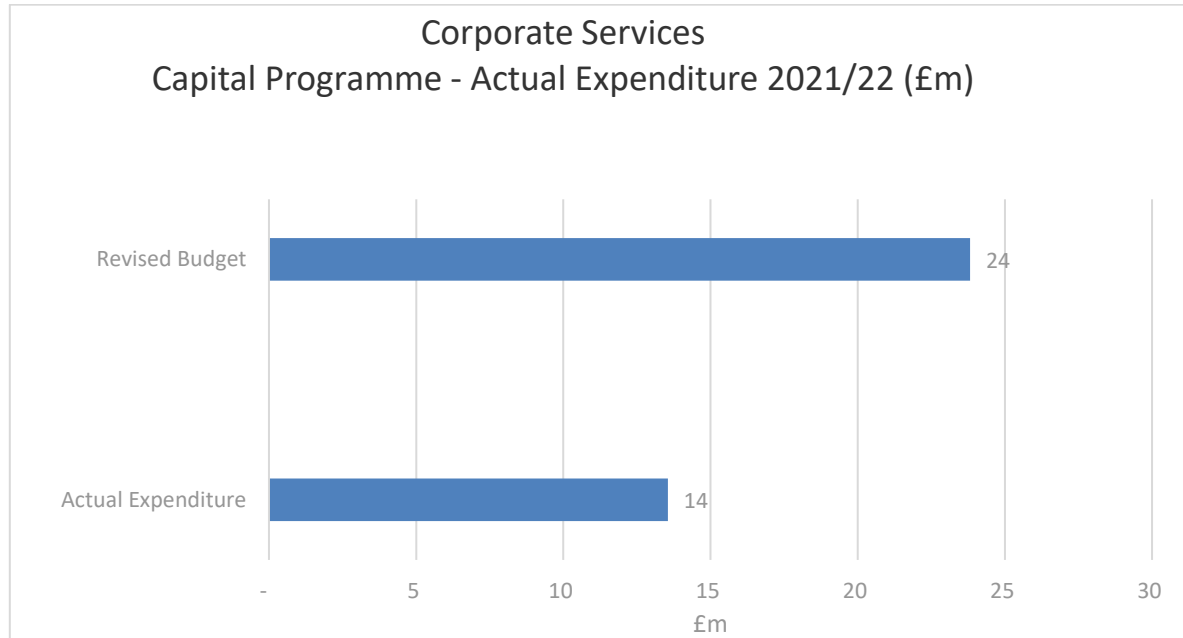
Financial costs associated with managing the implications of the Coronavirus pandemic, including any loss of income:

| Service Area | Details | Estimated cost 2021/22 £000 | Jan 2022 impact £000 |
|---|--|-----------------------------|----------------------|
| IT – continued remote working | Remote working continues as per government guidance. | 318 | 298 |
| Postage | Postage directly related to Covid-19 | 20 | 20 |
| Temporary mortuary | Site cost for provision of body storage | 30 | 29 |
| Communications-Test and Trace | Staff and advertising costs towards the Test and Trace Service | 276 | 138 |
| Information Management | Cambs 2020 programme removal costs – delays due to Covid-19 pandemic | 43 | 43 |
| Democratic & Member Services | Hire of external venues for Council AGM | 21 | 14 |
| Elections | 25% uplift in costs expected for the election | 161 | 0 |
| Council Tax | Income saving rephased due to pressures on the District Council's Revenue & Benefits teams impacting timeline for project mobilisation | 650 | 488 |
| 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 | 433 | 339 |
| County Farms | Reduction in income from new investments & a small decline on existing income | 205 | 205 |
| Pools Property Fund Investment | Expecting the risk of further challenges ahead, a forecast of 5% income reduction is likely. | 21 | 19 |
| Property Services | Health and Safety supplies, cleaning, water testing, additional resource. | 107 | 87 |
| 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. | 668 | 645 |
| Compliance | To carry out ventilation surveys to 109 buildings to ensure the safe capacities of our buildings for Covid-19 management | 93 | 93 |
| Compliance | C02 monitors to be installed to ensure safe working in our buildings for Covid-19 management | 350 | 80 |

2. Capital Executive Summary

2.1 Expenditure

Corporate Services has a capital budget of £23,816k and expenditure to date of £13,548k 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 no exceptions to report this month.

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 January 2022 £000's | Forecast Outturn Variance £000's | Forecast Outturn Variance % |
|---|---|-----------------------------|-------------------------------------|---|--------------------------------------|
| - | Customer & Digital Services | - | - | - | - |
| 38 | Director, Customer & Digital Services | 414 | 390 | 3 | 1% |
| 6 | Chief Executive | 130 | 106 | 7 | 6% |
| 0 | Communication and Information | 734 | 715 | 2 | 0% |
| -220 | Customer Services | 2,033 | 1,786 | -266 | -13% |
| 347 | IT & Digital Service | 2,558 | 2,973 | 395 | 15% |
| 68 | IT Managed | 7,274 | 8,048 | -80 | -1% |
| 0 | Elections | 170 | 70 | 0 | 0% |
| -32 | Human Resources | 1,612 | 1,322 | -42 | -3% |
| -10 | Health, Safety & Wellbeing | 180 | 66 | -9 | -5% |
| -47 | Learning & Development | 1,899 | 1,473 | -86 | -5% |
| 151 | Customer & Digital Services Total | 17,003 | 16,950 | -77 | 0% |
| | Business Improvement & Development | | | | |
| 2 | Policy, Design and Delivery | 611 | 1,140 | 219 | 36% |
| -77 | Commercial Team | 261 | -88 | -91 | -35% |
| -60 | Business Intelligence | 1,042 | 931 | -121 | -12% |
| -135 | Business Improvement & Development Total | 1,914 | 1,984 | 7 | 0% |
| | Resources Directorate | | | | |
| -10 | Resources Directorate | 373 | 258 | 0 | 0% |
| -59 | Professional Finance | 1,826 | 1,399 | 4 | 0% |
| 0 | Procurement | 613 | 543 | 5 | 1% |
| 3 | CCC Finance Operations | 415 | 324 | 19 | 5% |
| 0 | Shared Finance Operations | 432 | 671 | 0 | 0% |
| 0 | Insurance | 2,229 | 550 | 1,073 | 48% |
| 0 | External Audit | 75 | -72 | 0 | 0% |
| 0 | Shared Services | 1,082 | 332 | 0 | 0% |
| -65 | Resources Directorate Total | 7,046 | 4,006 | 1,102 | 16% |
| | Legal & Governance | | | | |
| 0 | Legal & Governance Services | 103 | 111 | 1 | 1% |
| -20 | Information Management | 875 | 669 | -20 | -2% |
| 2 | Democratic & Member Services | 325 | 246 | 3 | 1% |
| -51 | Members' Allowances | 1,023 | 789 | -51 | -5% |
| -69 | Legal & Governance Total | 2,326 | 1,814 | -67 | -3% |
| | Corporate & Miscellaneous | | | | |
| -542 | Central Services and Organisation-Wide Risks | 2,693 | 6 | -757 | -28% |
| -1,100 | Pandemic Risk | 1,573 | 166 | -1,171 | -74% |
| -650 | Investment in Social Care Capacity | 1,300 | 0 | -1,300 | -100% |
| 16 | Subscriptions | 110 | 128 | 16 | 15% |
| -39 | Authority-wide Miscellaneous | 94 | -1,307 | -28 | -30% |
| 0 | Transformation Fund | 1,429 | 1,429 | 0 | 0% |
| -2,315 | Corporate & Miscellaneous Total | 7,199 | 422 | -3,240 | -54% |
| | Investment Activity | | | | |
| 578 | Property Investments | -3,544 | -5,061 | 591 | 17% |
| 0 | Shareholder Company Dividends & Fees | -491 | -544 | 0 | 0% |
| -24 | Housing Investment (This Land Company) | -6,063 | -3,814 | -61 | -1% |
| 101 | Contract Efficiencies & Other Income | -201 | -0 | 201 | 100% |
| -244 | Collective Investment Funds | -779 | -642 | -359 | -46% |
| -180 | Investments | 0 | 0 | 0 | 0% |
| -77 | Renewable Energy Investments | -239 | -847 | -137 | -57% |
| 335 | Commercial Activity Total | -11,317 | -10,908 | 236 | 2% |
| | Property Services | | | | |
| 400 | Facilities Management | 5,274 | 4,691 | 400 | 8% |
| 0 | Property Services | 799 | 679 | 41 | 5% |
| 5 | Property Compliance | 204 | 18 | 38 | 19% |
| 35 | County Farms | -4,329 | -1,982 | 35 | 1% |
| 21 | Strategic Assets | 703 | 131 | 32 | 5% |

| Previous Forecast Outturn Variance £000's | Service | Budget 2021/22 £000's | Actual January 2022 £000's | Forecast Outturn Variance £000's | Forecast Outturn Variance % |
|---|--------------------------------|-----------------------------|-------------------------------------|---|--------------------------------------|
| 461 | Property Services Total | 2,650 | 3,537 | 547 | 21% |
| | Financing Costs | | | | |
| | Debt Charges and Interest | 31,295 | 31,116 | -1,015 | -3% |
| -1,015 | Financing Costs Total | 31,295 | 31,116 | -1,015 | -3% |
| -2,653 | Total | 58,116 | 48,920 | -2,507 | -4% |

The full appendices to this report can be viewed in the [online](#) version.

Appendix 5

Just Transition Fund Criteria

Purpose of fund:

The Council is committed to ensuring that it invests available funding to enable a greener, fairer and more caring Cambridgeshire. In the 2022-23 Business Plan, the Council has allocated one-off revenue funding of £14m in order to support this commitment.

The new “Just Transition fund” will provide funding to bring communities and partners together from across Cambridgeshire to find the best ways for each community to reach a Just Transition.

CCC Services, the Communities it represents, and partners are encouraged to initiate ideas which support our Just Transition. Agreed funding will be allocated on a one-off basis only; any reoccurring costs would need to be met by other funding sources.

CCC considers a Just Transition to mean:

1. Environmental Sustainability: Transitioning to a net zero carbon county by 2045. A range of activities to support the reduction in carbon emissions across Cambridgeshire, might include:

- Growth of high-quality jobs in the growing green economy
- Supporting organisations, workers and communities in high-carbon sectors to reduce and benefit from decarbonisation
- Increasing natural capital and biodiversity
- Ensuring that people and communities are protected from the physical impacts of climate change.

2. Addressing poverty and inequalities: Closing the health and wellbeing gap and ensuring fair opportunities in a range of areas. For example, education, jobs and community wealth building- focusing on the most vulnerable to achieve a Just Transition. This should be undertaken in ways that do not add to emissions. Disadvantaged communities tend to have low carbon emissions and there is considerable inequality between wards.

3. Sustainable Economy and Public Sector Spending: Ensuring a green, financially sustainable Cambridgeshire.

4. Flooding: Ensuring that we can better protect the communities of Cambridgeshire from the effects of flooding, and work towards preventing flooding from taking place.

Criteria

Just Transition funding will be considered for projects which are able to demonstrate, with measurable benefits, a significant impact for Cambridgeshire on one or more of the following:

Environmental Sustainability:

- Net Zero or a carbon reduction
- Significantly improving the natural environment

Addressing Poverty and Inequalities:

- Reduce the proportion of residents living in poverty through social mobility, improving health and wellbeing, job and employment prospects, education or ensuring fair access to resources.

Sustainable Economy and Public Sector Spending

- Producing tangible savings, further income generation or reducing demand for services, to ensure sustainability for the Council's finances
- Promoting the circular economy
- Contributing to economic development which is in keeping with the Just Transition ethos

Flooding

- Flood mitigation and prevention
- Creation of infrastructure to support places

Any negative impacts must be clearly identified in the Business Case and will be considered as part of the decision process. Projects which hinder our Just Transition will be rejected. Requests for funding will be prioritised against the benefits delivered.

High Level Project Approvals Process



Appendix 6

Outline Case for additional funding in Highways Maintenance Service for 22/23

The transformation of the Highways and Transportation Service is underway. The three sections of the service are at different stages in their transformation.

Project Delivery has moved to its new form and is making the differences and achieving the outcomes of improved project governance and control in delivery.

Strategic Transport is implementing the final steps in its transformation and now concentrating on shaping the future of transport in collaboration with our partners

Highway Maintenance is at the early stage of transformation that given the breadth and scale of the maintenance service delivered is a big change. It could take time to produce results on the roads and outside people's front doors. Investment in two aspects of the Highways Maintenance Service would achieve faster sustainable change with immediate visible benefits to our road users, businesses and residents.

The two aspects are;

1. **Getting it right for our Customers today.**

On the ground action where our residents want it.

- **Removing the potholes** – a programme of planned patching carried out this spring and summer to properly fix pothole hotspots in and around village and town centres. This would remove the patchwork quilt of multiple repeat visits having an immediate noticeable impact within our community centres. **£400k**
- **Listening to our customers** – Clean out our Report It tool and get back to our Report It customers. This would show we listen and feedback by providing a resource to monitor and respond to the enquiries ahead of implementation of a new up-to-date system (the current is around 15 years old). **£50k**
- **Safe and dry** – record, quantify, investigate flooding cause and implement an increased programme of highways flood hotspots to remove more of the risks of surface water on our roads. The programme would target those locations that also cause issues within the communities affecting businesses and properties. **£400k**
- **Clear and Safe** – improve the lines and road markings across the rural network. This would make driving our roads at night and in bad weather safer by providing the markings to support our road users. A targeted programme to deal with routes between towns and villages. **£250k**

Total investment **£1,100,000.**

The proposed levels of investment are scalable. The suggested investment would provide visible impactful improvement on the ground across the whole county. Scaling up would increase visibility of impact and down would reduce it.

Deliverability – We can engage with a range of supply chain partners to confidently deliver by Autumn. Key is keeping it simple and focused. We have supply chain partners other than Milestone accessible via Local Council Roads Innovation Group framework of which we are a member.

Communications – To maximise the impact delivery would include communications through our normal channels to draw residents' attention to this extra investment.

2. Keeping it right for our customers tomorrow

Transforming at pace to achieve the sustainable change we need for the future

- Upskilling our Highway Safety Inspectors - a programme of training and education to ensure this area of service is achieving the most it can. Benefit to the public are safer roads and better value for money. Council benefit is less risk from third party claims. **£30k.**
- Local Highways Officer Review – Revamping the role to focus on community and customer needs ahead of the wider Highways Maintenance Restructure. **£40k**
- Highways workforce and succession – contribution to support the implementation and development of an accelerated apprenticeship/graduate/intern programme to bring forward a new cohort of staff into the Highways workforce during 2022 and 2023. **£50k**
- New Asset Management System – support to accelerate the commissioning and implementation of the system. Could reduce the implementation time from 18 months to 12 year by providing the one-off set up resources. **£100k.**
- Intelligent data – implement the latest survey data collection technology and use it to make better decisions on where to do what and achieve better outcomes for the public and for value for money we invest into our highways assets. **£60k.**
- Baselining our Highways Service – a project to baseline the carbon in the ownership and management of our highways assets to raise Climate awareness and understanding across the service and provide the base from which to start our service journey to net zero. **£50k**
- Capacity to change at pace – one-off resource to support the transformation of the service. Capacity to get move the change tasks forward at speed. **£60k.**

Total Investment = **£390,000**

These are all one-off investments to accelerate the transformation of the highways maintenance service. They all bring forward key parts of the overall service system that will support better delivery into the future and help ensure the highways service is contributing to our climate change objectives.

Strategy & Resources Committee is asked to agree to earmark £1,490k of the underspend on Funding items to invest in the Highways Maintenance Service as above.

Appendix 7 Cambs 2020 programme

The following table is provided in response to an action raised at the January S&R Committee requesting an account of the various one-off and recurrent costs and income changes relating to the Cambs 2020 programme:

| Item | Amount | Notes |
|---|------------------|------------------|
| Spokes – expenditure on 14 projects | £5,529k | One off cost |
| Costs of transition | £ 628k | One off cost |
| Cambs 2020 internal transformation | £ 483k | One off cost |
| Construction of New Shire Hall | £18,181k | One off cost |
| SUBTOTAL ONE-OFF COSTS | £24,821k | |
| | | |
| Operational costs of Civic Hub | £723k | Recurrent |
| SUBTOTAL RECURRENT COSTS | £723k | Recurrent |
| | | |
| Anticipated capital receipt from Shire Hall | -£13,658k | One off |
| SUBTOTAL ONE OFF INCOME | -£13,658k | One Off |
| | | |
| Shire Hall and Babbage House operational savings | -£1,387k | Recurrent |
| Shire Hall campus rental (assuming 100% occupation) | -£2,897k | Recurrent |
| SUBTOTAL RECURRENT SAVINGS/INCOME | -£4,284k | Recurrent |

Addendum Babraham Road Park & Ride Smart Energy Grid

Member briefing note on Babraham Road Park & Ride Smart Energy Grid project covering updated business case and the approvals process required to enter into a works contract

| |
|--|
| Officer contacts: Claire Julian-Smith & Matthew Rathbone |
|--|

1. Summary

In December 2021, the Environment and Green Investment Committee approved entering into contract with Bouygues Energies and Services for the Babraham Road Park & Ride Smart Energy Grid project. Since that meeting the inflationary pressures seen in construction have meant expected costs for the project have risen by £630,000 to £8.1m.

Projected prices for the sale of electricity have also risen during this period. Even taking a conservative view that prices will fall back sharply to levels seen during 2020/21, the overall business case has improved, despite the cost increase, with the expected NPV rising.

2. Committee decision

The Environment and Sustainability Committee originally approved the investment case for the solar canopies to be installed at Babraham Park and Ride site on 11th March 2021. An updated business case was presented to the Environment and Green Investment Committee, in December 2021, where £1.2M additional funding for the project was supported and approval was granted to enter into a works contract with Bouygues. At the time of that Committee, the intention was to sign the works contract in mid-January.

3. Current situation

- 2.1 Progress on the works contract has been delayed given the need to investigate, resolve and learn lessons from the project at New Shire Hall. In that time, rather than stabilising, market conditions have continued to push the prices of materials and labour upwards from the pricing presented in December.
- 2.2 We are outside of the acceptance period for the proposal, such that the supplier are no longer bound by the prices provided in the autumn, which has left us exposed to those increased cost pressures. In addition to the inflationary pressure there are associated difficulties caused by the current market volatility with shortening validity periods for quotes.
- 2.3 Some significant orders of materials have been secured for the project already, including the steel (£518k) and solar modules (£689k), as well as the majority of the work to install the private wire between the park & ride site and Addenbrooke's hospital, which was completed last year. Committing to this expenditure on the project in advance has mitigated the latest price increases being experienced now. For example, based on today's prices a saving of around £175k has been made on steel by ordering ahead of contract.

4. Revised business case

- 4.1 While the commitments already made have helped significantly in reducing cost pressures seen in recent months, those are still evident in the remaining costs. The total increase in capital costs in the revised business case is £630k, with 15-20% increases seen in the cost of building materials, electrical equipment, civils work and welfare costs.

- 4.2 The table below summarizes the expected financial benefit of going ahead with the project:

Table 1: Comparison of business case approved in December 2021 with current position

| Summary of business case prior to contract in March 2022 | | | Committee Dec 2021 |
|--|--------------|-------------------------------------|-----------------------|
| Excl. carbon | Incl. carbon | | Excl. carbon |
| £5,806,433 | £5,806,433 | Capital Cost to complete project | £6,234,892 |
| £8,078,197 | £8,078,197 | Total Capital Cost | £7,450,860 |
| £24,768,949 | £26,679,560 | Net Operating Revenue over 30 years | £22,889,958 |
| £14,606,193 | £16,516,804 | Net Cash Flow after loan costs | £13,436,746 |
| 6.01% | 7.08% | 30yr Internal Rate of Return | 5.98% |
| 17.4 | 15.5 | Payback Period (years) | 17.5 |
| £2,383,105 | £3,768,449 | Net Present Value @ 30th Year | £2,068,035 |
| 6,942 | 6,942 | Tonnes Avoided Over 30 Year Life | 6,942 |
| 231 | 231 | Average Annual Carbon Saving | 231 |
| ~29 | ~29 | Total Household Carbon Footprint | ~29 |
| 72GWh | 72GWh | Generated over 30 years | 72GWh |
| ~764 | ~764 | Households equivalent | ~764 |
| ~961 | ~961 | Electric Vehicle trips around earth | ~961 |

4.3 While costs have been rising sharply in recent months, energy prices have, if anything, been rising even more quickly. The business case that went to Committee based prices on Crown Commercial Services (who supply electricity to Cambridge University Hospitals Trust) projections for the year from April 2022. By December 2021 they had purchased ahead nearly all the energy needed for that year. However, the small element purchased since then has been enough for them to revise the expected price rise in 2022 from 15%-20% to 25%-30%. The December business case assumed a rise of 15% and the current one assumes a rise of 25%. That increase is sufficient to more than counter the increased costs, with the projected NPV of the project (excluding carbon values) increasing from £2.1m to £2.4m.

4.4 The core pricing assumption of the business case that went to Committee in December 2021 was that the price spike seen in the autumn would dissipate and prices would fall back in 2023 to the levels seen earlier in 2021. Since then though, prices have remained at high levels and the assumption that prices would fall back quickly looks less realistic. The impact of recent events in Ukraine has exacerbated that issue with current wholesale spot prices of around £500MW/h, while prices for energy purchased in advance for winter 2022/23 have been trending up for around a year now and are currently over £200MW/h. Putting those figures into context, the average paid by ESPO (who supply electricity to Cambridgeshire County Council) to purchase electricity in advance, was £60MW/h for the year from October 2021 to September 2022. ESPO are currently in the process of purchasing energy for the 2022/23 year and had paid £140MW/h on average for that according to their last quarterly report published in February 2022. If it were assumed that the market price would fall back, not to the £60MW/h applying in 2021/22, but to the £140MW/h paid by ESPO to date for 2022/23, the NPV of the project would increase by nearly £9m.

5. Wider project benefits

There are potential benefits from the project not directly captured by the business case. Those include for instance the opportunity to add in battery storage, at a later stage, as part of a move towards the development of local energy markets. There is an opportunity for wider commercialisation around EV charging with an existing well-developed CPCA proposal to add bus charging to the site and enquiries from South Cambridgeshire District Council to add in taxi charging as well. The current project should thus be seen as stage 1 of the development.

6. Next steps

6.1 With prices unlikely to stabilise in the immediate future and a significant proportion of the project costs still at risk, a works contract is required to 'lock in' current pricing and stem the continuing inflationary risk to the project.

6.2 The December 2021 Committee decision authorised progressing with a works contract but didn't account for the current situation where there have been significant changes to the business case. While those changes are positive overall, there is a key decision for the Strategy & Resources Committee as to whether to permit the additional capital budget (funded by prudential borrowing) to fund the increased construction costs, in view of the uncertainty around future revenues which offset this in the overall appraisal.

6.3 Updated pricing became available on 17 March 2022 and in view of the short validity of quotes, it has not been possible to complete the Council's governance steps to consider this variation in the normal order ahead of publication. The recommendation therefore requests a delegation to the Chief Finance Officer to make the necessary budget revisions, taking account of feedback received through Member consultation (Green Investment Advisory Group) and the Capital Programme Board who will be approached in tandem. Agreement of the budget enables the Council to enter into the works contract.

This Land Monitoring Update

To: Strategy & Resources Committee

Meeting Date: 29 March 2022

From: Director of Resources & Chief Finance Officer

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2022/052

Outcome: The Committee is appraised of progress made with implementing actions arising from the shareholder review. This Land is enabled to refresh and progress its business plan, including house sales and appointment of the next Chair of the company.

Recommendation: The Committee is invited to:

- (a) Note and comment on the report and progress with the action plan;
- (b) Note the areas highlighted for consultation with the Council: potential for collaboration on future developments and risk appetite relative to meeting housing needs;
- (c) Permit and enable sale of properties, owned by This Land, at the sites listed at section 3.5 of this report, and at Horningsea, varying the Council's associated rights and mortgages as set out at section 3.5; and
- (d) Authorise the Section 151 officer, in consultation with the Chair and Vice Chair, to exercise the shareholder rights in relation to appointment of the next Chair of This Land, in accordance with section 2.8 of this report.

Officer contact:

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1. Background

- 1.1 This Land is the Council's wholly owned property development company. As at March 2022, the financing advanced to This Land by the County Council is as follows:

| | |
|-----------------|-----------------|
| Long Term Loans | £113.851m |
| Equity | <u>£ 5.851m</u> |
| Total | £119.702m |

These figures are (as planned) unchanged from the last update to this Committee in January 2022. Diminution of the investment value or returns from This Land, or divergence from the long-term plan for overall profitability are a recognised risk in the Council's corporate risk register. The Council is currently receiving revenue interest (a £6m net contribution is expected this financial year).

- 1.2 In addition to interest, the Council has also already received capital receipts from This Land in excess of £75m for the transfer of property at market value.
- 1.3 At the last meeting of this Committee in January, the results of a comprehensive shareholder review, undertaken by Avison Young (AY), a property consultancy, were reported. The review identified that overall the company's approach to development appraisal and related assumptions were broadly sound, that some essential enhancements to risk management and reporting were required and that the structure of the company and calibre of directors in place provided a springboard for the next stage of the company's development.
- 1.4 The review focused on important recommendations for improvements, which can be summarised under three broad headings: financial and commercial, resourcing and personnel and strategy & objectives. This Land has accepted the recommendations from the review for its part and is working constructively with the Council on their implementation.
- 1.5 Following a reset to the company's plans in April 2020, There are several strands to This Land's business activities. It is acting as the master developer for three large sites: Worts Causeway, Burwell and Soham Eastern gateway. This means developing a minority of the homes itself and providing site-wide infrastructure and placemaking for the whole development but selling parcels of land for delivery of the majority of homes to another developer. It is directly developing sites at Over, Ditton Walk and Brampton and on a smaller scale at Fitzwilliam Road, Horningsea, Malta Road and Foxton. The process to dispose of other properties which This Land has assessed it is not best placed to deliver itself has now nearly completed. This Land has two further strands of activity, further acquisitions for direct development and strategic land promotion, where the company intends to promote (but not own) land for planning permission profiting from the uplift in value. On these last points, the AY review drew attention to the large part of this aspect of the plan relating to currently unidentified sites and that the work to identify was behind the timescales scheduled in the company's business plan.
- 1.6 At sites that This Land has already identified and secured, the company has plans to deliver 394 homes, of which 136 would be affordable homes. It is anticipating that it will deliver a further 150 homes at, as yet, unsecured locations.

2. Progress with action plan and addressing recommendations

- 2.1 In appendix one we have included the summary commentary received from This Land that provides its first formal response to the action plan and highlights the approach to risk management. Following the publication of the AY findings a formal shareholder monitoring meeting was held on 20 January 2022 followed by a consultative workshop including the entire This Land board and representatives of the Council on 24 February 2022. A further shareholder monitoring meeting is scheduled for 24 March 2022, to which all members of this Committee have been invited.
- 2.2 The County Council is clear that decisions about the operation and direction of the company are matters for This Land's directors, but the Council is an important consultee as shareholder as well as exercising crucial oversight and due diligence roles as the company's only lender. Emerging from the company's consideration of the AY recommendations and the latest context, the following strategic priorities have been presented by the directors as deliverable:
- Meeting all financial obligations and repay loans and interest
 - Ensuring appropriate financial resilience and strong liquidity
 - Increasing the focus on delivery of affordable homes and wider housing needs
 - Working collaboratively to be more transparent with the shareholder and other stakeholders, including the communities served
 - Core focus on environmental and social governance
 - Added focus on customer service
 - Well connected, safe and environmentally friendly developments
- 2.3 In addition to the workshops above, Council officers have undertaken a walk-through of the first stage of updates to This Land's financial model. We understand that the company will be growing its internal capacity for financial modelling. It was evident that a number of corrections and updates have already been made to the model and that the re-working and redesign recommended by AY will be progressed once the internal modeller is in place. Work to separately report on the secured and unsecured aspects of the business plan has also been completed, and we will review its onwards reporting to the board. This Land have illustrated a number of options/scenarios that the board is considering, utilising some of the upside from recent disposals to address some of the risks that AY have identified. The Council will undertake an updated assessment and will seek external validation of the full updates as soon as it is ready.
- 2.4 As a result of the remodelling and consultation the company is undertaking the Council anticipates that in the pending update of the business plan, the company will seek to:
- mitigate the risk exposure by targeting a higher level of cash surplus in 2031 (£9m as opposed to £4m planned in the April 2020 model),
 - rephrase the requirements for securing future land and land promotion over a longer timeframe (this approach requires utilising further borrowing from the Council in the late 2020s) and
 - making a modest reduction to the number of future sites to be identified (but with an increased level of profitability assumed, taking account of market conditions)

The Council itself has a part to play in aiding the company's identification of future land. Property has not been transferred from the Council to the company for several years and it is unlikely that a similar approach of selling a varied portfolio, at the early stages of planning, would be appropriate in future. There are though opportunities for the Council and This Land to work together, given the Council's extensive land holdings to collaboratively identify suitable future acquisitions or promotions, utilising the respective strengths and structures of two organisations. This is an area for consultation and liaison with the Council.

- 2.5 This Land has set out that it can increase its delivery of affordable homes and response to other housing needs, mindful of its unique position locally as a subsidiary company of a public sector owner. Affordable housing is much needed in Cambridgeshire: a significant proportion of local residents cannot afford to get onto the home ownership ladder. The Cambridgeshire and Peterborough Combined Authority has ambitious targets for housing delivery, including 100,000 new homes between 2018 and 2036 at least 40% of which will be affordable. This Land can make a growing and important contribution to the Collaborative Action strand of CPCAs strategy for delivery, in its blended role as a private company, publicly owned, housing specialist.
- 2.6 A second area for consultation with the shareholder is the extent to which this ambition is prioritised relative to risk mitigation. In broad terms the greater the number of affordable homes delivered the more profitability is required elsewhere in the business to support this. It is in order to maximise delivery of affordable housing that the company has not gone further to reduce the return expected from currently unsecured future land promotions or acquisitions. The company has committed to liaising closely with partners to fully appraise scenarios of this type in reconsidering its business plan.
- 2.7 The company has already added additional resources to its land team and is advanced with plans to supplement the finance function.
- 2.8 The company Chairman retired in February and the board is empowered to appoint an acting Chair from amongst its number. The Chair of the This Land Remuneration and Nominations Committee and the Council appointed directors have consulted with the shareholder on the appropriate way forward for appointment of a permanent chair, a decision for the shareholder. Part of that process will include consideration/interview by a Councillor consultation panel, including members of the Strategy & Resources Committee. Under part 3B of the Council's constitution, express provision is made for the section 151 officer to exercise the functions of the shareholder where authorised by this Committee. It is therefore proposed that the section 151 officer is authorised to exercise the Shareholder's right of appointment of a Chair, in consultation with the Chair and Vice-Chair, having regard to the recommendations of the This Land Remuneration and Nominations Committee, board and the Councillor consultation panel.
- 2.9 In terms of governance, the Council has taken the opportunity in view of the business plan update and AY recommendations to instruct an external legal advisor to give an updated view on three areas:
- Consolidation of loan agreements – these are currently spread across a number of documents and there is an opportunity to consolidate these whilst ensuring the Council has the expected and standard rights and oversights as lender
 - Review of company governing documentation and the interface with the shareholder,

ensuring this is clearly set out and that the new mirror board is setup appropriately

- Updating the assessment and mitigation of technical considerations such as subsidy control, best consideration and arms-length operation so that this remains suitable and informed during the next stage of the company's development.

3. Property development and programme updates

3.1 As part of the oversight and diligence the Council exercises as a lender to the company, an external monitoring surveyor has been appointed to inspect and report on the developments at Over and Ditton Walk, which are the furthest progressed in terms of construction. The monitoring surveyor reviews:

- Planning
- Building Control
- Warranty
- Programme
- Project costs
- Procurement and contracts
- Quality of construction
- Health & safety



3.2 At Ditton Walk, plots 1 – 10 are completed and occupied, plots 11, 13 and 14 are ready for construction and plot 12 (pictured) is completed but is not yet for sale. Plots 1 – 49 at Mill Road, Over have commenced construction in some form and are at various stages.

3.3 The monitoring surveyor identified no red/urgent issues, and 8 amber items to be monitored closely. These included discharge of planning conditions, ensuring progression of works to contract dates, monitoring costs, legal actions and section 106 obligations.

3.4 In April 2020, the Commercial and Investment Committee gave permission, for the Council's part, for This Land to sell certain listed properties releasing and varying the Council's mortgages/legal charge and other rights and interests in those properties. At that time the listed properties focused on those identified for disposal in that phase of the business plan. Now that further progress has been made, it is now appropriate to make provision for releases where house sales are envisaged with construction imminent. Over and Ditton Walk Phase 2 are progressing to construction and it is foreseen that individual residential sales to residents will shortly commence. During the next stages, across the whole portfolio individual house sales could entail release documents for over 300 plots. To streamline the process for plot sales it is proposed that a protocol is put in place for the provision of the release documents and removal of restrictions from the titles in advance of the plot sales commencing. This would mean:

- The Charge is released on a plot by plot basis with required documents (the DS3, RX4 and Deed of Release) being released to the relevant plot sales conveyancers on a monthly basis for the plots anticipated to complete that month.

- The Planning Overage and Pre-emption Agreement are released across the whole Property at an appropriate point prior to the plot sales commencing and the restrictions removed from the title to the whole Property
- The Sales Overage is released across the whole Property on smaller sites (such as Fitzwilliam Road, Malta Road and Landbeach) and for larger schemes the release of the Sales Overage is phased to tie in with the construction phases. This proposal is provided given that the Sales Overage is concerned with the sale of undeveloped land.
- Where relevant the restrictions protecting the Profit Share Overage are removed on a plot by plot basis and are bundled on a monthly basis in the same way as the releases in connection with the Charge.

3.5 Recommendation (c) in this report enables the above approach. House sales are the essential component of the business plan, the original purposes of the overage and pre-emption clauses will be no longer needed at the point house sales would commence or are varied as a result of the revised expectations set in April 2020. The Council will update its approach to security, including consideration of a floating charge as assets develop as a result of the advice described at paragraph 2.9 above. Therefore at the appropriate time there will be a single/phased release will be progressed at:

| Single Site Release | Phased Site Release |
|--|---|
| Over, Mill Road Landbeach, Beach Farm Brampton Meadow View Cambridge Fitzwilliam Road Cambridge, Ditton Walk phase 2 Cambridge Malta Road Foxton, Foxton PRU | Cambridge, Worts Causeway (Newbury Farm) Burwell, Newmarket Road (Original purchase phases 1 & 2)- (A note Burwell has at least 6 phases and will be released over a period of up to ten years) Soham Eastern Gateway (Original purchase phases 1 & 2) |

An opportunity has also come forward for a partial disposal at Horningsea to an adjacent landowner, which This Land has considered is preferable to its own development on that part of the site, so a partial sale at Horningsea is similarly recommended.

3.6 Elsewhere:

- Contracts have been exchanged at Burwell as part of the master developer approach. This results in a major capital receipt for This Land, giving the company very good liquidity foresight for the coming 12months+. The company is developing a detailed application for the dwellings which This Land will deliver which it expects to submit at the end of 2022.
- Infrastructure works have commenced on site at Worts Causeway
- At Soham Eastern progress is being made with planning considerations, which have been challenging, and in agreeing terms for relocation of a medical centre to the site
- The detailed planning consent at Brampton is expected imminently, the 30 dwelling scheme will commence later this year

4. Alignment with corporate priorities

- 5.1 Communities at the heart of everything we do
Through its housebuilding, This Land is committed to shaping places in order to contribute to the Council's efforts to create thriving places for people to live.
- 5.2 A good quality of life for everyone
There are no significant implications under this heading
- 5.3 Helping our children learn, develop and live life to the full
There are no significant implications under this heading
- 5.4 Cambridgeshire: a well-connected, safe, clean, green environment
The company has priorities to reduce its landfill to waste, commits to sustainable energy at its developments and engaging with communities
- 5.5 Protecting and caring for those who need us
There are no significant implications under this heading

6. Significant Implications

- 6.1 Resource Implications
Financial implications are set out in section 1 and throughout the report.
- 6.2 Procurement/Contractual/Council Contract Procedure Rules Implications
There are no implications for procurement or contract procedure rules.
- 6.3 Statutory, Legal and Risk Implications

Assessment of principal risks:

| Description | Impact /Likelihood | Response/Mitigation |
|--|--------------------|--|
| <i>Construction:</i> cost, defects, materials, milestones | Impact: Medium | <ul style="list-style-type: none">- Monitoring surveyor reviews of cost, progress and quality- Construction contingency budget- Insurance cover / warranties |
| | Likelihood: Medium | |
| <i>Planning & regulation:</i> timing, obligations & cost of meeting planning and building regulations approval | Impact: Medium | <ul style="list-style-type: none">- Reviews of project plans/budgets for obtaining planning consent, progress and performance- Staff expertise- Land promotion diversifies planning authorities involved |
| | Likelihood: Medium | |
| <i>Workforce & Expertise:</i> attracting and retaining talent, capacity and experience | Impact: High | <ul style="list-style-type: none">- Director recruitment process- Monitoring turnover & performance- Diversity of experience of team members, succession planning |
| | Likelihood: High | |

| | | |
|--|--------------------|--|
| <i>Health & Safety</i> - heightened by the coronavirus pandemic | Impact: Medium | <ul style="list-style-type: none"> - External independent H&S team - Review by monitoring surveyor - Company policy and procedures |
| | Likelihood: High | |
| <i>Governance risks:</i> securing best value, acting at arms-length, legal challenge by competitors, state aid | Impact: Medium | <ul style="list-style-type: none"> - Ongoing legal representation, advice and review - Adopt formalised memorandum(s) governing Council: Company interface - State aid reference rates adopted for loans |
| | Likelihood: Medium | |
| <i>Performance of strategic land promotion:</i> competitive area, securing agreements, reputation | Impact: High | <ul style="list-style-type: none"> - Council seeks independent validation - Careful site selection - Work closely with communities - Risk and sunk costs within financial model - Build successful track record |
| | Likelihood: High | |
| <i>Master developer and non-residential development models:</i> complicated and capital intensive | Impact: Low | <ul style="list-style-type: none"> - Monitoring surveyor reviews progress and performance - Regular review of complex commercial schemes - Full prior appraisal by This Land's Development & Investment Committees |
| | Impact: Medium | |
| <i>Housing demand and economic risks</i> | Impact: High | <ul style="list-style-type: none"> - Sales strategies prudent and based on regular review of local market - This Land to develop relationships with mortgage brokers and agents |
| | Likelihood: Medium | |
| <i>Future land sales to This Land:</i> land availability | Impact: Medium | <ul style="list-style-type: none"> - Promotion of land within local plans - Seeking alternative land across wider geography |
| | Likelihood: Medium | |
| <i>Underlying company value and security/collateral, impairment to inventory</i> | Impact: High | <ul style="list-style-type: none"> - Valuations to validate ongoing value of the firm - Internal appraisals to update This Land financial model - Security over work in progress and visibility that amounts invested lead to increased value |

In considering this report, the improvements recommended and next steps for the company, the Committee will be mindful of its fiduciary duty to Cambridgeshire taxpayers, with regard to best value, security of funds, risk and commensurate returns.

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

This Land executives have committed to enhancing engagement with Members.

6.7 Public Health Implications

There are no significant implications in this category

6.8 Environment and Climate Change Implications on Priority Areas

6.8.1 Implication 1: Energy efficient, low carbon buildings.

Positive – This Land is considering how it can enhance its contribution to lowering carbon in its building plans. The homes the company is building are heated by air source heat pumps rather than gas.

6.8.2 Implication 2: Low carbon transport.

Neutral - No changes proposed in this report

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

Neutral - No changes proposed in this report

6.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Neutral - No changes proposed in this report

6.8.5 Implication 5: Water use, availability and management:

Neutral - No changes proposed in this report

6.8.6 Implication 6: Air Pollution.

Neutral - No changes proposed in this report

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

Neutral - No changes proposed in this report

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: S Howarth

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

Name of Officer: C 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: F McMillan

Have the equality and diversity implications been cleared by your Service Contact? Yes

Name of Officer: T Kelly

Have any engagement and communication implications been cleared by Communications? Yes

Name of Officer: C Birchall

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

Name of Officer: T Kelly

Have any Public Health implications been cleared by Public Health? No
Not applicable

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

Name of Officer: E Bolton

7. Source documents

- 7.1 AY report considered at January 2022 Committee
[Strategy and Resources Committee 27 January 2022](#)

Recommendations



A DEVELOPMENT
BUSINESS

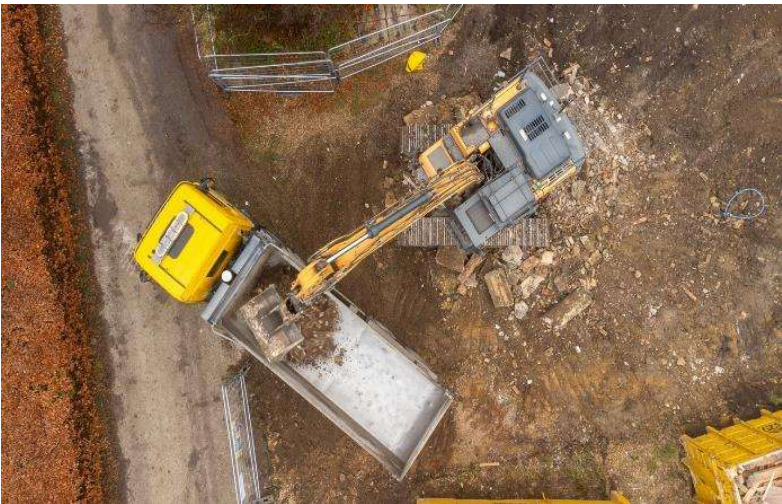
| Target Area / Specific Activity to Address | Success Criteria | Timescale | Impact / Outcome | Response |
|---|---|--|---|---|
| Develop a new financial model to support business decision making and improved governance. | Board has full visibility of secure / unsecure income and expenditure and Board papers reflect enhanced financial sensitivity analysis. | 1-3 month development period / 4-6 month implementation & full data transfer | A fully integrated and consistent financial management and monitoring tool. | A new model will be produced. A financial modeller has been identified to join the company. |
| Shareholder and Board Reports to be expanded to reflect secure and unsecure income and expenditure. | Improved Board and Shareholder visibility of the financial gaps. | 0-1 month | The Council will have a better understanding of This Land's ability to meet its loan payments over the coming years. | Clear definition of unsecured and secured opportunities. |
| Establish a risk orientated approach to the allocation of contingency rather than a blanket 10%. | Better shared awareness and visibility of key project risks. Information should be shared with the Board through the Board papers. | 0-3 months | Improved risk analysis and quantification of key risks on a site by site basis leading to a more robust financial position. | Specific risk contingencies will be applied. |
| Greater emphasis on risks and potential mitigation measures. | Improved visibility of key risks both impacting on the financial and operational aspects of the business. | 0-1 month | Inclusion of a "live" risk register within the Boards pack and shareholder briefings. | This has already been implemented prior to the report being published. |

Recommendations



A DEVELOPMENT
BUSINESS

| Target Area / Specific Activity to Address | Success Criteria | Timescale | Impact / Outcome | Response |
|---|--|------------|---|--|
| Diarise quarterly shareholder meetings, and agree information pack in advance. | Well attended shareholder meetings. | 0-1 month | Fully briefed Shareholder with clarity of business direction as well as an in depth understanding of key risks and mitigations. | Implemented |
| Formal Shareholder review of This Land's strategic objectives in the context of new political objectives. | Providing clarity to This Land of the Shareholders longer term vision for the company. | 0-3 months | Improved balance between financial and non financial outcomes that better align to the Council's strategic objectives. | Ongoing |
| Establish a "Mirror Board" meeting, to take place prior to This Land quarterly Board meetings. | Provide greater oversight, challenge and support of the business. | 0-3 months | Preparation of briefing for Council representatives on the Board in advance of Board meetings. | For our Shareholder |
| This Land needs to review the sufficiency of internal resources allocated to the production of development appraisal information. | Better awareness of costs and income. | 0-3 months | Improved robustness of information contained in the financial model which supports Board reporting. | This has already been implemented prior to the report being published. |



Our Approach to Risk - Checks and Balances



A DEVELOPMENT
BUSINESS



Board and
Audit and Risk
Committee



Monthly
internal risk
meetings



Strategy and
economic
outlook (SMT)



Project
specific
Risk
Registers

Our approach to Risk -

A balanced portfolio to de-risk the business



A DEVELOPMENT
BUSINESS

| Master Developer | Homes | Strategic Land |
|----------------------------|------------------------------|------------------------------|
| Speeds up Development | Essential social requirement | Large financial returns |
| Reduces financial exposure | Large expenditure of capital | Focus outside of the county |
| Complex disposal | Low financial return | Good demand |
| Good financial return | High demand | Part of a balanced portfolio |

Asset Management – property specific updates

To: Strategy & Resources Committee

Meeting Date: 29 March 2022

From: Director of Resources & Chief Finance Officer

Electoral division(s): Market, Castle, Abbey and Fulbourn

Key decision: Yes

Forward Plan ref: 2022/053

Outcome: To provide an update to the Committee on a number of property matters and agree next steps.

Recommendation: The Committee is invited to:

- (a) Agree to commence procurement of student accommodation operator at Brunswick House delegating authority to award a contract to the Director of Resources in consultation with the Chair and Vice-Chair;
- (b) Agree to voluntarily register certain land at Shire Hall, Cambridge as a town or village green;
- (c) Agree to progress the scheme for biodiversity net gain at Lower Valley Farm, delegating authority to enter into agreements for that purpose to the Director of Resources in consultation with the Chair and Vice-Chair; and
- (d) Agree, in principle, to inclusion of early years provision at the East Barnwell Community Hub, and to bring forward a revised capital budget in due course, following further development of plans for this asset.

Officer contact:

Name: Tom Kelly

Post: Director of Resources & S151 Officer

Email: tom.kelly@cambridgeshire.gov.uk

Tel: 01223 699241

Member contacts:

Names: Councillors L Nethsingha and E Meschini

Post: Chair/Vice-Chair

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

Tel: 01223 706398

1. Brunswick House operating agreement

- 1.1 Brunswick House, located on Newmarket Road in Cambridge, is a 251 bedroom student halls of residence constructed in 2012. It was acquired by the Council in July 2018 for £38m as an investment asset generating a yield, in order that the Council would benefit from the revenue income. The Council also had regard to shortages of high quality student accommodation.
- 1.2 When the property was purchased there was an Operating Agreement in place with an accommodation manager/operator which was novated to the Council from the vendor. The operator manages all functional aspects of the student accommodation including caretaking, custodian and maintenance support. The operator is also responsible, subject to the Council's instructions, for bookings/lettings and marketing at the property and for administration of rent collected from occupants. The annual value of the agreement is approximately £440k, divided between a management fee and the fixed operating costs. The novated Operating Agreement will expire on 23 January 2023, and the Council will need to undertake a public procurement exercise for successor arrangements.
- 1.3 The gross rental income from full occupation of Brunswick House is £2.34m. The Council's investment portfolio is diversified across a number of asset classes – student accommodation has proved to be relatively vulnerable to the impacts of the pandemic as students stayed away from universities. However, this academical year there has been a desire to return to campus with some in person learning returning and occupation levels have improved to 94% (the highest since 2018/19). Market analysis suggests there is ongoing demand for this type of accommodation, especially where it is of a high standard and well located as is the case of Brunswick House. The Council has budget provision identified in 2022-23, derived from rental income in the property, for continued investment in the upkeep of the property in order to ensure it remains of high standard and attractive.
- 1.4 The Council wants to continue to optimise the income and value it receives from Brunswick House and it is expected that appointing a specialist and single operator will continue to be the best way to deliver this, benefitting from the expertise and economies of scale of a student accommodation provider. Following consideration of available frameworks, including those maintained by the Universities' buying organisations, it is envisaged that a full tender exercise will be run, for a contract of at least four years with pre-set extension options. A term of this length affords the operator sufficient time to embed into management of the property and progress its development. There is a competitive market of student accommodation operators who could bid for this opportunity.

2. Shire Hall, Cambridge: registration of town or village green

- 2.1 On 10 June 2019, three local residents (two of whom were at that time County Councillors) applied to declare the Castle Mound and Shire Hall lawn as a town or village green (TVG). In order to recuse Cambridgeshire County Council from involvement in determining the application, due to its interest as landowner, Full Council delegated decision making as the commons registration authority to Suffolk County Council.
- 2.2 In its capacity as the landowner, CCC formally objected to the application for registration of a TVG on 22 April 2020. There was subsequently a delay, relating to pandemic restrictions,

to advertising the consultation on the TVG application until November 2021 and that process has now completed.

- 2.3 The site is already largely covered by a Scheduled Ancient Monument (SAM) designation which means that public access is protected but an area of lawn in front of Shire Hall is not in the SAM designation and does not have protected public access although this has been allowed for over 90 years.
- 2.4 A TVG would protect public access by law and would restrict development and would be binding forever. Due to the proximity to the SAM it is inconceivable that any building development would be possible in any case. An improvement such as the creation of a formal flowerbed might be objected to on TVG grounds.
- 2.5 When the Council lodged its objection in 2020 it did so, following legal advice, on two primary grounds. Firstly, that land that was already a SAM could not lawfully meet the requirements of a TVG and secondly that the users of the lawn and Castle Mound were not the inhabitants of a defined "locality". Following further consideration in 2021, it is proposed that the second ground for objection is no longer advanced by the Council, given the factual matrix. However, it is considered that the first ground raises an arguable point of law, and that this would likely require inquiry by the determining authority, for which CCC will meet costs, were the current application to proceed.
- 2.6 The lawn and Mound were initially included in the red line area marketed along with the Shire Hall campus buildings. The proposal agreed by Strategy & Resources Committee is that only the building footprints will be leased but other areas will remain in the Council's direct control.
- 2.7 Discussions have taken place with the applicants about withdrawing their application in return for a voluntary TVG declaration relating to the smaller area of the Shire Hall lawn which is not currently a SAM. This has been agreed in principle although the exact boundaries are subject to survey and have to be finalised.
- 2.8 The advantage of this arrangement is that an expensive public inquiry will be avoided. It will also avoid a potentially ambiguous or contentious designation of TVG and SAM on the same land. One scenario where this is sensible is that repairs to the SAM would not be delayed by an objection from a member of the public using the TVG legislation.
- 2.9 The process for making a voluntary TVG declaration is straightforward and the Council would undertake to register in this way when the applicants withdraw their application.

3. Biodiversity Net Gain at Lower Valley Farm, Fulbourn

- 3.1 In planning submissions, developers are expected to demonstrate that their proposals are compliant, with all relevant legislation regarding the protection of wildlife and habitats. The Environment Act 2021 mandates that measurable Biodiversity Net Gain (BNG) for developments should exceed the pre-development biodiversity value by a minimum 10%. There will be a two-year transition before mandatory net gain becomes law. During that time DEFRA are developing, with a wide range of stakeholders, the best way to implement the legislation and achieve BNG outcomes.

- 3.2 Many Local Planning Authorities already require developers to evidence how they will deliver net gains for biodiversity prior to issuing planning consent. Greater Cambridge Shared Planning produced a Biodiversity Supplementary Planning Document in February 2022. (greatercambridgeplanning.org). GCSP require a 10% net gain, but their Doubling Nature Vision adopted in February 2021 aspires to 20% BNG and this may be adopted in the revised Local Plan. The hierarchy of BNG re-provision is to first provide onsite and if that is not possible to provide offsite and in the planning authority area. Where off site habitat measures are required, they must be consistent with the strategic aims of the Cambridge Nature Network, and Greater Cambridge Green Infrastructure Opportunity Mapping.
- 3.3 BNG is an emerging area of rural land management. The County Council's County Farms team have been proactive in developing a BNG scheme on the rural estate for more than a year and have regularly updated and consulted the County Farm Working Group where Members have been supportive. Development of the initiative has required partnership working between the County Farms team, Greater Cambridge Shared Planning Service, legal advisors, the Wildlife Trust, Cambridge Past Present and Future, DEFRA and Natural England, along with ecologists from Bidwells and Logika.
- 3.4 A review of the potential opportunities for establishing a BNG scheme in the South Cambridgeshire area was conducted and Lower Valley Farm in Fulbourn, South Cambridgeshire, was identified as being ideally situated to serve this purpose. The 350-acre farm has been let on a short-term arrangement while several longer-term options were explored. Lower Valley Farm is identified by the Wildlife Trust and CPPF in the Cambridge Nature Network as a strategic priority landscape area, which will buffer the adjacent Roman Road Site of Special Scientific Interest (SSSI) and link to other surrounding SSSIs, supporting habitat connectivity across the landscape from Trumpington Meadows through to Wilbraham Fen.
- 3.5 A baseline biodiversity survey has been carried out and a scheme has been prepared based on establishing chalk grassland, with some woodland and hedges. The land will be farmed by a tenant farmer using grazing animals to achieve the required biodiversity. £194k of Natural England funding will pay for setting up the BNG contracts, providing infrastructure and establishing the grassland, hedges, and woodland.
- 3.6 BNG schemes will be secured through a section 106 agreement with the allocation of biodiversity units to developers offered by way of an option agreement or a conditional contract. This approach has been accepted by GCSP. The biodiversity provision will be a 30-year obligation. The scheme's habitat creation/enhancement works will commence in August 2022 and developers looking to acquire units since August 2019 can be accommodated for in this scheme. The first phase of the scheme will see the conversion of a 150-acre south block of the farm from arable to biodiverse habitats, establishing a habitat bank, that can serve current and future developer BNG requirements. This allows enhancements to be carried out before the development takes place and BNG credits to be drawn down by developers as required. This approach is recommended in the DEFRA BNG consultation and has been accepted by GCSP.
- 3.7 Subject to Member support through this report, terms are close to agreement for allocation of biodiversity units to Network Rail and a commercial housing developer, as well as significant interest from other developers.

- 3.8 The financial return to the Council as landowner is contingent on market pricing and negotiation and is therefore somewhat commercially sensitive. Payment will be received upfront and compares very favourably to the annual agricultural rent currently achieved (around £100 per acre). Total size of the farm and potential scope at this location is 450 acres.
- 3.9 The scheme has wide support from stakeholders and aligns with biodiversity strategies. It has the potential to become a showcase for the effective delivery of BNG demonstrating how offsetting development through habitat creation on a landscape scale is most efficient, cost-effective and maximises environmental and social outcomes.
- 3.10 It should be recognised that as DEFRA's preferred approach to implement BNG crystallises in the next two years, the pilot approach may be varied to accommodate smaller scale alternatives or incorporate County Council preferences, balancing biodiversity targets and commercial outcomes.

4. East Barnwell re-development

- 4.1 In March 2021, the Children & Young People's Committee had concluded that the Seesaw Pre-School could continue to operate at The Galfrid Primary School site. That decision was strongly opposed by local councillors and other stakeholders from the neighbourhood, noting that relocation to Galfrid from the East Barnwell locality had previously been understood as temporary. Earlier this month, the CYP Committee reconsidered its position following member and stakeholder representations and in view of the Council's duty to secure sufficient and suitable childcare places as well as local socio-economic factors. Abbey is the most deprived ward in Cambridge City with the majority of the deprivation in the homes to the north of Newmarket Road where the East Barnwell Community Hub is located. CYP Committee supported a proposal to include early years provision as part of the specification for the re-development of the East Barnwell Community hub. The inclusion of accommodation dedicated to the delivery of early years and childcare in the specification for the re-development of site will enable parents and families to access a range of services and facilities in one place.
- 4.2 Subject to the Committee supporting adding back early years provision, the redevelopment would provide for housing, community space, a library and a nursery on a single site. Budget provision relating to the early years element was previously removed in 2018 due to delays with the overall scheme. Capital budget under the supervision of this Committee of £1.53m is allocated to the scheme in the approved capital programme, and this will need to be updated for latest estimates and to take account of the CYP recommendation to add back early years provision. Delivery of the scheme at the current community centre may enable the release of the building currently used in the vicinity as East Barnwell library, which could generate a capital receipt. Additionally, in 2018, the Council received a further capital receipt of £1m for a further building nearby at Malta Road which was purchased by This Land.
- 4.3 The Council has commissioned Carter Jonas, a property consultancy, to undertake a development appraisal for the East Barnwell Community Hub, comparing scenarios including and excluding the early years provision. Amongst the impacts of including an early years setting is a reduction in the space available for housing. The actual financial impact of any change can be more precisely costed once this Committee has confirmed its in-

principle support for including early years provision. This will include examining opportunities for cost engineering, deciding the future basis for rent and considering the balance of other uses of the building (including the viability of affordable housing). Considering the scenarios put forward by Carter Jonas, it is estimated the extra capital requirement to deliver early years provision at East Barnwell would currently range from £400k - £625k. Once a firm budget increase is available alongside a confirmed specification, this Committee will be approached again to consider the actual budget revision.

- 4.4 Plans for redevelopment of Council assets at this location, and nearby, have been under consideration and formulation for a number of years. Complications and delays have arisen from confirming the Council's specification (initially widened to include housing, and more recently the nursery location aspect), multi-stakeholder liaison, seeking and responding to planning advice and the dependencies/facilitation with adjacent landowners. The property is also a registered asset of a community value. Planners guided the Council to consider how our site could be masterplanned (particularly for massing and access) with the adjacent properties owned by two other landowners (one of which is Cambridge City Council) and we are now well placed to submit a planning application in the first half of 2022.
- 4.5 If the Committee agrees to meet the request from CYP to include early years provision in the specification, this will be an important opportunity to build momentum behind a preferred approach and implement the redevelopment. We are liaising closely with the City Council as there remain opportunities to collaborate. There is likely to be a trade-off between pace and control over delivery on the County Council site alone versus the benefits of a wider scheme and the City Council's involvement through a partnership approach. Once cost engineering and liaison with the adjacent landowner has progressed, it will be possible to put forward a firm update to the proposed capital budget. Through this report, the Committee is asked to confirm the request from CYP Committee to include early years provision at this location, recognising, in principle that this will lead to an increase in the capital budget.

5. Alignment with corporate priorities

- 5.1 Communities at the heart of everything we do
There are no significant implications for this priority.
- 5.2 A good quality of life for everyone
There are no significant implications for this priority.
- 5.3 Helping our children learn, develop and live life to the full
Section 4 is the result of the decision by Children and Young People Committee to favour location of early years provision at East Barnwell.
- 5.4 Cambridgeshire: a well-connected, safe, clean, green environment
These proposals relate to the effective asset management of a number of Council properties, part of the local environment. Promoting the town green at Shire Hall, and biodiversity at Lower Valley Farm, is supportive of the green environment
- 5.5 Protecting and caring for those who need us
There are no significant implications for this priority.

6. Significant Implications

6.1 Resource Implications

The Council relies on income from Brunswick House, and the cost of the operator contract is within budget.

Additional capital budget for East Barnwell will come with a revenue impact that would need to be factored into the business plan for 2023/24 onwards.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

A public procurement exercise is required in relation to the operator for Brunswick House, as set out in section 1.

The Council is adopting the Themes, Outcomes and Measures approach to social value that is widely used in local government, under the auspices of the social value portal, and this will form part of the evaluation of the tender proposals set out in section 1.

6.3 Statutory, Legal and Risk Implications

The Council has received legal advice with respect to Town and Village Green, Procurement/Commercial and contract novation, and establishment of the biodiversity net gain scheme.

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

Local Members have been notified of these proposals in accordance with the protocol

6.7 Public Health Implications

There are no significant implications in this category.

6.8 Environment and Climate Change Implications on Priority Areas

6.8.1 Implication 1: Energy efficient, low carbon buildings.

Neutral – No changes proposed in this report

6.8.2 Implication 2: Low carbon transport.

Neutral - No changes proposed in this report

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

Positive – section 2 and 3 set out positive changes or protection for green spaces, habitats and land management.

DEFRA is developing its strategic position on biodiversity net gain and the detail of permissible approaches to delivering BNG within the new planning framework. There is a key opportunity for CCC to develop a pilot ahead of the legal position crystallising to:

explore the business models available; develop our expertise; and put the council in a strong position to enter the BNG credit market swiftly once established - as the market is intended to be commercially driven, with operators seeking to offer the best price to attract developers, there may be significant first-mover advantage. Developing a pilot without the detail of the forthcoming legislative position will mean the selling of credits could be time bound. The Council is liaising closely with DEFRA and other sector stakeholders and the Council's property surveyors are of the view that the scheme is well-placed in the current context.

6.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Neutral - No changes proposed in this report

6.8.5 Implication 5: Water use, availability and management:
Neutral - No changes proposed in this report

6.8.6 Implication 6: Air Pollution.
Neutral - No changes proposed in this report

6.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.
Neutral - No changes proposed in this report

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

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: Tom Kelly

Have any Public Health implications been cleared by Public Health? No
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 [Children and Young People Committee - 9 March 2021](#)
[Children and Young People Committee - 1 March 2022](#)

Procurement of Council Insurance Programme

To: Strategy & Resources Committee

Meeting Date: 29 March 2022

From: Tom Kelly, Director of Resources

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2022/017

Outcome: To obtain approval to tender the corporate insurance programme for the Council for the period 2022 – 2027 and for the delegation of decision to let contracts to the Director of Resources.

Recommendation: The Committee is asked to:

- a) Note and approve the issue of a tender for the Council's insurance arrangements for the period 2022-2027; and
- b) Approve the delegation of the decision on the level of insurance to be purchased and the award of contracts to the Director of Resources in consultation with the Chair and Vice-Chair of the Strategy and Resources Committee.

Officer contact:

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Member contacts:

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

1. Background

- 1.1 The Council's current insurance programme expires on 30th September 2022, it was last tendered in 2017. It is proposed that a tender process is undertaken to procure contracts of insurance to replace existing arrangements.
- 1.2 At last renewal in October 2021, the Council paid £1,086k in insurance premiums. The Council has for many years held large self insured retentions (excesses) on material damage and liability insurance policies in order to contain the cost of insurance spend and balance internal and externally insured risks.
- 1.3 The insurance market for public sector risks is currently relatively adverse with insurers requiring high premium levels and large self insured retentions especially on material damage and liability risks.
- 1.4 Ahead of tender preparations we have reviewed the Council's tolerance to financial risk, the level at which it buys insurance and what insurance it buys. As a result of this work, with the support of the Council's appointed insurance brokers, we will design a revised insurance programme which will serve, based on actuarial assessments of the Council's historic claims performance, to best manage the overall total cost of insurable risk.
- 1.5 The Council's Insurance Service, working with appointed insurance brokers, will lead the procurement exercise with the support of Procurement colleagues undertaking a compliant marketing exercise engaging insurers within the public sector market. The tender will be issued to the market by May 2022 with responses due July 2022 for assessment and decision by end August 2022. The new contracts of insurance will commence on 1st October 2022 with an intended duration of 3 years with an option to extend for up to 2 further years.
- 1.6 Not all insurance policies will be subject to a full tender process. The following specified risk areas will be subject to a request for quotation process led by brokers with procurement oversight. This is due to their specialist nature and limited market availability for the cover required by the Council. Due to the level of premium spend for these covers there is assessed to be no material impact on the council as a result of this approach
 - Terrorism, estimated annual spend £6k p.a
 - Fine Art, estimated annual spend £13k p.a
 - Solar, estimated annual spend £18k p.a.
- 1.7 It is essential that the Council has in place a robust programme for protection against the financial exposure to insurable risks, alternative programme and design structures will be considered and the final structure will be agreed by the Director of Resources in consultation with the Chair and Vice-Chair

2. Main Issues

Insurance Market

- 2.1 The public sector insurance market remains limited in the number of insurers operating

within the space. Traditional insurers have recently been joined by new market entrants who are providing additional capacity but overall competition remains limited.

- 2.2 There is a reluctance from general market insurers to operate in the local authority space due to the risks associated with local authority operations, particularly highways and children's social care.
- 2.3 Alternative risk transfer models have been investigated, most recently the Local Government Mutual (supported by the LGA). However these have not resulted in sufficient capacity within the market to be capable of offering a meaningful alternative to traditional insurance and at the time of this report there is no viable alternative to the purchase of insurance protection.
- 2.4 A significant increase in losses both domestic and worldwide has led to a general reduction in capacity and increase in premium rates. Insurers are being more selective of the risks that they choose to insure and have a general expectation of the insured taking a larger proportion of the risk through self insured retentions
- 2.5 We are currently expecting significant increases in material damage and liability insurance premium rates as a result of claims inflation, reinsurance cost increases and the ongoing limited public sector market.

Risk Financing

- 2.6 Currently the Council retains the first £260k of all material damage claims and £750k of all liability claims. The amount the Council pays in retained claims in any one insurance period is capped by an aggregate deductible set at £790k and £5m respectively. The Council funds the self insured retention risks within its insurance reserves undertaking actuarial review of the amount of top-up required annually to the reserve each year.
- 2.7 Other insurance policies are subject to lower levels of excess as befits the risks associated with them and the inability to make meaningful premium savings by virtue of an increase in self insured retention.
- 2.8 It should be noted that the liability insurance deductible was increased by insurers in 2020 in response to a deteriorating claims experience driven by a number of larger liability claims, predominantly on the highways.

Insurance Programme Design

- 2.9 The Council will place to market a tender specification requesting cover for the key areas of insurable risk. Following consideration by the Insurance Service, other than the offsite travel policy purchased solely for use by schools, it is not proposed at this time that any insurance policies are lapsed and not insured, see 2.12 below.
- 2.10 We have instructed an insurance actuary to review the Council's material damage and liability claims histories and provide guidance as to the suggested level of self insured retention for these insurances. The balance of the Council's insurance covers have significantly less risk attached to them and do not command the same level of self insurance and were not considered by the actuary.

- 2.11 When considering the level of self insured retention we have reviewed the likely retained claims costs to the Council of the retention against the insurers premium requirements. On assessment we have selected retention levels for material damage and liability risks based on the cost of retained risks and premium when added together. Savings in premiums from higher retention levels may not necessarily be sufficient to justify the additional exposure on the Council's insurance funds. Following this work it is proposed that the Council will place before the market the following deductible options:

| | | |
|-----------------|----------|--------------------------|
| Material Damage | Option 1 | £100k Deductible |
| | Option 2 | £250k Deductible |
| | Option 3 | Bidder specified variant |
| Liability | Option 1 | £500k Deductible |
| | Option 2 | £750k Deductible |
| | Option 3 | Bidder specified variant |

The tender presentation will include actuary suggested aggregate deductibles although from experience the market will provide terms with each bidder setting their own assessment of aggregate deductible. As part of the evaluation process work will be undertaken to assess the cost of each variation offered by the market.

- 2.12 With effect of 1st April 2022 schools will be insured in on a standalone insurance framework, removing them from the Council's main insurance programme. This outcome has been reached to ensure that the Council was able to offer the most comprehensive and cost effective insurance provision for schools and given national developments in the schools insurance market and that the responsibility and decision-making on insurance is for schools themselves. The framework cover provided to the schools from 1st April 2022 will result in lower insurance costs than would be achieved by using the Council's insurance arrangements or the alternative Risk Pooling Arrangement operated by the Education Funding Agency.
- 2.13 As a result of the removal of schools from the insurance arrangements there is likely to be a significant reduction in the risk exposure on material damage insurance which will result in premium savings. We have considered actuarial advice and given the lower risks associated with the remaining Council's property portfolio there is not expected any benefit to the Council of taking a deductible in excess of the current levels on material damage insurance.
- 2.14 The Council's liability risk exposure is primarily centred around highways and social care risks, it is not expected that the removal of schools will have a significant impact on the level of self insured retention. As a result it is recommended that we place market options based on the current level of retention and for comparative purposes reduced level.

3. Alignment with corporate priorities

- 3.1 There are no significant implications for the following corporate priorities
- Communities at the heart of everything we do
 - A good quality of life for everyone
 - Helping our children learn, develop and live life to the full

- Cambridgeshire: a well-connected, safe, clean, green environment
- Protecting and caring for those who need us

4. Significant Implications

4.1 Resource Implications

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

- It is expected that overall the total cost of the Council's insurance arrangements will decrease compared to previous years. The decrease will be driven by the removal of schools from the programme. However the level of decrease will be reduced by virtue of the harsh market conditions.
- The premium costs for 2021/22 were £1,086K, at present the best estimate of the level of premium spend, excluding schools, for 22/23 is £810k, this is based on current deductible levels and whilst this takes account of inflationary factors we are not able to provide significant assurance as to the accuracy of this estimate as it is dependent on market factors, tender responses and ultimate programme design recommended during tender evaluation.
- It is believed that the overall level of the Council's self insured retention moving forward will reduce due to the removal of school risks from material damage cover.
- The Council retains appropriate levels of budget for insurance premium spend to cover the expected cost of its insurance for the 2022/23 insurance period.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Procurement to be managed in compliance with the Council's contract regulations and the Public Contracts Regulations 2015. The key risks arising from this procurement are as follows:

| | |
|---|--|
| Insurance team fails to oversee robust tender process leading to breach of regulations | Process is being managed by Head of Insurance in consultation with Procurement and Council appointed insurance brokers to ensure full compliance with contracting regulations. |
| Poor evaluation and decision making result in increased insurance costs over life of contract | Evaluation will be undertaken in consultation with appointed insurance brokers to ensure errors or omissions in bids are identified and final recommendations represent most economically advantageous outcome for the Council. |
| Poor financial evaluation leads to selection of inappropriate levels of self-insurance leading to higher lifetime costs | Working with appointed actuaries the Council is undertaking a review of insurance self insured retention levels across long term claims spend within liability and property risks to ascertain an appropriate level of self-insurance for the Council in the future. This information will then be utilised to review bids received to ensure appropriate retention levels are selected. |

Working with procurement colleagues the Insurance Team have considered social value within this procurement. It is considered that there are limited social value opportunities arising in this market. The provision of insurance is essentially a contract of performance in the event of a loss or liability arising and scope for social value in these contracts is not well developed. We are however aware that some providers do provide volunteer time, charitable donations and other support for local causes within their operating areas and we will consider that within the evaluation criteria as the project develops.

4.3 Statutory, Legal and Risk Implications

The Council is only required by statute to hold fidelity guarantee insurance. The need to hold employers' liability insurance is exempted by statute however the Council purchases this cover as a matter of financial prudence.

The Council can also claim an exemption from the provisions of the Road Traffic Act in respect of the need to have motor insurance when a vehicle is used on business. However as there may be instances when a vehicle is not strictly being driven on business and due to the significant financial risks associated with vehicle use the Council retains insurance on its fleet.

The key risks arising from this procurement are as follows;

| | |
|--|--|
| The Council receives no bids from insurers for certain key or required insurances | The market remains competitive for all classes of insurance business and whilst premiums are increasing there is no expectation that the Council will fail to purchase insurance cover for any key insurance policy. |
| The insurance cover offered by the market includes significant exclusions not currently in place which impact upon the Council's risk exposure | At this time we are not aware of any major market changes to insurance cover or policy wordings that would materially increase the Council's risk exposure. |

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.

Positive/neutral/negative Status: Neutral

Explanation: No direct impact

4.8.2 Implication 2: Low carbon transport.

Positive/neutral/negative Status: Neutral

Explanation: No direct impact

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

Positive/neutral/negative Status: Neutral

Explanation: No direct impact

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Positive/neutral/negative Status: Neutral

Explanation: No direct impact

4.8.5 Implication 5: Water use, availability and management:

Positive/neutral/negative Status: Neutral

Explanation: No direct impact

4.8.6 Implication 6: Air Pollution.

Positive/neutral/negative Status: Neutral

Explanation: No direct impact

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

Positive/neutral/negative Status: Neutral

Explanation: No direct impact

Have the resource implications been cleared by Finance? Yes

Name of Officer: Tom Kelly

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

Name of Officer: Claire 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: Tom Kelly

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

5. Source documents

5.1 None

Replacement of Storage Area Network (SAN)

To: Strategy and Resources Committee

Meeting Date: 29th March 2022

From: Sam Smith, Assistant Director of IT & Digital Services

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2022/046

Outcome: This report sets out the background to the request to procure a replacement for the existing computing and storage infrastructure (SAN) and associated services for Cambridgeshire County Council.

The outcome, if agreed, is a fit for purpose infrastructure 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 replacement infrastructure via an approved framework agreement; and
- 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.

Officer contact:

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Member contacts:

Names: Councillors Nethsingha & Meschini
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Email: Lucy.Nethsingha@cambridgeshire.gov.uk
Elisa.Meschini@cambridgeshire.gov.uk
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 such as the Storage Area Network (SAN). That solution is still in place and functional but in line with the agreements made by the LGSS Lead Authority Board all the LGSS partners need to plan the move away from that infrastructure.
- 1.2 The IT & Digital Service are currently reviewing options for this migration in line with the Joint IT Strategy approved by Cambridgeshire County Council in July 2019.
- 1.3 The IT strategy is a Cloud first strategy, which reflects changes to the nature of IT solutions and systems over the last few years.
- 1.4 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 The existing infrastructure will reach the end of its current support contract (June 2023). The option to extend this support is being considered but this option will be time limited, and the infrastructure will need to be replaced, either in 2023 or the following year.
- 2.2 Whilst replacing the existing equipment like for like will provide what is needed in the short term, technology has, and continues to change. It is therefore unlikely that such a replacement would provide the fit for purpose, modern, flexible, secure, scalable and cost-effective solution that the Council needs for the future. Such a solution does not align with the Cloud first principles agreed as part of the IT Strategy and will keep the Council locked in a cycle of continual future capital expenditure.
- 2.3 As the landscape changes and the services that users consume move to an increasingly cloud based model, this infrastructure is better suited to being hosted in the cloud rather than in a local datacentre.

3. Recommended Approach

- 3.1 The recommended approach is to review the options for extended support on the existing infrastructure whilst commencing a procurement process for a longer-term replacement.
- 3.2 The rationale for this approach is:
 - To ensure that the Council maximises the existing investment it has made in the current infrastructure whilst transitioning to a modern and future proofed replacement.
 - To build on the work that has been undertaken in recent years to upgrade and virtualise IT systems.
 - To improve the future flexibility and security of the Councils infrastructure.
 - To minimise future risk by providing resilience for Cambridgeshire County Council and Peterborough City Council in the future.

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

- Innovation
- Security 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

For the infrastructure 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 of a cyber security breach.

4. Cost and Governance

- 4.1 The procurement and implementation of replacement infrastructure will be within the established governance of the IT Strategy programme and follow the internal financial governance of the Council.
- 4.2 Capital budget has been allocated to the replacement of the SAN infrastructure and it is not expected that any additional spend will be required in the financial year 2022/23. 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 business planning process. No additional budget is being requested at this time.
- 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.

5. Alignment with corporate priorities

5.1 Communities at the heart of everything we do

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

5.2 A good quality of life for everyone

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

- 5.3 Helping our children learn, develop and live life to the full
There are no significant implications for this priority.
- 5.4 Cambridgeshire: a well-connected, safe, clean, green environment.
The hosted data centres that we are looking to use, are driving towards a net zero carbon output within 20 years.
- 5.5 Protecting and caring for those who need us
There are no significant implications for this priority.

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 this equipment, all of them carry significant cost. If necessary, funds over and above that already allocated will be requested through the business planning process.
- Each solution also requires significant data migration, this will need to be carefully managed. The most appropriately skilled people in ITDS will need to be assigned to this work. There is also likely to be some impact to the business while migrations are taking place, this will be minimised, but staff may need to accept some disruption.

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 for both procurements.

6.3 Statutory, Legal and Risk Implications

- Advice has been received from LGSS Law 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.

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.

Neutral

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

Neutral

6.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

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:

Neutral

6.8.6 Implication 6: Air Pollution.

Neutral

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

Neutral

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Helen Boutell

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

Name of Officer: Claire Elias

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? No
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? No

Not applicable

Have any Public Health implications been cleared by Public Health? No

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

Water and Wastewater Services Procurement

To: Strategy and Resources Committee

Meeting Date: 29 March 2022

From: Steve Cox, Executive Director of Place and Economy

Electoral division: All

Key decision: Yes

Forward Plan ref: 2022/042

Outcome: To update Members on a procurement of water and wastewater services, set out potential options and seek approval to proceed.

Recommendation: The Committee is asked to:

- a) enter into a contract with Wave under the ESPO framework to supply water and sewerage retail services to all sites where Cambridgeshire County Council is liable for the bills, from August 2022. (Option B as detailed in the paper)
- b) increase efforts to understand and reduce water consumption across the Council's properties.

Officer contact:

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Member contacts:

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Post: Chair/Vice Chair
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Tel: 01223 706398

1. Background

- 1.1. Cambridgeshire County Council is responsible for water and wastewater (i.e. sewerage and drainage) bills at approximately 113 sites, including offices, libraries, community centres and farms. The Council spends approximately £160k on these services per year and in total uses approximately 85,000m³ of water per year across all sites.
- 1.2. The water retail market for non-households was opened to competition in England on 1st April 2017; meaning that businesses, charities and public sector organisations are now able to shop around and switch retail service provider for their water and wastewater services – similar to the electricity and gas markets. There are currently 19 different licensed retailers serving non-household customers with premises in England. These are a mixture of water company subsidiaries and new entrant independent companies. These retailers now provide all meter reading, billing, account management and customer service functions to all non-household premises. ‘Wholesale’ regional water companies still maintain the physical supply, treatment and networks infrastructure (and continue to provide retail services to household customers).
- 1.3. In July 2019, the Commercial and Investment Committee unanimously agreed for Cambridgeshire County Council to progress with a water services procurement in early 2020. The Council participated in an aggregated secondary competition under the Crown Commercial Services (CCS) Water, Wastewater and Ancillary Services (RM3790) framework in 2020. Castle Water Ltd were the successful supplier, and the Council entered into a contract with Castle Water to supply all Council premises with water and wastewater services for a period of two years commencing 1st August 2020, with an option to extend for a further one year period.
- 1.4. The Council approved its updated Climate Change and Environment Strategy in February 2022, which includes a strategic priority of water management, water availability/security and flood risk. This recognises that we are in a water scarce region and includes a commitment in our action plan to minimise water waste.

2. Main Issues

- 2.1 Customer service. Since switching to Castle Water, the Council has encountered a number of customer service issues and has had cause to raise formal complaints on multiple occasions. The problems have included long delays in receiving bills, threats of debt collection action in situations where the Council was not in debt and had not received correct bills, incorrectly formatted documents, and issues with access to and functionality of their online portal system. 18 months into the 2-year contract, the majority of the issues have now been resolved, and communications and billing have generally improved, but it has been resource intensive for officers to manage, and some billing issues are still occurring from time to time. (None of these issues have had any effect on the physical supply of water and wastewater services to our sites.)
- 2.2 Cambridgeshire County Council is not the only customer to have had cause to complain, with the Consumer Council for Water (CCW) noting in its recent report that Castle Water and another retailer, Water Plus, between them accounted for 7 out of 10 of all written complaints to water retailers by non-household customers in 2020-21. Castle Water were the second worst performing retailer on this measure with 69.9 written complaints per 10,000 SPIDs (number of supply points served). The worst was Water Plus with 88.2

complaints per 10,000 SPIDs. Wave received less than half that number with 32.7 complaints per 10,000 SPIDs. The retailer with the lowest number of written complaints was First Business Water with 0.0 complaints per 10,000 SPIDs (rounded).

- 2.3 Pricing. Costs of water and wastewater services for non-household customers are made up of a wholesale element and a retail element. In general, wholesale charges make up 90% to 97% of the total price paid for water and wastewater services by non-household customers in England. Many retailers set their tariffs on a 'wholesale plus %' method, and margins for retailers in this market are small. The wholesale charges are regulated by Ofwat, fixed by the wholesaler, passed on by the retailer and are the same no matter which supplier we use. For that reason, overall prices will vary relatively little from one supplier to another.
- 2.4 For customers not in a contract or "in the absence of otherwise agreed terms", retailers may set their tariffs up to a maximum 'default tariff' rate which is set by the regulator, Ofwat, through the Retail Exit Code (REC). This code specifies price caps for all but the very largest of water users. These price caps would apply to all of the Council's sites if we were not in a contract.
- 2.5 The overall difference in costs between the highest and lowest priced supplier tariffs is likely to be very small. Pricing is therefore not a strong incentive to switch suppliers.
- 2.6 Greater financial savings are more likely to be realised by reducing water consumption than by switching suppliers. It is therefore beneficial to seek a supplier able to help the Council better understand and monitor water consumption across our property portfolio, identify high water using sites and detect any potential leaks earlier.
- 2.7 Reducing our water consumption would also be beneficial for the environment, both directly, by helping balance water demand to available supply, and indirectly, by reducing the associated carbon footprint of water supply and treatment. Last year the Environment Agency categorised Cambridgeshire as "seriously water stressed", so there is a challenge in our region to manage the balance of water supply and demand. In 2020-21, the carbon footprint associated with the supply and treatment of the water and wastewater supplies used by the Council was estimated at 46 tonnes CO₂ equivalent. This does not include carbon emissions associated with energy used to heat water.
- 2.8 Contract period. Our current contract ends on 31st July 2022, unless we opt to extend it for a further one year period. If we did nothing, the contract would end on 31st July 2022. Following that date, Castle Water would continue to be our supplier until such time as we elected to switch to a new supplier, but no contract would be in place. This means that prices and service levels would revert to the default levels.
- 2.9 Procurement options. There are various options for procuring a water and wastewater retailer to supply our premises from August 2022 onwards. Three potential routes to procurement have been identified.
- 2.10 Option A would be to effectively delay this decision for a year and extend the existing contract with Castle Water for a further one year period. The minimum written notice period to the supplier in respect of an extension is 30 days. The maximum period of such an extension would be one year. Therefore this would extend our contract until 31st July 2023. A decision to select one of the following alternative options would then need to be made in early 2023.

- 2.11 Option B is to enter a new contract under the Eastern Shires Purchasing Organisation (ESPO) framework. This option was not available to us in 2020 as that framework did not exist then but is now an option. The ESPO framework is a joint procurement between public sector buying organisation partners ESPO, TEC, West Mercia Energy and YPO. The ESPO framework went live on 01/11/2020 and runs until 31/10/2024. The framework enables access to services through direct award with pre-agreed terms and conditions and is free to access. There is a single supplier on this framework, which is Wave Utilities ("Wave"). Wave is the trading name of Anglian Water Business (National) Limited, a joint venture between the business retail arms of Anglian Water and Northumbrian Water. This framework is open to all public sector organisations.
- 2.12 The Council is a member authority of ESPO so would benefit indirectly from making use of this framework.
- 2.13 Another advantage of this option is that there would be no need for the Council to run any procurement process, because ESPO and their other partners have already run a complete procurement process that is fully compliant with UK procurement law. This would save considerable time and resource.
- 2.14 The ESPO framework package on offer from Wave includes a dedicated account manager and a range of billing and payment options. Wave's 'Active Water Management'® service to monitor water consumption is also included in the framework rates at no additional cost. This can potentially provide savings by spotting high or unusual consumption early, that may indicate leaks. This service is likely to be beneficial to the Council. Information on pricing from Wave and further details of the procurement under the ESPO framework are in confidential Appendix A.
- 2.15 Option C is to take part in an aggregated competition under the Crown Commercial Services (CCS) framework. This is the same as what we did in 2020. The CCS framework, (unlike the ESPO one), does not allow for direct award and requires a secondary competition. The next aggregated e-auction takes place in April 2022. The award details (winning supplier, % margin, price per site and order form) will be issued following that. A contract would be for a period of two years. We will not know the pricing for option C, or who the successful supplier would be, until mid-late April 2022. This option therefore has more steps in the process and more unknown factors at this stage. The switching process would be the same for either option B or C, unless the winning supplier for option C was Castle Water again, in which case no switching would be required.

3 Alignment with corporate priorities

3.1 Communities at the heart of everything we do

There are no significant implications for this priority.

3.2 A good quality of life for everyone

There are no significant implications for this priority.

3.3 Helping our children learn, develop and live life to the full

There are no significant implications for this priority.

3.4 Cambridgeshire: a well-connected, safe, clean, green environment

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

- Having a reliable supply of water and wastewater services is essential to keep our buildings operational. Although the physical services would be the same no matter who our retailer was, the retail service can be helpful in aiding swift resolution should any supply issues occur.

3.5 Protecting and caring for those who need us

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:

- Total revenue expenditure of approx. £160k per year. This is within existing budgets.
- Prices and more details are in the confidential appendix.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The report above sets out details of significant implications in paragraphs 2.9 to 2.15, with further details in the confidential appendix.

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.

Positive/neutral/negative Status: Positive

Explanation: Reducing water consumption will have a small but positive effect on reducing the Council's scope 3 (indirect) carbon emissions, as detailed in paragraph 2.7.

4.8.2 Implication 2: Low carbon transport.

Positive/neutral/negative Status: Neutral

Explanation: No impact

- 4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Positive/neutral/negative Status: Neutral
Explanation: No impact
- 4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Positive/neutral/negative Status: Neutral
Explanation: No impact
- 4.8.5 Implication 5: Water use, availability and management:
Positive/neutral/negative Status: Positive
Explanation: A good water retailer can help the Council to reduce its water consumption through advising on leakage detection and water efficiency services, as well as presenting bills in a way that allows the Council to easily spot changes to consumption. Further explanation is in paragraph 2.7.
- 4.8.6 Implication 6: Air Pollution.
Positive/neutral/negative Status: Neutral
Explanation: No impact
- 4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.
Positive/neutral/negative Status: Neutral
Explanation: No impact

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 McMillan

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

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

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

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

5. Source documents

1. List of water and wastewater retailers serving non-household customers in England
2. Ofwat - Retail Exit Code
3. ESPO framework 1008-21 for water, wastewater and ancillary services
4. Environment Agency – water stressed areas
5. CCW report on business customer complaints 2020-21

1. [Open-water - Water and wastewater retailers serving england](#)
2. [Retail Exit Code](#)
3. [ESPO - Water, Wastewater and ancillary services](#)
4. [Water stressed areas – 2021 classification](#)
5. [Business customer complaints 2020-21 | CCW \(ccwater.org.uk\)](#)

No car zones

To: Strategy & Resources Committee

Meeting Date: 29th March 2022

From: Steve Cox, Executive Director for Place and Economy

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: The Committee is asked to consider the results of the trial of no car zones outside two schools alongside evidence from the installation of school streets under the Emergency Active Travel Fund and determine if further schemes should be explored.

Recommendation: Strategy and Resources Committee is asked to:

- a) Note the research outcomes from the study undertaken by the Medical Research Council (MRC) Epidemiology Unit at the University of Cambridge;
- b) Support the implementation of additional no car zone / school streets schemes, subject to available funding (outlined in paragraphs 2.5 to 2.7); and
- c) Note the implication of future decision-making by the Council, and its District Council partners, in relation to Civil Parking Enforcement and Traffic Management Act 2004 Part 6 to the potential enforcement of these schemes (outlined in paragraph 2.11).

Officer contact:

Name: Lyn Hesse
Post: Senior Road Safety Officer
Email: lyn.hesse@cambridgeshire.gov.uk
Tel: 01223 699499

Member contacts:

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

1. Background

- 1.1 A trial of no car zones outside schools was approved at General Purposes Committee on 28th January 2020.
- 1.2 The two schools selected for this trial were St Bede's Inter-Church School, Birdwood Road, Cambridge and St Matthew's Primary School, Norfolk Street, Cambridge. At St Bede's, the scheme affected a 450m section of Birdwood Road and St Thomas Road between 08:00-09:00 and 15:00-16:00. At St Mathews, this affected a 130m section of Norfolk Street during the times of 08:30-09:30 and 14:45-15:30. The scheme was implemented using signs only.
- 1.3 Due to delays associated with the COVID-19 pandemic, the trial was implemented on 12th April 2021 using Experimental Traffic Regulation Orders that are in place for 18 months.
- 1.4 An accompanying research study was undertaken by the MRC Epidemiology Unit at the University of Cambridge, which is included in Appendix 1.
- 1.5 During the COVID-19 pandemic, the opportunity to install similar "school streets" schemes was presented through the Emergency Active Travel Fund. These schemes originated in other Local Authority areas such as London Borough of Hackney and differ from the no car zones in that they are implemented and operated by community volunteers who place signs and physical barriers within the restriction zone when it is in operation. Volunteers also escort any permitted vehicles through the zone.
- 1.6 Seven school streets schemes are currently active in Cambridgeshire at:
 - Alconbury Primary School, Alconbury
 - Hartford Junior School, Huntingdon
 - Hatton Park Primary School, Longstanton
 - St Matthew's Primary School, Cambridge
 - St Philip's Primary School, Cambridge
 - Willingham Primary School, Willingham
 - Park Street Primary School, Cambridge
- 1.7 This report summarises the results of the research study and feedback from school streets schemes and recommends the Council supports the introduction of further schemes, subject to community request and available funding.

2. Main Issues

- 2.1 A copy of the summary research report into no car zones from the MRC Epidemiology Unit at the University of Cambridge is included in Appendix 1.
- 2.2 The report summarises the following policy implications:
 - 2.2.1 "Results from this feasibility study are encouraging and suggest that it is feasible for these schemes to affect safety outside of schools and levels of walking, cycling and scooting to school."
 - 2.2.2 "Enforcement, practicalities of implementation and effective methods for communication are significant issues, which are likely to affect both acceptability and effectiveness."

2.2.3 “Whilst supportive physical environments for walking and cycling may be important, it is widely acknowledged that supportive social environments are also required. Such schemes are likely to be necessary but not sufficient to encourage changes in travel patterns in children and adults. Wider interventions within the neighbourhood, school and city may be required and a package of schemes might be necessary to foster significant cultural shift and create appropriate infrastructure on routes into schools.”

2.3 Initial feedback from the school streets schemes implemented under the Emergency Active Travel Fund is that the use of volunteers to support the scheme helps provide the social environment referenced above, for example, one Headteacher highlighted:

“It has been wonderful to see the community come together to support us too. We have had volunteers and support from the school itself, parents of our pupils, the residents, the Church and the Parish Council. Families have commented that, in addition to being safer, the journey to and from school is calm and children are more relaxed entering the school site.”

However, it is also recognised this operating method provides a resource barrier for some local communities.

2.4 It is also important to note that both schemes have been supported by additional resources from the Council’s Road Safety Team. Details of available resources at [Road safety education for schools](#)

2.5 Based on the encouraging results from both schemes to date, it is proposed that further no car zones / school streets are supported across the county.

2.6 Using the learning from the no car zones scheme it is proposed future schemes would be permanently signed in the same way but encourage the use of community volunteers in support of the signed restriction, blending the positive elements of the no car zone and school streets schemes.

2.7 As no dedicated funding is in place to introduce additional schemes it is suggested any new schemes are either fully dependent on third-party funding, through grant applications or community funds, or submitted as bids to the Local Highway Improvement scheme. This includes the assessment, design, consultation, installation, equipment/resources and volunteer training. It is estimated each scheme will cost in the region of £2-5k depending on the complexity of the site.

2.8 Enforcement of the restrictions could become easier in future with the introduction of additional Civil Parking Enforcement areas for those Districts outside Cambridge City that are pursuing such powers, and changes to the Traffic Management Act 2004 Part 6 allowing councils to apply to be able to enforce moving traffic offences within Civil Parking Enforcement areas. This would enable the Council to enforce the restrictions as opposed to being reliant on limited Police resources which are currently prioritised elsewhere.

3. Alignment with corporate priorities

3.1 Communities at the heart of everything we do

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

- Community choice is considered important in any additional schemes. As identified in the University of Cambridge report, schemes are reliant on “supportive social environments” to be successful.
- A combination of the no car zones and school streets approach using local community volunteers is proposed to ensure the community is at the heart of any future schemes.

3.2 A good quality of life for everyone

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

- A study by the environmental law organisation ClientEarth published in February 2018 revealed that 60% of parents surveyed want traffic diverted away from school gates at the beginning and end of the school day. Parents are concerned because investigations have demonstrated children are being exposed to illegal levels of damaging air pollution outside their schools, mainly from diesel vehicles.
- In addition, the majority of children and adolescents fail to meet the recommended levels of physical activity. Previous programmes delivered through schools to promote activity have showed limited to modest effectiveness and suggest that changes to the wider environment are necessary. Active school transport has been proposed as a way to increase physical activity in children and youth at the population level, with the added benefit of reducing emissions of greenhouse gases, other pollutants and congestion.

3.3 Helping our children learn, develop and live life to the full There are no significant implications for this priority.

3.4 Cambridgeshire: a well-connected, safe, clean, green environment The following bullet points set out details of implications identified by officers:

- A study by the environmental law organisation ClientEarth published in February 2018 revealed that 60% of parents surveyed want traffic diverted away from school gates at the beginning and end of the school day. Parents are concerned because investigations have demonstrated children are being exposed to illegal levels of damaging air pollution outside their schools, mainly from diesel vehicles.
- In addition, the majority of children and adolescents fail to meet the recommended levels of physical activity. Previous programmes delivered through schools to promote activity have showed limited to modest effectiveness and suggest that changes to the wider environment are necessary. Active school transport has been proposed as a way to increase physical activity in children and youth at the population level, with the added benefit of reducing emissions of greenhouse gases, other pollutants and congestion.

3.5 Protecting and caring for those who need us There are no significant implications for this priority.

4. Significant Implications

4.1 Resource Implications The report above sets out details of significant implications in 2.7.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications Any required procurement activity will be undertaken in compliance with the Council's Contract Procedure Rules.

4.3 Statutory, Legal and Risk Implications

The report above sets out details of significant implications in 2.8.

4.4 Equality and Diversity Implications

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

- The schemes will maintain access for residents and for healthcare professionals to visit properties within the closure, as well as for disabled access to the school.
- An equality impact assessment has been undertaken to update the impact assessment for the original trial with learning from the trial and the associated research. See Appendix 2.

4.5 Engagement and Communications Implications

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

- The schemes require both informal and formal local consultation

4.6 Localism and Local Member Involvement

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

- The schemes will each require both informal and formal local consultation
- Identification of schemes will be led by local communities
- Scheme introduction will require third party investment as outlined in 2.7.
- If the Local Highway Improvement scheme is utilised, these schemes are scored by local member panels

4.7 Public Health Implications

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

- A study by the environmental law organisation ClientEarth published in February 2018 revealed that 60% of parents surveyed want traffic diverted away from school gates at the beginning and end of the school day. Parents are concerned because investigations have demonstrated children are being exposed to illegal levels of damaging air pollution outside their schools, mainly from diesel vehicles.
- In addition, the majority of children and adolescents fail to meet the recommended levels of physical activity. Previous programmes delivered through schools to promote activity have showed limited to modest effectiveness and suggest that changes to the wider environment are necessary. Active school transport has been proposed as a way to increase physical activity in children and youth at the population level, with the added benefit of reducing emissions of greenhouse gases, other pollutants and congestion.

4.8 Environment and Climate Change Implications on Priority Areas: not applicable as not a key decision.

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Sarah Heywood

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: Elsa Evans

Have any engagement and communication implications been cleared by
Communications? Yes

Name of Officer: Sarah Silk

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

Name of Officer: David Allatt

Have any Public Health implications been cleared by Public Health?

Yes

Name of Officer: Iain Green

5. Source documents

5.1 [General Purposes Committee - 28 January 2020](#)

Appendix 1 – University of Cambridge Research Study Report



1. Summary

Back in January 2020, the General Purpose Committee was asked to approve the trial of no car zones outside schools in Cambridge. The trial was implemented and an accompanying research study was conducted by the MRC Epidemiology Unit at the University of Cambridge. This briefing document summarises the findings of the research study.

The schemes restricted access for motor vehicles on road sections outside two schools and were implemented in April 2021. The acceptability of the schemes were relatively high but motorist's compliance and the lack of enforcement remained a real issue and one which is likely to influence whether or not and how much it impacts on travel behaviour. We found that there were only small changes in the total number of children using active modes of travel such as walking, cycling and scooting to school, however the schemes did improve the safety for pedestrians and cyclists around schools. It is likely that schemes such as these implemented with enforcement are necessary but not sufficient to encourage changes in travel patterns in children and adults. Wider interventions within the neighbourhood, school and city may be required, for example a package of schemes might be necessary to foster significant cultural shift and appropriate infrastructure on routes to schools may need to be constructed.

2. Research questions posed by the research study

- 2.1 The study set out to assess the acceptability and implementation of the trial and the feasibility of studying the impacts of schemes in a larger research study outside other schools. The specific research questions addressed were:
- (i) How was the scheme implemented and what would be the challenges of a wider roll-out?
 - (ii) What is the acceptability of the scheme to a range of stakeholders?
 - (iii) What is the potential effectiveness of the scheme on children's active travel to/from school?
 - (iv) What are the main pathways by which levels of active travel may change? Are there any unintended consequences of the scheme?
 - (v) How useful could data routinely collected by local authorities be to any larger research study aiming to assess the health impacts of such schemes?

3. Principle findings

3.1 How was the scheme implemented and what would the challenges of a wider roll-out be?

- 3.1.1 The scheme was implemented through the Experimental Traffic Regulation Order (ETRO) as described in the original proposal which mandated the creation of a pedestrian and cycle zone outside schools.
- 3.1.2 Two schools were selected: St Matthew's Primary School and St Bede's Inter-Church School. Schools were selected based on a shortlist using criteria including risk assessment and school and community buy in. At St Bede's, the scheme affected a 450m section of Birdwood Road, and St Thomas Road between 08:00-09:00 and 15:00-16:00. At St Mathews, this affected a 130m section of Norfolk Street during the times of 08:30-09:30 and 14:45-15:30. Due to the COVID-19 pandemic these schemes were delayed but finally implemented on 12th April 2021 and will be active for 18 months.
- 3.1.2 New signs were erected and road markings were painted on the roads to inform drivers of the road closures. There were no other enforcements implemented.

- 3.1.3 Both schools received sustainable travel materials and support from Cambridgeshire County Council's road safety team including materials from Modeshift STARs¹. St Matthews were also running another scheme (School Streets) on Broad Street concurrently, but we have not reported on that here.
- 3.1.4 Based on interviews with councillors, Council officers, residents and businesses we identified three main factors that could affect the effectiveness of wider roll out to other schools:
- *Practicalities of implementation* including administrative and procedural challenges, including sign off, procurement and funding
 - *Effective methods for communication* including strong marketing, clear headlines of the scheme including exemptions and enforcements, and ensuring that all groups within the community are communicated to at the same time
 - *Conducive and supportive context* for action and change including school and parental support and engagement as well as political willingness and support from local leaders

3.2 What is the acceptability of the scheme to a range of stakeholders?

- 3.2.1 We had over 450 responses to our online survey from parents, residents, school staff and businesses and they indicated high acceptability of the scheme (74% reporting it was acceptable). Views were mixed between the stakeholder groups; parents had the highest levels of acceptance (77%) and school staff the lowest at 53%.
- 3.1.2 The main concerns that affected acceptability were primarily around a lack of enforcement.
- Our audits and reports from interviews suggested that initially compliance was high until *"one or two cars by error come through"*. Interview participants went on to highlight how *"once some people realise, they can do it and get away with it they tell their friends"*, and there were individuals who use the road as *"there is almost no traffic"*. This created safety issues as speeds along these sections were often higher than posted limits.
 - There were also concerns about terminology as exemplified by one parent *"What does that mean, 'except for access'. If you want to drop your children off at school, are you still allowed to do that?"*
 - Physical 'forewarning' signs placed in advance of the scheme were suggested which might help drivers be aware of the scheme, plan their route and make diversions.

3.3 What could be the potential effectiveness of the scheme on children's active travel to/from school?

- 3.3.1 Overall there were small changes in children's travel modes to/from school based on parental reports.
- At St Bede's, there were no parent-reported changes in children's travel modes. Before the scheme, 59% of parents from St Bede's reported that their child actively travelled to and from school and this remained constant.
 - At St Matthew's, the majority of parents (93%) reported that their child used active modes of travel to and from school before the scheme, which increased by 2% after implementation.
- 3.3.2 In line with the findings from parental reports, data from the hands up survey of children in schools indicated small changes in children's travel modes to/from school after the scheme was implemented.
- Levels of walking and cycling increased by 2% (from 57% to 59%) at St Bede's. Cycling was the most common travel mode used before the scheme (43%) which increased by 4% after the scheme was implemented.
 - Levels of walking and cycling increased by 3% (from 86% to 89%) at St Matthew's. Walking was the most popular travel mode used before the scheme was implemented (52%) which increased by 2% after implementation. Cycling remained constant at both times at 29%.

¹ [Modeshift STARs - Travel Plan in Education, Business & Communities](http://www.modeshiftstars.org) www.modeshiftstars.org

3.4 What are the main pathways by which levels of active travel may change? Are there any unintended consequences?

- 3.4.1 The main ways in which the scheme may act to change levels of walking and cycling to school were through improvements in safety conditions and a chance to reconsider habits.
- 3.4.2 We found some evidence that the scheme lead to reductions in dangers from traffic from our audits and observations. Audits during the school run period before and after the scheme indicated that conditions had improved outside both schools, with better visibility, fewer near misses, fewer vehicles turning in the road and fewer instances of illegal parking.
- 3.4.3 In the online survey, 43% of respondents reported that safety for walking had improved, 48% that safety for cycling had improved and 46% that safety for crossing the road had improved. 31% of respondents perceived an improvement in vehicles illegally parking during pick up and drop off.
- 3.4.4 One main unintended consequence was mentioned by interview participants. Interviews and observations confirmed a small minority of drivers flaunting the rules, as one interviewee said *“ironically a scheme which is designed to increase safety may inadvertently have made it worse”*. This was especially apparent for Birdwood Road (St Bede’s) where there is a long road leading up to it.
- 3.4.5 No consequences were reported by business owners on the day-to-day running or footfall.

3.5 How useful could data routinely collected by local authorities be to any evaluation?

- 3.5.1 Data on traffic volume were collected by Cambridgeshire County Council for between 9 and 13 days at three separate time points: one before implementation (October 2020), and two after implementation (April 2021 and May 2021) at both schools. More monitoring would have been desirable but not possible here because monitors were required in other locations and COVID-19 restrictions prevented some travel. Even if we had analysed this data we would not be able to say if any of the differences observed were due to changes in traffic attributable to the schemes, COVID-19 restrictions or seasonal differences. Continuous time series data summarised at weekly level for at least a year would allow us to understand the overall aggregate impacts on traffic accounting for any seasonal differences and would be recommended for future studies.
- 3.5.2 Air quality data were collected continuously between October 2020 and September 2021 using diffusion tubes and AQ Mesh sensors provided by Cambridge City Council. This data would prove very useful for a longer-term study, especially because there is other diffusion tube data collected from a variety of other proximate sensors which provide historical backdrop and concurrent measures in the absence of road closures. The continuous monitoring period with a greater number of data points provide fine grained temporal data over a long range and would be very useful for more detailed studies evaluating the health impacts of such schemes.

4.0 Policy implications

- 4.1 Results from this feasibility study are encouraging and suggest that it is feasible for these schemes to affect safety outside of schools and levels of walking, cycling and scooting to school.
- 4.2 Enforcement, practicalities of implementation and effective methods for communication are significant issues, which are likely to affect both acceptability and effectiveness.

- 4.3 Whilst supportive physical environments for walking and cycling may be important, it is widely acknowledged that supportive social environments are also required. Such schemes are likely to be necessary but not sufficient to encourage changes in travel patterns in children and adults. Wider interventions within the neighbourhood, school and city may be required and a package of schemes might be necessary to foster significant cultural shift and create appropriate infrastructure on routes into schools.

5.0 Methods of the research study

- 5.1 Data for analyses consisted of new data collected specifically for this project as well as other data from Cambridge County and City Council. New data were collected using a range of methods to ensure strengths and limitations of specific methods were outweighed by others and to give a broad picture. These included:
- Online survey responses from 455 participants which included parents, staff, residents and business owners available between May 2021 and July 2021
 - 13 interviews with a sample of parents, senior school staff, residents and business owners, primarily sampling from those who completed online surveys (April 2021 to July 2021)
 - Hands up surveys with school pupils in attendance at two schools before (April 2021) and after (June 2021) scheme was implemented
 - Observations and audits outside schools by researchers to assess environmental conditions and potential impacts on several days and at different times before (December, Jan and Feb) and after (April and May) the implementation of the scheme
- 5.2 Recruitment for the study was through flyers delivered to local residents on affected or boundary streets, media coverage on BBC Radio Cambridgeshire and Cambridge News as well as school newsletters and noticeboards.
- 5.3 Other data made available for analysis by Cambridge City and Cambridgeshire County Councils included data on air quality & traffic volumes in two areas outside of the schools as well as other data monitoring points in the city to understand background trends. This data is also publicly available through Cambridgeshire Insights.²

² <https://data.cambridgeshireinsight.org.uk/dataset/cambridge-schools-no-car-zone-feasibility-study>

Appendix 2 – Equality Impact Assessment

This EIA form will assist you to ensure we meet our duties under the Equality Act 2010 to take account of the needs and impacts of the proposal or function in relation to people with protected characteristics. Please note, this is an ongoing duty. This means you must keep this EIA under review and update it as necessary to ensure its continued effectiveness.

Section 1: Proposal details

| Directorate / Service Area: | | Person undertaking the assessment: | |
|--|--|------------------------------------|--|
| Transport Strategy & Network Management – Road Safety | | Name: | Lyn Hesse |
| Proposal being assessed: | | Job Title: | Senior Road Safety Officer |
| No Car Zones / School Streets | | Contact details: | Lyn.hesse@cambridgeshire.gov.uk |
| Business Plan Proposal Number: (if relevant) | | Date commenced: | 03/03/2022 |
| | | Date completed: | 03/03/2022 |
| Key service delivery objectives: | | | |
| <p><i>Include a brief summary of the current service or arrangements in this area to meet these objectives, to allow reviewers to understand context.</i></p> <p>The Council's Road Safety Team offers a programme of resources to support safe and sustainable travel to school, in particular focusing on overcoming safety barriers to active travel.</p> <p>As part of this programme, trials have been undertaken of both 'no car zones' and 'school streets' schemes to restrict traffic outside schools at start and finish times, creating more space for those walking and cycling and a safer environment for these active modes.</p> <p>'No car zones' are where signage is installed only, relying on individual compliance with the signed restrictions during their times of operation.</p> <p>'School streets' involve volunteers putting out signage and barriers as part of the restriction.</p> <p>Both schemes are supported by Traffic Regulation Orders (TROs) with the trials being undertaken through either temporary or experimental TROs.</p> | | | |
| Key service outcomes: | | | |
| <p><i>Describe the outcomes the service is working to achieve</i></p> <p>The service aims to achieve an increase in travel to school by active travel modes and a reduction in travel to school by car. This supports wider Council objectives around physical activity, climate change and air quality.</p> <p>The service also aims to reduce the number of people killed or seriously injured on the county's road network.</p> | | | |

The service has also embraced the Think Communities approach and is providing communities with the tools and support to tackle local issues themselves.

What is the proposal?

Describe what is changing and why

Following a successful trial of No Car Zones and School Streets proposals are being put forward to enable wider use of the schemes where the school and community want them.

What information did you use to assess who would be affected by this proposal?

For example, statistics, consultation documents, studies, research, customer feedback, briefings, comparative policies etc.

Research undertaken by University of Cambridge alongside the ‘No car zones’ trial, including consultation with schools, parents, residents and local businesses.

Feedback and observations from school streets schemes implemented using the Emergency Active Travel Fund from the Department for Transport (DfT).

Reports and feedback from similar schemes nationally e.g. Birmingham, Hackney, Solihull.

Are there any gaps in the information you used to assess who would be affected by this proposal?

If yes, what steps did you take to resolve them?

The evidence is from a small number of schemes so may not be representative of all schools or local communities. This is why local consultation and community support in proposing potential scheme sites is important for any new schemes to be taken forward, in addition to full assessments from Council officers to consider potential unintended consequences at each individual location.

Who will be affected by this proposal?

A proposal may affect everyone in the local authority area / working for the local authority or alternatively it might affect specific groups or communities. Describe:

- If the proposal covers all staff/the county, or specific teams/geographical areas;*
- Which particular employee groups / service user groups would be affected;*
- If minority/disadvantaged groups would be over/under-represented in affected groups.*

Consider the following:

- What is the significance of the impact on affected persons?*
- Does the proposal relate to services that have been identified as being important to people with particular protected characteristics / who are rurally isolated or experiencing poverty?*
- Does the proposal relate to an area with known inequalities?*
- Does the proposal relate to the equality objectives set by the Council’s Single Equality Strategy?*

The proposal would be to make the scheme available countywide but locations would require assessment as to their suitability for this type of scheme in relation to unintended consequences and risks associated with specific road layouts or traffic behaviours.

Section 2: Scope of Equality Impact Assessment

| Scope of Equality Impact Assessment | | | |
|---|-------------------------------------|----------------------------------|-------------------------------------|
| Check the boxes to show which group(s) is/are considered in this assessment. Note: * = protected characteristic under the Equality Act 2010. | | | |
| * Age | <input checked="" type="checkbox"/> | * Disability | <input checked="" type="checkbox"/> |
| * Gender reassignment | <input type="checkbox"/> | * Marriage and civil partnership | <input type="checkbox"/> |
| * Pregnancy and maternity | <input type="checkbox"/> | * Race | <input type="checkbox"/> |
| * Religion or belief (including no belief) | <input type="checkbox"/> | * Sex | <input type="checkbox"/> |
| * Sexual orientation | <input type="checkbox"/> | | |
| Rural isolation | <input checked="" type="checkbox"/> | | |
| | | Poverty | <input checked="" type="checkbox"/> |

Section 3: Equality Impact Assessment

The Equality Act requires us to meet the following duties:

Duty of all employers and service providers:

- *Not to directly discriminate and/or indirectly discriminate against people with protected characteristics.*
- *Not to carry out / allow other specified kinds of discrimination against these groups, including discrimination by association and failing to make reasonable adjustments for disabled people.*
- *Not to allow/support the harassment and/or victimization of people with protected characteristics.*

Duty of public sector organisations:

- *To advance equality of opportunity and foster good relations between people with protected characteristics and others.*
- *To eliminate discrimination*

For full details see the [Equality Act 2010](#).

We will also work to reduce poverty via procurement choices.

| Research, data and/or statistical evidence |
|---|
| List evidence sources, research, statistics etc., used. State when this was gathered / dates from. State which potentially affected groups were considered. Append data, evidence or equivalent. |
| <p>Data for analyses consisted of new data collected specifically for this project as well as other data from the County and City Councils. New data were collected using a range of methods to ensure strengths and limitations of specific methods were outweighed by others and to give a broad picture. These included:</p> <ul style="list-style-type: none"> - Online survey responses from 455 participants which included parents, staff, residents and business owners available between May 2021 and July 2021 - 13 interviews with a sample of parents, senior school staff, residents and business owners, primarily sampling from those who completed online surveys (April 2021 to July 2021) |

- Hands up surveys with school pupils in attendance at two schools before (April 2021) and after (June 2021) scheme was implemented
- Observations and audits outside schools by researchers to assess environmental conditions and potential impacts on several days and at different times before (December, Jan and Feb) and after (April and May) the implementation of the scheme

Consultation evidence

State who was consulted and when (e.g. internal/external people and whether they included members of the affected groups). State which potentially affected groups were considered. Append consultation questions and responses or equivalent.

Consultation through Traffic Regulation Order process in the trial.

Based on consultation evidence or similar, what positive impacts are anticipated from this proposal?

This includes impacts retained from any previous arrangements. Use the evidence you described above to support your answer.

From the research undertaken the following benefits for specific groups were identified:

- Active travel (walking/cycling) increased slightly at both trial schools showing a small health benefit to those children and their parents
- The safety of the area outside the schools improved, reducing the risk of injury to children, parents and other road users at these times

Based on consultation evidence or similar, what negative impacts are anticipated from this proposal?

This includes impacts retained from any previous arrangements. Use the evidence you described above to support your answer.

From the research undertaken the following negative outcomes were identified:

- Where non-compliant driver behaviour occurred this was observed at higher speed, increasing risk of injury to children, parents and other road users if this was the case.

It is also known negative perceptions exist around access to the area for residents, people with disabilities, or for carers and the potential increase in journey times for people needing to use cars/taxis to travel to or around the affected area. Evidence to support or reject these potential impacts was not available from the trial data as traffic patterns changed during the trial due to the pandemic, therefore they are included as potentially negative for transparency.

| |
|--|
| |
| How will the process of change be managed? |
| <i>Poorly managed change processes can cause stress / distress, even when the outcome is expected to be an improvement. How will you involve people with protected characteristics / at risk of poverty/isolation in the change process to ensure distress / stress is kept to a minimum? This is particularly important where they may need different or extra support, accessible information etc.</i> |
| <p>All new schemes will require local support to be put forward and therefore have an element of community support at the outset.</p> <p>All schemes will require access to properties within the restriction to be maintained for residents, although they will be encouraged to avoid school times if possible. Access to the schools and any affected businesses will be maintained for disabled badge holders.</p> <p>Risk assessments will be undertaken by Council officers to ensure locations are suitable before they are approved for implementation.</p> <p>All schemes will require local consultation related to the TRO.</p> |
| How will the impacts during the change process be monitored and improvements made (where required)? |
| <i>How will you confirm that the process of change is not leading to excessive stress/distress to people with protected characteristics / at risk of isolation/poverty, compared to other people impacted by the change? What will you do if it is discovered such groups are being less well supported than others?</i> |
| <p>It has been identified in the trials that the schemes work best when they have community ownership, with volunteers operating the schemes allowing them to engage with those who require assistance/access while maintaining safety.</p> <p>Monitoring and feedback will be based on any potential site-specific risks identified, such as long alternative routes, as well as results of the consultation at the scheme implementation stage.</p> |

Section 4: Equality Impact Assessment - Action plan

See notes at the end of this form for advice on completing this table.

| Details of disproportionate negative impact (e.g. worse treatment / outcomes) | Group(s) affected | Severity of impact (L/M/H) | Action to mitigate impact with reasons / evidence to support this or Justification for retaining negative impact | Who by | When by | Date completed |
|---|------------------------------|-------------------------------|--|---|-------------|----------------|
| Reduced safety from non-compliant road users | Children (and their parents) | M | <p>Volunteer-operated schemes use barriers and escort any vehicles requiring access reducing likelihood of non-compliance – these will be encouraged as the best-practice model.</p> <p>Enforcement likely to be infrequent based on threat, risk and harm assessment against other enforcement priorities but could be enhanced through Civil Enforcement in Civil Parking Enforcement areas if Traffic Management Act part 6 powers are requested.</p> | Road Safety Team | ongoing | In proposal |
| Potential increased journey times for vehicle users needing to travel through the area – and potential impact on taxi fares | Poverty & disabled | L | In most cases this is expected to be minimal as school locations will mainly be away from main through routes and those on main roads are unlikely to be in scope – if a through route location is proposed the consultation will need to engage these users to understand any potential need for mitigation | Road Safety Team / Policy and Regulation Team | As required | |

Section 5: Approval

| | | | |
|---|----------------------------|---|--|
| Name of person who completed this EIA: | Lyn Hesse | Name of person who approves this EIA: | David Allatt |
| Signature: | | Signature: | |
| Job title: | Senior Road Safety Officer | Job title: <i>Must be Head of Service (or equivalent) or higher, and at least one level higher than officer completing EIA.</i> | Assistant Director – Transport Strategy and Network Management |
| Date: | 03/03/2022 | Date: | 11/03/2022 |

New Shire Hall – Multi-Function Room

To: Strategy & Resources Committee

Meeting Date: 29 March 2022

From: Tom Kelly, Director of Resources

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: The Multi-Function Room (MFR) at New Shire Hall may not meet the Council's current requirements as a venue for Full Council meetings. Issues relating to the use of the MFR for Full Council and scoping of solutions are presented to the committee to determine suitability of the MFR for this use.

Recommendation: The Committee is asked to:

- a) note that the ongoing COVID-19 pandemic and public health impacts of Full Council meetings without social distancing requires the continued use of external venues.
- b) instruct the Assistant Director Property to prepare a detailed report for the committee in September 2022 on issues relating to safety, security and working environment for Members and challenges to the Council's aspirations for public accessibility to its meetings from the current size and configuration of the MFR with detailed options to address the issues.

Officer contact:

Name: Tony Cooper

Post: Assistant Director Property

Email: Tony.cooper@cambridgeshire.gov.uk

Tel: 01223 703599

Member contacts:

Names: Councillors Nethsingha and Meschini

Post: Chair/Vice-Chair

Email: lucynethsingha@icloud.com and Elisa.Meschini@cambridgeshire.gov.uk

Tel: 01223 706398

1. Background

- 1.1 New Shire Hall at Alconbury Weald is the new headquarters for Cambridgeshire County Council following the decision to relocate from Shire Hall in Cambridge. The New Shire Hall building went live in the summer of 2021. Due to the impact of the pandemic use of the building for both council staff and for committee meetings has been limited by public health restrictions.
- 1.2 The Multi-Function Room (MFR) at New Shire Hall at Alconbury Weald forms a key part of the new civic facilities at New Shire Hall and this civic facility was integrated into the design of the building, being located above and accessible via the public reception area. Despite the pandemic, it has been able to be used compliantly for committee and other meetings. However larger meetings such as Full Council have not been able to be held in the MFR as there is insufficient space to meet the requirements of social distancing and the council's COVID policies (noting that the same would most likely have occurred at the previous Chamber at Shire Hall in Cambridge). This resulted in larger meetings being held at external venues.
- 1.3 Outside of the COVID pandemic restrictions the MFR can accommodate Full Council meetings. It was designed for this use as part of the approved specification for the building.

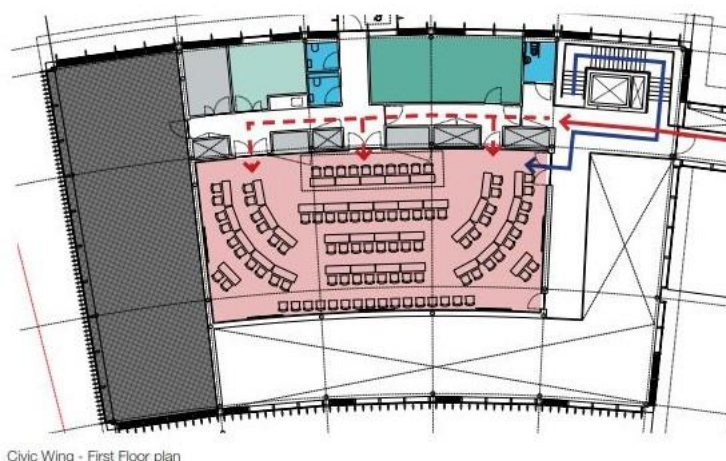
2. Main Issues

- 2.1 The MFR formed part of the core design requirements for the New Shire Hall building to provide a council committee room to replace the chamber and committee rooms at Shire Hall in Cambridge. However, it was not intended to be a direct replacement as a dedicated council chamber, but as the name suggests, a multi-function room that could be put to other uses outside of council and committee meetings. The Design Brief v0.3 states "*Chamber requirements: TBC, in the original business case it stated flexible space which can be reconfigured into smaller meeting rooms. This would need to seat 90 attendees.*"
- 2.2 During the design process the project was overseen by the Commercial & Investment Committee and its Chair, with the Senior Responsible Officer being the then Deputy Chief Executive. There were separate Cambs 2020 and Civic Hub boards that undertook the operational oversight of the project with 2 lead project managers from the Place and Economy (P&E) directorate and the Transformation team. During the design process the Property Services Project team evaluated other local authorities' council chambers in new build/modern buildings and submitted a report to the Civic Hub Project Board on the layout, furniture and operation of these rooms. At the Civic Hub Project Board, it was advised that the existing Shire Hall Council Chamber was not to be replicated (Civic Hub Project Board Minutes 13/02/19).
- 2.3 The initial design specification was for the room to be of sufficient size to accommodate 90 seated persons. As the design evolved the room size was increased to accommodate a Full Council meeting with Members sitting at desks in a compact format. The floor area increased from 90 sq.m. to the as-built 170 sq.m. Later, moveable dividing walls were included to allow the MFR to be split into two or three separate meeting rooms to increase its flexibility as a meeting space.

- 2.4 The key design approval stages are set out below. At these approval stages layout plans and schematics of the MFR were produced for consideration:

| Date | Meeting | Approval |
|------------|---------------|--|
| 23/11/2018 | C&I Committee | Milestone 2 Concept Design stage approval |
| March 2019 | n/a | 2-week Stakeholder engagement event for New Shire Hall designs held at Shire Hall, Cambridge |
| 22/03/2019 | C&I Committee | Milestone 3 Design approval (incorporating larger MFR) |
| 16/12/2019 | C&I Committee | Milestone 4/5 Detailed Design & Costing approval |

- 2.5 The MFR layout plan from the Milestone 3 (MS3) report (p.21) is below:



- 2.6 The final design was for the MFR to be capable of holding Full Council with Members seated at desks, with a raised platform or dais as the front, and public seating at the side or rear of the room. Planning consent for the building included specific reference to the MFR being able to be used for Full Council meetings.
- 2.7 After handover of the building the MFR has been successfully used for a range of committee and other meetings. The COVID pandemic has prevented its use for Full Council due to social distancing and other requirements. The MFR has been set up for Full Council with the appropriate furniture and layouts as a demonstration. This highlights the limited overall size of the MFR and the need for Members to be in close proximity to each other for the duration of the Full Council meeting.

Limitations due to COVID-19 Pandemic

- 2.8 Due to the COVID-19 pandemic and the requirement for social distancing, in accordance with CCC Public Health and Property policies, a limit on the number of people using the room has had to be put in place. The limit based upon social distancing is 22 persons, and this means that the MFR is currently unable to accommodate Full Council. Whilst the

severity of the pandemic has reduced over recent months, COVID-19 remains a threat. A local authority meeting that was held recently has reportedly resulted in a significant number of participants contracting COVID-19. As a result of this the MFR will not be suitable for use for Full Council until the requirement for social distancing is removed under Public Health guidance and safety risk assessments. CCC will continue to use alternative venues that provides sufficient space for social distancing until it is deemed safe to reduce or remove the requirement for social distancing.

Limitations due to Operational Issues

- 2.9 When configured for Full Council the MFR will fit the required number of desks with a limited area for the public. Due to the limited space this has created a number of challenges that impact on the use of the MFR for Full Council. The key challenges are:
- Security and safety of Members and Officers
 - Limited space for Members
 - Limited space for public attendees
 - Accessibility (Part M of the Building Regulations) & Fire Safety (Evacuation)

Security and safety of Members and Officers

- 2.10 The limited space in the MFR and the absence of a separate viewing area for the public means that the public are seated in close proximity to Members. As per photo 1 in Appendix 1, members of the public will be almost within touching distance of Members. Further, for those Members located on that side of the MFR, some of the public and/or press will have a view of their papers and laptops. It may be uncomfortable for Members to have people very close to and behind them, especially where matters may be contentious. Photo 2 shows how persons in the public seating will be close to Members and have a view of their desks.
- 2.11 The close proximity means that there is no viable means to provide physical separation to protect Members without some form of unsightly and obtrusive physical barrier. At Shire Hall the public area was on the first-floor balcony, providing physical separation for all but the most determined persons (e.g. those attempting to bring abseiling equipment into the building). This means the council is not able to ensure the physical security of Members. In committee use there is sufficient physical separation and distance to provide psychological and some degree of physical safety for Members and Officers as any person posing a threat has to overtly advance sufficient distance for those present to at least detect the potential threat and have some ability and time to react.

Limited space for Members

- 2.12 Photos 3 and 4 demonstrate that Members will be in very close proximity to each other due to the requirements for appropriately sized access routes to the exits for fire and accessibility compliance. Over a number of hours of a typical meeting this may not be conducive to Member comfort. A Member seeking to leave the room from a mid-row position would require other Members to vacate their seats to clear a path.

Limited space for public attendees

- 2.13 The MFR has space for 20 members of the public to attend Full Council meetings, a reduction from the 26 that could be accommodated at Shire Hall. It is the Council's expectation to meet or exceed the capacity previously available at Shire Hall.

Accessibility & Fire Safety (Evacuation)

- 2.14 Due to the overall limitations of space and the requirement for suitable evacuation procedures for persons with limited mobility, there are limitations of the location and numbers of those with limited mobility attending meetings. This affects both Members and Public. New Shire Hall and the MFR are legally compliant in respect of Building Regulations and other matters, however achieving a legal requirement may not achieve the targets or goals of the Council for accessibility and public engagement with its meetings.
- 2.15 There is a requirement for persons of limited mobility to be located close to the exit doors at the eastern end of the MFR for evacuation purposes. This means Members with limited mobility have to be located in this part of the MFR, at the rear of the room close to the doors irrespective of political affiliation or location of political colleagues. Space limitations mean that the MFR in the Full Council configuration can only accommodate a very small number of mobility impaired Members.
- 2.16 Whilst chairs can be removed from the public seating area to make space for, as an example wheelchair users, due to the First Floor location and requirement for specific evacuation procedures as part of Personal Emergency Evacuation Plans (PEEPS), this also imposes limitations on the number of people who can be accommodated.

3. Alignment with corporate priorities

- 3.1 Communities at the heart of everything we do
This paper seeks to consider improvements to the community engagement and interaction with the council via its formal meetings at New Shire Hall
- 3.2 A good quality of life for everyone
There are no significant implications for this priority.
- 3.3 Helping our children learn, develop and live life to the full
There are no significant implications for this priority.
- 3.4 Cambridgeshire: a well-connected, safe, clean, green environment
There are no significant implications for this priority.
- 3.5 Protecting and caring for those who need us
There are no significant implications for this priority.

4. Significant Implications

4.1 Resource Implications

Detailed options appraisals for alterations to New Shire Hall will require commissioning of specialist architectural and construction consultancy.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Any procurement will be conducted in compliance with the Council's Contract Procedure Rules (CPRs).

4.3 Statutory, Legal and Risk Implications

The MFR is legally compliant under the relevant statutory provisions.

4.4 Equality and Diversity Implications

The MFR is legally compliant under the relevant statutory provisions based upon the original specification, however the Council seeks to provide enhanced accessibility to its meetings beyond the legal minimum

4.5 Engagement and Communications Implications

The issues relate to consideration of improving public engagement with council processes via Full Council meetings.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

The implications of COVID on council meetings are set out in the paper, the primary issue in this paper is the use of the MFR in post-pandemic conditions when there are still high rates on COVID-19 in the population. These continuing high rates demand that social distancing and other control measures remain in place and reassessed regularly.

4.8 Environment and Climate Change Implications on Priority Areas

There are no significant implications within this category.

4.8.1 Implication 1: Energy efficient, low carbon buildings.

Neutral

4.8.2 Implication 2: Low carbon transport.

Neutral

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

Neutral

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Neutral

4.8.5 Implication 5: Water use, availability and management:

Neutral

4.8.6 Implication 6: Air Pollution.

Neutral

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

Neutral

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: 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? Response awaited

Name of Legal Officer:

Have the equality and diversity implications been cleared by your Service Contact?

Yes

Name of Officer: Jenni Bartlett, EDI Advisor

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? No

Name of Officer: Not applicable

Have any Public Health implications been cleared by Public Health?

Yes

Name of Officer: Val Thomas, Deputy Director of Public Health

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

Yes

Name of Officer: Emily Bolton, Climate Change Officer

5. Source documents

5.1 Source documents

New Shire Hall Design Brief v0.3 – internal document stored on Huddle

Civic Hub Project Board Minutes 13/02/19 - internal document stored on Huddle

C&I Committee Report 'Milestone 2 Concept Design stage approval' 23 November 2018

[MS2 Report for the Alconbury Weald Hub - Cambs 2020 Programme](#)

[Commercial and Investment Committee - 23 November 2018](#)




C&I Committee Report 'Milestone 3 Design approval' 22 March 2019

[Milestone 3 Report for the Alconbury Weald Civic Hub - Cambs 2020 Programme](#)

[Commercial and Investment Committee - 22 March 2019](#)

C&I Committee Report 'Milestone 4/5 Detailed Design & Costing approval' 16 December 2019

[Milestone 4 & 5 Report for the Alconbury Weald Civic Hub - Cambs 2020 Programme \(916Kb\)](#)

- i.  [Alconbury Weald Appendix A - Plans \(7762Kb\)](#)
- ii.  [Alconbury Weald Appendix B - Risk Register \(149Kb\)](#)
- iii.  [Alconbury Weald Appendix C - Internal Finishes](#)

[Commercial and Investment Committee - 16 December 2019](#)

Appendix 1

Photo 1

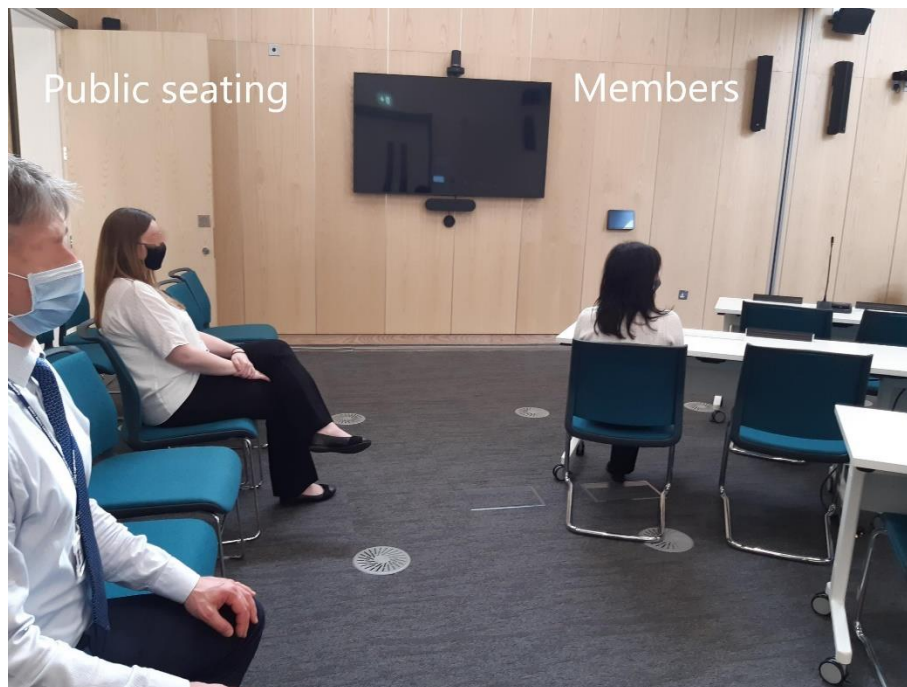


Photo 2

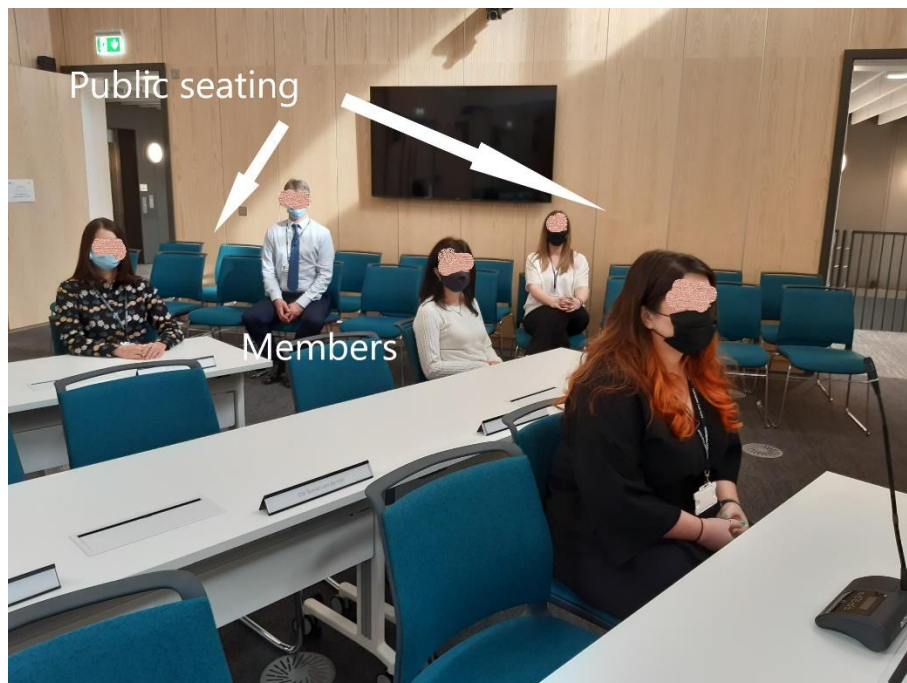


Photo 3



Photo 4



Corporate Risk Register

To: Strategy & Resources Committee

Meeting Date: 29 March 2022

From: Director of Business Improvement and Development

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: Good risk management, including the identification of risks and triggers as well development of mitigating actions, should inform decision making and areas for improvement, lead to better overall management of the Council's business, and protect the Council's assets, workforce, finances and services.

Recommendation: The Committee is invited to note and comment on the corporate risk register.

Officer contact:

Name: Neil Hunter
Post: Head of Internal Audit & Risk Management
Email: Neil.Hunter@cambridgeshire.gov.uk
Tel: 01223 699241

Member contacts:

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

1. Risk Management

- 1.1 Risk Management is the process by which the Council understands and proactively considers the principal uncertainties and overall risks facing the organisation. Through effective risk management we aim to optimise success by minimising threats. The objective is to ensure that risks that might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner. The Accounts & Audit (England) Regulations 2015 require the authority to have a sound system of internal control which includes effective arrangements for the management of risk.
- 1.2 Under the Council's constitution, the Strategy & Resources Committee is responsible for the development and oversight of the Council's risk management and strategy. The Audit & Accounts Committee also has important functions in relation to risk, including considering the effectiveness of the risk management arrangements and associated control environment and to seek assurances that appropriate action is being taken in response to risk.
- 1.3 Risk is inherent in our delivery of high-quality public services. The volatility, complexity and ambiguity of the Council's operating environment continues to increase, and taxpayers rightly expect transparency and accountability from the Council in managing the impacts of risk. We are committed to managing risk so that we enhance strategic planning and prioritisation and achieve our objectives with agility.
- 1.4 The risk management approach adopted by the Council is based on identifying, assessing, managing and monitoring risks at all levels across the Council. Risk registers operate at three tiers across the organisation: (a) service/project specific, (b) directorate, and (c) corporate. This covering report is provided to the corporate risk register attached at Appendix 1. The Council's Risk Management Policy makes provision for escalation and de-escalation of risk through the tiers. On behalf of the corporate leadership team (CLT), the Director of Business Improvement and Development champions and takes overall responsibility for seeking to ensure that effective risk management processes operate throughout the Council, including co-ordinating identified improvement activity.
- 1.5 The Risk Management Policy is attached at Appendix 2 and supplementary information about the risk appetite extracted from the Risk Management Procedures is attached at Appendix 3.
- 1.6 At the CLT meeting on the 28th January 2022, the corporate risks were reviewed, and none were assessed to be in excess of the Council's risk appetite (rated 'red', in the range 16-25). The current risks reported through the corporate risk register and their CLT owner are as follows:
- The Council's arrangements for safeguarding vulnerable children and adults fail
Owner: Executive Director: People & Communities
The residual risk score has increased from 12 to 15, recognising that although the likelihood remains at a 3 the impact would be assessed as a 5.

- The Council doesn't have enough budget to deliver agreed short and medium- term corporate objectives
Owner: Director of Resources & Chief Financial Officer (S151)
The residual risk score has decreased from 20 to 12, reflecting an increased clarity regarding the Council's budget post pandemic and recognising the robustness of the Council's governance in this area.
- A serious incident occurs, preventing services from operating and / or requiring a major incident response.
Owner: Director Customer and Digital Services
The residual risk remains unchanged at 12.
- The Council does not deliver its statutory or legislative obligations
Owner: Director of Law & Governance and Monitoring Officer
The residual risk score has increased from 8 to 10, recognising that although the likelihood remains at a 2 the impact would be assessed as a 5
- The Council's human resources are not able to meet business need
Owner: Assistant Director, HR Services
The residual risk has decreased from 16 to 15 as the likelihood has been assessed as a 3.
- Insufficient community infrastructure to deliver the Council's services
Owner: Executive Director Place & Economy
The residual risk remains unchanged at 12.
- Failure to Deliver Key Council Services
Joint owners: Executive Director Place & Economy & Executive Director: People & Communities
The residual risk has increased from 6 to 10, recognising that although the likelihood is assessed as 2 the impact would be a 5.
- Failure of key partnerships or contracts
Owner: Director of Resources & Chief Financial Officer (S151)
This is a new risk, with a residual risk being assessed as 12.

1.7 At the CLT meeting, the following risks were removed from the CRR;

- Personal data is inappropriately accessed or shared
This will be picked up in the new risk, the Council fails to comply with Information Governance legislation and industry standards.
- Impact of the Brexit Risk Assessment
The impact of Brexit was deemed to be reflected as triggers throughout the CRR.
- Change and transformation of services is not successful to meet future estimated levels of resources in the Business Plan

This was considered to be picked up in the risk, the Council doesn't have enough budget to deliver agreed short and medium- term corporate objectives.

- **Inequalities in the county continue**

This was considered to be a consequence rather than a risk in its own right.

- **The Council is a victim of major fraud or corruption**

This was considered to be better addressed in the Resources directorate's risk register.

1.8 CLT considered including Climate as a separate risk, however at the moment this was felt to be covered across the CRR other risks, most notably under Risk 2 - The Council doesn't have enough budget to deliver agreed short- and medium-term corporate objectives.

1.9 CLT also determined that the following changes, that are still in progress, should be made to the CRR;

- Create two risks to replace the existing Risk 1 -The Council's arrangements for safeguarding vulnerable children and Adults fail – to better focus on adults and children.
- Add two new risks to be added to the corporate risk register:
 - The Council is victim of Cyber crime (Owner: Director Customer and Digital Services) and;
 - The Council fails to comply with Information Governance legislation and industry standards (Owner: Director of Law & Governance and Monitoring Officer)

1.10 The benefits of risk management include:

- Taking timely and proportionate action to prevent risks occurring or to manage effectively
- Development and delivery of robust and effective action plans and enhancements to the governance of the organisation
- Ensuring that decision makers are fully aware of any key risk issues associated with proposals being considered at the point of decision making
- Demonstrating openness and accountability

1.11 The Council has regard to HM Government's Orange Book (Management of Risk) and assesses local application of the five principles as follows:

- **Governance and leadership** - The Chief Executive, supported by the Corporate Leadership Team, periodically assess the leadership style and policies of the Council. We acknowledge that human behaviour and culture significantly influence all aspects of risk management at each level. The Corporate Leadership Team

undertook a periodic, detailed, collective review of the risk register on 26 January 2022.

- **Integral to organisational activities to support decision making.** The assessment and management of risk is an embedded part of setting strategy and prioritising resources. It is integral to appraising options, evaluating alternatives and making informed decisions. All Committee reports to Members include a risk implications section. For example, elsewhere on this Committee's agenda today there is consideration of risk appetite in relation to insurance policy deductibles, This Land's commercial versus social outcomes, and treasury management given current economic uncertainties.
- **Collaborative and informed by information and expertise.** The risk register reflects the broad range of risks facing the Council. Communication and consultation are essential to ensuring an informed position, and the Audit & Accounts Committee plays an important role in challenging and reviewing the scope of risk management activity. Recent revisions to the register reflect the heightened risk perceived from organisations beyond the Council's institutional boundary, such as suppliers and subsidiary companies.
- **Processes** – processes are in place for the identification and assessment of risk as well as the selection of risk treatment options. Transition from the shared service arrangements (previously known as LGSS) mean that we are in the process of changing our systems for recording risk and the way that corporate resource is deployed to support frontline services with risk management.
- **Continual improvement** – there is continual monitoring of the risk environment and improvement through learning and experience. The annual governance statement, published alongside the Statement of Accounts, provides a yearly formal mechanism for identifying significant gaps or areas for improvement within the Council's governance framework.

1.12 Over the course of the next year, the risk management team will undertake a programme of work which challenges and assesses each of the Council's Corporate Risks. This will include an evaluation of the extent to which the controls documented in the risk register are being complied with. The intention is that for each risk three levels of assurance are given:

- **Governance controls** (are the planned controls proportionate and effective in mitigating the identified risk and triggers;
- **Compliance** (are those controls being routinely complied with in practice);
- **Substantive** (are the controls being effective in mitigating the risk in practice).

2. Alignment with corporate priorities

- 2.1 Communities at the heart of everything we do
- 2.2 A good quality of life for everyone
- 2.3 Helping our children learn, develop and live life to the full

- 2.4 Cambridgeshire: a well-connected, safe, clean, green environment.
- 2.5 Protecting and caring for those who need us

Good risk management - including the identification of risks and triggers as well development of mitigating actions - should inform decision making and areas for improvement; lead to better overall management of the Council's business, and protect the Council's assets, workforce, finances and services

3. Significant Implications

3.1 Resource Implications

All of the risks listed in the corporate risk register could potentially lead to significant financial implications if realised. There are direct impacts on our resources in relation to the partnership/contractual risks and the risk about sufficiency of budget.

3.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category

3.3 Statutory, Legal and Risk Implications

This report overviews the Council's risk management arrangements. The objective is to ensure that risks that might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner. The Accounts & Audit (England) Regulations 2015 require the authority to have a sound system of internal control which includes effective arrangements for the management of risk.

3.4 Equality and Diversity Implications

There are no significant implications within this category

3.5 Engagement and Communications Implications

There are no significant implications within this category

3.6 Localism and Local Member Involvement

There are no significant implications within this category

3.7 Public Health Implications

There are no significant implications in this category

3.8 Environment and Climate Change Implications on Priority Areas

There are no significant implications in this category

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: T Kelly

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

Name of Officer: C 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: F McMillan

Have the equality and diversity implications been cleared by your Service Contact?

Yes

Name of Officer: T Kelly

Have any engagement and communication implications been cleared by Communications?

Yes

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

Have any Public Health implications been cleared by Public Health? No

Not applicable

4. Source documents

4.1 [CCC Resources - Home \(sharepoint.com\)](#)

Annual Governance Statement

[Statement of accounts - Cambridgeshire County Council](#)

| Risk | | 01. Council's arrangements for safeguarding vulnerable children and adults fail | | | | | | | | | |
|------------|---|---|---|---|---|---|--|--|--|-----|---|
| Likelihood | 5 | | | | | | | | | | |
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| | | 1 | 2 | 3 | 4 | 5 | | | | | |
| | | Consequence | | | | | Risk Owners | | Current Score | | Last Review |
| | | | | | | | Executive Director, People and Communities | | 15 | | 14/03/2022 |
| | | | | | | | | | Target Score | | Next Review |
| | | | | | | | | | 15 | | 14/06/2022 |
| | | | | | | | | | Previous Score | | |
| | | | | | | | | | 12 | | |
| | | | | | | | Triggers | | Likelihood Factors (Vulnerability) | | Potential Consequences |
| | | | | | | | 01. Inherent weaknesses in safeguarding governance arrangements 02. Poor quality of practice in the delivery of responsibilities 03. Ineffective Management Oversight 04. High Caseloads 05. Number of Children with a child protection plan or in care 06. Poor Ofstead/ CQC | | 1. Decrease in government funding 2. Failure/handback from third party providers 3. Increased expectations on local government 4. increase in demand for services | | 1. Child or vulnerable adult is seriously harmed 2. People lose trust in Council services 3. Council is judged to have failed in statutory duties |

| Controls | Adequacy | Critical Success | Assurance |
|--|----------|---|-----------|
| 01. Continuous process of updating practice and procedures, linking to local and national trends, including learning from local and national reviews such as Serious Case Reviews and safeguarding. | Good | Regular reporting | |
| 02.Comprehensive and robust safeguarding training, ongoing development policies and opportunities for staff, and regular supervisions that monitor and instil safeguarding procedures and practice | Good | High quality supervision and support. Professional staff are able to continue registration with their professional bodies | |
| 03.Audits, reviews and training provided to school staff, governors and settings. All schools must have child protection training every 3 years. Education CP Service supports schools and settings with safeguarding responsibilities | Good | Audit and inspection recognises good compliance with procedures | |
| 04. Multi-agency Safeguarding Boards and Executive Boards provides multi agency focus on safeguarding priorities and provides systematic review of safeguarding activity | Good | Regular reporting | |
| 05.Whistleblowing policy, robust Local Authority Designated Officer arrangements, complaints process, all of which inform practice Clear 'People in Position of Trust' policy and guidance in relation to Adults | Good | | |
| 06. Robust process of internal Quality Assurance (QA framework) including case auditing and monitoring of performance | Good | Regular auditing and reporting | |

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|---|------|-----------------------------------|--|
| 07. Multi Agency Safeguarding Hub (MASH) for both Adults and Children supports timely, effective and comprehensive communication and decisions on how best to approach specific safeguarding situation between partners. | Good | | |
| 08. Regular monitoring of social care providers and information sharing meetings with other local organisations, including the Care Quality Commission | Good | Regular auditing and reporting | |
| 09. Joint protocols, practice standards and QA ensure appropriate joint management | Good | Regular auditing and reporting | |
| 10. Coordinated work between multi-agency partners for both Adults and Childrens. In particular Police, County Council and other agencies to identify child sexual exploitation, including supporting children and young people transitions to adulthood, with the oversight of the Safeguarding Boards | Good | Effective and safe implementation | |
| 11. Continue to work with the CQC to share information | Good | Regular reporting | |
| 12. Caseloads have increased due to difficulty in recruiting qualified roles. Oversight & challenge from QA Service and the Local Safeguarding Board | Good | | |
| 13. Move to non-caseloading team Managers has increased oversight and challenge. Skilled and experienced safeguarding leads and their managers | Good | | |
| 14. Joint funded packages of Support Work is ongoing on resolving issues with CCG over jointly funded packages of support (CHC, section 41 and section 117). Further action will be taken if back payments cannot be secured | Good | | |
| 15. Adults regular meetings to monitor progress and risks with CQC regulator | Good | | |
| 16. Managing demand and ensuring adults and children receive right intervention at the right time. Implementation of Family Safeguarding and robust oversight & review of work coming through the system. | Good | | |
| 17. Regular DMT's to discuss and escalate issues | Good | | |

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| COVID RELATED TO A): * Ongoing monitoring of staff sickness to intervene prior to rates increasing | Good | | |
| COVID RELATED: F) * Business cases to increase reablement capacity / social work capacity being applied for (Social work agreed) * Recruitment campaign on reablement and could over-recruit has been agreed | Good | | |

| Action Plans | Assurance | Responsibility | Target Date |
|--------------|-----------|----------------|-------------|
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Risk Path: Cambridgeshire County Council/Cambridgeshire County Council

Risk Category:

Linked Objective(s):

| Risk | | 02. The Council doesn't have enough budget to deliver agreed short and medium term corporate objectives | | | | | | | | | |
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| Likelihood | 5 | | | | | | | | | | |
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| 03. Integrated resources and performance reporting (accountable quarterly to S&R), tracking budget, savings, activity and performance | Good | Saving proposals delivered | |
| 04. Operational division Finance and Performance Reports (accountable monthly to Service Committees), tracking budget, savings, activity and performance | Good | Saving proposals delivered | |
| 05. Scheme of Financial Management, including Budget Control Report for the Council as a whole and operational divisions | Good | Clear budget process, effective engagement with it and compliance | |
| 06. Procurement processes and controls ensure that best value is achieved through procurement | Good | | |
| 07. Regular meetings between Finance and budget holders at all levels of the organisation to track exceptions and identify remedial actions | Good | Meeting of financial targets and deadlines. Political engagement and approval | |
| 08. Rigorous treasury management system plus tracking of national and international economic factors and Government policy | Good | | |
| 09. Rigorous risk management discipline embedded in services and projects | Good | | |
| 10. Adequate reserves | Good | Reserves held at recommended level as per section 25 statement (4%) | |
| 11. Integrated Financial Monitoring Report | Good | Received quarterly at S&R | |
| 12. Finance and performance Reports | Good | Received quarterly at Service Committees | |
| 13. Financial Procedure rules | Good | Organisational awareness campaigns | |
| 14. Anti-fraud and corruption policy | Good | Organisational awareness campaigns | |
| 15. whistleblowing policy | Good | Organisational awareness campaigns | |
| 16. Codes of Conduct | Good | Organisational awareness campaigns | |
| 17. Internal control framework | Good | Organisational awareness campaigns | |
| 18. Fraud detection work undertaken by IA, Counter Fraud | Good | Organisational awareness campaigns | |
| 19. Awareness Campaigns | Good | Organisational awareness campaigns | |

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|----------------------------------|------|------------------------------------|--|
| 20. Anti money laundering policy | Good | Organisational awareness campaigns | |
| 21. Publication of spend data | Good | Organisational awareness campaigns | |

| Action Plans | Assurance | Responsibility | Target Date |
|--------------|-----------|----------------|-------------|
|--------------|-----------|----------------|-------------|

Risk Path: Cambridgeshire County Council/Cambridgeshire County Council

Risk Category:

Linked Objective(s):

| Risk | | 03. A serious incident occurs, preventing services from operating and /or requiring a major/critical incident response. | | | | | | | | | |
|---|---|---|---|---|---|---|--|---|--|--|--|
| Likelihood | 5 | | | | | | Risk Owners Director of Customer & Digital Services | Current Score 12 Target Score 15 Previous Score 12 | Last Review 14/03/2022 Next Review 14/06/2022 | | |
| | 4 | | | | | | | | | | |
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| | | 1 | 2 | 3 | 4 | 5 | | | | | |
| Consequence | | | | | | | | | | | |
| Triggers | | | | | | | Likelihood Factors (Vulnerability) | | | Potential Consequences | |
| 1. Loss of large quantity of staff or key staff 2. Loss of key premises (including temporary denial of access) 3. Loss of IT, equipment or data 4. Loss of a key supplier 5. Loss of utilities or fuel 6. Status of IT Disaster Recovery 7. Decreasing resilience in CCC services due to ongoing financial constraints and cost reduction | | | | | | | 1. Ongoing risk of environment hazards such as flooding and severe weather 2. Pandemic 3. Cyber Attack / Cyber Crime | | | 1. Inability to deliver services to vulnerable people, resulting in harm to them 2. Inability to meet legislative and statutory requirements 3. Increase in service demand 4. Reputational damage | |

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| | | | through comms leaders, social media campaigns, internal comms. Updating with partners, shared comms. Comms for Members, district and city as well as county. Regular comms with MP's. Frequency and intensity accelerated. " |
| 4. Multi-agency collaboration through the Cambridgeshire & Peterborough Local Resilience Forum | Good | | "Tactical and strategic are a part of BAU. Setting up of a range of specific sub groups with reporting up to gold strategic group. Tackle with partners specific issues. Frequency and intensity and range and nature accelerated significantly during Covid which demonstrates responsiveness" |
| 5. IT disaster recovery arrangements | Reasonable | Up to date IT disaster recovery plans in place | Disaster Recovery tested thoroughly ahead of data centre move and then put into action 'live' during the data centre move in November 2021. |
| 6. Resilient Internet feed | Good | | "Considerable work undertaken to strengthen and improve resilience of network, high proportion of WFH for staff and Members can be sustained. Regular monitoring process and escalation" |
| 7. Business continuity testing | Good | Regular testing undertaken | "Constantly having to reposition the delivery of the business. Constantly revised and re-written and tested, particularly those in response mode. |
| 8. Corporate Emergency Plan | Good | | Corporate Emergency Plans put into operation through recent incidents (2020/21 & 2021/22) including Flooding and Severe Weather. All stepped up alongside delivering our Covid Response/Recovery Plans. |
| 9. IT security – data encryption, hardware firewalls, network traffic monitoring, inbound mail monitoring, spam filters, web content filtering, anti-virus software (Moved From previous risk 3) | Good | | Regular monitoring of cyber security through cyber security board and dashboards tracking internal protections and external threats. Effectively dealt with threats (range of incidents in 2021/22) adopting best practice methodology for investigation/remedial action/learning. Regular liaison with the National Cyber Security Centre to keep up to date with threats/best practice. |

| Action Plans | Assurance | Responsibility | Target Date |
|--|-----------|---|-------------|
| Fire Safety On-line training now in place. All staff required to complete this prior to returning to a workplace (post Covid). Staff followed up who have failed to complete it. Programme of training evacuations have/are taking place, particularly with return to workplaces. | | Director of Resources | 31/03/2022 |
| Testing disaster recovery plans | | Director of Customer & Digital Services | 31/12/2022 |

Risk Path: Cambridgeshire County Council/Cambridgeshire County Council

Risk Category:

Linked Objective(s):

| Risk | | 04. The Council does not deliver its statutory or legislative obligations | | | | | | | | | | |
|------------|---|---|--|--|--|---|----------------------------------|--------------------|--|--|---|------------|
| Likelihood | 5 | | | | | | Risk Owners | Monitoring Officer | Current Score | 10 | Last Review | 11/03/2022 |
| | 4 | | | | | | | | Target Score | 15 | Next Review | 14/06/2022 |
| | 3 | | | | | | | | Previous Score | 8 | | |
| | 2 | | | | | | Triggers | | Likelihood Factors (Vulnerability) | | Potential Consequences | |
| | 1 | | | | | | 1. Major business disruption | | 1. Current local financial pressures | | 1. Harm to people as a result of them not getting | |
| | | | | | | | 2. Lack of management oversight | | 2. Ongoing national reduction in public sector funding | | services they need or are entitled to | |
| | | | | | | | 3. Negative inspection judgement | | 3. Changes to statutory/Legislative duties | | 2. Criminal or civil action against the Council | |
| | | | | | | 4. Poor financial management | | | | 3. Negative impact on Council's reputation | | |
| | | | | | | 5. Insufficient Finance | | | | | | |
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| Controls | Adequacy | Critical Success | Assurance |
|--|----------|--|-----------|
| 01. Monitoring Officer role Proactive role on CLT. Sign off on all legislative changes. | Good | Lack of or reduced risk of successful legal challenge to decision making | |
| 02. Code of Corporate Governance | Good | Lack of or reduced risk of successful legal challenge to decision making | |
| 03. Community impact assessments required for key decisions | Good | | |
| 04. Business Planning process used to identify and address changes to legislative/regulatory requirements | Good | | |
| 05. Projects and training to ensure the implementation of legislative changes (e.g. Care Act) | Good | Lack of or reduced risk of successful legal challenge to decision making | |
| 06. Constitutional delegation to Committees and CLT | Good | | |
| 07. Health and safety policies and processes | Good | | |
| 08. Preparation and improvement undertaken for inspections by regulators (e.g. Ofsted) | Good | | |
| 09. Service managers kept up to date with changes by Monitoring Officer / Pathfinder, Government departments, professional bodies, involvement in regional and national networks | Good | Lack of or reduced risk of successful legal challenge to decision making | |
| 10. Mandatory data protection and security training for all staff | Good | High levels of completion of training | |

| | | | |
|---|------|--|--|
| 11. Use of data protection impact assessments in all projects and procurements | Good | A higher rate of data protection impact assessments completed | |
| 12. Regular communications to all staff and at key locations (e.g. printers) | Good | | |
| 13. Joint Information Management Board, chaired by senior information risk owner (CLR member), with representatives of all directorates along with Data Protection Officer and both Caldicott Guardians. Board oversees all information governance and cyber security activity | Good | | |
| 14. A comprehensive set of information and security policies | Good | Contracts with DP clauses and data processing instructions included | |
| 15. Established procedure for notifying, handling and managing data breaches | Good | Reduced number of breaches/cyber success caused by a lack of knowledge | |
| 16. Data breaches, training feedback and performance indicators reported to Information Management board and CLT | Good | Reduced number of breaches/cyber success caused by a lack of knowledge | |
| 17. CLT provided with annual assurance on penetration testing around cyber security | Good | | |

| Action Plans | Assurance | Responsibility | Target Date |
|---|-----------|-------------------------|-------------|
| 01. Mandatory training Currently unable to report on who hasn't completed mandatory training i.e. no exception reporting. System not sufficient. Proposal to be brought by Data Protection Officer | | Data Protection Officer | 14/06/2022 |

Risk Path: Cambridgeshire County Council/Cambridgeshire County Council

Risk Category:

Linked Objective(s):

| Risk | | 05. The Council's human resources are not able to meet business need | | | | | | | | | | | | | | |
|------------|---|--|--|---------------------|--|--|---|--|----|--|-------------|--|------------|--|--|--|
| Likelihood | 5 | | | | | | | | | | | | | | | |
| | 4 | | | | | | | | | | | | | | | |
| | 3 | | | | | | | | | | X/T | | | | | |
| | 2 | | | | | | | | | | | | | | | |
| | 1 | | | | | | | | | | | | | | | |
| | | Risk Owners | | Head of HR Advisory | | | Current Score | | 15 | | Last Review | | 14/03/2022 | | | |
| | | | | | | | Target Score | | 15 | | Next Review | | 14/06/2022 | | | |
| | | | | | | | Previous Score | | 16 | | | | | | | |
| | | Triggers | | | | | Likelihood Factors (Vulnerability) | | | | | Potential Consequences | | | | |
| | | 1. Skills shortage in key areas including partners. 2. Talent management is inadequate. 3. failure to achieve a healthy organisational culture and | | | | | 1. Cost of living in some areas of Cambridgeshire is particularly high 2. acute skills shortage in key areas including partners. | | | | | 1. The Council is unable to recruit staff with the right skills and experience 2. Failure to deliver effective services | | | | |

| | | | | | |
|-------------|---|---|---|---|---|
| 1 | | | | | |
| | 1 | 2 | 3 | 4 | 5 |
| Consequence | | | | | |

environment
4. ineffective demand management strategies
5. ineffective workforce planning

3. EU exit impact on employment market
4. Impact of covid on the employment market
5. Increase in demand for services.

3. Reputational damage to the Council
4. Low morale and negative impact on staff wellbeing.

| Controls | Adequacy | Critical Success | Assurance |
|---|----------|---|--|
| 1. Fair recruitment policy. Recruitment and Retention Board meets bi-monthly, focused on social care. | Good | Staffing levels support service delivery | This meeting continues to focus on key areas of challenge and concern, engaging with our providers of agency workers as well around hard to fill posts to identify opportunities to improve candidate attraction. |
| 10. Regular Employee Engagement Surveys established to identify and respond quickly to emerging issues and concerns | Good | Employee Engagement is demonstrated through employees seeing the value of and therefore contributing to these opportunities to shape the organisation as an employer. | A number of key topics have been covered and going forward will be revisited annually including Wellbeing; Equality, Diversity and Inclusion, and How We Work. The results of these engagement surveys are discussed with CLT for an action plan to be signed off and published on Camweb clearly setting out the organisational commitment to matters raised. |
| 2. 3 year People Strategy, endorsed by Members with accompanying action plan to ensure the right focus on recruitment, retention and talent management. | Good | | Work is underway on the next iteration of the People Strategy which will be presented to Full Council in Autumn 2022 and will have a clear focus on covid recovery as well as the shifting employment market and employment challenges that the Council faces, to establish clear plans for the workforce. |
| 3. Targeted recruitment campaigns. | Good | | The Council has a central recruitment team who are dedicated to supporting Children's and Adults services – they engage with the services to understand the specific and differing challenges that they face and target recruitment campaigns accordingly, as well as maximising usage of social media channels. |
| 4. Appraisal system linked to performance management | Good | | New Our Conversations process was embedded in 2021. Feedback on the first year is being gathered and focus groups will be held in the Spring to seek further views on it's application in practice so that any adaptations can be made in conjunction with CLT. |
| 5. HR Business Partners - work with service to help anticipate and meet the demands within each area | Good | | HR Business Partners attend management team meetings and meet regularly with Service Directors to discuss workforce matters. |
| 6. Report on quarterly basis to management teams on workforce and performance | Good | | Quarterly dashboard reports on workforce matters including absence and turnover are provided to Directorate Management Teams for them to keep a focus on their workforce profile and any emerging or potential concerns. |

| | | | |
|--|------|--|---|
| 7. Annual report to staffing and appeals committee | Good | | Reports are delivered to Staffing and Appeals Committee in February each year setting out a clear review of the workforce profile and activity during the year as well as key policy changes, employee engagement activity and an update around employee wellbeing. |
| 8. Well established consultative framework with trade unions, including fortnightly meetings throughout the Covid period | Good | | These well established and positive relationships enable constructive discussions with trade union colleagues around any challenging workforce related matters, as well as an opportunity to gain valuable insights and contributions to help shape policy development. |
| 9. Use of Consultants Policy | Good | | A clear policy on the use of consultants, interim and agency workers is in place to give clarity to hiring managers about when it is appropriate to use these options, and the appropriate and compliant way to do so. |

| Action Plans | Assurance | Responsibility | Target Date |
|--|-----------|---------------------|-------------|
| Development of own learning platform | | Head of HR Advisory | 14/06/2022 |
| New values and behaviours framework | | Head of HR Advisory | 14/06/2022 |
| Work with the service directors to create a comprehensive L&D strategy to support the wider People Strategy. | | Head of HR Advisory | 14/06/2022 |

Risk Path: Cambridgeshire County Council/Cambridgeshire County Council

Risk Category:

Linked Objective(s):

| Risk | | 06. Insufficient infrastructure to deliver the Council's services | | | | | | | | | |
|------------|---|--|---|---|---|---|--|---|----------------|--|----|
| Likelihood | 5 | | | | | | | | | | |
| | 4 | | | | | | | | | | |
| | 3 | | | | | X | | T | | | |
| | 2 | | | | | | | | | | |
| | 1 | | | | | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | | | | | |
| | | Consequence | | | | | | | | | |
| | | Risk Owners | | | | | Executive Director, Place and Economy | | Current Score | | 12 |
| | | | | | | | | | Target Score | | 15 |
| | | | | | | | | | Previous Score | | 12 |
| | | Triggers | | | | | Likelihood Factors (Vulnerability) | | | Potential Consequences | |
| | | 1. Insufficient funding to meet needs received from: •Growth funds •Section 106 •Community infrastructure levy •School infrastructure funding •Highways Active Travel funding 2. Partnerships do not deliver new infrastructure / services to meet needs of population 3. Infrastructure undermined due to inability to adapt | | | | | Willingness of stakeholders to embrace development Changes in grant funding Failure of a key supplier Reduced funding from devolution deals End of the Greater Cambridge City Deal programme Insufficient staffing resource and expertise to deliver key infrastructure | | | 1. Impacts on transport, economic, environmental and social outcomes 2. Greater borrowing requirement to deliver infrastructure which is unsustainable financially 3. Increased pressure on already stretched maintenance budgets 4. Unsustainable or reduced growth 5. Growth that is not inclusive | |

maintain
4. Infrastructure delivery planning not tied to business planning process

| Controls | Adequacy | Critical Success | Assurance |
|---|----------|-----------------------------------|-----------|
| 1. Maximisation of developer contributions through Section 106 negotiations. Policy is to deal with strategic development sites through s106, not including CIL | Good | | |
| 2. Section 106 deferrals policy is in place. | Good | Agreed and adopted by the Council | |
| 3. Capital Programme Board | Good | Regular reporting | |
| 4. Prudential borrowing strategy | Good | | |
| 5. Review, scrutiny and challenge of design and build costs to ensure maximum value for money | Good | | |
| 6. Co-ordination of requirements across partner organisations to secure viable shared infrastructure | Good | | |
| 7. Annual school capacity return to Department for Education seeks to ensure maximum levels of funding for basic need | Good | | |
| 8. Maximise annual maintenance block funding from Central Government, maintaining band 3 of the incentive fund. | Good | | |

| Action Plans | Assurance | Responsibility | Target Date |
|--------------|-----------|----------------|-------------|
|--------------|-----------|----------------|-------------|

Risk Path: Cambridgeshire County Council/Cambridgeshire County Council

Risk Category:

Linked Objective(s):

| Risk | | 07. Failure to Deliver Key Council Services | | | | | | | | | | |
|------------|---|---|--|--|--|--|---|---|------------------------------------|---|------------------------|------------|
| Likelihood | 5 | | | | | | Risk Owners | Executive Director, People and Communities; Executive Director, Place and Economy | Current Score | 10 | Last Review | 11/03/2022 |
| | 4 | | | | | | | | Target Score | 15 | Next Review | 14/06/2022 |
| | 3 | | | | | | | | Previous Score | 6 | | |
| | 2 | | | | | | | | | | | |
| | | | | | | | | Triggers | Likelihood Factors (Vulnerability) | | Potential Consequences | |
| | | | | | | | 01. Placement sufficiency – schools, independent sector CIC and adult placements 02. Workforce sufficiency – council and independent | 01. Failure of Key Supplier 02. Change in government funding 03. Pandemic | | 01. Children and adults inappropriately placed leading to increased risk of harm, poor health and social outcomes | | |

| | | | | | |
|---|---|---|---|---|---|
| 1 | | | | | |
| | 1 | 2 | 3 | 4 | 5 |

Consequence

sector and partners
 03. Skills sufficiency
 04. Lack of Business Continuity Plans for Key Services
 05. Poor Contract Management
 06. Poor Project Management
 07. Poor Governance around Partnership working
 08. Capacity issues
 09. Poor Demand Management
 10. Poor escalation process for concerns
 11. Insufficient budget setting and management
 12. Non-compliance with Corporate policies and procedures

04. Long-term Brexit implications
 05. Local Elections
 06. Increased Demand on key services

02. Children and adults do not receive services they need to reduce the risk of harm, reach their educational and independence potential

| Controls | Adequacy | Critical Success | Assurance |
|---|------------|---|--|
| 01. Following the end of Covid related funding for adults care, the LA are working with key partners to ensure the adult care provision can be extended and further capacity available where needed particularly for discharge from hospitals. A proposal for funding is being submitted to Adults Committee in March to gain agreement | Good | A market that reflects the needs of the population which it supports, in both quality and capacity, acknowledging the current workforce deficit. Contingency plans in place through the continued creation of good quality care capacity which can mitigate providers exiting the market and handing packages back. An integrated/aligned services which supports the timely discharge from hospital into appropriate community provision at an affordable price. | Weekly meeting to review concerns with the independent market from individual complaints to organisational safeguarding. Provider of concern process in place and managed via the Weekly Temperature check meeting above. Process due for review in April to ensure the readiness for the ASC Reform. Provider forums in place fortnightly by care sector to enable a regular discussion about external forces including COVID, Increase in Energy costs, increase in insurance costs etc. Contact meetings with providers undertaken on a monthly basis to ensure performance in line with key performance indicators. The development of a workforce strategy which will be system wide which creates a response to the the workforce deficit. |
| 02. Two frameworks have been developed outlining, short, medium and longer-term plans for ensuring future sufficiency for those Children with SEND needs and also for Early Years and Childcare sufficiency which was agreed by CYP Committee on 1 March 2022. Further action plans are now in development | Good | | |
| 03. All P&C service have adequate Business Continuity Plans in place which are reviewed regularly in light of national covid changes | Good | | |
| 04. Family safeguarding model is shown to be more effective in working with families with complex needs and continuing to work closely with key placement providers is ongoing | Reasonable | | |
| 05. Recruitment and retention of skilled staff is good in some areas and less so in others. Recruitment campaigns and agency staff are proving to be beneficial currently | Reasonable | An independent sector workforce which can expand in line with the demographic and complex needs growth of Cambridgeshire. | Workforce strategy which reflects the needs of the local workforce pressures, creates a pipeline for recruitment, establishes a standardised approach to recruitment and starts across the care sector. Supported by public sector partners and tackling the skills agenda in line with the Combined Authority. |

| Action Plans | Assurance | Responsibility | Target Date |
|--------------|-----------|----------------|-------------|
|--------------|-----------|----------------|-------------|

Risk Path: Cambridgeshire County Council/Cambridgeshire County Council

Risk Category:

Linked Objective(s):

| Risk | | 08. Failure of key partnerships or contracts | | | | | | | | | | |
|-------------|---|--|---|---|---|---|-------------|------------------------------------|------------------------|---|--|--|
| Likelihood | 5 | | | | | | Risk Owners | Director of Resources | Current Score | 12 | Last Review | 14/03/2022 |
| | 4 | | | | | | | | Target Score | 15 | Next Review | 12/06/2022 |
| | 3 | | | | X | T | Triggers | Likelihood Factors (Vulnerability) | Potential Consequences | | | |
| | 2 | | | | | | | | | 1. This Land unable to adhere to business plan: - timescales and programme slippage, assumptions about further land acquisition & promotion - assumptions and expectations, housing downturn/economics/inflation reduce profitability 2. Shared Service partners have divergent strategy or aims/priorities at odds with CCC 3. Large scale handback / collapse of major suppliers for economic/profitability reasons | This Land - arms length/commercial risk. Planning delays to date. Loan to value depleting but improved cashflows Uncertainty and major change programmes underway at partner Councils, restricted budgets across sector Significant economic and inflationary volatility | 1. Financial impact of credit loss 2. Revenue impact of reduced income returns 3. Interruption to outcomes 4. Construction quality and health & safety matters 5. Reputational harms |
| | 1 | | | | | | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | | | | | | |
| Consequence | | | | | | | | | | | | |

| Controls | Adequacy | Critical Success | Assurance |
|--|------------|--|--|
| 1. Monitoring surveyor overview of construction progress and compliance | Good | Favourable outcomes from follow up monitoring, assurance, validation check-ins | Favourable outcomes from follow up monitoring, assurance, validation check-ins |
| 2. Validations and external appraisal to validate assumptions | Good | Favourable outcomes from follow up monitoring, assurance, validation check-ins | Favourable outcomes from follow up monitoring, assurance, validation check-ins |
| 3. Construction contingency budget | Good | Contingency budget to be made site specific | Budget monitoring of contingency budget |
| 4. Diversified approach across delivery, disposal, acquisitions, promotion | Reasonable | | |
| 5. Mortgages over properties/assets and work in progress | Reasonable | Floating charge also to be implemented | Some realisable collateral |
| 6. Appointment of skilled and expert directors of This Land | Good | | Board effectiveness review due at This Land |
| 7. Partnership with other LAs - financial risk constrained by setup of section 113 or collaboration arrangements. Due Notice | Reasonable | | |
| 8. Commissioning/programme governance to identify alternative options | Reasonable | | |

| Action Plans | Assurance | Responsibility | Target Date |
|--|-----------|-----------------------|-------------|
| Implementation of action plan in response to AY Report | | Director Of Resources | 01/07/2022 |

Risk Path: Cambridgeshire County Council/Cambridgeshire County Council

Risk Category:

Linked Objective(s):

CAMBRIDGESHIRE COUNTY COUNCIL

RISK MANAGEMENT POLICY

1. INTRODUCTION

We want Cambridgeshire to be a great place to call home, and we will achieve this vision by focussing on delivering the outcomes that make the biggest difference for our communities.

The Council is a large, complex organisation and we need to ensure the way we act, plan and deliver is carefully thought through both on an individual and a corporate basis. We take a long-term and strategic view of how the Council needs to transform.

There are many factors which might prevent the Council achieving its plans. We therefore adopt a risk management approach in all of our key business processes with the aim of identifying, assessing and managing any key risks we might face. This approach is a fundamental element of the Council's Code of Corporate Governance.

Risk management in public sector organisations is not a statutory requirement however the Council recognises it is an essential component of good governance and organisational culture. The Chartered Institute of Public Finance and Accountancy (CIPFA) advises that risk management promotes innovation in support of strategic objectives and service delivery; opening the door to the possibility of taking risks to achieve positive outcomes.

Consequently, the Council has determined its risk appetite and implemented a Risk Management Policy and supporting framework.

The Risk Management Policy is fully supported by the Council, the Chief Executive and the Cambridgeshire Corporate Leadership Team (CCLT) who are accountable for the effective management of risk within the Council. On a daily basis all officers of the Council have a responsibility to recognise and manage risk in accordance with this Policy.

The Accounts and Audit Regulations 2003 state:

- The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.

(Additionally, the Civil Contingencies Act 2004 places a statutory duty on local authorities to establish business continuity management (BCM) arrangements to ensure that they can

continue to deliver business critical services if business disruption occurs. The Emergency [Planning Camweb site](#) details the Council's approach to business continuity management which is a key aspect of effective risk management)

2. WHAT IS RISK?

"A risk is an **uncertain** event which, should it occur, will have an effect on the achievement of objectives."

Risk management is the identification, assessment and prioritisation of risks followed by:

- The coordinated and economical application of resources to minimise, monitor and control the probability or impact of unfortunate events / threats
- To maximise the realisation of opportunities

3. RISK MANAGEMENT OBJECTIVE

The Council will operate an effective system of risk management which will seek to ensure that risks which might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner.

4. RISK MANAGEMENT PRINCIPLES

- The risk management process should be consistent and proportionate across the Council and result in timely information that helps informed decision making;
- Risk management should operate within a culture of transparency and openness where risk identification and risk escalation, as appropriate, are encouraged;
- Risk management arrangements should be dynamic, flexible and responsive to changes in the risk environment;
- When managing risk, the cost of any controls should be robustly assessed against the impact of the risk, i.e. the concept of proportionality;
- Risk management should be embedded in everyday business processes.

5. APPETITE FOR RISK

As an organisation with limited resources it is not proportionate for the Council to seek to fully mitigate all of the risk it faces. The Council therefore aims to manage risk in a manner which is proportionate to the risk faced.

The Council has defined the maximum level of residual risk which it is prepared to accept as a maximum risk score of 15 as per the Scoring Matrix attached at Appendix A. The

matrix itself is supported by descriptors, over 5 elements, for the impact element of the risk at Appendix B. The impact score selected will be the highest score for any of the descriptor elements.

6. BENEFITS OF RISK MANAGEMENT

- The identification of key risks which might prevent the achievement of the Council's plans. This allows timely and proportionate action to be taken to either prevent the risks occurring or to manage them effectively if they do occur.
- The development and delivery of robust and proportionate action plans, to streamline and strengthen the control environment and in turn, enhance the governance of the organization.
- To ensure that decision makers are fully aware of any key risk issues associated with proposals being considered at the point of decision making.
- To demonstrate openness and accountability to various regulatory bodies and stakeholders more widely, as well as an assurance to those charged with ensuring the effective governance of the organisation.

7 RISK MANAGEMENT APPROACH

The risk management approach adopted by the Council is based on identifying, assessing, managing and monitoring risks at all levels across the Council.

Detailed guidance on the application of the risk management approach is set out in the Council's Risk Management Procedures. The Procedure document can be located on Camweb at: [Risk Management | sharepoint.lgss.local](#)

Additionally individual business processes, such as decision making and project management, should provide guidance on the management of risk within those processes.

8 RISK ESCALATION PROCESS

Identified risks within directorate risk registers may need to be escalated for inclusion into the cambridgeshire corporate risk register. Risks will need to be escalated if:

- The risk remains red (above the agreed risk appetite) after all available mitigations have been implemented, and;
- The relevant director deems the risk to be a significant risk to the organisation as a whole

To escalate a risk to the cambridgeshire corporate risk register: first the relevant directorate management team must agree that the risk meets the escalation criteria

above and recommend it goes forward to be included within the cambridgeshire corporate risk register.

In practice this will be the next available corporate leadership team (CLT) meeting and, if agreed, the relevant director will advise the Head of Audit & Risk of the new corporate risk to enable immediate updating of the risk management software and to ensure the new risk is monitored and reported in line with the risk management procedures.

A risk may be de-escalated from the cambridgeshire corporate risk register to directorate risk registers if CLT and Audit and Accounts Committee consider that the risk can be managed within a directorate's risk register.

Similarly, there may be times when a service level risk needs to be escalated to the directorate risk register. This should be managed through Directorate Management Team meetings.

9 TRAINING AND DEVELOPMENT

The Council recognises that the effectiveness of its risk management approach will be dependant upon the degree of knowledge of the approach and its application by officers and councillors. This will be supported through the delivery of formal training programmes, risk workshops, briefings and internal communication channels.

10 CONCLUSION

Compliance with the risk management approach detailed in this policy will ensure that the key risks faced by the Council are recognised and effective measures are taken to manage them in accordance with the defined risk appetite.

RISK MANAGEMENT SCORING MATRIX

| | | | | | |
|---|-----------|----------|----------|--------|-------------|
| VERY HIGH | 5 | 10 | 15 | 20 | 25 |
| HIGH | 4 | 8 | 12 | 16 | 20 |
| MEDIUM | 3 | 6 | 9 | 12 | 15 |
| LOW | 2 | 4 | 6 | 8 | 10 |
| NEGLIGIBLE | 1 | 2 | 3 | 4 | 5 |
| <div>IMPACT</div> <div>LIKELIHOOD</div> | VERY RARE | UNLIKELY | POSSIBLE | LIKELY | VERY LIKELY |

- Red: excess of Council's risk appetite
action needed to redress, quarterly monitoring
- Amber: likely to cause the Council some difficulties
quarterly monitoring
- Green: monitor as necessary

IMPACT DESCRIPTORS

Appendix B

The following descriptors are designed to assist the scoring of the impact of a risk:

| | Negligible (1) | Low (2) | Medium (3) | High (4) | Very High (5) |
|--------------------------------|--|--|---|---|---|
| Legal and Regulatory | Minor civil litigation or regulatory criticism | Minor regulatory enforcement | Major civil litigation and/or local public enquiry | Major civil litigation setting precedent and/or national public enquiry | Section 151 or government intervention or criminal charges |
| Financial | 0-10% | 10-40% | 40-60% | 60-90% | 90%+ |
| Service provision | Insignificant disruption to service delivery | Minor disruption to service delivery | Moderate direct effect on service delivery | Major disruption to service delivery | Critical long term disruption to service delivery |
| People and Safeguarding | No injuries | Low level of minor injuries | Significant level of minor injuries of employees and/or instances of mistreatment or abuse of individuals for whom the Council has a responsibility | Serious injury of an employee and/or serious mistreatment or abuse of an individual for whom the Council has a responsibility | Death of an employee or individual for whom the Council has a responsibility or serious mistreatment or abuse resulting in criminal charges |
| Reputation | No reputational impact | Minimal negative local media reporting | Significant negative front page reports/editorial comment in the local media | Sustained negative coverage in local media or negative reporting in the national media | Significant and sustained local opposition to the Council's policies and/or sustained negative media reporting in national media |

Please note – these descriptors are a guide and there may be exceptions depending on the type of risk.

APPENDIX 3

RISK APPETITE STATEMENT

Risk appetite is the level of risk the Council are prepared to tolerate or accept in the pursuit of its strategic objectives. The Council's aim is to consider all options to respond to risk appropriately and make informal decisions that are most likely to result in successful delivery, while also providing an acceptable level of value for money. The acceptance of risk is subject to ensuring that all potential benefits and risks are fully understood and that appropriate measures to mitigate risk are established before decisions are made.

The Council recognises that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply. We illustrate our risk appetite in the matrix below. The red area represents the outer limit of our risk appetite. As a Council we are not willing to take risks that have significant negative consequences on the achievement of our objectives.

RISK SCORING MATRIX

| | | | | | |
|------------------------------------|------------------|-----------------|-----------------|---------------|--------------------|
| VERY HIGH | 5 | 10 | 15 | 20 | 25 |
| HIGH | 4 | 8 | 12 | 16 | 20 |
| MEDIUM | 3 | 6 | 9 | 12 | 15 |
| LOW | 2 | 4 | 6 | 8 | 10 |
| NEGLIGIBLE | 1 | 2 | 3 | 4 | 5 |
| IMPACT LIKELIHOOD | VERY RARE | UNLIKELY | POSSIBLE | LIKELY | VERY LIKELY |

Risk scores 16 to 25 Excess of Council's risk appetite

Risk scores 5 to 15 Likely to cause the Council some difficulties

Risk scores 1 to 4 Monitor as necessary

RISK RESPONSE

| Risk Rating | | Guidance to Risk |
|-------------|---|---|
| 16-25 | Risk at this level sits above the appetite of the Council and are of such magnitude that they form the Council's biggest risks. | Identify the actions and controls necessary to manage the risk down to an acceptable level. |
| | The Council is not willing to take risks at this level and action should be taken immediately to manage the risk. | Steps will be taken to collectively review the risk and identify any other possible mitigation (such as controls). Risks that remain at this level will be escalated to CCLT, who will actively monitor and provide guidance on the ongoing management of risks at this level. |
| 12-15 | These risks sit on the borders of the Council's risk appetite and so while they do not pose an immediate threat, they are still risks that should remain under review. If the impact or likelihood increases then risk owners should seek to manage the increase. | Keep these risks on the radar and update as and when changes are made, or if controls are implemented. |
| 5-10 | These are low level risks that could impede or hinder achievement of objectives. Due to the relative low level it is unlikely that additional controls will be identified to respond to the risk. | Keep these risks on your register and formally review once a quarter to make sure that the impact and likelihood continues to pose a low level. |
| 1-4 | Minor level risks with little consequence but not to be overlooked completely. They are enough of a risk to have been assessed through the process, but unlikely to prevent the achievement of objectives. | No actions required but keep the risk on your risk register and review quarterly. |

Corporate Services Performance Report – Quarter 3 2021-22

| | |
|------------------------|---|
| To: | Strategy and Resources Committee |
| Meeting Date: | 29 March 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 a revised Key Performance Indicator (KPI) Suite and associated performance information to Quarter 3 2021-22 for Corporate Services. |
| Recommendation: | <p>The Committee is asked to:</p> <ul style="list-style-type: none">a) Review the proposed new Corporate Services KPI list and agree the proposed addition to and removal of KPIs from the Corporate Services KPI list.b) Monitor progress of Corporate Services, consider whether performance is at an acceptable level and identify remedial action as required. |
| Officer contact: | |
| Name: | Jules Ient |
| Post: | Senior Analyst |
| Email: | jules.ient@cambridgeshire.gov.uk |
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1. Background

- 1.1 At the 17 December 2021 meeting of Strategy and Resources Committee, Members agreed changes to the list of KPIs for Corporate Services.
- 1.2 Work has taken place to develop the agreed new KPIs, which in some cases has resulted in further proposed changes to the Corporate Services KPI List.

2. Corporate Services KPI List

- 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 some proposals to add and remove KPIs from the list. The tables below set out the changes. Members are asked to approve these changes.

| Indicators that are proposed to be reported to committee | | | | | |
|---|---|---------------------------|---|----------------------------|--|
| KPI Number | KPI Name | Mapping to Service | Action approved by S&R December 2021 | Proposal March 2022 | Rationale for proposal March 2022 |
| 169 | % of contract waivers submitted less than 5 days before their proposed start date | Procurement | Develop and report | No change | N/a |
| 171 | Rent per acre obtained from the agricultural estate | Property | Retain and report | No change | N/a |
| 182 | Proportion of Freedom of Information requests responded to within statutory timescale (YTD) | Information Governance | Retain and report | No change | N/a |
| 183 | Percentage of Subject Access Requests completed within statutory timescale (YTD) | Information Governance | Retain and report | No change | N/a |
| 184 | Statutory returns completed on time | Business Intelligence | Retain and report | No change | N/a |

| Indicators that are proposed to be reported to committee | | | | | |
|--|--|----------------------------|--------------------------------------|---------------------|---|
| KPI Number | KPI Name | Mapping to Service | Action approved by S&R December 2021 | Proposal March 2022 | Rationale for proposal March 2022 |
| 187 | Proportion of staff feeling valued by the Council as demonstrated through employee engagement survey | HR Services | Retain and report | Amend indicator | Indicator was collected via survey; survey was revised and recommenced in 2020 with different questions |
| 190 | Proportion of information enquiries resolved at first point of contact | Customer Services | Retain and report | No change | N/a |
| 195 | Percentage of requests resolved at first line within expected timescales | IT & Digital Services | Retain and report | No change | N/a |
| 204 | Annual forecast of the gross income from our total commercial investment as a percentage of initial investment | Finance | Retain and report | No change | N/a |
| 205 | Amount of social value achieved | Commercial | Develop and report | No change | N/a |
| 206 | Percentage of purchased goods or services from Cambridgeshire suppliers | Commercial | Develop and report | No change | N/a |
| 207 | Value of income achieved from all income generating services | Commercial | Develop and report | No change | N/a |
| 209 | KPI description under development | Policy Design and Delivery | Develop and report | No change | N/a |
| 212 | Number of staff who have completed Introduction to First Aid e-learning | Health & Safety | N/a | Add | Key priority for remote working |

| Indicators that are proposed to be reported to committee | | | | | |
|--|---|-----------------------|--------------------------------------|---------------------|--|
| KPI Number | KPI Name | Mapping to Service | Action approved by S&R December 2021 | Proposal March 2022 | Rationale for proposal March 2022 |
| 213 | FTE days lost to anxiety and mental health related absence (short term and long term) | HR Services | Develop and report | No change | N/a |
| 214 | Staff turnover (rolling 12 month average) | HR Services | Develop and report | No change | N/a |
| 215 | Remote access availability | IT & Digital Services | N/a | Add | Key priority for remote working, already in use within service |
| 216 | IT and Digital Services customer perception rating | IT & Digital Services | N/a | Add | Key priority for incidents |

| Indicators that are proposed to be replaced following work to develop definitions | | | | | |
|---|---|-----------------------|--------------------------------------|---------------------|---|
| KPI Number | KPI Name | Mapping to Service | Action approved by S&R December 2021 | Proposal March 2022 | Rationale for proposal March 2022 |
| 189 | Number of sessions on website | Communications | Retain and report | Remove | Focus on demand management means this is no longer a relevant measure |
| 194 | Incidents resolved (KPI description under development) | IT & Digital Services | Retain and report | Remove | Replaced by 216 which is focused on customer perception |
| 196 | Availability of Universal Business System (KPI description under development) | IT & Digital Services | Retain and report | Remove | Replaced by 215 which measures more important priority |

| Indicators that are proposed to be replaced following work to develop definitions | | | | | |
|---|--|--------------------|--------------------------------------|---------------------|--|
| KPI Number | KPI Name | Mapping to Service | Action approved by S&R December 2021 | Proposal March 2022 | Rationale for proposal March 2022 |
| 208 | Annual performance of gross income achieved from investments for commercial return as a percentage of initial investment | Commercial | Develop and report | Remove | Duplicates KPI 204 |
| 211 | Proportion of RIDOR serious incidents reported within 10 days | Health & Safety | Develop and report | Remove | Exceptions to statutory timescales are very rare and monitored closely, so not effective as KPI, replaced by KPI 212 |

2.2 Performance information is presented for 14 of the proposed Corporate Services KPIs in Appendix 1. Some KPIs do not have data associated with them because work is ongoing to develop and define the indicator. Data will be reported for these KPIs in June 2022.

2.3 RAG ratings are as follows:

| RAG rating | Number of indicators |
|--------------|----------------------|
| Blue | 3 |
| Green | 3 |
| Amber | 3 |
| Red | 3 |
| Other | 2 |
| Total | 14 |

2.4 Commentary on red indicators is as follows:

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

As a result of external audit findings, there is a cross-Council concern to promote and enable procurement compliance. It is welcome that 90 waivers have been recorded in a three month period as it shows a high level of awareness and visibility - a previous shortcoming being an absence of waivers and the appropriate approvals where necessary. Waivers should be submitted in sufficient time to allow for an alternative plan to be put in place should the waiver note be approved. The use of waivers is a good indicator as to how the Contract Procedure Rules are being followed and their timeliness as a proxy for prior planning. But it is also recognised that Waivers are often entered towards the end of decision making, coinciding with the controls that have been implemented on the payments system and integrated contract register. There may be other indicators either in addition to this or in replacement to this that provide a better picture of compliant use of the Contract Procedure Rules. This would include consideration of the relative value of contracts subject to waiver. These potential alternatives and their data availability will be considered.

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

The performance has 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 declined by 1% from the previous month, the general level is due to the team clearing the requests that were delayed as described. This will affect future performance until the backlog of older cases is complete. 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. 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.

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

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. By the end of December 2021, more than half of the target had been achieved.

3. Alignment with corporate priorities

3.1 This paper describes KPIs for Corporate Services that underpin the delivery of all CCC Corporate Priorities listed below.

- Communities at the heart of everything we do
- A good quality of life for everyone
- Helping our children learn, develop and live life to the full
- Cambridgeshire: a well-connected, safe, clean, green environment
- Protecting and caring for those who need us

4. Significant Implications

4.1 Resource Implications

There are no significant implications within this category.

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.

5. Source documents

5.1 Source documents - None

Produced on:

17 March 2022



Corporate Performance Report

Quarter 3

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 | <ul style="list-style-type: none"> • Red – current performance is off target by more than 10% • Amber – current performance is off target by 10% or less • Green – current performance is on target by up to 5% over target • Blue – current performance exceeds target by more than 5% • Baseline – indicates performance is currently being tracked in order to inform the target setting process • Contextual – these measures track key activity being undertaken, but where a target has not been deemed pertinent by the relevant service lead |
| 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](#)

March 2022

| Target | Current Quarter | Previous Quarter | Direction for Improvement | Change in Performance |
|--------|-----------------|------------------|---------------------------|-----------------------|
| 20% | 68% | n/a | ↓ | n/a |

RAG Rating

Red

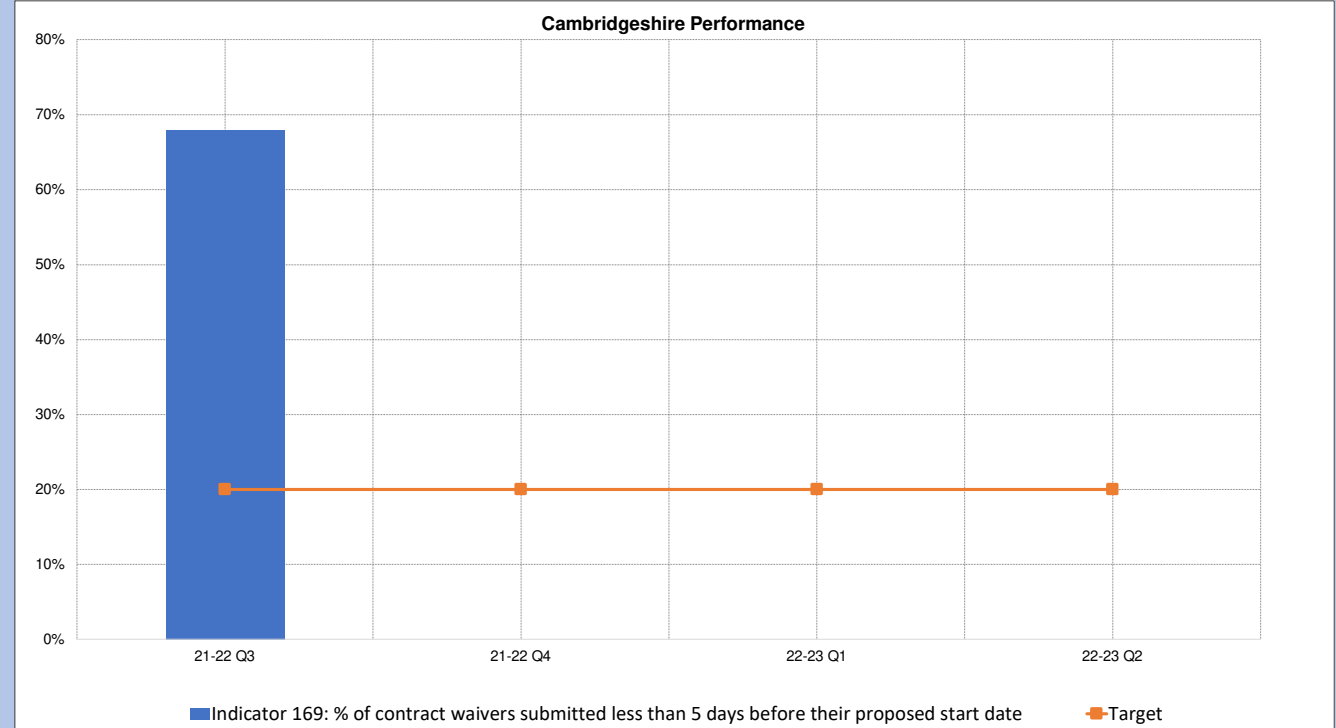
Indicator Description

The Council's Contract Procedure Rules allow the Council to bypass the rules in certain instances. This include a lack of suppliers in the market or that going to market does not offer any benefit. In such instances, a request is made to Procurement to seek agreement to 'waive' the rules. These approvals are known as Waivers.

Enough time should be given to seek the waiver, so that alternative options can be considered. Requests presented to Procurement, that have not allowed time for a procurement exercise to be undertaken, could indicate that the expiry of the contract has not been managed as well as it could. However, there could be valid reasons for normal timescales to be unachievable.

The reason for tracking this indicator is to give a reasonable indication of whether we are planning our procurements better. This has been applied to all contract values and has been extracted from the contract database. Any waivers above £500,000 will not be recorded on the contracts database as this is a committee decision.

This KPI takes the date the waiver was submitted and the date that the waiver is due to start and calculates the time difference between the 2 dates. It is designed to provide an understanding of whether waivers are submitted in sufficient time for an alternative action plan to be implemented (eg a procurement) should the waiver be rejected.

**Commentary**

As a result of external audit findings, there is a cross-Council concern to promote and enable procurement compliance. It is welcome that 90 waivers have been recorded in a three month period as it shows a high level of awareness and visibility - a previous shortcoming being an absence of waivers and the appropriate approvals where necessary. Waivers should be submitted in sufficient time to allow for an alternative plan to be put in place should the waiver note be approved. The use of waivers is a good indicator as to how the Contract Procedure Rules are being followed and their timeliness as a proxy for prior planning. But it is also recognised that Waivers are often entered towards the end of decision making, coinciding with the controls that have been implemented on the payments system and integrated contract register. There may be other indicators either in addition to this or in replacement to this that provide a better picture of compliant use of the Contract Procedure Rules. This would include consideration of the relative value of contracts subject to waiver. These potential alternatives and their data availability will be considered.

Actions

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

Indicator 171: Rent per acre obtained from the agricultural estate

[Return to Index](#)

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

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

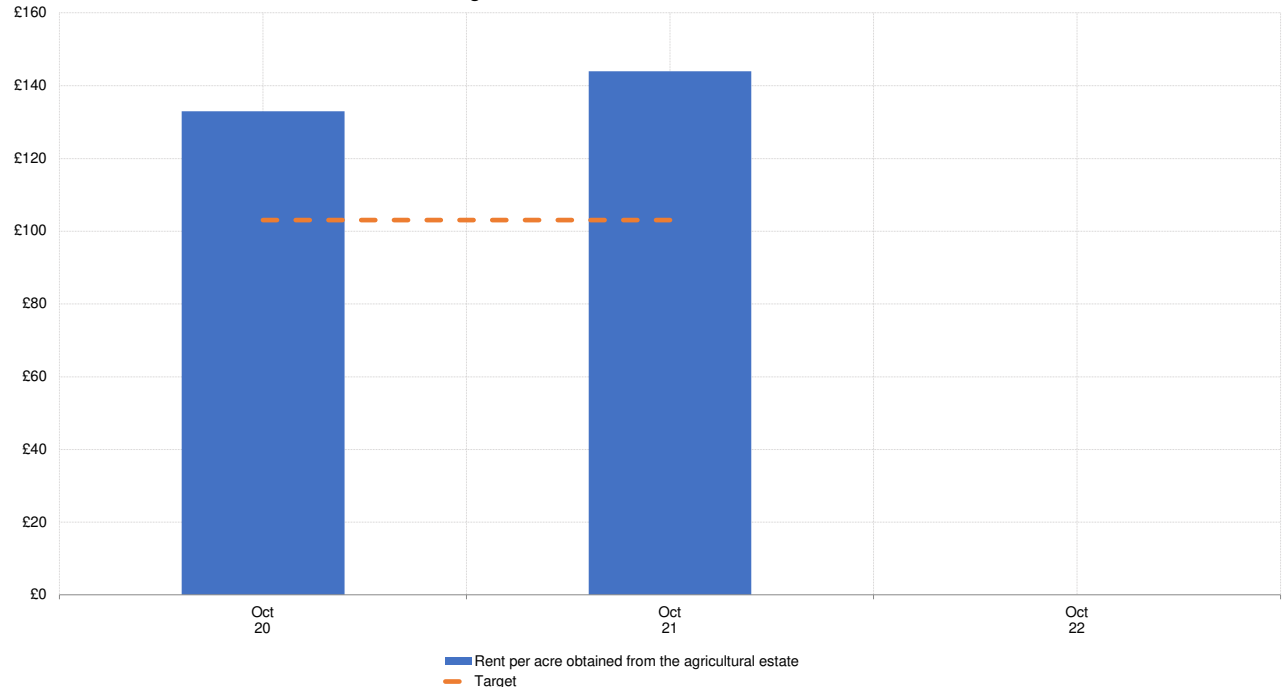
Comparator:

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

Target:

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

Cambridgeshire Performance



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: Proportions of Freedom of Information requests responded to within timescale (Year to Date)

[Return to Index](#)

March 2022

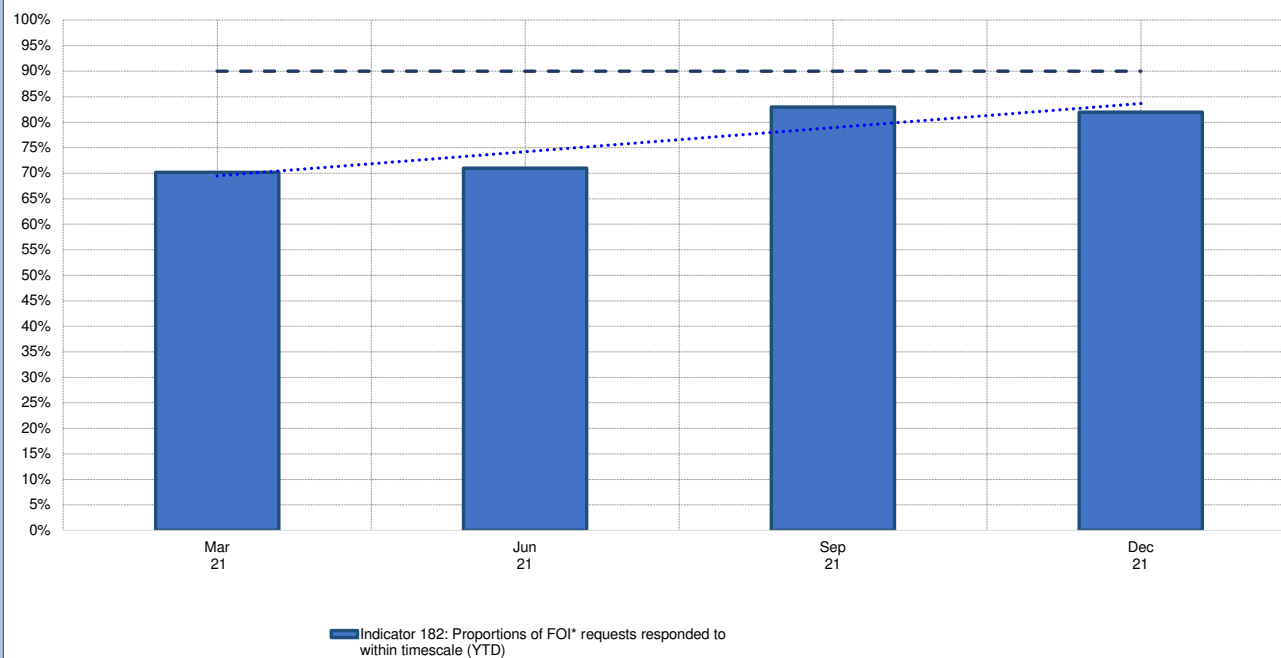
| Target | Direction for Improvement | Current Month | Previous Month | Change in Performance |
|--------|---------------------------|---------------|----------------|-----------------------|
| 90.0% | ↑ | 82.0% | 83.0% | Declining |

RAG Rating

Amber

Indicator Description

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

Useful Links**Cambridgeshire Performance****Commentary**

Return to previous volumes of FOI responses, however the impact of lockdowns on some key services during 2021 did cause some requests to run later. Performance has picked up and is being maintained, with the expectation that greater use of IT will improve performance however Quarter 4 may be affected by changes in staffing caused by loss of experienced staff in December.

Actions

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

[Return to Index](#)

March 2022

| Target | Direction for Improvement | Current Month | Previous Month | Change in Performance |
|--------|---------------------------|---------------|----------------|-----------------------|
| 90.0% | ↑ | 46.0% | 47.0% | Declining |

RAG Rating

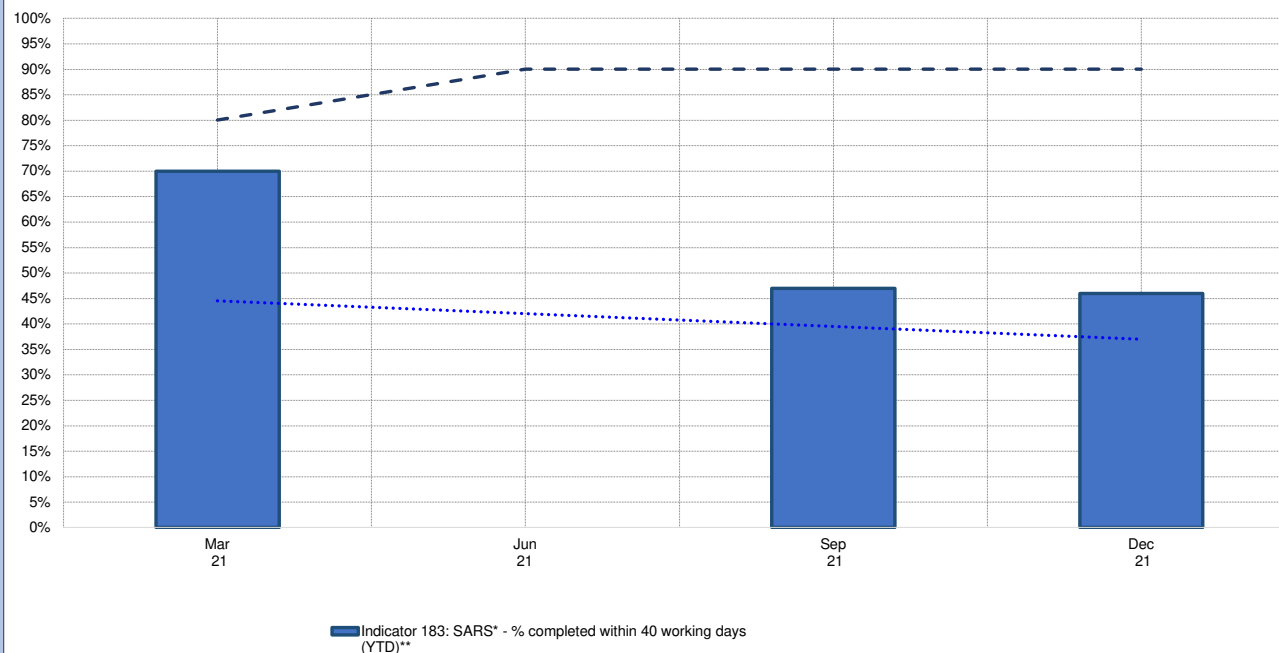
Red

Indicator Description

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

Useful Links

Cambridgeshire Performance



Commentary

The performance has 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 declined by 1% from the previous month, the general level is due to the team clearing the requests that were delayed as described. This will affect future performance until the backlog of older cases is complete. 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. 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.

Actions

Indicator 184: Statutory returns completed on time

[Return to Index](#)

March 2022

| Target | Direction for Improvement | Current Month | Previous Month | Change in Performance |
|--------|---------------------------|---------------|----------------|-----------------------|
| 100% | ↑ | 100.0% | 100.0% | Unchanged |

RAG Rating

Green

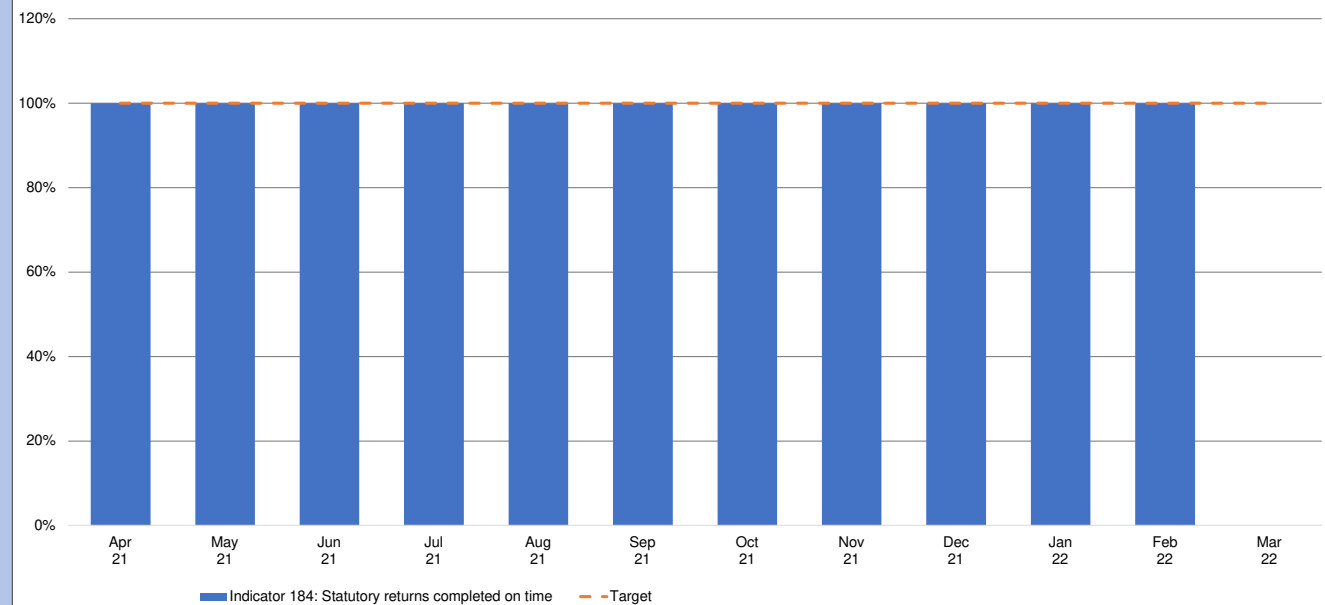
Indicator Description

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.

Useful Links

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

Cambridgeshire Performance



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.

Actions

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

[Return to Index](#)

March 2022

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

RAG Rating

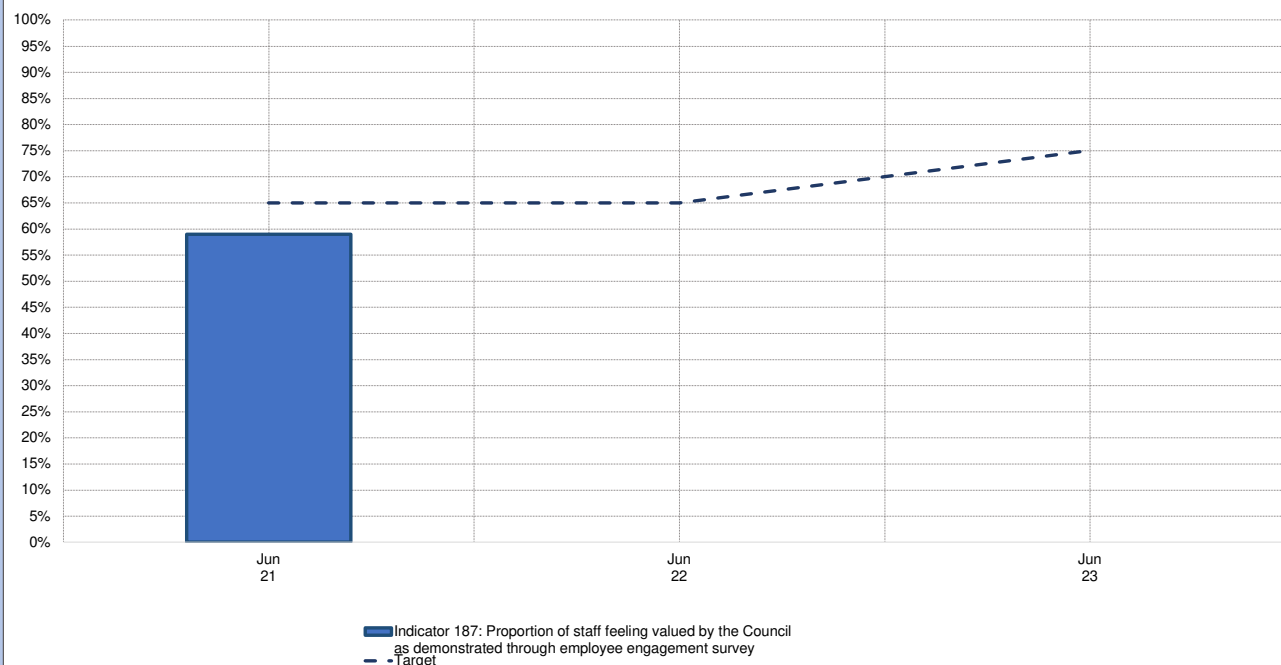
Amber

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%.

Useful Links**Cambridgeshire Performance****Commentary**

In 2020 regular staff engagement surveys commenced covering a wide range of topics, with a view to getting greater insights into improving the Council's employment policies and processes, and to give people a direct voice in influencing them. Prior to this, the most recent full staff survey was conducted in October 17. Overall staff engagement was recorded at that point as higher than both the public sector norm (55%) and the UK norm (60%).

In June 2021 the topic of the staff engagement survey was Respect At Work. This survey asked people to record whether they feel valued a) by their colleagues, and b) by the organisation. 86% agreed or strongly agreed that they felt valued by their colleagues but this dropped to 59% feeling valued by the organisation. There are some factors that are out of the employers control that can affect perception but with greater employee engagement it is hoped that this will improve which will also have a positive impact on recruitment and retention.

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](#)

March 2022

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

RAG Rating

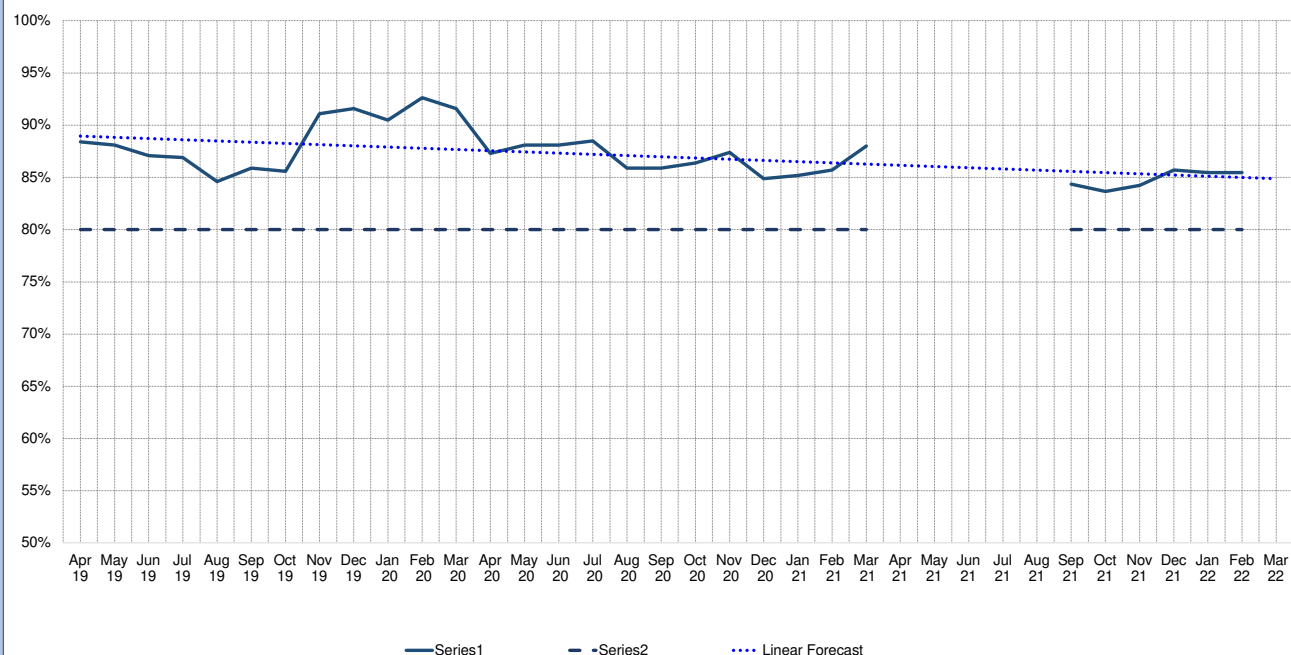
Blue

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 representative to deal with this would be marked as unresolved. This measures how effectively we are able to meet the customer service standard of dealing with requests at first point of contact.

This is measured in different ways across the industry, but we feel this is the most accurate and meaningful way of measuring this to ensure we are delivering good customer service for our residents. Any unresolved contacts are reviewed to see if we can work with the service to increase our knowledge in some areas to increase the resolution rate. The target is then adjusted in line with any amendments. We envisage this target reducing in the coming years as more contacts move to digital channels and we are left with dealing with more complex enquiries. We have other internal service KPI's as well as a number of advisor KPI's which mitigates any risks of bias. Audits also take place regularly with all advisors to check accuracy of recording.

Cambridgeshire Performance



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](#)

March 2022

| Target | Direction for Improvement | Current Month | Previous Month | Change in Performance |
|--------|---------------------------|---------------|----------------|-----------------------|
| 95.0% | ↑ | 96.0% | 94.2% | Improving |

RAG Rating

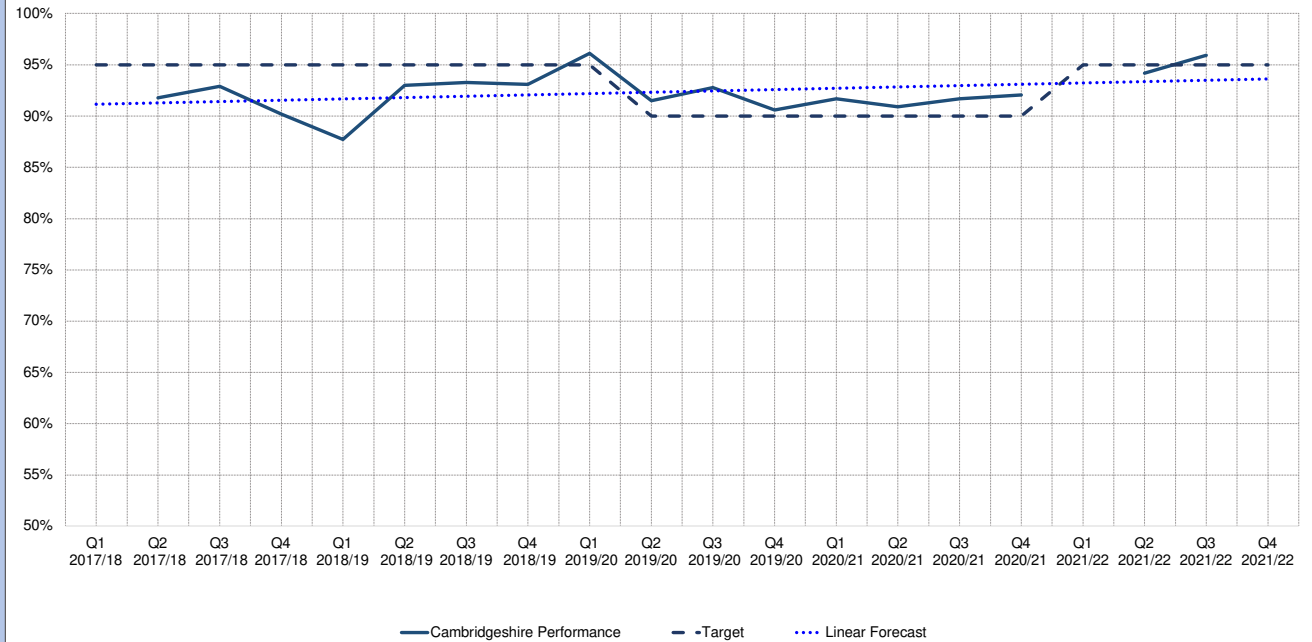
Green

Indicator Description

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.

Percentage of requests resolved at first line within expected timescales

Cambridgeshire Performance

**Commentary**

Percentage of requests resolved at first line within expected timescales
 These timescales are currently carried over as an OLA from the SLA we had within LGSS

Actions

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

Return to Index

March 2022

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

RAG Rating

Amber

Indicator Description

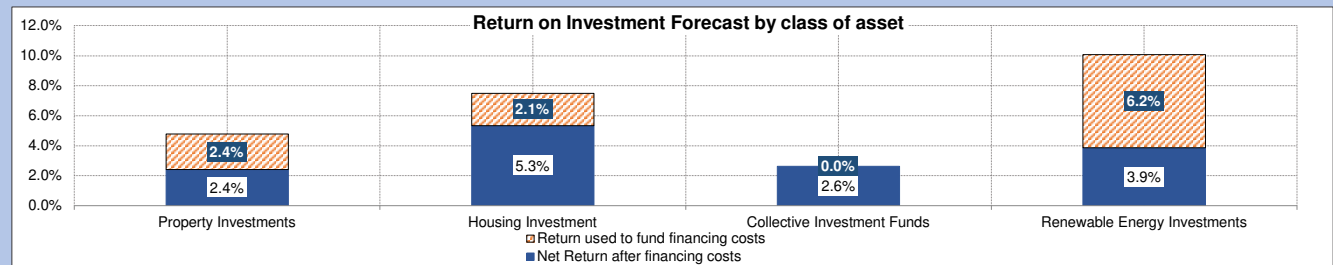
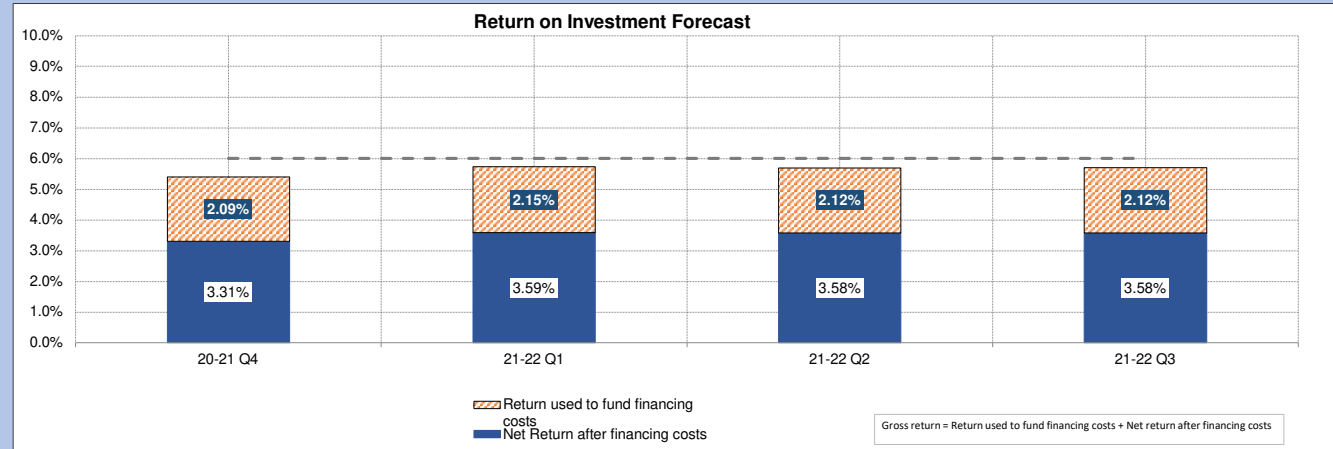
This indicator projects our expected net income from the commercial investments that provide a income yield or interest receivable against the 6% target.

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: 5.7%

The gross income receivable across these investments in 2021-22 is expected to be £17.3m and a net income £10.9m after financing costs

Within this indicator, interest from This Land, from Triangle Solar Farm and from the Infrastructure Collective investment fund are performing well.

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

[Return to Index](#)

March 2022

| Target | Direction for Improvement | Current Month | Previous Month | Change in Performance |
|--------|---------------------------|---------------|----------------|-----------------------|
| 3000 | ↑ | 1,642 | n/a | n/a |

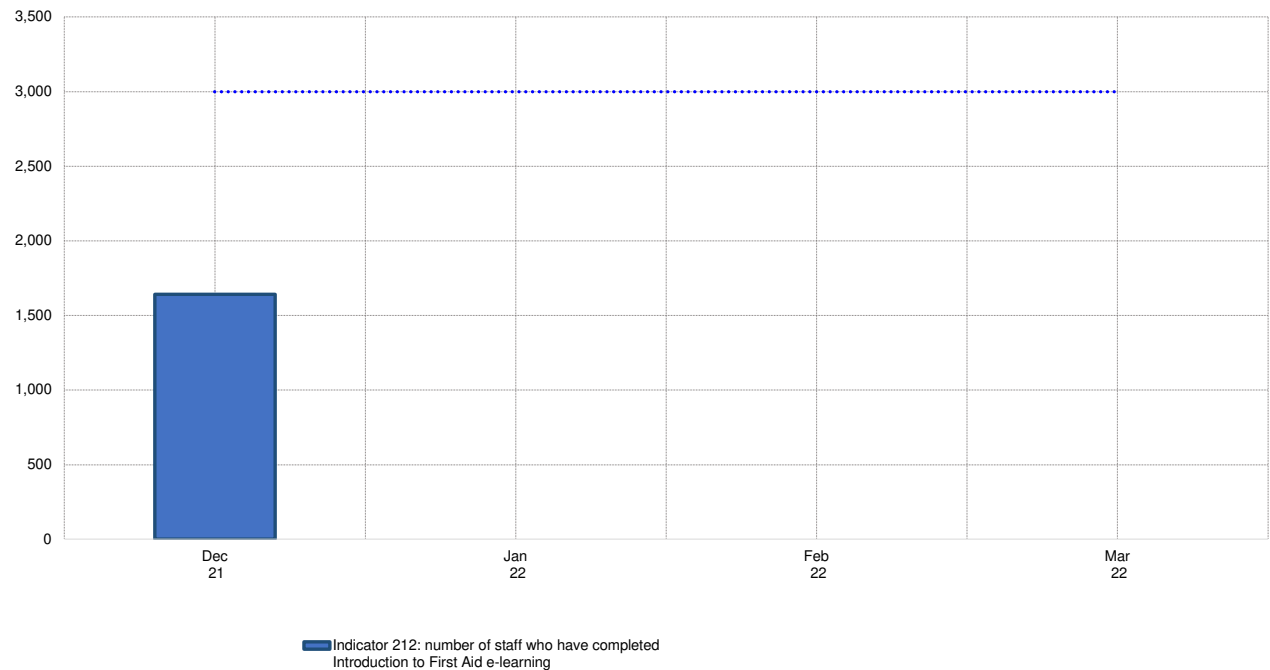
RAG Rating

Red

Indicator Description

This indicator measures how many staff have completed the Introduction to first aid eLearning course. 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 is a mandatory course to be completed every year. This will allow staff to have a basic understanding of first aid requirements whilst working in an agile way. Now we are starting to move back to the office all staff must have completed this course prior to working from the office as part of the Cambs 2020 programme.

Cambridgeshire Performance



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

Indicator 213: FTE days lost to anxiety and mental health related absence (short term and long term)

[Return to Index](#)

March 2022

| Target | Direction for Improvement | Current Month | Previous Month | Change in Performance |
|--------|---------------------------|---------------|----------------|-----------------------|
| TBC | ↓ | | n/a | n/a |

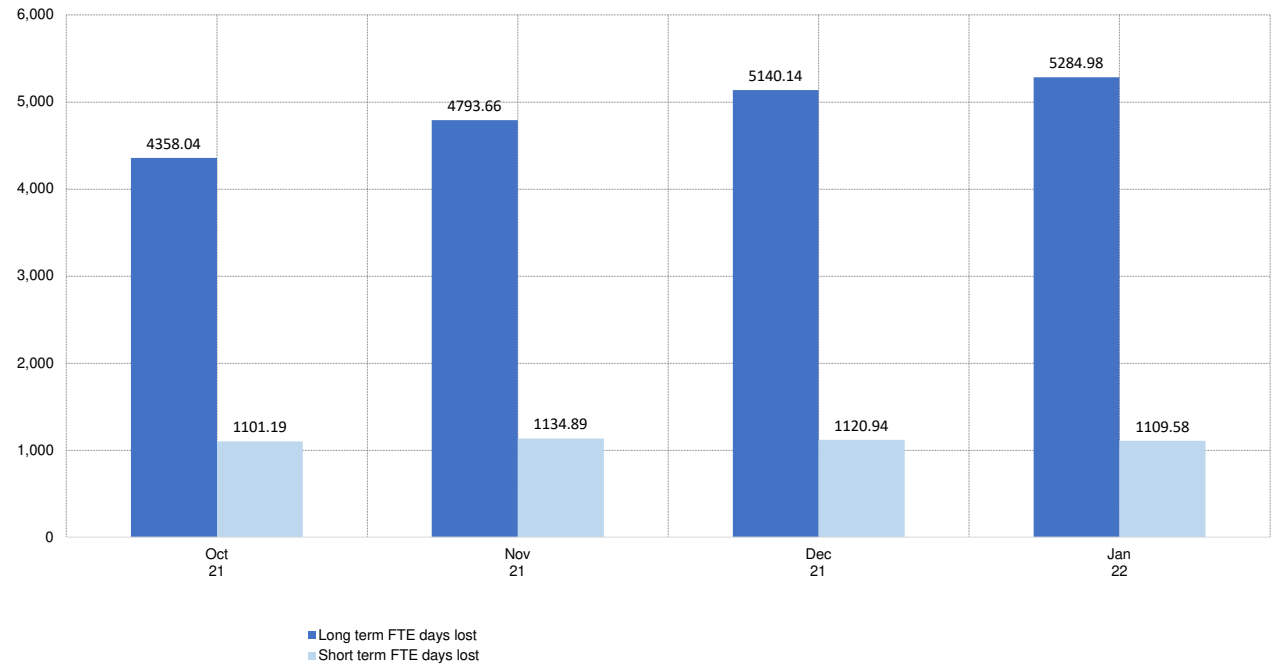
RAG Rating

Baseline

Indicator Description

This indicator aggregates 12 months of absences for the reason of anxiety and mental health. The indicator is expressed as the total number of full time equivalent days lost due to absence. 12 months is used to ensure it is not skewed by seasonal variations.

Cambridgeshire Performance



Commentary

The Council's absence related to anxiety and mental health has increased significantly in the last two years. This indicator is designed to target strategies for wellbeing and management activity to support people to be able to stay at work wherever possible, and where that is not realistic, to enable them back to work as soon as they are able, to both support the individual, and to reduce the impact of absence on the organisation.

Actions

Indicator 214: Staff turnover (rolling 12 month average)

[Return to Index](#)

March 2022

| Target | Direction for Improvement | Current Month | Previous Month | Change in Performance |
|--------|---------------------------|---------------|----------------|-----------------------|
| TBC | ↓ | 13.8% | | |

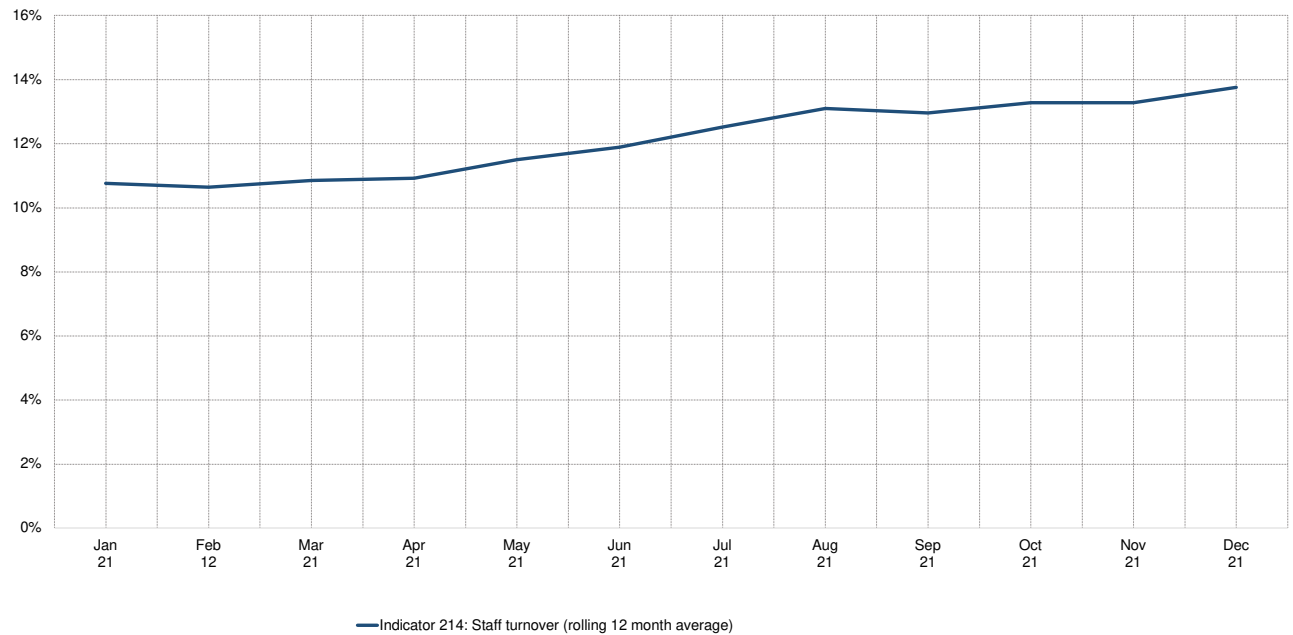
RAG Rating

TBC

Indicator Description

Rolling 12 month average turnover is calculated by average headcount over a 12 month period / number of voluntary leavers. The value for Jan 21 summarises the period Feb 20 - Jan 21.

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.

Cambridgeshire Performance**Commentary**

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

There is strong evidence to suggest that the pandemic has affected turnover at CCC. The timeline of restrictions in the UK almost perfectly mirrors our number of leavers going up and down. Jan 20 - Mar 20, pre pandemic, the average numbers of leavers was 50 per month. The UK went into national lockdown end of March, not surprisingly we saw a decrease in the number of leavers (the recruitment market was very slow at this time, including not being able to meet in person). The average number of leavers per month between April 20 - Jun 20 was half, i.e. 25 per month. Restrictions were eased in July and we started to see an increase in the number of leavers again. Oct 20 to Jan 21 leavers went down again during which time the tiered lockdown scheme was introduced and on the 31 October 2020 a second lockdown was announced.

Actions

Indicator 215: ITDS Remote Access Availability

[Return to Index](#)

March 2022

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

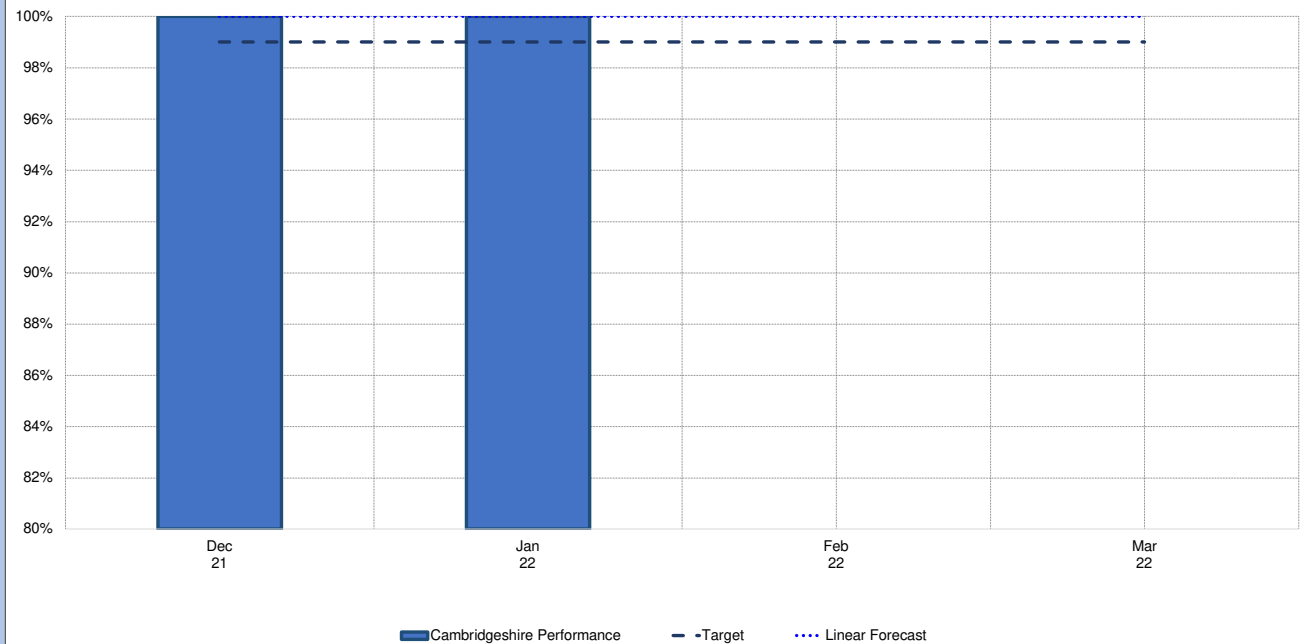
RAG Rating

Green

Indicator Description

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

Cambridgeshire Performance

**Commentary****Actions**

Indicator 216: ITDS Customer Perception Rating

[Return to Index](#)

March 2022

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

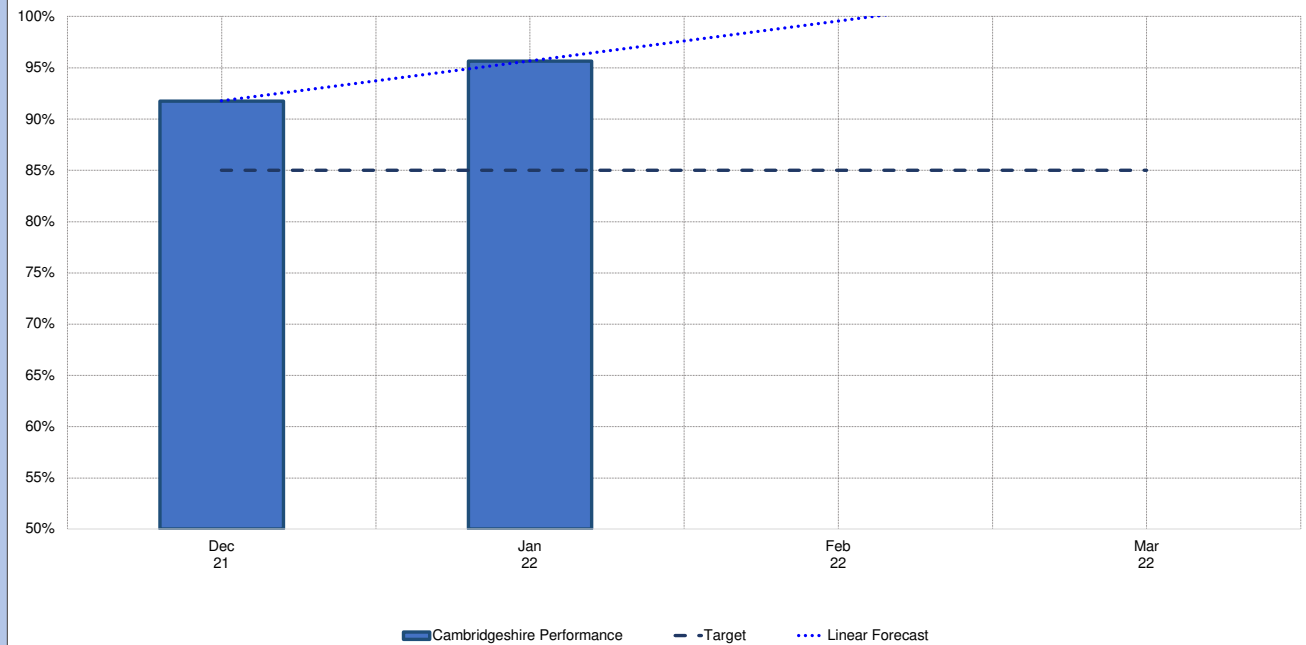
RAG Rating

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 submitting Excellent

Cambridgeshire Performance



Commentary

Actions

Treasury Management Report – Quarter Three Update 2021-22

To: Strategy & Resources Committee

Meeting Date: 29th March 2022

From: 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 Three Report for 2021/22.

Officer contact:

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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 A current economic commentary is in Appendix 1, provided by Link Asset Services, the Council's treasury management advisers. Some of the key points to note are set out below.
- 2.2 The Monetary Policy Committee (MPC) voted 8-1 in December to raise the Bank Rate by 0.15% from 0.10% to 0.25% and unanimously decided to make no changes to its programme of quantitative easing purchases due to finish in December 2021 at a total of £895bn.
- 2.3 The MPC had disappointed financial markets by not raising the Bank Rate at its November meeting. Until the emergence of Omicron, most forecasters viewed a Bank Rate increase as being near certain at the December 2021 meeting due to how inflationary pressures had been comprehensively building in producer and consumer prices and wage rates. At the November meeting, the MPC wanted assurance that the labour market would recover, following the end of the furlough scheme on 30th September, without unemployment increasing sharply; therefore their decision was to wait until statistics were available to show how the economy had responded.
- 2.4 Following the emergence of Omicron, the expectation changed that the MPC would wait for more information on the impact of the new variant before raising rates. Therefore, the Bank of England surprised many with the increase in December. This was influenced by a series of strong data releases on the labour market and inflation in the run-up to the meeting; minutes of the meeting indicated that, despite acknowledging the downward impact on GDP from Omicron, the MPC was more concerned about the upside risks to inflation.
- 2.5 The MPC's forward guidance on its intended monetary policy on raising the Bank Rate versus selling (quantitative easing) holdings of bonds is as follows:
 - Focus on raising the Bank Rate as "the active instrument in most

circumstances”.

- Increase the Bank Rate to 0.50% before starting to reduce holdings.
- Once the Bank Rate is at 0.50%, stop reinvesting maturing gilts.
- Once the Bank Rate has risen to at least 1%, start selling holdings.

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 latest forecast on 20th December is compared to the last forecast (29th September) in the previous quarter. A comparison of these forecasts shows that PWLB rates have fallen, more so in the longer maturities, and shows a quicker rate of increase in Bank Rate as inflation is now posing a greater risk. Some of the fall in PWLB rates during December was likely due to pension and investment funds preparing their finances for the year and quarter end position for 2021 on 31st December; it is therefore expected that part of those falls will be unwound in the new calendar year.

Table 1a: Interest Rate Forecast (%) September 2021

| Link Group Interest Rate View 29.9.21 | | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 |
|---------------------------------------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BANK RATE | | 0.10 | 0.10 | 0.25 | 0.25 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.75 |
| 3 month ave earnings | | 0.10 | 0.10 | 0.20 | 0.20 | 0.30 | 0.40 | 0.50 | 0.50 | 0.60 | 0.70 |
| 6 month ave earnings | | 0.20 | 0.20 | 0.30 | 0.30 | 0.40 | 0.50 | 0.60 | 0.60 | 0.70 | 0.80 |
| 12 month ave earnings | | 0.30 | 0.40 | 0.50 | 0.50 | 0.50 | 0.60 | 0.70 | 0.80 | 0.90 | 1.00 |
| 5 yr PWLB | | 1.40 | 1.40 | 1.50 | 1.50 | 1.60 | 1.60 | 1.60 | 1.70 | 1.70 | 1.70 |
| 10 yr PWLB | | 1.80 | 1.80 | 1.90 | 1.90 | 2.00 | 2.00 | 2.00 | 2.10 | 2.10 | 2.10 |
| 25 yr PWLB | | 2.20 | 2.20 | 2.30 | 2.30 | 2.40 | 2.40 | 2.40 | 2.50 | 2.50 | 2.60 |
| 50 yr PWLB | | 2.00 | 2.00 | 2.10 | 2.20 | 2.20 | 2.20 | 2.20 | 2.30 | 2.30 | 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 above forecasts consider the following factors:

- In December 2021, the Bank of England became the first major western central bank to put interest rates up in this upswing in the current business cycle in western economies, as recovery progresses from the Covid recession of 2020.
- The next increase in the Bank Rate was anticipated to be in February or May, dependent on how severe an impact there was from Omicron – the rate was actually increased to 0.5% in February.
- With CPI inflation expected to peak between 5 and 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5th May, the release date for its Quarterly Monetary Policy Report.
- However, rising gas and electricity prices last October and next April and increases in other prices caused by supply shortages and increases in taxation next April are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflationary pressures.
- Conversely, consumers are sitting on around £160bn of excess savings left over from the pandemic, and it is unclear when this will be spent.
- The December 2021 MPC meeting was more concerned with combating inflation over the medium-term than supporting economic growth in the short-term.
- Bank Rate increases beyond May are challenging to forecast, as inflation is likely to drop sharply in the second half of 2022.
- However, the MPC will want to normalise Bank Rates over three years. It has its primary monetary policy tool ready to use in time for the next downturn; all rates under 2% provide stimulus to economic growth.
- Link Asset Services have included 0.25% increases in quarter 1 of each financial year from 2023 to recognise this upward bias in the Bank Rate - but the actual timing in each year is difficult to predict.
- Covid mutations remain a significant potential downside threat in all three years.

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 Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. Link Asset Service's forecasts show a steady, but slow, rise in both Bank Rate and PWLB rates during the forecast period to March 2025 but there will doubtless be a lot of unpredictable volatility during this forecast period.

3.6 While monetary policy in the UK will have a major impact on gilt yields, there is also

a need to consider the potential impact that rising treasury yields in America could have. As an average since 2011, there has been a 75% correlation between movements in US 10-year treasury yields and UK 10-year gilt yields. This is a significant upward risk exposure to forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.

- 3.7 One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Federal Reserve in the USA, the Bank of England and the European Central Bank, to tolerate a higher level of inflation than in the previous two decades when inflation was the key concern to keep at a target rate. There is now also a greater emphasis on other targets for monetary policy in addition to inflation, especially on 'achieving broad and inclusive "maximum" employment in its entirety' in the US before consideration would be given to increasing rates.

4. Summary Portfolio Position

- 4.1. The level of net debt borrowing set in the Treasury Management Strategy Statement (TMSS) for 31st March 2022 was £805.0m. On 1st April 2021, the net debt was £714.1m, and the actual at 31st December 2021 was £655.8m (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. 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).
- 4.2 The 2021/22 net borrowing position is expected rise towards the end of the financial year as capital projects are progressed and financed. However, forecast in-year underspends on the capital programme and a more favourable cash flow position mean that the Council is forecasting for the level of net borrowing to be below this, reaching £735.0m by the end of the financial year. The cash flow position has been improved in part by further payments of government grants at the end of quarter 3, where related expenditure is expected to take place later in the financial year.
- 4.3 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 3 2021/22

| | Actual as at 1 April 2021 £m | Actual as at 31 Dec 2021 £m | Year -date- change £m |
|----------------------------------|------------------------------------|-----------------------------------|-----------------------------|
| Borrowings | | | |
| Borrowing repayable in >12mth | 685.7 | 586.0 | -99.7 |
| Borrowing repayable in <12mth | 127.0 | 181.4 | 54.4 |
| Total Borrowings | 812.7 | 767.4 | -45.3 |
| Treasury Investment | -98.1 | -111.6 | -13.5 |
| Total Net Debt/Borrowings | 714.6 | 655.8 | - 58.8 |

5. Investments

5.1 The Treasury Management Strategy Statement (TMSS) 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

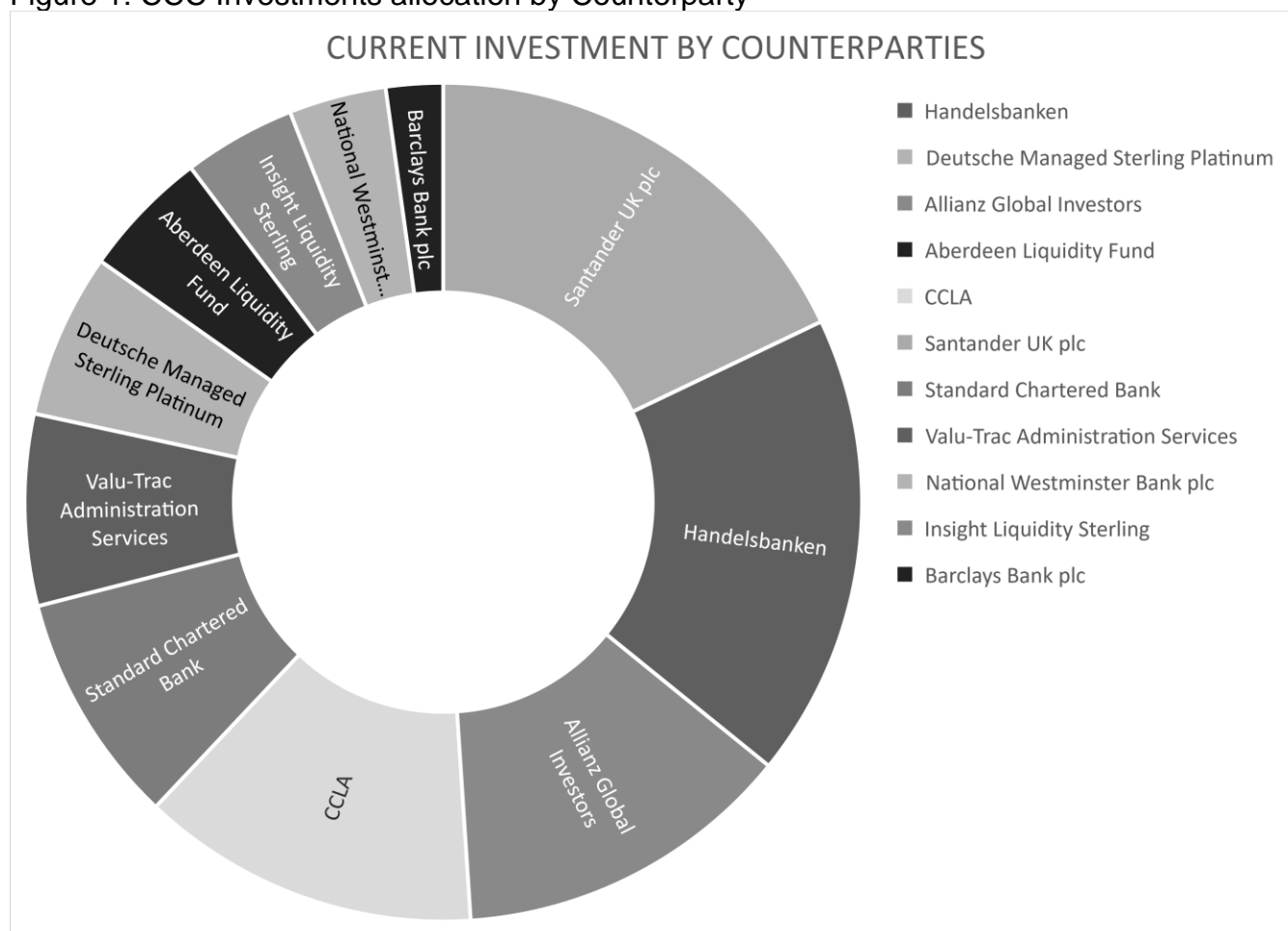
5.2 The Council will aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. As shown by the interest rate forecasts in section 3, it is now extremely difficult to earn the level of interest rates commonly seen in previous decades as all short-term money market investment rates are barely above zero with the Bank Rate having only recently increased. Some entities are offering negative rates of return in some shorter time periods. Given this environment and the fact that increases in the Bank Rate are unlikely to be significant before March 2025, investment returns are expected to remain low.

5.3 At 31st December 2021 the Council's investment balances totalled £111.7m; 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.

5.4 **Property Fund:** During quarter 3, the key focus for CCLA was to protect income. The capital value of the investment at 31st December 2021 was £12.1m compared to an original investment value of £12m. Income has held up better than expected during the pandemic, reflecting the fund's active asset management strategy and tenant engagement. Sector values improved 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 3 was 3.3%.

- 5.5 **Diversified Income Fund:** During quarter 3, the capital value of the fund was £2.53m compared to an original investment value of £2.45m. Moving into 2022, monetary policies will be less supportive but interest rates in most areas will still be negative in real terms. 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 3 was 2.1%.
- 5.6 **Multi-Class Credit Fund:** At the end of quarter 3, the valuation of the CCC share of the fund stood at £14.7m compared to an original investment value of £14.5m. Following a positive second quarter of 2021/22 despite a more unsettled market environment, quarter 3 brought fresh volatility as central banks and markets tilted towards a more aggressive outlook for policy rates. Performance is likely to remain volatile in 2022 as markets and economies adjust to a tightening policy environment, however this reflects improved economic circumstances which will have positive influence on corporate balance sheets. The Council received the annual dividend payment of £304k in December 2021; the dividend rate of return on the initial investment was 2.1%.
- 5.7 **Infrastructure Income Fund:** At the end of quarter 3, the valuation of the CCC share of the fund stood at £8.2m, compared to an original investment value of £8m. December saw a strong performance of the Fund's UK-listed renewables exposure, which offset some of the weakness witnessed by the Fund's North American holdings. Whilst disappointing to end the calendar year with this weaker performance in some areas, the strategy delivered a modest positive return over the course of the year. The dividend rate of return on the initial investment for quarter 3 was 3.9%.
- 5.8 The average level of investment in quarter 3 (excluding third party loans and equity) was £132.9m, which carried a weighted average rate of 2.70%. 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 3 investments (excluding third party loans and equity) totalled £111.7m. Figure 1 overleaf shows the investment by counterparty as at 31st December 2021.

Figure 1: CCC Investments allocation by Counterparty



5.9 Table 3 below summarises the maturity profile of the Council's investment portfolio at the end of quarter 3 2021/22 (excluding third party loans):

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

| Product | Access Type | Maturity Period | | | | | |
|--------------------------------|---------------------------|-----------------|------------|-------------|-------------|--------------|--------------|
| | | 0d | 0-3m | 3-6m | ~5yrs | Total | |
| | | £m | £m | £m | £m | £m | % |
| Money Market Funds | Same-Day | 17.5 | | | | 17.5 | 15.6 |
| Bank Call Account | Instant Access | 35.7 | | | | 35.7 | 31.9 |
| Notice Account | 35 Day Notice | | | 21.0 | | 21.0 | 18.8 |
| Pooled Property Fund | Redemption Period Applies | | | | 12.1 | 12.1 | 10.8 |
| Pooled Diversified Income Fund | Redemption – two days | | | | 2.5 | 2.5 | 2.3 |
| Pooled Multi-class credit Fund | Redemption Period Applies | | | | 14.6 | 14.7 | 13.1 |
| Income Fund (Energy) | Redemption Period Applies | | | | 8.2 | 8.2 | 7.4 |
| Total | | 53.2 | 0.0 | 21.0 | 37.5 | 111.7 | 100.0 |
| % | | 47.6 | 0.0 | 18.8 | 33.6 | 100.0 | |

- 5.10 Set out below are 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 3:

Table 4: Loans/Equity holdings in This Land companies end of quarter 3 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 3 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 3 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 | 0.192 | 2024/25 |
| Wisbech Town Council | 0.150 | 0.150 | 2043/44 |
| VIVA Arts & Community Group | 0.300 | 0.286 | 2043/44 |
| Total Third-Party Loans | 4.800 | 3.908 | |

- 5.11 Investment returns compared to benchmark are shown in Table 7 below.

Table 7: Average Benchmark Performance – quarter 3 2021/22

| | Benchmark | Benchmark Return | Council Performance |
|--------------|-----------|------------------|---------------------|
| Quarter 1 | 3m LIBID | -0.04% | 0.08% |
| Quarter 2 | 3m LIBID | -0.05% | 0.07% |
| Quarter 3 | 3m LIBID | -0.02% | 0.15% |
| Year To Date | 3m LIBID | -0.05% | 0.07% |

5.12 Leaving market conditions aside, the Council's return on investments is influenced by a number of 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 in order 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 whilst rates remain low or longer-term borrowing is required. The Council intends to keep a proportion of the borrowing portfolio short-dated; 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.

6.3 In quarter 3, the Council repaid on maturity a total of £55.1m, of which £10.0m was short-term loans from other local authorities and £45.01m was longer-term loans from other authorities / PWLB. Loans raised during quarter 3 amounted to £56.0m, of which £30.0m was medium-term borrowing from other local authorities, and £26.0m PWLB loans.

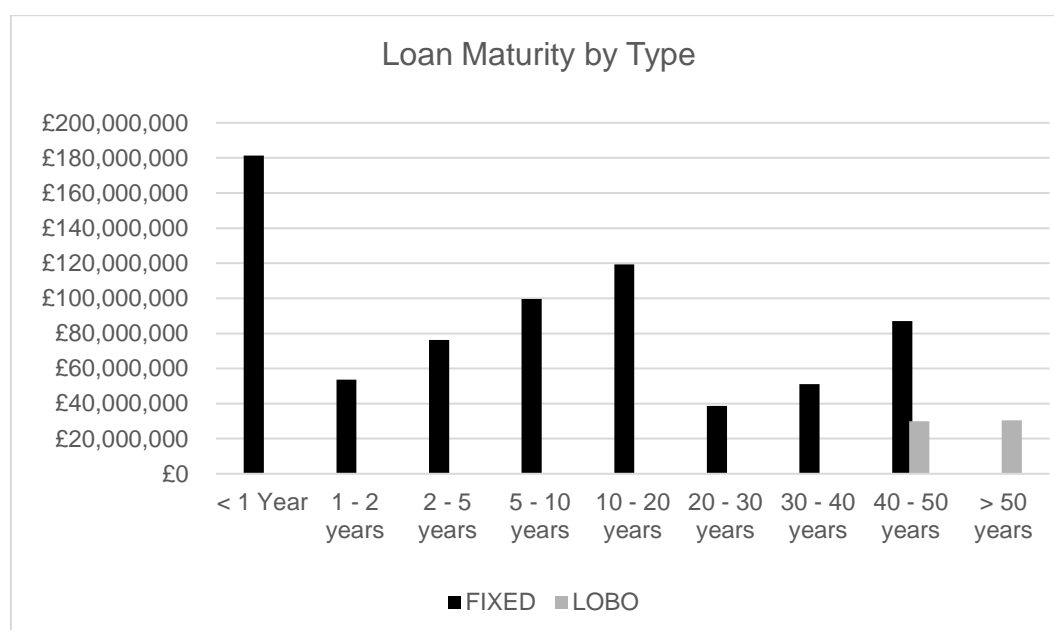
6.4 At the end of quarter 3, the Council held £767.4m of borrowing of which £52m was short-term borrowing that matures in less than 1 year from date of issue. The Council continues to be able to re-finance loans as required, generally at this time at a lower interest rate than the maturity loan. As opportunities arise, we have been seeking longer loan terms, rather than less than 1 year, in view of the current conditions. However, it is anticipated that this will become less favourable as rates are expected to rise.

6.5 Table 8 below sets out the maturity profile of the Council's borrowing portfolio at the end of quarter 3; £469.9m is held with the PWLB, £237.0m from other local authorities, £45.0m in market loans and £15.5m is a single market Lender Option Borrower Option (LOBO) loan. Of the £767.4m of borrowing, £181.4m (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 3 2021/22

| Term remaining | Borrowing | |
|----------------|--------------|--------------|
| | £m | % |
| < 1 Year | 181.3 | 23.6 |
| 1 - 2 years | 53.7 | 7.0 |
| 2 - 5 years | 76.2 | 9.9 |
| 5 - 10 years | 99.7 | 13.0 |
| 10 - 20 years | 119.2 | 15.5 |
| 20 - 30 years | 38.7 | 5.0 |
| 30 - 40 years | 51.0 | 6.7 |
| 40 - 50 years | 117.0 | 15.3 |
| > 50 years | 30.5 | 4.0 |
| Total | 767.4 | 100.0 |

Figure 2: Loan Maturities by Type (Closing) – quarter 3 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 low interest rate 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). 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 3. 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 December 2021, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2021/22.
- 7.3 All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

8. Alignment with Corporate Priorities

- 8.1 Communities at the heart of everything we do

There are no significant implications for this priority.

- 8.2 A good quality of life for everyone

There are no significant implications for this priority.

- 8.3 Helping our children learn, develop and live life to the full

There are no significant implications for this priority.

- 8.4 Cambridgeshire: a well-connected, safe, clean, green environment

There are no significant implications for this priority.

- 8.5 Protecting and caring for those who need us

There are no significant implications for this priority.

9. Significant Implications

9.1 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.

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for this category.

9.3 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.

9.4 Equality and Diversity Implications

There are no significant implications for this category.

9.5 Engagement and Communications Implications

There are no significant implications for this category.

9.6 Localism and Local Member Involvement

There are no significant implications for this category.

9.7 Public Health Implications

There are no significant implications for this category.

10. Source documents

10.1 None

Appendix 1: Detailed economic commentary on developments during quarter ended 31st December 2021

During the quarter ended 31st December 2021 (quarter 3 (Q3) of financial year 2021/22):

- GDP rose 0.1% in October as product/labour shortages held back output.
- There were signs of faster GDP growth in November, before surging COVID-19 cases in December hit activity.
- Inflation jumped to a nine-year high of 5.1% in November.
- Bank Rate rose from 0.10% to 0.25% in December.
- Gilt yields and sterling fell, before both turned a corner in recent weeks.

Q3 had a weak start in October, with the economy eking out GDP growth of only 0.1% month-on-month (m/m). That was much lower than the 0.6% m/m growth in September and reflected falls in output in hospitality (-5.6% m/m), energy (-2.8% m/m) and mining (-5.0% m/m). In fact, without the boost from more face-to-face doctor appointments and the vaccine programme, GDP would have contracted in month-on-month terms.

There were signs that activity gained some momentum in November, driven mainly by faster growth in consumer spending. In November, retail sales jumped by 1.4% m/m, households' unsecured borrowing rose by a healthy £1.2bn, and survey data pointed to resilience in other sectors too, despite continued supply chain disruptions and shortages.

The forecast is for GDP growth in December of -0.1% m/m, however, the fall could be larger than that. Indeed, the flash composite PMI for December was consistent with GDP growth of -1.5% m/m. Although it is suspected that this is a little pessimistic, a more conservative estimate of -0.5% m/m would pull down the forecast for Q3 to +0.7% q/q.

CPI inflation surged to a 10-year high of 5.1% in November. Some of the rise was due to one-off factors, such as the 5.1% m/m increase in fuel prices on the back of the surge in oil prices in October. But there was evidence of more persistent price pressures too. Food inflation added 0.1ppts to overall inflation, which reflected higher costs faced by suppliers. Higher second-hand car inflation and rising housing rents also contributed. Meanwhile, another rise in core producer output price inflation from 7.1% to 7.9% in November suggests that shortages are still boosting prices further up the inflation pipeline.

The Bank of England surprised many with a hike to Bank Rate at the December Monetary Policy Committee (MPC) meeting from 0.10% to 0.25%, as it was expected the Bank would wait for more information on the impact of Omicron before raising rates. But a series of strong data releases on the labour market and inflation in the run-up to the meeting seemed to have influenced this. Minutes of the meeting indicated that, despite acknowledging the downward impact on GDP from Omicron, the MPC was more concerned about the upside risks to inflation.

Appendix 2: Treasury and Prudential Indicators Quarter 3

| Treasury / Prudential Indicator | 2021/22 Indicator | 2021/22 Quarter 3 |
|--|----------------------|-------------------|
| 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 3 | -----£655.8m----- | |
| Capital Financing Requirement (CFR) <i>[Including PFI and Finance Lease Liabilities]</i> | £984.4m | £946.4m |
| Ratio of financing costs to net revenue streams | 8.8% | 5.9% |
| 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 (exc' third party loans) | £50.0m | £37.5m |
| Maturity structure of borrowing limits**: - | | |
| Under 12 months | Max. 80% Min. 0% | 23.6% |
| 12 months to 2 years | Max. 50% Min. 0% | 7.0% |
| 2 years to 5 years | Max. 50% Min. 0% | 9.9% |
| 5 years to 10 years | Max. 50% Min. 0% | 13.0% |
| 10 years and above | Max. 100% Min. 0% | 46.5% |
| | | |

*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.

Strategy and Resources Committee Agenda Plan

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.

| Committee date | Agenda item | Lead officer | Reference if key decision | Deadline for draft reports | Agenda despatch date |
|--------------------------|--|--------------|---------------------------|----------------------------|----------------------|
| 29/03/22 | Integrated Finance Monitoring Report for the Period Ending 31st January 2022 | R Barnes | 2022/002 | 16/03/22 | 21/03/22 |
| | Treasury Management Report – Quarter 3 | E Tod | Not applicable | | |
| | No Car Zones | M Staton | Not applicable | | |
| | Joint Agreement and Peer Review Action Tracking | A Askham | Not applicable | | |
| | Insurance Retender | M Greenall | 2022/017 | | |
| | Corporate Services Performance Report Quarter 3 | T Barden | Not applicable | | |
| | This Land monitoring update | T Kelly | 2022/052 | | |
| | New Shire Hall – Multi Function Room | T Cooper | Not applicable | | |
| | Replacement of Storage Area Network (SAN) | S Smith | 2022/046 | | |
| | Asset Management – Property Specific Updates | T Kelly | 2022/053 | | |
| | Water Procurement | S Wilkinson | 2022/042 | | |
| | Corporate Risk Register - Update | A Askham | Not applicable | | |
| 03/05/22 Reserve date | | | | 19/04/22 | 22/04/22 |

| Committee date | Agenda item | Lead officer | Reference if key decision | Deadline for draft reports | Agenda despatch date |
|--------------------------|--|--|---------------------------|----------------------------|----------------------|
| 28/06/22 | Notification of the Appointment of the Chair and Vice Chair | M Rowe | Not applicable | 15/06/21 | 20/06/22 |
| | Integrated Finance Monitoring Report for the Period Ending 31st March 2022 | R Barnes | 2022/021 | | |
| | Treasury Management Report – Quarter 4 and Outturn Report* | E Tod | Not applicable | | |
| | Corporate Services Performance Report Quarter 4 | T Barden | Not applicable | | |
| | Corporate Services Report (including financial monitoring) | A Askham/ T Kelly/ S Grace/ F McMillan | Not applicable | | |
| | Transformation of end user device connectivity and enhancement of cyber security functionality in line with move to Cloud services | S Smith | 2022/056 | | |
| | Building Access Control Procurement | T Kelly | 2022/055 | | |
| | Corporate Risk Register | A Askham | Not applicable | | |
| | Waste Management PFI Contract – Update on Variations to Waterbeach Facility Permits+[Confidential item] | A Smith | 2022/012 | | |
| | Cambridgeshire Guided Busway+ [Confidential item] | D Allatt | 2022/035 | | |
| 20/09/22 Reserve date | | | | 07/09/22 | 12/09/22 |
| 20/10/22 | Integrated Finance Monitoring Report for the Period Ending 31st August 2022 | R Barnes | 2022/022 | 10/10/22 | 12/10/22 |
| | Treasury Management Report – Quarter 1 | E Tod | Not applicable | | |
| | Business Planning Update for 2023-28 | T Kelly | Not applicable | | |
| | Corporate Services Performance Report Quarter 1 | T Barden | Not applicable | | |

| Committee date | Agenda item | Lead officer | Reference if key decision | Deadline for draft reports | Agenda despatch date |
|----------------|---|--|---------------------------|----------------------------|----------------------|
| | 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 | | |
| 16/12/22 | Integrated Finance Monitoring Report for the Period Ending 31st October 2022 | R Barnes | 2022/023 | 05/12/22 | 08/12/22 |
| | Business Planning Proposals for 2023-28 | T Kelly | Not applicable | | |
| | Corporate Services Performance Report Quarter 2 | T Barden | Not applicable | | |
| | Treasury Management Report – Quarter 2* | E Tod | Not applicable | | |
| | Corporate Services Report (including financial monitoring) | A Askham/ T Kelly/ S Grace/ F McMillan | Not applicable | | |
| 26/01/23 | Integrated Finance Monitoring 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 Monitoring 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 Tod | Not applicable | | |
| | Corporate Services Report (including financial monitoring) | A Askham/ T Kelly/ | Not applicable | | |

| Committee date | Agenda item | Lead officer | Reference if key decision | Deadline for draft reports | Agenda despatch date |
|--------------------------|-------------|---------------------|---------------------------|----------------------------|----------------------|
| | | S Grace/ F McMillan | | | |
| 02/05/23 Reserve date | | | | 19/04/23 | 21/04/23 |

Please contact Democratic Services democraticservices@cambridgeshire.gov.uk if you require this information in a more accessible format

Appointments to Advisory Groups and panels

| Name of Body | Meetings per Annum | No. of representatives | Current representative(s) | Contact |
|---|---|--|---|--|
| <p>Green Investments and Utilities Advisory Group</p> <p>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 project.</p> <p>It is proposed to extend the remit to include the utilities remit from Strategy & Resources.</p> <p>This will require a change to the Advisory Group membership.</p> <p>The following is proposed in line with other cross committee groups.</p> <p>Eight members in total, four from each parent committee drawn from Environment & Green Investment Committee • 1 Con, 1 Ind, 1 Lab, 1 Lib Dem and drawn from Strategy & Resources Committee • 1 Con, 1 Ind, 1 Lab, 1 Lib Dem</p> | <p>6 (or more meetings dependent on the risks and issues implementing green investment projects.)</p> | <p>Currently 7</p> <p>(This will be increased to 8 in line with other cross-committee groups.)</p> | <p>Cllrs P Coutts (LD) L Dupré (LD) C Rae (Lab) S Ferguson (Ind) M Goldsack (C) J Gowing (C) I Gardener (C)</p> <p>Nominations to the extended Advisory Group to come forward once discussed at Strategy and Resources Committee on 29th March 2022. The aim will be to progress with the revised Group from April 2022.</p> | <p>Sheryl French Assistant Director Climate Change and Energy Services</p> <p>sheryl.french@cambridgeshire.gov.uk</p> <p>01223 728552</p> |

