

# AUDIT AND ACCOUNTS COMMITTEE



**Tuesday, 13 July 2021**

**Democratic and Members' Services**  
Fiona McMillan  
Monitoring Officer

**14:00**

Shire Hall  
Castle Hill  
Cambridge  
CB3 0AP

**University of Cambridge Sports Centre, Philippa Fawcett  
Drive, Cambridge CB3 0AS  
[Venue Address]**

## **AGENDA**

**Open to Public and Press by appointment only**

- 1. Notification of appointment of Committee Chair**  
- verbal item
- 2. Apologies for absence and declarations of interest**  
*Guidance on declaring interests is available at*  
<http://tinyurl.com/ccc-conduct-code>
- 3. Minutes of Audit and Accounts Committee meetings held 23rd and 26th March 2021** **3 - 20**
- 4. Committee Action Log** **21 - 22**
- 5. Internal Audit Progress Report** **23 - 62**
- 6. Integrated Finance Monitoring Report for the period ending 31 March 2021** **63 - 118**

<b>7.</b>	<b>Integrated Finance Monitoring Report for the period ending 31 May</b>	<b>119 - 160</b>
<b>8.</b>	<b>Audit and Accounts Committee Agenda Plan</b>	<b>161 - 164</b>
<b>9.</b>	<b>Farms Audit Update</b>	<b>165 - 188</b>

**10. Exclusion of Press and Public**

*To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraphs 1 & 5 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to any individual, and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.*

**11. Farms Audit Report**

- Information relating to any individual;
- Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings;

The Audit and Accounts Committee comprises the following members:

*For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact*

**COVID-19**

The legal provision for virtual meetings no longer exists and meetings of the Council therefore take place physically and are open to the public. Public access to meetings is managed in accordance with current COVID-19 regulations and therefore if you wish to attend a meeting of the Council, please contact the Committee Clerk who will be able to advise you further.

Councillor Graham Wilson (Chair) Councillor Chris Boden Councillor Nick Gay  
Councillor Mac McGuire Councillor Alan Sharp Councillor Simone Taylor Councillor Alison Whelan

Clerk Name:	Dawn Cave
Clerk Telephone:	01223 699178
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### Audit and Accounts Committee: Minutes

Date: 23<sup>rd</sup> March 2021

Time: 2:00pm – 4.15pm

Place: Virtual Meeting

Present: Councillors I Bates, P Hudson, T Rogers (Chairman), M Shellens, M Shuter, J Williams and G Wilson

Officers: Janet Atkin, Dawn Cave, Tony Cooper, Neil Hunter, Justine Hartley, Tom Kelly, Fiona Macmillan, Michelle Parker, Ben Stevenson

External Auditor: Mark Hodgson (EY), Jacob McHugh (EY)

#### 309. Apologies for Absence Declarations off Interest

Apologies were presented on behalf of Councillors Wells and McGuire (Councillors Bates and Shuter substituting respectively).

#### 310. Public Minutes of the Audit and Accounts Committee meetings 26<sup>th</sup> January and 5<sup>th</sup> March 2021

It was resolved to note the minutes of the meeting held on 26<sup>th</sup> January and 5<sup>th</sup> March 2021 as correct records.

#### 311. Minute Action Log Update

The Committee was advised that there had been some late updates to the Action Log for the five actions relating to Debt Management, and it was agreed that these would be circulated to the Committee and appended to the minutes.

It was resolved to note the Minute Action Log.

#### 312. Petitions/Public Questions

There were no petitions or public questions.

#### 313. Consultants and Agency Worker Data – Quarter 2 and Quarter 3 2020/2021

The Assistant Director: HR Services presented an update on the use of consultants and agency workers in Quarter 2 (July to September 2020) and Quarter 3 (October to December 2020).

Three consultants were engaged via OPUS in Quarter 2, and one of those engagements had since ended. Two consultants were engaged in Quarter 3, and one of those had also ended. The appendix to the report listed all consultants used. The report also contained the agency worker data for Quarters 2 and 3, most of whom had been engaged via OPUS.

Spending on agency workers in each quarter had reduced when compared to the same quarter of the previous financial years, but it was acknowledged that some of this reduction in activity could have resulted from the pandemic.

Much of the agency work related to social care, and in common with other authorities, Cambridgeshire continued to struggle to recruit and retain social workers. There was a rolling recruitment campaign, and eleven permanent social workers had been recruited in the past three months, and seven newly qualified social workers in the same period.

Arising from the report:

- There was a query on the budget holder for the Shire Hall relocation. It was confirmed that this was Chris Malyon;
- A Member was pleased to note the reductions in Quarters 2 and 3, which was very welcome, and was heartened by the officer's comments about the continuous recruitment effort for social workers. He asked if she envisaged a point where there were no further shortages in these key areas. Responding, officers advised that this was a national challenge, and because of the high demand in this difficult market, there was a temptation for social workers to opt for the agency market to secure higher rates. Cambridgeshire was continuously striving to position itself as an employer of choice across all employment groups, so that social workers could be attracted and retained. In addition, there was a Recruitment and Retention Strategy Board chaired by the Executive Director of People and Communities, which challenged officers to identify new approaches to secure the competitive edge;
- It was confirmed that overseas social workers had been recruited, with limited success. It was confirmed that social worker salaries were above the threshold for recruitment restrictions for overseas workers. However, currently efforts were focused on UK markets rather than overseas.
- A Member asked the what the timescale was for the one consultant left in Planning;
- A Member asked who checked that budget holders were being realistic about the need for agency workers. Officers confirmed that there was rigour in those processes, and exemption forms had to be completed to recruit agency workers, as well as consultants. Additionally, such engagements were limited to twelve weeks, after which point further permission was required to extend contracts.

It was resolved to note the current data on the use of consultants and agency workers.

*With the Committee's agreement, the Chairman agreed to make a number of changes to the agenda order.*

### 314. Use of Regulation of Investigatory Powers Act 2000 (RIPA)

The Committee considered a report from the Head of Information Governance.

The Council exercises criminal investigation powers for a number of areas such as rogue traders, planning enforcement and flytipping. Covert surveillance can be undertaken as part of those investigations as long as the offence being investigated meets the crime threshold, which means that the offence carries a maximum punishment of imprisonment of six months or more. Cambridgeshire County Council has not used these RIPA powers since 2018, and officers use other methods of investigating potentially criminal offences instead.

The Council's work in this regard was monitored by IPCO, the Investigatory Powers Commissioner's Officer, who provides independent oversight of the use of investigatory powers by intelligence agencies, police forces and other public authorities. The most recent IPCO visit in January 2021 had been virtual, and given the absence of any RIPA investigations, had focused on the policy, communications and training aspects of the Council's investigatory powers. It had been a very positive inspection, and the opportunity had been taken to consult the IPCO inspector as part of a review of the Council's policy. Advice included reference to the appropriate sections of the Code of Practice in relation to social media, in those situation where informal research crosses over into more formal investigatory work.

A Member observed that there was now a proliferation of CCTV in the Council's communities, and he asked what powers the Council had to use intelligence gained from those cameras. Officers advised that whilst Cambridgeshire County Council does not have its own CCTV rooms, it could access footage already recorded by Cambridge City or District authorities within the county, and there were numerous instances where Councils and the Police choose this option. However, if CCTV was specifically directed at an individual or business, this became direct surveillance, and at that point, RIPA authorisation was required.

A Member commented that these reports were regularly considered by the Committee and whilst RIPA activity had been minimal over the years, it was always reassuring to see the Council's RIPA responsibilities were being correctly discharged. The Chairman echoed these commented and thanked the Head of Information Governance for his informative report.

It was resolved to

1. Note the outcome of the inspection of Cambridgeshire County Council by the Investigatory Powers Commissioner's Office (IPCO)
2. Note the use of powers within the Regulation of Investigatory Powers Act (RIPA)

### 315. Manor Farm audit

The Assistant Director: Property presented an update on the 31 recommendations. The report was split into those actions that were currently being progressed (15), those yet to commence (30, and those that had been completed (13). A number of pieces of work were being considered by the County Farms Working Group on 24/03/21.

Recommendation 1: carry out a comprehensive review of team policies and procedures, and introduce formal written process documentation for all key processes. This should include establishing clear approval requirements for financial decisions. Officers confirmed that this was well underway and due to be completed by September 2021. The sub-recommendation relating to approval requirements for financial decision had not been agreed. The sub-recommendation relating to internal audit input to support this work had been agreed, and the team was working very closely with Internal Audit colleagues.

Recommendation 3: a single set of KPIs (Key Performance Indicators) be introduced to assist the effective measurement of team performance both within Strategic Assets and where appropriate, as part of the corporate performance reporting. The development of a suitable set of KPIs was underway, the protracted delivery date reflected the two elements required: firstly, service KPIs had to be established, and then these needed to be linked to the broader corporate performance reporting process.

Recommendation 4: Undertake a data cleanse of property data, followed by an exercise to compare these property listings to those on the County Farms list. County Farms should be included as active users of the new property asset management system currently being procured. The data cleanse was being repeated to ensure all data was accurate. Members were aware that a new property asset database was being procured which would encompass the Farm Service, and this procurement was at the soft market testing stage. Regrettably this had been delayed slightly due to a core member of the team contracting Covid-19 recently.

A Member observed that the lack of a property database had been a constant comment to the Committee for practically every statement of accounts review and audit, and it was very good news that this was being progressed, but it was unfortunate that it would take so long. He asked if there was any way this process could be accelerated. Officers confirmed that there was scope for acceleration, but this was a complex and expensive resource intensive activity,

and it was vital that the right solution was procured. The Member commented that it would be helpful to know what those additional resources and time saving would be. The External Auditor, Mark Hodgson, supported the Member's comment on the importance of having a suitable Property Database, but added that the specifics of the database and process were not within his remit. The Head of Finance confirmed that this was being reviewed, and it had been discussed at length at the January Committee meeting. He would be discussing this issue with the Assistant Director Property to consider if there was scope for additional resource. He emphasised the point that the procurement and implementation needed to be done correctly, and was conscious that the 2020/21 accounting year would be closed without a fully functioning property database, but officers were making the best use of available resources and data for that process. Another Member supported in strong terms the need for a property database, and expressed his frustration that this had not progressed further.

There was a question as to whether there were any short term fixes or benefits that could be gained during the procurement and implementation process. Officers advised that there were no such early benefits, the full procurement, acquisition, design and implementation had to be undertaken. Officers confirmed that they were fully aware of the importance of this project to Members.

**Recommendation 5:** Each County Farm should be assigned a unique property code, and transactions should be assigned to the relevant farm on ERP Gold. Officers confirmed that they were working with finance colleagues to identify the best way to do this. Properties had already been identified in the Debt Management system, but ERP Gold was a separate system.

**Recommendation 6:** all invoices raised by County Farms for 2018/19 and 2019/20 should be checked and reconciled with the Rental Agreement Spreadsheet. The spreadsheet had been updated and there was now a rolling programme of verification. Checks would be made before and after the April rent run process to ensure that it was wholly accurate.

**Recommendation 7:** set up "subscriptions" for each tenant, to enable invoices to be raised automatically using ERP Gold. It was confirmed that this was a request by auditors to essentially automate rent processes, producing a recurring invoice on 6 monthly basis. This was being set up through the ERP Gold system.

**Recommendation 8:** charge interest on all debts, in line with the rate specified in the relevant tenancy agreement. An informed approach would be taken to the application of interest on debts, and policies would be updated accordingly. Action on this item had not yet commenced.

**Recommendation 9:** develop and implement a formal policy on debt management, and review records management and record

retention processes to ensure records are retained and accessible in line with Council requirements. This had been completed and there was now a formal policy on debt management. However a Member had raised an issue about ensuring there was no overlap/duplication between the Farms and Debt Management systems, and the detail of that was being worked on to ensure there was no duplication.

Recommendation 10: A policy on tenancy advertisement should be formalised and documented, and where holdings are small or in valuable business locations, the County Farms team should consider advertising in non-agricultural arenas, to attract a wider range of potential tenants and businesses. All farms tenancies which were available for re-letting were routinely advertised on the open market, to demonstrate that best value was achieved, and that fair and transparent tenancy award processes are in place. A policy had been drafted for advertising new tenancies. There had been a query about pre-warning potential tenants about properties coming up, but on reflection, this was rejected, as it would result in a large number of enquiries for the team.

Recommendation 12: to encourage a more diverse range of businesses, it is recommended that the County Farms team provide two versions of the application forms and budget forecast forms etc.; one for agricultural use and one for other business proposals. The updated form would be considered at the County Farms Working Group on 25/03/21.

Recommendation 13: evaluation criteria should be reviewed and aligned with the criteria which are made public to applicants on the Council's website, to consistently and transparently reflect the ways in which applicants will actually be evaluated. The requirement not to sublet should be stated in the advertisement. The evaluation criteria had been updated and reviewed, subject to Equalities Impact Assessment, which should be completed within the month. A question had been raised at the Committee meeting on 05/03/21 as to whether there was any sub-letting on the County Farms estate. It was confirmed that there was only sub-letting in very limited circumstances, including specialist cropping for crops such as potatoes, or where there was a surplus of cottage accommodation on a farm. Revenue from sub-letting was split equally between the Council and the tenant.

Recommendation 17: legal advice should be taken on the interest rates currently used in tenancy agreements, and consideration given to lowering the Default Interest Rate in any new tenancies. The 9% interest rate written into agricultural tenancies was currently being discussed with Internal Audit and Finance colleagues.



Recommendation 19: formal guidance to officers within the County Farms team about the rent review process is produced, in line with RICS guidance. This action was yet to be started, but on target for completion by June 2021.

Recommendation 20: Introduction of a Rent abatement policy. This was being reviewed and updated, and due to be completed April 2021.

Recommendation 21: The County Farms Capital Investment Procedure should be updated to require evaluation of the cost of the scheme against the expected rental price increase on the open market. This procedure was being updated and on target for completion by May 2021. Care was being taken to ensure this procedure aligned with other County Council protocols.

Recommendation 24: Legal advice should be sought regarding repayment of Improvement Charges when tenants leave earlier than anticipated. This would be started in the near future and was due to be completed by July 2021. The Council was taking specialist agricultural legal advice on repayment charges.

Recommendation 27: a clear housing standard should be established, as this was a key control over refurbishment processes, and ensured equity between tenants, and clarity for officers. This Standard had been drafted and would be presented to the County Farms Working Group on 25/03/21, and would be completed prior to the June 2021 target date.

The Committee then considered the completed items:

Recommendation 2: there should be a strategic review of the County Farms Estate which should be approved by the relevant Committee. The Strategic Review had been completed by the Commercial & Investment Committee in February 2020.

Recommendation 11: The application form for tenancies should be amended to include any associations, links to the Council, or close personal relationships with officers or Members of Cambridgeshire County Council to be disclosed. It was confirmed that this amendment to the form had been in place for some time

Recommendation 14: whilst rental levels should be realistic and achievable based on the planned use of the farm, there should be an option to introduce competitive bidding. It was confirmed that in relation to competitive bidding processes for rents, there were clear

processes, which had been updated to include where bidders for tenancies were asked to re-bid or re-present their proposals.

Recommendation 15: A formal process should be introduced for succession tenancy applications. These should not be below the market rate. As per the Strategic Review that had taken place in February 2020, a policy was in place in relation to succession tenancies.

Recommendation 16: the practice of offering succession tenancies where there is no legal requirement to do so should be ceased, and when farms come up for renewal, they should be advertised on the open market as standard. This was closed as it was contrary to the previous recommendation.

Recommendation 18: equivalent to the Delegated Authority form used at Peterborough to be introduced to document approval of new leases. This was not being actioned as the Council had opted to continue to following its own Constitution and Schemes of Authorisation.

Recommendation 23: County Farms should not accept retrospective requests to fund works carried out by tenants. This had been in place for some time.

Recommendation 25 and 26: Improvement charges should be recorded on the Rental Agreement Spreadsheet, and those charge should be recorded separate to the rent. These had been actioned and completed.

Recommendation 28: implement a clear division of duties with regards to tender review. The architect may advise whether any bids should not be accepted due to not meeting the technical requirements, but officers must make the decision on award of any procurement in line with agreed delegations. This had been part of policy for some time.

Recommendation 29: Final proposed specifications should be assessed against the County Farms Standard and any variations should have initial approval recorded by a manager. This had been agreed and completed.

Recommendation 30: If the OFR (Outcome Focused Review) report was not retracted, the detail of the financial proposals made in the report should be scrutinised by Finance. This formed part of the Strategic Review agreed by Commercial & Investment Committee in February 2020.

**Recommendation 31:** Future OFRs or equivalent service review processes should incorporate review of key processes relating to income generation and/or expenditure minimisation. This had been agreed and completed, and any further reviews of the farms service would be supported.

In response to a Member question, it was confirmed that there would be a discussion at the extraordinary meeting of Audit & Accounts Committee meeting on Friday 26<sup>th</sup> March regarding the sections of the Farms Audit report that were currently confidential. It was noted that the release of some of that information would depend on whether a response was received from Mr Hickford's solicitors.

Given that this was the last scheduled meeting of the Audit & Accounts Committee prior to purdah and the elections, a Member expressed concern that the recommendations coming out of the Farms Audit would be monitored by the Committee after the elections. He felt that consideration needed to be given to ensuring there was continuity in the new administration on this matter. The Chairman commented that this would also be discussed at the meeting on the 26<sup>th</sup> March, i.e. formulating a plan for follow-up action to be progressed by the Committee after the elections.

On behalf of the Committee, the Chairman passed on thanks to the Assistant Director Property and Head of Finance and their colleagues for all their hard work on this matter.

It was resolved to note the progress of actions which arise from the Farms Audit.

### 316. Financial reporting and related matters update

The Committee considered a report setting out progress with the Statement of Accounts for the year ending 31 March 2020, preparations for the year-end process for 2020-21, national updates and context, and other connected matters.

With regard to the Value for Money Opinion for the 2017/18 financial year, the Council had received a request from BDO for further information, which it had responded to. Output from BDO had been expected in time for this meeting, and it was disappointing that this was not available.

The Committee noted that the government had recently laid regulations that amend the deadlines for principal local authorities such as Cambridgeshire, for the years ending 31/03/21 and 31/03/22, and Members noted those deadline dates. Whilst the draft accounts should be published in accordance with these timescales, the planned audit dates meant that the audit would not be completed to timescale, so it was likely that a statement on progress with the audit would need to be published in the autumn. Those extended timescale enabled the Council to put additional work into quality assurance up front. At the January meeting, Members had noted the timescales on

preparation of accounts for this year, and had highlighted the process for property valuations for the 2020/2021 financial year, including external valuations and the provision of Going concern information. Officers were pleased that the Audit Results Report had been received and circulated to Committee as late item, which signified the culmination of the audit. The Addendum also contained the draft Manager Representation letter which would need to be signed by both the Committee Chairman and Chief Financial Officer as part of the final procedures.

Attention was drawn to the areas of audit focus outlined in EY's Addendum update. For most areas, there had been no changes since November, but the property valuation area was the area where most of the work had been focused. The report also listed a number of adjustments, some of which were high value and therefore material. However, it was stressed that these did not have any bearing on the resources available to the Council for spending on services. An Emphasis of Matter had been expected on the Going concern assessment, but because of the additional grants received, this was less likely.

Mark Hodgson of EY advised that since the last formal report in November, all testing areas had been concluded, so he was now in a position to sign the audit opinion, hopefully within the week. The biggest area of focus had been property, plant and equipment, and he outlined the issues raised, which had resulted in around £165M of net audit differences, giving a 20% error rate on land and building values. However, as indicated by officers, much had happened since the date of settlement, and whilst these were substantial amounts, in practice this did not impact on the Council's bottom line, but was a reflection of accounting practices. He drew Members' attention to the updated request for a letter of representation included in the late paperwork. With regard to the Pension Fund audit, there had been no changes to the audit reported to Committee in November, and an unqualified opinion would be issued on the Pension Fund.

A Member expressed thanks to all those involved in the Council in producing the required information. He also expressed concerns regarding BDO and the serious difficulties experienced.

Officers confirmed that they were quite confident that the audit would be completed within the week. Acknowledging that many authorities had experienced late questions from their auditors, it was suggested that it would be helpful if there was an informal discussion between EY and Finance on possible areas for exploration in the coming year, which may help expedite the completion of future audits.

There was a discussion on what actions should be taken against BDO, given the lack of progress with the 2017/18 audit. It was suggested that this would need to be through BDO at a high level, and also PSAA. The Chairman suggested that the message also needed to be given to government. Officers acknowledged these points, noting the timescales set out by BDO six months previously were now a few months adrift.

There was a discussion on areas where problems recur, noting that property was always an area which attracted additional attention, and the background to the specific issues for the 2019/2020 audit were outlined, notably the property and the adjustments relating to schools' developed and undeveloped land, which did not comply with RICS guidance. It was observed that different issues arise each year, some high value and isolated, but there were also some thematic points. The Property Asset database would go some way to addressing the property issues. It was noted that there may not be a repeat of some of the previous years' issues as the same valuer was being used.

There was a query regarding meeting in purdah, in the event that BDO produce a final statement prior to the elections, as it would be difficult for the Committee post-election to consider those issues without the background knowledge.

The Chairman thanked Councillor Shellens for all the hard work he had put in on this matter in his many years as Committee Chairman. The Committee also thanked EY for their work as auditors, and Tom, Michelle and Finance colleagues for all their hard work.

It was resolved unanimously to:

- i) to note the report
- ii) to receive the External Auditor's results report (attached as an addendum to the agenda papers)
- iii) to reconfirm delegation to the Chief Finance Officer and Chairman of this Committee to sign the final Statement of Accounts, and make any related declarations, taking account of the adjustments agreed with the auditor and set out in EY's attached report

### 317. Draft Internal Audit Plan 2021-22

The Committee considered the draft Internal Audit Plan for 2021-22.

For a number of years, a dynamic Audit Plan approach had been taken by the County Council. Whilst this approach has proved largely successful, the impact of the Covid-19 pandemic and the extent of additional reactive work required of Internal Audit in the 2020-21 financial year, had identified the potential to further improve the way that the Audit Plan was created and managed. This approach aimed to increase flexibility while providing greater assurance that minimum audit coverage was always maintained, and that audit resource was prioritised to the areas of greatest risk. The 'flexible' element of the Plan would be presented as a series of rolling quarterly Audit Plans, with quarterly risk assessments ensuring that the timing of planned audits was always actively informed by an up-to-date assessment of the areas of highest risk, and subject to challenge and comment by both JMT and the Audit & Accounts Committee. With this approach in mind, the report set out the first three

months of the Audit Plan, and then outlined the following four quarters, giving a total cycle of work over five quarters or 15 months.

The Chairman thanked officers for their presentation and applauded and endorsed the proposed approach.

A Member queried how the Council would respond to a natural or man-made disaster e.g. flooding, and asked whether it was worth auditing how the Council had responded to the pandemic. Officers advised that the response to any crisis which curtailed the organisation's ability to provide services would be dealt with by the Emergency Planning Unit, and the Council's business continuity arrangements and Corporate Risk Register set out some of this detail. Both Emergency Planning and business continuity were regularly audited.

A Member observed that following the first lockdown, significant staff were redeployed from their substantive roles, and he asked how that was reflected in the Internal Audit Plan. There was a discussion on how this would be picked up and the possible outcome of long term redeployment, especially in areas such as contract management.

A Member queried the 50/50 allocation to core and flexible audits, and how those terms were defined. Officers acknowledged that 'core' and 'flexible' in this context were subjective, but within the Plan, 'core' related to those jobs that absolutely had to be undertaken, whereas 'flexible' could be moved with the agreement of JMT and the Audit & Accounts Committee. It was stressed that the flexibility of the Audit Plan was around the names rather than the themes.

It was resolved to consider and comment on the contents of the report, and approve the proposed 2021-22 Audit Plan and approach.

### 318. Internal Audit Progress Report

The Head of Internal Audit and Risk Management presented a report on the main areas of audit coverage for the period to 1st March 2021.

Work was on target to ensure an evidence based opinion could be given. Assurances had been received that the key financial system reviews being completed by colleagues based at Milton Keynes and Northamptonshire Council would be at the draft report stage by 31st March 2021.

It was likely that the Highways Contract open book review, considered in depth at previous meetings, would be carried forward in to the new financial year, as the contractor would be forwarding more information this week. A Member noted that previously some quite significant sums had been discussed with regard the Highways Contract, and he asked officers if they had any idea about the size of any future sums to be transferred? Officers advised it was difficult to predict, although the outcome of the open book

review would probably be an adjustment, either an over or underpayment. Staffing costs so far had demonstrated a close correlation between the Council's records and the contractor's records. Members asked whether this information could be circulated to Committee Members on a confidential basis if it became available prior to the elections. **Action required.** The Member observed that that the current contract with Skanska was being transferred to another company, and the contract would be novated. He asked what would happen to any financial transfers required, and whether the novation of the contract would impact on this? Officers advised that whilst they were unclear on the detail, governance procedures were in place, and the Council had taken legal advice on specifications to be put in the novation agreement.

Another Member advised that similar novations with the contractor were taking place with over 20 other local authorities. He suggested that officers check with Steve Cox and Emma Murden to establish these points, and to see if they could provide further information to Members about the novation of the contract.

A Member queried the statement that implied that resources were effectively being overcommitted, to provide greater flexibility. Officers advised that this related to the 15 month plan discussed in the previous item: in January, there were 300 days of resource available, but it was acknowledged that some jobs would not take place if either the Committee or senior officers asked the Internal Audit team to reprioritise.

With regard to the assurances on key financial systems from Northamptonshire and Milton Keynes colleagues, officers confirmed that the draft reports would be received by 31<sup>st</sup> March, but these would provide the assurances required, as the recommendations to these reports did not tend to change between draft and final versions.

It was noted that the Highways & Transport Committee had considered a report on Major Infrastructure Project Delivery, Governance and Risk Management at their meeting on 9<sup>th</sup> March, and this had been a very positive piece of work, resulting in an action plan which was being implemented by the Service. Internal Audit would be represented on that implementation group. It was noted that the reviews had resulted from a proactive request from the Executive Director, supported by JMT, and if implemented, complied with and embedded, would represent a major step forward in the Council's infrastructure project management.

It was resolved to note and comment on the report

### 319. Internal Audit Joint Working Protocol between Peterborough City Council and Cambridgeshire County Council

The Committee considered a proposal for a Joint Working Protocol.

Given the growing integration between the County Council and Peterborough City Council services and management, Internal Auditors for both authorities

were increasingly finding that their work at one authority had applicability to systems or processes which were shared across both sites. The proposed protocol was a basic framework for initial collaboration between the two teams, with a focus on sharing key information and reducing duplication between the two teams. Depending on the outcomes of specific audits, additional compliance work may be required for each organisation. It was confirmed that each authority would still report to its own governance structure, i.e. the Audit & Accounts Committee for Cambridgeshire, irrespective of which authority had undertaken the audit work. It was also noted that one of the benefits of sharing services in this way was that both teams would benefit from specialist areas of knowledge in the individual teams.

In response to Member questions, it was confirmed that there would be no cost allocations as a result of this sharing. It was also confirmed that internal audit teams in different authorities already shared best practice through various means, including ongoing professional development. The approach proposed would mean that that allocated resources could stretch further.

It was confirmed that there were still shared services with internal audit teams in Northamptonshire and Milton Keynes, but that related mainly to financial systems, whereas the sharing with Peterborough would be in other areas such as Social Care.

It was resolved to approve the Joint Working Protocol for Internal Audit.

### 320. Safer Recruitment in Schools Update

The Committee considered an updated on the Schools Intervention Service monitoring of the Leadership of Safeguarding, including safer recruitment in maintained schools for the period September 2020 to the end of February 2021.

Noting that Leadership Advisor had attended 29 LADO Allegation Management Meetings ranging across primary, secondary and special schools in the previous six months, a Member asked what this figure had been for the same time period in the previous year. The officer was unavailable to present the report, but would respond to any questions, with responses being circulated to Members and reflected in the minutes<sup>1</sup>.

A Member spoke favourably about the very effective working relationship with officers on this issue, and the improvements made to the security of the systems over recent years.

It was resolved to note the report.

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<sup>1</sup> Data on LADO meetings unavailable due to a change in personnel in April 2020 - systems have since been strengthened and meetings officially logged. There has also been a meeting between the Leadership Advisers and the LADO across CCC and PCC to iron out roles and responsibilities/ expectations, to assist in clarification and accuracy going forward. It is likely that the pandemic impacted on the number of LADO meetings.



321. Forward Agenda Plan

To note the Forward Agenda Plan with the following change: the next Safer recruitment update would be considered at the July meeting, rather than the June meeting.

299	Debt Management Update	Alison Balcombe	£2.07M of outstanding debt related to six invoices issued in October. Detail of those six invoices would be circulated to the Committee.	Details of six invoices circulated to Committee Members on 06/04/21.	Completed
299	Debt Management Update	Alison Balcombe	Highlighted a problem with the headings in the table at paragraph 2.1 of the report, in relation to the periods covered. Officers agreed to correct this for future reports.	To be addressed in future reports.	Ongoing
299	Debt Management Update	Alison Balcombe	Noting that “significant movement before year end” was expected in this area, Head of Finance Operations to provide an update to the Committee on this for the 23/03/21 meeting.	Update provided at the March meeting.	Ongoing
299	Debt Management Update	Alison Balcombe	Table entitled “Collection rates – 2019/20”, the title “no. of invoices” had been duplicated in two successive rows – officers agreed to correct this for future reports to “invoices issues” and “invoices closed” respectively.	To be addressed in future reports.	Ongoing
299	Debt Management Update	Alison Balcombe	October 2020 appeared to be an anomaly in terms of sums in the income suspense accounts. Officers outlined the possible reasons for what was probably a one off payment, and agreed to provide the Chairman with the detail.	£2.8m relates to a single payment from Education and Skills Funding Agency consisting of three payments which are Pupil Premium, Covid Mental Health Support – Schools and Covid-19 Catch Up Premium Schools. Detailed remittance information circulated 06/04/21.	Completed

### Audit and Accounts Committee: Minutes

Date: 26<sup>th</sup> March 2021

Time: 10:05am – 10.13am

Place: Virtual Meeting

Present: Councillors I Bates, J French, P Hudson, T Rogers (Chairman), M Shellens, J Williams and G Wilson

Officers: Gillian Beasley, Christine Birchall, Dawn Cave, Tony Cooper, Tom Kelly, Fiona Macmillan

External: Simon Goacher

#### 322. Apologies for Absence Declarations off Interest

Apologies were presented on behalf of Councillors Wells and McGuire (Councillors Bates and French substituting respectively).

There were no declarations of interest.

#### 323. Farms Audit Report

The Chairman recommended that the Committee make the confidential progress report available for public consideration. Following a vote, the majority of Members agreed to release the report for public consideration.

The Chairman thanked the Committee for their work on this matter.



## Audit and Accounts Committee Action Log

This is the updated action log as 5<sup>th</sup> July 2021 and captures the actions arising from the most recent Audit and Accounts Committee meeting and updates Members on the progress on compliance in delivering the necessary actions.

Minutes of 23 <sup>rd</sup> March 2021					
Minute no	Item title	Responsible officer(s)	Action	Comments	Action status
318	Internal Audit Progress Report	Richard Lumley	With regard to the Highways Contract open book review, a Member queried size of any future sums to be transferred. It was agreed that this information would be circulated to the Committee Members confidentially.	Update to be provided prior to Committee on 13/07/21	Awaited
Minutes of 26 <sup>th</sup> January 2021					
299	Debt Management Update	Alison Balcombe	Highlighted a problem with the headings in the table at paragraph 2.1 of the report, in relation to the periods covered. Officers agreed to correct this for future reports.	To be addressed in future reports.	Ongoing
299	Debt Management Update	Alison Balcombe	Table entitled “Collection rates – 2019/20”, the title “no. of invoices” had been duplicated in two successive rows – officers agreed to correct this for future reports to “invoices issues” and “invoices closed” respectively.	To be addressed in future reports.	Ongoing

## Minutes of 24<sup>th</sup> November 2020

Minute no	Item title	Responsible officer(s)	Action	Comments	Action status
281	Statement of Accounts 2019-20: a) Asset Register System Progress Report	Councillor Shellens	The Chairman to raise continued concerns with Chairman of Commercial and Investment Committee	Concern expressed by Committee that due to the apparent lack of progress obtaining a reliable IT system, the Council could not identify all its assets accurately with the resultant continued impact on Accounts production	In progress

## Minutes of 30<sup>th</sup> October 2020

273.	Whistleblowing Policy Annual Report  a) Suggestions for future reports	Neil Hunter	Providing more detail in terms of the staff survey sample in terms of the number used what percentage this was of the total County Council workforce.	To be kept on log until the Annual Report was resubmitted in 2021	Action ongoing
	a) To show changes to the Policy		Request that changes should be shown using sidebars so that Members could see the changes made to the previous version.	To be kept on log until the Annual Report was resubmitted in 2021	Action ongoing

## Internal Audit Progress Report

To: Audit & Accounts Committee

Date: 13<sup>th</sup> July 2021

From: Neil Hunter, Head of Internal Audit and Risk Management

1. Purpose
  - 1.1 To report on the main areas of audit coverage for the period to 31<sup>st</sup> May 2021.
2. Background
  - 2.1 The role of Internal Audit is to provide the Audit Committee and Management independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.
  - 2.2 The 2021-22 Internal Audit Plan was presented to JMT on 4th March 2021 before being approved at Audit and Accounts Committee on 23rd March 2021. This agreed a new approach, whereby the annual Audit Plan is split out into two elements: the 'core' plan, comprising key areas of assurance that are reviewed every year and audit support work (e.g. to working parties or panels) which is ongoing throughout the year; i.e. the areas of audit coverage that vary from year to year, with planned coverage based on a risk assessment process. For 2021/22, it was agreed that the 'core' plan will be set annually, and the 'flexible' plan will be set quarterly in advance, to ensure that it is more reactive to areas of emerging or changing risk.
  - 2.3 Cambridgeshire County Council (CCC) Joint Management Team (JMT) considered this report on 29th June 2021 prior to its submission to the Audit & Accounts Committee on 13th July 2021.
3. Recommendation
  - 3.1 The Committee is asked to note and comment on the report

### Officer contact:

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# LGSS Internal Audit & Risk Management

Cambridgeshire County Council

*Update report*

*As at 31<sup>st</sup> May 2021*

## *Section 1*

### *1 Introduction*

- 1.1 A summary of the content of the key sections of this report is provided below, for reference:

SECTION 1: Introduction

SECTION 2: Internal Audit Resources

SECTION 3: Finalised Assignments

SECTION 4: Summaries of Completed Audits with Limited or No Assurance

SECTION 5: Key Financial Systems Audits

SECTION 6: Audit Forward Planning: Next Four Quarters

SECTION 7: Follow Up of Agreed Audit Actions

SECTION 8: Risk Management

SECTION 9: Fraud and Corruption Update

APPENDIX A: Internal Audit Plan Progress 2021/22

APPENDIX B: Outstanding Agreed Actions

## 2. Internal Audit Resources

- 2.1 The 2021-22 Internal Audit Plan was presented to JMT on 4<sup>th</sup> March 2021 before being approved at Audit and Accounts Committee on 23<sup>rd</sup> March 2021. This agreed a new approach, whereby the annual Audit Plan is split out into two elements: the 'core' plan, comprising key areas of assurance that are reviewed every year and audit support work (e.g. to working parties or panels) which is ongoing throughout the year; and the 'flexible' plan, i.e. the areas of audit coverage that vary from year to year, with planned coverage based on a risk assessment process.
- 2.2 For 2021/22, it was agreed that the 'core' plan will be set annually, and the 'flexible' plan will be set quarterly in advance, to ensure that it is more reactive to areas of emerging or changing risk.
- 2.3 The proposed 'flexible' Audit Plan for Q2 2021/22 is set out below, at Section 6 of this report. Work planned and underway for Q1 is included in Appendix A to this report.
- 2.4 The work of the team is still being impacted by the rapidly changing environment as a result of the Covid-19 pandemic, and it is envisaged this will continue forward for the foreseeable future. As a result, there have been some amendments required to the 'core' Audit Plan for the year, as follows:
- Sustainability Panel – Internal Audit is attending the Sustainability Panel meetings to provide support to the process of reviewing grant applications from childcare providers.
  - Additional Dedicated Home to School Transport Grant – Central government has awarded this additional grant which requires Internal Audit review.
  - Major Infrastructure Delivery (MID) Project Assurance Group – Following a review last summer of four significant MID projects and the associated governance framework, Internal Audit is providing ongoing support to the implementation of the new MID, and wider Place and Economy, governance framework and supporting procedures.
  - Public Sector Internal Audit Standards (PSIAS) Review – An allowance of time to enable completion of a review of the Internal Audit team against PSIAS and best practice, taking into account the changing ways of working that have recently been agreed.
- 2.5 It is expected that new risks will emerge throughout 'normal' yearly cycles. This is the reason why the Plan is submitted to JMT and the Audit & Accounts Committee

approximately each quarter for challenge and direction, ensuring that resources are targeted towards those areas of highest organisational need. The Internal Audit team has regular meetings with colleagues in the organisation and endeavours to be responsive should requests for unplanned work be made.

2.6 The caveat to this flexibility is that the Head of Audit must be satisfied that the work completed in the year is sufficient and appropriate to support the annual audit opinion.

2.7 The annual audit opinion for the financial year 2020/21 is due to be presented to the 22nd July Audit & Accounts Committee, pulling together summary details of the work completed by Internal Audit in 2020/21.

2.8 Previously, the Audit Committee has requested that each progress report includes an update on the Internal Audit review of the Highways Contract. This detailed review has recently completed its' second stage, whereby the audit team has essentially received from the contractor their final cost statement for the year. This now means that the Internal Audit team can commence the final and most complex stage of the review, the verification of these figures, or as more commonly known, the open book review stage.

2.9 The final tranche of information was provided to the Council on 2<sup>nd</sup> June 2021 and related to the Contractors full identified costs for Plant, Materials and 'other' costs not picked up anywhere else within the process. This exercise has resulted in the identification of an additional c.£66k in over-recovered payments to be repaid to the Council. When this figure is included, this work will have resulted in the repayment of over-recovered costs totalling £854,440.71 to June 2021. The review has taken longer than anticipated, however, as detailed, the exercise has already resulted in significant repayment of over-recovered amounts and is contributing to improved governance arrangements going forward.

### 3 Finalised Assignments

3.1 Since our last Progress Report in March 2021, the following audit assignments have reached completion, as set out below in Table 1.

Table 1: Finalised Assignments

No.	Directorate	Assignment	Compliance Assurance	Systems Assurance	Organisational impact
1.	Cross Cutting (CCC)	Key Performance Indicator Framework	N/a	Satisfactory	Minor
2.	Cross-Cutting (CCC-wide)	Accounts Payable	Good	Good	Minor
3.	Cross-Cutting (CCC-wide)	Debt Recovery	Satisfactory	Satisfactory	Moderate
4.	Cross-Cutting (CCC-wide)	Feeder Systems	Good	Satisfactory	Minor
5.	Cross-Cutting (CCC-wide)	Accounts Receivable	Good	Good	Minor
6.	Cross-Cutting (CCC-wide)	Pensions	Good	Substantial	Minor
7.	Cross-Cutting (CCC-wide)	Treasury Management	Good	Good	Minor
8.	Cross-Cutting (CCC-wide)	Financial Systems IT Controls	Good	Good	Minor
9.	Cross-Cutting (CCC-wide)	Community Capital Fund	Good	Satisfactory	Minor
10.	Cross-Cutting (CCC-wide)	HR Transactions	Good	Satisfactory	Minor
11.	Customer & Digital Services	Light-Touch ICT Security Review	N/A	Satisfactory	Moderate
12.	People & Communities	Schools Payroll	Limited	Satisfactory	Minor

13.	Cross-Cutting (CCC-wide)	Bank Reconciliations	Good	Good	Minor
14.	Cross-Cutting (CCC-wide)	General Ledger	Good	Good	Minor
15.	Cross-Cutting (CCC-wide)	Bus Service Operators Grant	N/A – Grant sign off work		
16.	Cross-Cutting (CCC-wide)	Emergency Active Travel Fund	N/A – Grant sign off work		
17.	Place and Economy	Pothole Challenge Fund	N/A – Grant sign off work		
18.	Place and Economy	Local transport Capital Block Fund	N/A – Grant sign off work		

3.1 Summaries of any finalised reports with limited or no assurance are provided in Section 4.

3.1 The following audit assignments have reached draft report stage, as set out below in table 2:

Table 2: Draft Reports

No.	Directorate	Assignment
1.	People & Communities	Schools Safer Recruitment
2.	Cross-Cutting (CCC-wide)	Interim report on FOI Review
3.	Cross-Cutting (CCC-wide)	Interim report on Preschool Investigation
4.	People and Communities	Foster Carer Overpayment Review
5.	People & Communities	Direct Payments Investigation

3.1 Further information on work planned and in progress may be found in the Audit Plan, attached as Appendix A.

## 4 Summaries of completed audits with Limited or No Assurance

### Schools Payroll

- 4.1 Internal Audit conducted a review to examine the robustness of the local authority's maintained school payroll monitoring and assurance systems. The objective was to provide assurance that the risk of financial loss, fraud and error is minimised by the centralised systems of control operated by the Schools Finance Team and the systems of the three external payroll providers who provide services to Cambridgeshire's maintained schools.
- 4.2 The Audit identified a "Satisfactory" level of assurance over the system design, with the *Schools Financial Regulations* providing clear high-level guidance to individual schools in relation to required controls over payroll. However, the assurance given to the compliance with these key controls over schools payroll expenditure was "Limited".
- 4.3 There is oversight from the Schools Finance Team, to ensure that expenditure undertaken by maintained schools is correctly coded to the General Ledger and investigate any large variances in yearly expenditure from individual schools, but the team does not review schools expenditure in detail.
- 4.4 The three external schools payroll providers were contacted by Internal Audit on multiple occasions and requested to provide third party assurance statements over their payroll systems; however, none of the providers provided any evidence or information regarding the control environment of their systems.<sup>1</sup> The Schools Finance Team do not request or review any third-party assurances from schools payroll providers on the integrity of their payroll systems.
- 4.5 As a result, the Council currently has little assurance over schools' compliance with the requirements of the *Schools Financial Regulations* with respect to payroll, creating a risk of inappropriate, fraudulent or erroneous expenditure at schools going undetected. It has therefore been agreed that Internal Audit will undertake a programme of reviews of individuals schools' financial controls, particularly looking at payroll controls, and targeted towards schools which have been identified as higher-risk via the Schools Causing Concern process. The reviews will take place from September onwards and will aim to provide further assurance over schools' compliance with key payroll controls.

<sup>1</sup> N.B. This contrasts with a previous audit review in 2018, when all three providers supplied some information regarding their system controls

## 5 Key Financial Systems Audit

- 5.1 In Q1/Q2, Internal Audit provide an update to the Audit Committee on Key Financial Systems Reviews, as these core annual audits underpin the annual Internal Audit opinion. Details on progress to date with these reviews is provided below:

Table 3: Key Financial Systems

No.	Assignment	Progress	Compliance Assurance	Systems Assurance	Organisational impact
1.	Accounts Payable	Final Report	Good	Good	Minor
2.	Debt Recovery	Final Report	Satisfactory	Satisfactory	Moderate
3.	Treasury Management	Final Report	Good	Good	Minor
4.	Accounts Receivable	Final Report	Good	Good	Minor
5.	VAT	Final Report	Satisfactory	Satisfactory	Minor
6.	Payroll	Fieldwork ongoing	TBC	TBC	TBC
7.	Bank Reconciliations	Final Report	Good	Good	Minor
8.	General Ledger	Final Report	Good	Good	Minor
9.	Pensions	Final Report	Good	Substantial	Minor
10.	Financial Systems IT Controls	Final Report	Good	Good	Minor
11.	HR Transactions	Final Report	Good	Satisfactory	Minor



5.2 The Payroll report has yet to be completed at the time of writing. This review is being delivered by audit colleagues at MKC, who have provided assurances that the reports will be at draft report stage by 31<sup>st</sup> July 2021. At the time of writing this report, no significant issues or risks have been identified in the Payroll audit where fieldwork is progressing.

## 6. Audit Forward Planning: Next four Quarters

- 6.1 Core audit work is progressing in line with the agreed Audit Plan 2021/22. Progress on this work is detailed at Appendix A to this report.
- 6.2 The proposed 'flexible' Internal Audit Plan for Q2 – Q5 is set out below, showing the current risk profiling of Internal Audit reviews over the next year. These are new jobs proposed to commence in the period, i.e. ongoing work is not included.
- 6.3 This programme of work is subject to change to ensure that the Audit Plan can be reactive as well as proactive about providing assurance over emerging risk areas but also because work from Q1 is likely to require more resource to complete, e.g. the highways open book review. The team's available resources have also been significantly impacted by a number of leavers and secondments in the last quarter. It is anticipated that these posts will be filled during Quarter 3.

<i>Audit</i>	<i>Dir.</i>	<i>Category</i>	<i>Days</i>	<i>Why</i>
Current Proposed Flexible Internal Audit Plan for Q2:			250	
Contract Management - Supported Living	P&C	Value For Money	20	Review of the Supported Living contract. This audit was previously deferred from the 2020/21 Audit Plan.
'Less Than Best' Awards of Property	CCC	Financial Governance	20	Review of properties awarded at 'Less Than Best' cost, the governance in place to control this process and compliance with governance arrangements.
Adult's Social Care Commissioning Strategies	P&C	Procurement & Commissioning	30	Review of strategic planning for commissioning and contracting across Adults Social Care, to provide assurance that commissioning is pro-active, considers demand and how this may be managed, and takes into account the condition of local markets. This audit was previously deferred from the 2020/21 Audit Plan.
Waste PFI	P&E	Procurement & Commissioning	30	Council's biggest PFI contract, £35m p.a. gross budget. Renegotiation of the contract to resolve legacy issues re: retention of monies. The scale of the contracts means this is a key financial risk for the Council. This

				audit was previously deferred from the 2020/21 Audit Plan.
Investment Properties	Resources	Value For Money	20	The Council is increasingly investing in property at a high cost. Review of investments, process, strategy and risk especially in light of new guidance on use of loans from PWLB. High reputational risk. This audit was previously deferred from the 2020/21 Audit Plan.
Insurance Fund	Resources	Value For Money	20	Previously managed via LGSS. Review of insurance policies, service management and compliance.
Budgetary Control	CCC	Financial Governance	20	Review of the policies and procedures that underpin the Council's system of budgetary control, as well as compliance with key controls by budget holders.
Climate Change & Environment Strategy	CCC	Governance	20	Review of the Council's Climate Change and Environment Strategy, how the aims of this strategy are reflected in broader corporate policies and governance processes, and progress with action plans within the strategy.
Adult Social Care Finance	P&C	Financial Governance	20	Assurance following the major restructure and centralisation of the Adults Social Care Finance team, particularly reviewing invoicing processes, cost recovery and the link to debt management. This audit was previously deferred from the 2020/21 Audit Plan.
Recruitment Processes in Children's Social Care	P&C	Business Continuity	20	Review requested by the Service Director for Children & Safeguarding. This would aim to provide assurance that the process in place is streamlined and sufficiently robust to ensure that only good-quality candidates are appointed, as well as considering safe recruitment issues. This audit was previously deferred from the 2020/21 Audit Plan.
Contract Management - Cambridgeshire Energy	P&E	Procurement & Commissioning	30	Review of contract management within the Cambridgeshire Energy Performance Contracting project, which holds two major contracts with

Performance Contracting Project				a combined annual value of £11m. This audit was previously deferred from the 2020/21 Audit Plan.
Current Proposed Flexible Internal Audit Plan for Q3:			195	
Street lighting PFI	P&E	Procurement & Commissioning	30	2nd highest gross budget, previous audits have identified weak contract management. Risk of failure to achieve best value. This audit was previously deferred from the 2020/21 Audit Plan.
ICT Disaster Recovery	C&D	ICT and Information Governance	15	Review of policies and procedures relating to disaster recovery surety in ICT, including compliance with testing and policies.
Use of Block Contracts	P&C	Procurement & Commissioning	30	Significant use of block contracts in Adults & Older Peoples services. Review of the usage of block contract spaces, how need is forecast and monitored, and value for money.
Rental Income	Resources	Value For Money	20	Ensuring that the Council maximises the value of its property. This audit was previously deferred from the 2020/21 Audit Plan.
Business Planning	CCC	Financial Governance	30	Review of governance, compliance, management and monitoring, and benefits realisation.
Loans to External Organisations	Resources	Financial Governance	20	Review of the Council's policies on providing loans to external organisations and compliance with policy in practice. This audit was previously deferred from the 2020/21 Audit Plan.
Individual Schools Finance Audits	P&C	Financial Governance	50	Focus on schools payroll, finance and financial governance arrangements with audit visits to a selection of higher-risk schools identified through the Schools Causing Concern process.
Current Proposed Flexible Internal Audit Plan for Q4:			240	
Safeguarding Assurances	P&C	Safeguarding	30	Review of assurances over the Council's safeguarding arrangements for children and adults, including internal review processes, contractual assurances, and assurances received from third

				parties such as Ofsted, peer reviews etc. This audit was previously deferred from the 2020/21 Audit Plan.
Client-side Review of LGSS Law	L&C	Procurement & Commissioning	20	Client-side review of Cambridgeshire's LGSS Law legal provision.
New Schools Building	P&C	Procurement & Commissioning	20	Education Property has a Design & Build contract with an annual value of £100m. This audit was previously deferred from the 2020/21 Audit Plan.
Children's Social Care Commissioning Strategies	P&C	Procurement & Commissioning	30	Review of strategic planning for commissioning and contracting across Children's Social Care, to provide assurance that commissioning is pro-active, considers demand and how this may be managed, and takes into account the condition of local markets.
Contract Management	CCC	Procurement & Commissioning	20	Noted as a risk area given the outcomes from recent audits. Lack of detailed contract management guidance available to managers in the organisation. High impact area.
Cambridgeshire County Council Client Monitoring Arrangements for This Land Ltd	Resources	Value For Money	30	A review to provide comprehensive follow-up on findings and implementation of actions following the review of This Land Ltd in 2019/20. This audit was previously deferred from the 2020/21 Audit Plan.
Supplier Resilience Reviews	CCC	Business Continuity	20	Review of a sample of key strategic suppliers, with a focus on suppliers of care and transport to vulnerable service users, to identify assurances in place over supplier resilience and continuity planning.
ICT Security	C&D	ICT and Information Governance	20	Review of ICT security strategy and compliance with key measures such as PSN etc.
Contract Management - Minor Works Framework	Resources	Procurement & Commissioning	30	Annual value of £8m. This audit was previously deferred from the 2020/21 Audit Plan.

ICT Strategy	C&D	ICT and Information Governance	20	Following ICT moving in-house from LGSS, a review of current strategy and governance within the ICT service
Current Proposed Flexible Internal Audit Plan for Q5:			230	
Capital Strategy	Resources	Value For Money	20	Review of the Council's Capital Strategy, in light of the CIPFA Prudential Code requiring Local Authorities to have a Capital Strategy in place from April 2019. This audit was previously deferred from the 2020/21 Audit Plan.
Contract Management - Public Transport, Park & Ride, and Guided Busway Contract	P&E	Procurement & Commissioning	30	Annual value of £3m. This audit was previously deferred from the 2020/21 Audit Plan.
Information Security	C&D	ICT and Information Governance	20	Review of arrangements for controlling information security risk, with a focus on: policies and procedures; compliance with legislative requirements; communication and staff awareness; compliance monitoring; and incident handling.
Social Care Transitions	P&C	Value For Money	20	Review of service user transitions between child and adult services including LD, PD and LAC, with a focus on providing assurance that processes are streamlined and efficient. This audit was previously deferred from the 2020/21 Audit Plan.
Health, Safety & Wellbeing Policy Compliance	CCC	Safeguarding	15	Review of compliance with key controls within the Council's Health, Safety and Wellbeing Policy. This audit was previously deferred from the 2020/21 Audit Plan.
Financial Regulations Monitoring & Compliance, including Delegated Authorities	CCC	Financial Governance	20	Review to ensure that budget variations are approved in line with the requirements of the Financial Procedure Rules and the Constitution.

Demand management strategies	CCC	Value For Money	20	Community resilience; review how the Council is working to reduce demand for high-cost services and whether plans to manage demand in one area end up increasing demand in another area.
ICT Change Management	C&D	ICT and Information Governance	20	Review of policies, procedures and compliance with managing change in ICT systems and processes.
ICT Incident and Problem Management	C&D	ICT and Information Governance	20	Review of policies, procedures and compliance with managing identified incidents, issues and problems with ICT systems and services.
ICT Procurement	C&D	Procurement & Commissioning	20	Review of ICT procurement function including commissioning, contract management, efficiencies etc.
ICT Asset Inventory	C&D	ICT and Information Governance	15	Review of how physical ICT assets are inventoried and managed throughout the Council, especially with the move to increased remote working.
Procurement Team Oversight of Major Procurements Compliance	Resources	Procurement & Commissioning	10	Recommendation from a previous audit that a monthly report of all purchase orders above £100k raised in the last month is extracted from ERP and that this is compared to the known contracts that have been created in the last month to check for contracts above £100k that were not overseen by the Procurement Team. Procurement have indicated that this would be too expensive for them to implement so Internal Audit will conduct compliance testing on this key control.

## 7. Follow up of agreed audit actions

- 7.1 The outstanding management actions from Internal Audit reports as at 18<sup>th</sup> June 2021 are summarised in the table below. This includes a comparison with the percentage implementation from the previous report (bracketed figures).
- 7.2 In line with the new rolling audit plan, from this reporting period onward implemented recommendations will now only include those closed within the last five quarters. Any recommendations that were closed more than five quarters ago are not included in the figures below.

Table 4: Implementation of Recommendations

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
Implemented	3 (1)	2.97% (1.32%)	44 (59)	43.56% (77.63%)	47 (60)	46.53% (78.95%)
Actions due within last 3 months, but not implemented	1 (0)	0.99% (0%)	43 (4)	42.57% (5.26%)	44 (4)	43.56% (5.26%)
Actions due over 3 months ago, but not implemented	1 (2)	0.99% (2.63%)	9 (10)	8.91% (13.16%)	10 (12)	9.90% (15.79%)
Totals	5		96		101	

- 7.3 There are currently 54 management actions outstanding. Further detail on outstanding actions is provided at Appendix B.
- 7.4 There are two outstanding 'Essential' recommendations. The first relates to the Complaints Audit, which found that the Council did not have a corporate complaints policy or detailed guidance, but instead had inconsistent local processes in place. The policy and guidance are now in place. However, to assist with the implementation of this policy the service planned to implement a digital complaints management solution. Progress with this system was impacted by pressure on the LGSS Digital team through the height of the pandemic, when work had to be re-prioritised to support our COVID response. This team was then impacted by the re-patriation of staff from LGSS to the various LGSS partner authorities in October 2020 and by the backlog of digital work, particularly the creation of on-line forms, which again had to be carefully prioritised. Progress is



now being made, the system has been developed and testing is currently taking place. On the assumption that the testing progresses well we expect that the recommendation will be fully implemented by 30th September 2021.

- 7.5 The other outstanding essential recommendation relates to a review of aged debt and only became overdue on 30<sup>th</sup> June 2021. The Head of Finance Operations is implementing debt improvement groups to establish debt recovery principles with services and once these are established will undertake the review exercise. In the interim and as BAU service review meetings have been put in place. This includes the sharing debt data with services, including aged debts, to enable targeted communication and actions. The recommendation is expected to be fully implemented by 30th September 2021.

## 8. Risk Management

- 8.1 In March 2021, a new suite of Corporate Risks was agreed by JMT, and subsequently agreed by the Audit and Accounts Committee. These risks are as follows:
- Risk 01 – The Council’s arrangements for safeguarding vulnerable children and adults fails
  - Risk 02 – The Council does not have enough budget to deliver agreed corporate objectives
  - Risk 03 – In the midst of the Covid-19 pandemic, a serious incident occurs, preventing services from operating and/ or requiring a major incident response.
  - Risk 04 - The Council does not deliver on its’ statutory or legislative obligations
  - Risk 05 – Our human resources are not able to meet business need
  - Risk 06 – Insufficient community infrastructure to deliver the Council’s services
  - Risk 07 – Failure to deliver key Council services
- 8.2 A meeting was subsequently held to discuss how business systems should be captured at a corporate level, and work is now ongoing to review and refresh the IT Service and CCS Directorate Risk registers, before feeding the most high risk elements of this area into the Corporate Risk Register (CRR).
- 8.3 Risk 07 ‘Failure to deliver key Council services’ has been agreed, and key triggers suggested, through there are currently no controls detailed.
- 8.4 The GRACE Risk Management System was updated to reflect the CRR, and discussions are ongoing to discuss how to align directorate risks to the CRR in an efficient manner.
- 8.5 The Internal Audit team is in the process of migrating the full suite of risk registers and the risk management process to sit within POWA (Project Online). This moves away from the LGSS GRACE Management System and should allow a greater

ease of access and understanding for risk owners and officers using risk registers and will facilitate a greater consistency across risk registers. This new system will align to the Council's project management systems and therefore should also allow for the escalation of project risks in a more streamlined way.

- 8.6 Now the new suite of risks has been agreed, work has begun on the next stage of the Risk Management process. That is to take the information detailed in the CRR and to give an assurance to risk owners and key stakeholders that the control environment detailed is proportionate and effective in theory to mitigate the risk. Once this work has been completed, a report will be presented to the relevant risk owners and wider JMT on the opinion given on the risk register and will include any key considerations for inclusion going forward.
- 8.7 The final stage in this process will be to undertake compliance testing of key controls detailed within the register to ensure that the controls are operating as intended in practice. This assurance process will then be undertaken for the top 3 risks in each directorate on a sampled quarterly basis.

## 9 Fraud and corruption update

### 9.1 Fraud investigations

The current Internal Audit caseload of investigations is summarised below in Table 5. At the time of writing, Internal Audit has received one notification of a suspected theft in 2021/22; the remaining open cases relate to notifications or whistleblowing cases that were received in the previous financial year.

Table 5. Current Internal Audit Investigations Caseload

Open Cases from 2020/21 <i>Carried forward</i>		Open	Closed	Total
Fraud	Direct Payments	2	0	2
	Blue Badges	2	0	2
	Third Party Fraud	1	0	1
Governance	Anti-competitive activity allegation	1	0	1
Theft	Schools Theft	0	1	1
	<b>Total</b>	<b>6</b>	<b>1</b>	<b>7</b>
<b>All Cases Reported in 2021/22 <i>To Date</i></b>				
Theft	Libraries Theft	1	0	1
	<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>

## 9.2 National Fraud Initiative

The 2020/21 National Fraud Initiative started in September 2020 for extraction of data sets across a variety of service areas matched nationally with other agencies such as Her Majesty's Revenue and Customs (HMRC) to prevent and detect fraud and error. The matches were available to review from January 2021.

The total amount of matches for CCC is 8625. As at June 2021, 412 matches have been reviewed and cleared resulting in £63,440.03 identified to recover. This sum relates to pension payments made to a deceased person and the Pension Team Leader (West Northamptonshire) is progressing these cases.

Out of the 8625 matches 396 are being reviewed by the Internal Audit team.



## Appendix A

### Internal Audit Plan 2021/22

Progress to date with the core Internal Audit Plan 2021/22 and the agreed Q1 'flexible' plan, on the basis of individual reviews completed, is summarised as follows:

Audit Plan 21/22 Progress In-Year		
Total Completed & Closed Reviews	6	6.5%
Ongoing Work (i.e. which will not 'close' until the end of the financial year)	23	24.7%
Draft Report Issued	4	4.3%
Fieldwork In Progress	17	18.3%
Reviews at Terms of Reference (ToR) stage and before	4	4.3%
21/22 Planned reviews not started or 'paused' at Director request	39	41.9%

Detail of the agreed Core and Q1 'flexible' Internal Audit Plan 2021/22, including progress to date, is provided below:

Audit Title	Type of work	Progress
Financial Assessments	Audit	Fieldwork
Dedicated Schools Grant SEN Audit	Audit	Fieldwork
Schools Payroll	Audit	Complete
Schools Safer Recruitment	Audit	Draft Report
Light Touch ICT Security Healthcheck	Audit	Complete
Schools Capital Programme	Audit	Fieldwork
Payroll Analytics	Audit	Fieldwork
Foster Carer Overpayment Review	Audit	Draft Report
Project Management Framework	Audit	Fieldwork
Projects Assurance	Audit	Not started
Fees & Charges Policy & Compliance	Audit	Fieldwork
Declarations of Interest	Audit	Fieldwork
Procurement Compliance (Over £20k)	Audit	Fieldwork
Highways Contract	Audit	Fieldwork
Integrated Drug and Alcohol Treatment System Contract	Audit	Fieldwork
Provision of Community Equipment Services Contract	Audit	Fieldwork
(Energy Programme) Capital Project Variations and Overspends	Audit	Terms of Reference
Contract Management - CCS and Healthy Child Provision (Section 75)	Audit	Fieldwork
Major Infrastructure Delivery Project Assurance Group	Support	Ongoing
Lancaster Way Contract	Support	Ongoing
Troubled Families	Grant claim	Ongoing
Active Travel Fund	Grant claim	Complete

Local Transport Capital Block Funding (Highways Maintenance)	Grant claim	Complete
Pothole and Challenge Fund	Grant claim	Complete
Disabled Facilities Grant	Grant claim	Fieldwork
Basic Needs Funding	Grant claim	Cancelled – no longer required
Test Track & Trace Grant	Grant claim	Cancelled – no longer required
BSOG (Bus Service Operator's Grant)	Grant claim	Complete
Additional Dedicated Home to School Grant	Grant claim	Fieldwork
Covid Grants Contingency	Grant claim	N/A – contingency fund
National Fraud Initiative	Support	Ongoing
Fraud Investigations Review Process	Support	Ongoing
FOI Review	Investigations & Reviews	Draft Report
Preschool Investigation	Investigations & Reviews	Draft Report
Libraries Self Service Machines Review	Investigations & Reviews	Fieldwork
Annual Governance Statement/Code of Corporate Governance	Support	Ongoing
Whistleblowing Policy Annual Review	Support	Ongoing
Public Sector Internal Audit Standards (PSIAS) Review	Support	Ongoing
Sustainability Panel	Support	Ongoing
Strategic Risk Management Assurances	Risk Management	Ongoing
Risk Management	Risk Management	Ongoing
Compliance - Corporate and Key Directorate Risks	Risk Management	Ongoing
Advice & Guidance	Support	Ongoing
Freedom of Information Requests	Support	Ongoing
Follow-Ups of Agreed Actions	Support	Ongoing
Committee Reporting	Support	Ongoing
Management Reporting	Support	Ongoing
Audit Plan	Support	Ongoing

## Appendix B

### Summary of Outstanding Recommendations – under 3 months

(Recommendations due as at June 30<sup>th</sup> 2021)

Audit	Risk level	Summary of Recommendation	Target Date	Status
GDPR	I	The Information Register is not complete and reviewed on a regular basis: DPO to ensure that a continual review of the Information Asset Register is undertaken and any gaps are reported to the Information Management Board including escalation to the relevant Director.	30/04/21	<p>The IG Service is looking at how best to bring together the information asset registers for both councils (CCC &amp; PCC) into one to ensure that they have visibility across both organisations with consistency in how assets are described. This also requires the engagement of services as a full understanding is needed regarding the information held and shared, especially given the impact of COVID 19 on the need to process new information and share with new partners. Most of the work requires input from services and the pressures on services during the pandemic has meant that progress has been slowed. However, the IG service has been able to reorganise itself to dedicate greater resources to review the registers - gaps have been identified and therefore the service is able to address any issues or urgent updates in the meantime.</p> <p>A paper will be going to the Information Management Board in September to set out the plan with services.</p> <p>Revised target date 30th September 2021</p>

Key Policies and Procedures	I	<p>Policy Framework: A policy framework document should be drafted which includes:</p> <ul style="list-style-type: none"> <li>• A definitive list of CCC's key policies</li> <li>• links to each policy or where to find them</li> <li>• The update schedules for each</li> <li>• Whether any particular legislation must be taken into account when updating</li> <li>• Whether legal advice is needed on updating (to prevent misinterpretation of legislation)</li> <li>• Who is responsible for updating each policy</li> <li>• Who needs to approve changes to the policy (e.g. JMT or service committees)</li> <li>• Templates and Guidelines for the creation of new policies (e.g. is an Equalities impact assessment needed)"</li> </ul>	30/04/21	<p>The Head of Policy, Design and Delivery confirmed that work on this recommendation is underway, however has been delayed due to vacancies (recruitment underway), commitments in existing projects and the policy and strategy work in the Joint Agreement Action Plan.</p> <p>Revised target date 31st August 2021</p>
This Land	I	<p>A calendar of operational liaison meetings: A calendar of operational liaison meetings between This Land and key Council officers managing the relationship should be established with administrative support to ensure these are fully documented and an action plan is in place. These should have a set agenda in advance and regular discussion items such as KPI source data, Health and Safety related matters and progress against all developments.</p>	01/04/21	<p>Director of Resources &amp; Chief Finance Officer: The next set of dates for these meetings are being arranged with This Land. These will continue to have a set agenda in advance. Greater priority is needed to KPI data and Health &amp; Safety (drawing on the monitoring surveyors report) and further input from within CCC is being requested.</p> <p>Revised target date: 31<sup>st</sup> July 2021</p>
This Land	I	<p>Annual Assurance Statement: An annual assurance statement should be provided to the Shareholder considering whether or not a sound system of internal control exists within the company and that the obligations documented with the Loan Facility Agreements have been met. An independent Internal Audit function should deliver an annual opinion on whether this is in place and highlight any areas of concern. As a wholly owned company of the Council, a public body, the requirements of the Accounts and Audit Regulations apply and therefore the Council's Audit</p>	01/05/21	<p>Director of Resources &amp; Chief Finance Officer: The This Land audit committee has accepted CCC's request to engage its own internal audit function. CCC has seen the specification for internal audit works which have been sent to three independent firms, and we are in agreement with this.</p> <p>We will request the annual assurance statement as part of the AGM and statutory accounts process.</p>



		Committee has responsibilities to be assured regarding the governance, control and risk management operating within the company.		Revised target date: August 2021
This Land	I	<p>Governance arrangements: A formal document is produced and presented to C&amp;IC (as Shareholder) containing governance arrangements of:</p> <ul style="list-style-type: none"> <li>• Reporting to Shareholder;</li> <li>• Corporate performance indicators for delivery against the benefits identified;</li> <li>• Business plan;</li> <li>• Financing the company;</li> <li>• Reserved matters;</li> <li>• Risk, Audit, and internal control</li> </ul> <p>This could be a development of the drafted Memorandum of Understanding or a separate document which should be discussed and agreed by the committee, with changes made if necessary. Implementation of this recommendation would substantially increase the audit opinion.</p>	01/06/21	Revised target 30/9/21
Community Capital Fund	I	<p>Committee reporting: The Communities and Partnerships Committee is given quarterly updates regarding the implementation of projects awarded funding from the Community Capital Fund.</p> <p>These updates should be comprehensive, providing updates projects currently underway assurance that completed projects have successfully delivered the agreed outcomes. This should be informed by monitoring arrangements so that officers can be satisfied that projects have been successfully delivered and completed. Updates should cover whether spend is in line with the Grant Agreement and highlight any areas of concern.</p> <p>Reporting should continue until all projects awarded</p>	31/05/21	<p>A paper had been prepared for Committee but this was delayed due to the election period and subsequent changes to the committee structure post-election. An updated paper will be presented to the new committee in July.</p> <p>Revised target date: 31<sup>st</sup> July 2021</p>

		funding have been completed.		
AP 20/21	I	<p>Manual Uploads:</p> <p>The AP service should develop a business case that can be used to outline the case for services using/continuing to use manual upload spreadsheets.</p> <p>Each service currently submitting manual upload spreadsheets should then be contacted and required to complete the business case. AP management should then review each case with appropriate regard for purchasing controls and efficiency within AP and the impact on each service. Any service where the business case is rejected could be given a documented grace period while they put new operational processes in place.</p>	30/06/21	<p>All clients are required to complete an Approval Spreadsheet Request form on which the spreadsheet owner is required to specify a valid business case for using the spreadsheet template process which will be reviewed by the AP team and Finance/ Section 151 if necessary.</p> <p>The Service has informed Internal Audit that this recommendation has been implemented but has not yet provided evidence for Internal Audit to review and confirm implementation.</p>
AP 20/21	I	<p>Supplier Review:</p> <p>A review of Virgin Media Ltd suppliers in ERP gold should be undertaken with the aim of reducing the number of suppliers for that company and ensuring that the instances where Virgin Media Ltd is set up for non-commercial payments are either deleted or disabled.</p>	30/04/21	<p>A Duplicate Suppliers report is now available in ERP to identify suppliers with duplicate payment sites. In addition to the BAU processes above, an exercise will be undertaken specifically to review the Virgin Media Ltd suppliers but this has been delayed due to the high priority of implementing the new local government structure in Northamptonshire. This action has also been delayed as any open orders on the relevant supplier records need to be reviewed and closed in advance.</p> <p>Revised target date: 30th September 2021</p>
AP 20/21	I	<p>Supplier Review:</p> <p>A review of suppliers in ERP should be undertaken to identify any further instances where the same company is set up as both a commercial and non-commercial</p>	30/06/21	<p>To mitigate this risk the New Supplier Request form advises the user to check that a supplier record does not exist in ERP and the Suppliers team is required to complete further checks to</p>

		supplier. Each case should be reviewed to establish if the existence as both supplier types is appropriate and if not if should be determined which supplier instances should be deleted or disabled.		<p>prevent duplicate supplier records being set up in ERP.</p> <p>A Duplicate Suppliers report is now available in ERP to identify suppliers with duplicate payment sites and this will be used to undertake an exercise to identify and review any existing suppliers that are set up as both commercial and non-commercial types.</p> <p>Revised target date: 30<sup>th</sup> September 2021</p>
Feeder Systems	I	<p>Early Years Grants:</p> <p>The Early Year's Funding Coordinator should consider implementing an audit programme of childcare providers to sample check attendance records and confirm that all children for whom providers are receiving payments are still attending the providers settings. This would not need to involve an actual visit to providers but simply a requirement for them to provide attendance records to the Early Year's Funding Team for review.</p>	30/06/21	<p>The Early Years Funding Team have drafted and prepared a draft review programme. They have identified the first group of providers to be audited with the plan to conduct the first reviews in July 2021</p> <p>Revised target date: 31<sup>st</sup> July 2021</p>
DR 20/21	E	<p>Aged Debt Review:</p> <p>An exercise should be undertaken to review all debt over 12 months old. The aims of this exercise should be to halt rising aged debt levels and reducing existing aged debt. The review should include:</p> <ul style="list-style-type: none"> <li>• An examination of causal factors behind aged debts</li> <li>• Identifying process amendments to address any causal factors identified</li> <li>• An examination of each customers aged debt to determine:</li> <li>• Whether action from the service who raised the invoice is required</li> <li>• What recovery activity should be undertaken</li> <li>• Whether the debt is considered unrecoverable and should be written off.</li> </ul>	30/06/21	<p>Service Review meetings have been implemented with services, including Adult Social Care. Meetings include the sharing of granular data and categorising debt by complaint code, age and service, to enable targeted communication and actions.</p> <p>The sharing of the data is allowing closer working with Finance Business Partners, who in turn are working with Budget Holders to support debt recovery and any further action required.</p> <p>A review is currently underway and activity includes:</p> <ul style="list-style-type: none"> <li>• Detailed debt reports being shared with key stakeholders to understand factors behind the aged debts</li> <li>• To support identification of factors behind debt, it will be a requirement that all debt is annotated</li> </ul>

				<p>and a complaint code to categorise. This is work in progress to enable trend analysis and to support process improvements.</p> <ul style="list-style-type: none"> <li>• A review of the current write off process is underway, including the management of payment plans. Principals for write offs are being developed and will be included in our simplified Debt Recovery Principals for Budget holders which is currently in Draft.</li> </ul> <p>Debt improvement groups are being implemented to work with services, including ASC, to establish debt principles for recovery. Once these are established the exercise to specifically review aged debts will proceed.</p> <p>Revised target date: 30<sup>th</sup> September 2021</p>
DR 20/21	I	<p><b>Aged Debt Reporting:</b> A report should be developed in ERP Gold to identify any debts that will become over 12 months old within the next 30 days. This should be run on a monthly basis to enable a targeted review of those customer accounts to allow to determine whether any action can be taken to deal with the debt at that stage. These reviews could operate as a triage meeting where Debt Recover Management review what action has been undertaken, and whether that action was timely and compliant. As well as an opportunity to deal with any specific customer issues this would also highlight potential instances of non-compliance with procedures that could then be addressed.</p>	30/06/21	<p>Service Review meetings have been implemented with both Finance Business Partners and Adult Social Care where a granular debt data is shared. This has already improved engagement with key areas who now have the management information to review debts with Budget Holders.</p> <p>The Service has informed Internal Audit that this recommendation has been implemented but has not yet provided evidence for Internal Audit to review and confirm implementation.</p>

DR 20/21	I	Debt Collection Agencies (DCAs): Referrals to DCAs should be undertaken on a monthly basis to ensure this key recovery activity is undertaken on a timely basis. This should support improved timely recovery of debts and should have a positive impact on cash flows. This will also ensure that further debt recovery activities/write off decisions can progress quickly where external agencies are unsuccessful in collecting debts.	30/06/21	DCA referrals are undertaken on a regular basis from within ERP, via a report that identifies each account that is of the appropriate status to reflect that the next step is for the case to be referred to external DCA (level6).  The Service has informed Internal Audit that this recommendation has been implemented but has not yet provided evidence for Internal Audit to review and confirm implementation.
DR 20/21	I	CCG Debt: The Debt Service should meet with Corporate Finance to agree a target date for when the CCG account will be reconciled and hold regular meetings to monitor progress. It is important that this account is reconciled as a matter of priority so that debt recovery is not adversely impacted by this issue.	30/06/21	CCG is now discussed in the monthly Service Review meetings that have been implemented. A reconciliation of the CCG debt will become part of standard BAU processes. High level discussions are ongoing between Finance, including the S151 Officer, and CCG on this matter. CCG accounts have been streamlined and Finance are liaising with budget holders to ascertain any potential billing issues that may be impacting this area.  Revised target date: 30 <sup>th</sup> September 2021
DR 20/21	I	CCG Debt: The Debt Service should arrange a review of the CCG account (with particular regard for invoicing/payment processes) in conjunction with Corporate Finance and the Income Processing Team to establish the root causes of the problem/s that have led to the current position of the CCG account and put measures in place to ensure this does not happen in the future.	30/06/21	CCG is now discussed in the monthly Service Review meetings. Some of the original Debt problem stemmed from the implementation of ERP where payments were allocated on an oldest first approach. This has particularly caused issues on the CCG accounts due to the sheer volume of invoicing, and part payments made by the CCG. A new CCG Account has been set-up to help address the problem going forward. High level discussions are ongoing between Finance, including the S151 Officer, and CCG on this matter. CCG accounts have been streamlined and Finance are liaising with budget holders to ascertain any potential billing issues that may be

				<p>impacting this area.</p> <p>Revised target date: 30<sup>th</sup> September 2021</p>
DR 20/21	I	<p>KPIs and targets:</p> <p>KPIs and targets for debt recovery should be introduced. High level targets should be agreed with clients at a senior level, and KPIs and performance measures should be introduced within debt teams for DR Officers.</p>		<p>The service has agreed with the Partnership Board to report Management Information to support the successful management of Debt. They are currently considering implementing a KPI for all debt over 90 days to have a complaint code applied to 95% of transactions but this will require new reports be developed.</p> <p>Individual targets will be introduced by the end of Q2 to drive team and individual performance, as these are not currently in place effectively.</p> <p>There are currently working groups in place to agree key principals around debt provision, aligned to an agreed collection strategy.</p> <p>Revised target date: 30<sup>th</sup> September 2021</p>
DR 20/21	I	<p>Bad Debt Provision:</p> <p>The bad debt provisions at CCC and NCC should be reviewed and discussed with the Heads of Finance to provide assurance that current bad debt provisions are adequate. If these reviews determine bad debt provisions are not sufficient then they should be amended and agreed with the Heads of Finance.</p>		<p>A review of the bad debt methodology has been undertaken with the outcome being a new process where the bad debt provision is calculated and updated on a monthly basis and included in debt reporting.</p> <p>The Service has informed Internal Audit that this recommendation has been implemented but has not yet provided evidence for Internal Audit to review and confirm implementation.</p>

Capital Programme Governance Review	I	There are 26 recommendations in the Capital Programme Governance Review report that became due for implementation on 30 June 2021.	30/06/21	<p>Work to establish progress with these recommendations is being progressed as a separate exercise. Internal Audit is working closely with the Executive Director of Place and Economy to determine the scope and approach to this work. A progress report from the Project Assurance Group, which involves audit and finance colleagues working with the service, is being prepared for the Executive Director to assess progress against the management actions from the audit. A further progress report will be provided in 6 months time to review progress with embedding improvements to the control environment across the Highways and Transport area which will, by that point, be led by a new permanent senior management team, which is currently being recruited.</p> <p>Revised target date: 30/9/21</p>
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## Summary of Outstanding Recommendations – over 3 months

(Recommendations due as at June 30<sup>th</sup> 2021)

Audit	Risk level	Summary of Recommendation	Target Date	Status
Fostering Contract Management	I	Double paying for home-to-school transport: Establish a suitable fee reduction to ensure travel costs are not paid for twice and publish this clearly as part of fee negotiation guidance. Before negotiations for a contract start, it should be fully established whether the child is eligible under the home to-school transport assistance policy and the fee reduction should be agreed accordingly. Guidance should be updated to state that every contract should include a note re: how Home to School transport and transport to contacts is funded, and that this should	01/10/19	<p>The process for the Access to Resources Team to request discounts / negotiated fees for provisions where Home to School Transport is provided is in embedded into the team processes. It is noted however that at present there is no formal process recorded (that is to say, the team have a procedure they undertake, but this is not a documented procedure).</p> <p>Commissioning are in the process of formalising</p>

		<p>also be noted on the placement plan.</p> <p>Given the values involved, consideration should be given to calculating the potential over payments made in previous years to inform a decision as to whether or not these sums should be recovered.</p>	<p>the procedure and seeking ratification for it from senior managers; this process may take up to three months. As outlined previously, Access to Resources are not able to apply a 'blanket approach' to home to school transport – there are situations where a carer travels a significant distance for contact or where children attend school in two different directions, where it would not be appropriate to request a discount for transport, but this is considered on a case by case basis; the process will reflect this.</p> <p>The Access to Resources Team have also been reviewing historic arrangements where children in placements with independent fostering agencies are accessing Home to School transport provided by the Local Authority Home to School Transport Service. We have reviewed the position and would recommend not pursuing any further discounts for 'historic' placements. In many cases, placement providers have not requested fee uplifts which means that the Council are currently paying a lower fee for the placement. Continuing to pursue this issue risks a negative impact on our relationship, resulting in increased costs elsewhere in what is a sellers market where there is an acute shortage of foster placements. In the context of the current challenges in sourcing fostering placements for children and young people in care (capacity in this market, both regionally and nationally does not meet demand), we no longer consider it in the Council's best interests to progress with negotiations for historic discounts.</p> <p>We have approached regional neighbours who have confirmed that they do not request these discounts. This further risks weakening</p>
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				<p>Cambridgeshire's ability to source placements for Children in Care, where our regional neighbours apply less stringent processes to placement cost negotiations. We acknowledge that these negotiations are important, and that the Local Authority has a duty to ensure we are not double funding, but we also have a statutory duty to source provision for vulnerable children and young people, and in particular, these historic negotiations risk impacting our reputation with our local and strategic providers who might choose to offer placements to other Local Authorities before Cambridgeshire.</p> <p>Revised target date: 30<sup>th</sup> September 2021.</p>
Fostering Contract Management	I	No control process to identify errors in in-house payments: Create a payment policy document that clearly sets out the different scenarios that occur and how they are paid for, such as: respite breaks, children going to university, level 6 carers with a staying put placement etc. Include details about IFA carers transferring to in-house, and the fee agreements relating to children already in place.	01/07/19	<p>This activity has now broadened resulting from the decision to align CCC and PCC fostering services into a new shared Fostering Service. The implementation of this recommendation has been delayed due to the restructuring of the service and the required staff consultation taking priority.</p> <p>However, new systems are in place and the payments policy has now been drafted. A consultation with Foster Carers at both CCC and PCC will to be undertaken as the next step prior to fully implementing the finalised policy.</p> <p>Revised target date: 31<sup>st</sup> July 2021</p>
18/19 Ely Bypass Review	I	Limits on Delegated Authority: Consideration should be given to whether the Constitution should be adapted to incorporate limits to delegating authority away from Committees, particularly when there are significant financial implications.	31/10/19	<p>Following the departure of the previous Service Director for Highways and Transport, the Internal Audit team has contacted the Council's monitoring officer to progress and close this action.</p>

				Revised target date: 31 <sup>st</sup> July 2021
P&E Cost Recovery	I	<p>Time Recording Software: The exercise to procure time recording software should be pursued as a matter of priority to ensure an efficient time recording system is in place to underpin a robust and consistent cost recovery process across Infrastructure and Growth. The software should be able to:</p> <ul style="list-style-type: none"> <li>• Apply different staff rates, including overheads and risk percentages, for each project.</li> <li>• Automatically calculate staff costs for each project based on the applied rates.</li> <li>• Interface with/upload data to ERP Gold to provide an efficient way of updating project ledgers with staff costs. This would also support an efficient way of raising accurate invoices to external organisation direct from ERP Gold rather than multiple complex spreadsheets.</li> <li>• The software should also be user friendly and simple for staff to use and provide management reporting.</li> </ul>	31/03/20	<p>The service has confirmed that due to impact of Covid19 on the service (and IT having to divert their resources into higher priority projects) this project has not been progressed as planned.</p> <p>The latest update from the service confirmed that a system that can be added onto MS Teams has now been identified but the implementation will take some further time.</p> <p>Revised target date: 31<sup>st</sup> July 2021</p>
Accounts Payable 19/20	I	<p>Supplier Amendment: A review of supplier classification and set up in ERP Gold should be undertaken with the desired outcome to ensure that only individuals such as care customers are classified as non-commercial suppliers in the system.</p>	31/12/20	<p>Progress on this action has been delayed due to a change freeze in ERP Gold, and also by the impact of the pandemic/priority work on the future Northamptonshire project. Work on this is now progressing, linked to other changes in ERP to further strengthen the supplier amendment process. This has increased the complexity of the build so more time is required.</p> <p>Revised target date 30<sup>th</sup> September 2021</p> <p>It should be noted that the 20/21 AP report gave good assurance over controls and compliance.</p>

Accounts Receivable 19/20	I	Income allocation is not monitored with data and performance against targets regularly reported: SMART KPIs should be developed and put in place that will support effective monitoring of performance.	31/01/21	<p>The implementation of this recommendation has been delayed due to the impact of the pandemic/the LGSS review and transition to the lead authority mode. In addition, the service was prioritising the future Northamptonshire project work. However, Income/Suspense performance is discussed at service review meetings and is a standing agenda item.</p> <p>The service aims to include additional income performance statistics within the new debt and income performance report by the end of Q2 and are looking to understand what additional reports can be obtained from ERP.</p> <p>Revised Target Date: 30<sup>th</sup> September 2021</p> <p>Whilst this action remains outstanding it should be noted that the 20/21 AR gave good assurance over controls and compliance.</p>
Accounts Receivable 19/20	I	<p>Income allocation is not monitored with data and performance against targets regularly reported: Reporting should be amended to provide information to management, including data on KPIs, to allow for effective monitoring in key areas relevant to performance. This should be provided on a monthly basis and include:</p> <ul style="list-style-type: none"> <li>• New suspense items cleared - value and volume</li> <li>• New suspense items cleared in that month - value and volume (a KPI associated with this would be better than 3 days clearance)</li> <li>• Total value and volume cleared each month</li> <li>• Volume &amp; value (and percentage) of aged suspense items relating to each previous month)</li> <li>• Performance against agreed KPIs</li> <li>• This will help provide context to performance and help drive performance in a way that current reporting cannot.</li> </ul>	31/01/21	<p>The implementation of this recommendation has been delayed due to the impact of the pandemic/the LGSS review and transition to the lead authority mode. In addition, the service was prioritising the future Northamptonshire project work.</p> <p>Further discussions are required with Finance Business Partners regarding the introduction of a fortuitous income code.</p> <p>Income suspense is reported on a monthly basis to Finance Business Partners with a RAG status and suspense items broken down into age profile. Current reporting will be enhanced and developed to include the bullet points in the recommendation so that reporting provides detail of the timeliness of suspense account clearance each month.</p>

		<p>Last year it was recommended that any aged items in suspense should be allocated to a fortuitous income code once all proportionate investigations had been unable to allocate the payment. This is progressing but has not yet been fully implemented and embedded across all three clients yet. Once implemented, data on aged items allocated to fortuitous income should be included in reporting.</p>		<p>Revised Target Date: 30<sup>th</sup> September 2021</p> <p>Whilst this action remains outstanding it should be noted that the 20/21 AR report has now been completed which gave good assurance over controls and compliance.</p>
Complaints	E	<p><b>Complaints Policy and Guidance:</b> The review highlighted that the Council was operating without either a Corporate Complaints Policy or detailed guidance on local operating procedures. Instead, a corporate complaints leaflet with minimal details was in place.</p> <p>There was no consistent process in place for dealing with complaints across the Council. Instead inconsistent local processes were in place in different directorates and services.</p> <p>These issues have been identified by the Council and plans are in place to introduce a Corporate Feedback Policy and implement a digital complaints solution across the Council to replace the various spreadsheet based local processes.</p>	31/03/20	<p>The Director Customer &amp; Digital Services has advised;</p> <p>“The policy and guidance are now in place. However, to assist with the implementation of this policy the service planned to implement a digital complaints management solution. Progress with this system was impacted by pressure on the LGSS Digital team through the height of the pandemic, when work had to be re-prioritised to support our COVID response. This team was then impacted by the re-patriation of staff from LGSS to the various LGSS partner authorities in October 2020 and by the backlog of digital work, particularly the creation of on-line forms, which again had to be carefully prioritised. Progress is now being made, the system has been developed and testing is currently taking place. On the assumption that the testing progresses well we expect that the recommendation will be fully implemented by 30th September 2021”.</p> <p>Revised target date: 30<sup>th</sup> September 2021</p>

Complaints	I	<p>Complaints Monitoring: The current complaints processes do not include any corporate monitoring or reporting mechanisms. Without these it is difficult to assess whether complaints are being acknowledged investigated, escalated or responded to in line with procedures and timescales. It is also difficult to assess the number, nature and type of complaints received by the Council. This is important to support the identification of thematic issues and drive service improvement.</p> <p>The introduction of the corporate Feedback Policy and the new digital complaints solution provides a timely opportunity to introduce monitoring and reporting arrangements.</p>	01/10/20	<p>Reporting is planned to commence once the digital complaints solution has been implemented and new processes have been embedded (see above).</p> <p>Revised Target Date: 31<sup>st</sup> December 2021</p>
This Land	I	<p>Corporate Risk Register: The council captures the risks associated with This Land on its corporate risk register.</p>	01/03/21	<p>A review of the corporate finance risk is being undertaken and will include risks associated with This Land.</p> <p>Revised target date: 31<sup>st</sup> July 2021</p>



## Integrated Finance Monitoring Report for the period ending 31 March 2021

To: Audit & Accounts Committee

Meeting Date: 13 July 2021

From: Chief Finance Officer

Electoral division(s): All

Key decision: Strategy & Resources Committee

Forward Plan ref: 2021/023 (Strategy & Resources Committee)

Outcome: This report:

- Details the performance of the Council for the 2020/21 financial year.
- Is a management report that precedes the production of the Council's formal Statement of Accounts. Although the Outturn Report and Statement of Accounts reconcile to one another, it is the statutory Statement of Accounts on which the audit opinion is formed.

Recommendation: Audit & Accounts Committee is invited to note and comment on the report.

Strategy & Resources Committee (S&R) was recommended to:

- a) Note the allocation of the accrued £1.47m Business Rates Retention 2020-21 Pool Dividend to the corporate grants account within Funding Items, as set out in section 6.1;
- b) Approve accounting for £17,914k Greater Cambridge Partnership funding in place of borrowing, to partially offset the additional borrowing required to repay the recognition in previous years of £19,963k Basic Need funding and £1,401k Combined Authority funding for the Wisbech Access Strategy, and also approve the resulting increase of £3,450k in the prudential borrowing requirement.as set out in section 13.6;
- c) Note the use of £9,569k Section 106 contributions for applicable schemes where expenditure was incurred in prior years, and the resulting reduction of £9,569k in the prudential borrowing requirement for 2020/21 as set out in section 13.6;

- d) Approve the transfers to earmarked reserves totalling £7,323k as set out in section 14.1; and
- e) Note the additional funding for the Emergency Active Travel scheme, previously recommended in the February 2021 report, as set out in Appendix 3.

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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

<b>Revenue budget outturn</b>  -£6.3m (-1.5%) year-end variance  Green	This is a £0.892m increase in the revenue underspend since last month's forecast.  Use of grant for Covid-19 pressures has decreased by £1.4m compared to last month's forecast.  There is a £17.6m decrease in the in-year capital expenditure compared to last month's forecast.	<b>Capital programme outturn</b>  -£50.5m (-24.6%) year-end variance  Green
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### Number of service users supported by key care budgets

<b>Older people aged 65+ receiving long term services</b>	<b>Mar-21</b>	<b>May-20</b>	<b>Trend since May 20</b>
Nursing	530	472	Increasing
Residential	933	898	Increasing
Community	1,840	1,861	Decreasing

<b>Adults aged 18+ receiving long term services</b>	<b>Mar-21</b>	<b>May-20</b>	<b>Trend since May 20</b>
Nursing	73	72	Stayed the same
Residential	355	351	Stayed the same
Community	2,401	2,360	Increasing

<b>Children open to social care</b>	<b>Mar-21</b>	<b>Apr-20</b>	<b>Trend since Apr 20</b>
Children in Care	664	730	Decreasing
Child Protection	445	324	Increasing

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

- 2.2 This report summarises the overall financial position for the 2020/21 financial year, whereas prior reports have focussed on the movements since the previous report. As is the case with every year-end report, there are a number of changes that result as balance sheet activities are reviewed. Key movements in operational expenditure are set out below in paragraph 3.3.

### 2.3 The key issues included in the summary analysis are:

- The overall revenue budget position was an underspend of -£6.3m at year-end. This is a movement of -£0.892m on the forecast reported as at the end of February with the majority of services reporting favourable movements on their February forecasts with the exception of CS and C&I. The pressures are largely within People & Communities (P&C) (+£3.0m) and Commercial & Investment (C&I) (+£3.2m). These are offset by underspends in Place & Economy (P&E) (-£0.9m), Corporate Services (-£1.0m), CS Financing (-£1.0m) and Funding Items (-£9.5m). Of the £9.5m Funding Items underspend, £7.9m relates to the usage of the unbudgeted Covid-19 support grant from MHCLG in relation to pressures as a result of the Covid-19 pandemic and £1.5m relates to the Business Rates Retention 20-21 Pool Dividend (as reported in section 6.1). See section 3 for details.
- The Capital Programme is reporting an underspend of -£50.5m compared to the position originally anticipated when the capital programme variations budget was set. This includes full utilisation of the £40.2m capital programme variations budget. See section 13 for details.

### 3. Revenue Budget

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

Key to abbreviations

CS Financing – Corporate Services Financing

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Original Budget as per Business Plan £000	Service	Revised Budget £000	Additional Funding approved from General Reserves £000	Total Funds (3)+(4) £000	Actual Spending £000	Variation £000	Variation %	Transfer to (+) / from (-) Reserves £000
56,470	Place & Economy	58,067	0	58,067	57,186	-882	-1.5%	882
275,096	People & Communities	276,125	0	276,125	279,160	3,035	1.1%	-3,035
0	Public Health	0	0	0	0	0	-%	0
29,441	Corporate Services	32,577	0	32,577	31,566	-1,011	-3.1%	1,011
-9,277	Commercial & Investment	-9,113	0	-9,113	-5,952	3,161	-%	-3,161
29,570	CS Financing	29,570	0	29,570	28,558	-1,012	-3.4%	1,012
<b>381,300</b>	<b>Service Net Spending</b>	<b>387,226</b>	<b>0</b>	<b>387,226</b>	<b>390,517</b>	<b>3,291</b>	<b>0.8%</b>	<b>-3,291</b>
16,844	Funding Items	16,844	0	16,844	7,297	-9,548	-56.7%	9,548
<b>398,144</b>	<b>Net Spending</b>	<b>404,070</b>	<b>0</b>	<b>404,070</b>	<b>397,814</b>	<b>-6,257</b>	<b>-1.5%</b>	<b>6,257</b>
	<b>Memorandum Items:</b>							
6,286	LGSS Operational	87	0	87	87	0	0.0%	0
<b>404,430</b>	<b>Total Net Spending 2020/21</b>	<b>404,157</b>	<b>0</b>	<b>404,157</b>	<b>397,901</b>	<b>-6,257</b>	<b>-1.5%</b>	<b>6,257</b>

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

<sup>2</sup> The budget of £0k stated for Public Health is its cash limit budget. In addition to this, Public Health has a budget of £26.4m from ring-fenced public health grant, £0.7m from the Contain Outbreak Management Fund, £1.4m from Test and Trace Support Grant and £2.8m from the Lateral Flow Testing Grant which make up its gross budget.

<sup>3</sup> The 'Funding Items' budget comprises the £9.0m Combined Authority Levy, the £416k Flood Authority Levy and £7.4m change in general and corporate reserves budget requirement. The outturn on this line reflects the 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.

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

<sup>5</sup> For budget virements between Services throughout the year, please see [Appendix 1](#).

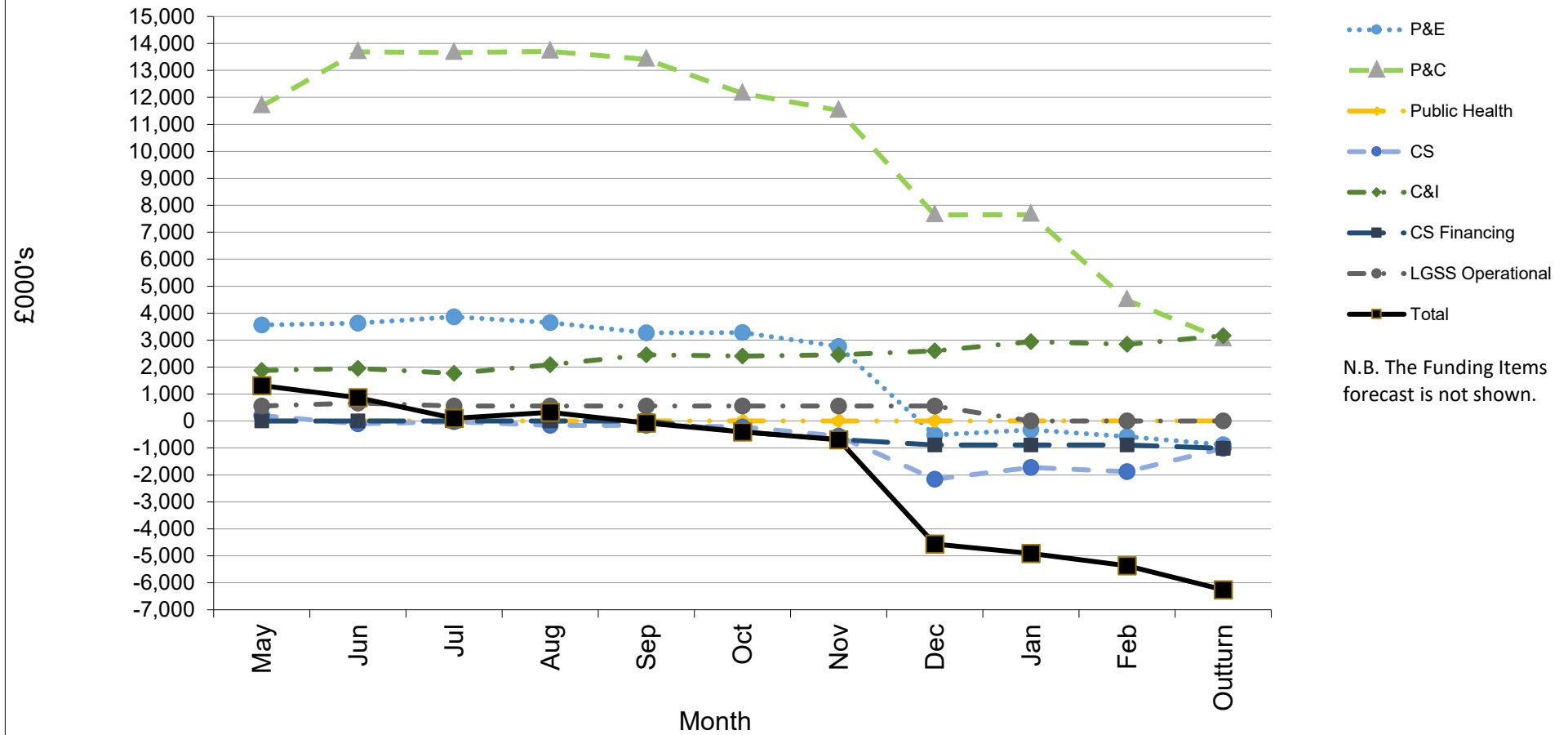
### 3.2 Summary of Outturn Variances showing split between Covid-19 pressures and Other Financial Impacts

Service	Outturn Variance £000	Covid-19 Pressure £000	Lost Sales, Fees & Charges Compensation	Other Financial Impact <sup>1</sup> £000
Place & Economy	-882	5,021	-3,168	-2,735
People & Communities	3,035	15,141	-3,226	-8,880
Public Health	0	180	0	-180
Corporate Services	-1,011	1,963	-12	-2,962
Commercial & Investment	3,161	2,935	-63	289
CS Financing	-1,012	0	0	-1,012
<b>Service Net Spending</b>	<b>3,291</b>	<b>25,240</b>	<b>-6,469</b>	<b>-15,480</b>
Funding Items	-9,548	-7,907	0	-1,640
<b>Subtotal Net Spending</b>	<b>-6,257</b>	<b>17,333</b>	<b>-6,469</b>	<b>-17,120</b>
<b>Memorandum items:</b>				
LGSS Operational	0	0	0	0
<b>Grand Total Net Spending</b>	<b>-6,257</b>	<b>17,333</b>	<b>-6,469</b>	<b>-17,120</b>

<sup>1</sup> Other Financial Impact includes underspends both Covid-19 related and non-Covid-19 related, as well as non-Covid-19 related pressures. The main items are shown below:

- P&E- Street Lighting underspend mainly due to a prior year contract adjustment (£1.2m)
- P&C- Reduced expenditure levels in Older People's Services & Physical Disabilities due to NHS funded hospital discharge (£2.1m), Mental Health (£1.1m), Children in Care (£1.9m), over-achievement of vacancy savings target and delayed service restructure Strategic Management- Children & Safeguarding (£1.2m) and directorate-wide staff travel savings due to Covid (£1.3m).
- Corporate Services- Reduced draw required on Investment in Social Care Capacity budget due to additional grant funding (£2.4m) (see also section 3.3.4)
- CS Financing- Debt charges underspend mainly on Interest Payable (see also section 3.3.5)

Forecast Outturn Position 2020/21



### 3.3 Key exceptions this month are identified below.

#### 3.3.1 Place & Economy:

-£0.882m (-1.5%) underspend is being reported at year-end.

- Lost Sales, Fees & Charges Compensation

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-3.168	(-%)

-£3.168m in compensation has been received from MHCLG for lost sales fees and charges. This is an increase of £0.284m on the position previously reported in December and relates in full to a change since last month. There have been significant pressures within the service relating to the Covid-19 virus. The majority of these are for the loss of income which is used to fund existing services. Grant has been received for the loss of income, although not totally covering the shortfall.

- Traffic Management

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-0.326	(-175%)

A -£0.326m underspend is being reported at year-end. Income from road closures was significantly higher than budgeted due to an increase in the number of emergency road closures during the year.

- Community Transport

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-0.291	(-11%)

A -£0.291m underspend is being reported at year-end. This is due to a number of routes which were funded by S106 developer contributions.

- Waste Management

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.579	(+2%)

A +£0.579m pressure is being reported at year-end. This is a decrease of £0.391m on the position previously reported in August, of which £0.270m relates to a reduction since last month. Although COVID related impacts created an additional pressure on the service budget of £1.140m (due to additional Household Recycling Centre running costs, increased recycling credit payments to district and city councils and reduced trade waste collections), this additional pressure was partly offset by reduced contract costs due to an overall reduction in total waste collected, resulting in an outturn pressure of £0.579m.

- Major Infrastructure Delivery

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.453	(+23%)

A +£0.453m pressure is being reported at year-end. Funding was allocated to pay for work related to Guided Busway defects and legal work based on previous years' expenditure. The amount required in 2020/21 was higher than in previous years.

- A combination of more minor variances sums with the above to lead to an overall outturn of -£882k. For full and previously reported details, see the [P&E Finance Monitoring Report](#).

### 3.3.2 People & Communities:

+£3.035m (+1.1%) pressure is being reported at year-end.

- Strategic Management - Adults

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+7.045	(+125%)

A +£7.045m pressure is being reported at year-end. This is an increase of £0.253m on the position previously reported last month. This line contains the cost of the 10% resilience payment (£2.6m) made to most providers of adult social care for much of the first quarter of the year as well as some projected under-delivery of savings due Covid-19 that cannot be apportioned specifically to other budget (£1.8m). This line also contains a proposed £2.6m transfer to earmarked reserves to mitigate risks in 2021/22 of increased costs due to the pandemic (see also section 14).

- Learning Disability Partnership (LDP)

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+1.079	(+2%)

A £1.079m pressure is being reported at year-end. This is a decrease of £0.617m on the position previously reported in January and relates in full to a change since last month. The decrease is primarily due to the NHS agreeing to fund £798k of expenditure incurred by the LDP because of the Covid-19 pandemic.

- Physical Disabilities

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+1.285	(+10%)

A +£1.285m pressure is being reported at year-end. This is an increase of £0.485m on the position previously reported last month. The service has provided increased volumes of community-based support to clients since the start of the financial year which resulted in higher than budgeted spend. Further, the Council's response to the Covid pandemic included reprioritising the activities of preventative services and this contributed to the increase in demand in the first part of the year.

The year-end position also reflects an under-recovery of income due from clients contributing towards the cost of their care compared to budgeted assumptions at the start of the year, mainly due to financial reassessments under the new contributions policy being delayed during the pandemic period.

- Older People's Services

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-3.356	(-6%)

This budget area has seen particularly high levels of change due to the pandemic. In total the Council spent an extra 10% on Adults Services during the pandemic, however due to the ongoing care costs being lower than originally expected for people discharged from hospital during the pandemic, there has been a reduced expenditure level on the core budget of £3.356m. We do nevertheless predict a rising cost of care for older people over the medium-term linked to increased complexity of need and funding arrangements with the NHS returning to how they were pre-Covid. We are also anticipating some increased demand in the community as a result of restricted access to NHS services during the pandemic and increased frailty and reduced mobility as a result of lock downs as well as carers needing some respite.

- SEND Specialist Services (0 - 25 years)

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+12.397	(+19%)

A £12.397m pressure is being reported at year-end. This is a decrease of £0.417m on the position previously reported in January and relates in full to a change since last month. The pressure relates to an underlying pressure on the High Needs Block of the DSG. During 2020/21 there has been a continued increase in the number of pupils with Education, Health and Care Plans (EHCP), taking the total number of pupils above 5,500 (compared to just under 4,900 in April 2020). This continued growth, along with an increase in complexity of need, has resulted in a pressure on all demand-led elements of the service.

- Financing DSG

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-11.980	(-17%)

An -£11.980m required contribution from the Dedicated Schools Grant (DSG) is being reported at year-end. This is a decrease of £0.285m on the position previously reported in January and relates in full to a change since last month. This contribution represents the amount that will be added to the DSG deficit (negative reserve). Within P&C, spend of £69.6m is funded by the ring-fenced Dedicated Schools Grant. Net pressures on SEND services (as above) will be carried forward as a deficit on the DSG. The final DSG balance brought forward from 2019/20 was a deficit of £16.6m.



- Home to School Transport – Special

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.549	(+4%)

A +£0.549m pressure is being reported at year-end. This is a decrease of -£0.251m on the pressure position previously reported in May, of which -£0.151m relates to a change since last month. The year-end pressure is mainly due to the continued impact of the significant increase in transport costs in the latter part of 2019/20. While an increase in pupils receiving SEND Transport of 10% a year has been included within the budget, we have seen an increase in the average cost of transport per pupil more than available budget. This is because of price inflation as well as complexity of need meaning that more pupils require individual taxis, passenger assistants or a specialised vehicle. The service has also not been able to implement measures to reduce the spend due to the Covid-19 pandemic.

- Home to School Transport – Mainstream

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-0.261	(-3%)

A -£0.261m underspend is being reported at year-end. Following a review of the current commitments the requirement for additional routes in the last quarter of the year has been lower than previously anticipated.

- Executive Director- includes directorate-wide staff travel savings due to Covid

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-0.866	(-38%)

A -£0.866m underspend is being reported at year-end. This is a decrease of £0.404m on the underspend position previously reported in December, of which £0.311m relates to a change since last month. Mileage spend increased over quarter 4, so this line has a lower underspend than previously forecast.

- Lost Sales, Fees & Charges Compensation

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-3.226	(-%)

-£3.226m in compensation has been received from MHCLG for lost sales fees and charges. This is an increase of -£0.464m on the position previously reported in December and relates in full to a change since last month. In 2020/21 a grant was made available from the Ministry of Housing Communities and Local Government (MHCLG) to compensate for lost sales, fees and charges income relating to the pandemic. Local authorities were expected to absorb losses up to 5% of budgeted sales, fees, and charges income, after which the government reimbursed 75p in every pound of relevant losses. P&C have seen significant income losses, especially in certain Education services and the Registration service in Communities, and so has received £3.2m of funding.

- A combination of more minor variances sums with the above to lead to an overall outturn of +£3.035m. For full and previously reported details, see the [P&C Finance Monitoring Report](#).

### 3.3.3 Public Health:

A balanced budget is being reported at year-end.

- Children Health

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-0.321	(-3%)

A -£0.321m underspend is being reported at year-end. While activity levels on the core part of this service were as expected, this budget line has underspent due to grant funding previously agreed for additional work and transferred into the budget remaining unspent in 2020/21 as response to the pandemic took priority. This funding will transfer back to reserves but will be re-allocated to this service in 2021/22.

- A combination of more minor variances sums with the above to lead to an overall balanced budget outturn; -£1,686k underspend being reported in the Public Health directorate will be transferred to the Public Health ring-fenced grant reserve at year-end, leading to a balanced budget overall. For full and previously reported details, see the [PH Finance Monitoring Report](#).

### 3.3.4 Corporate Services:

-£1.011m (-3.1%) underspend is being reported at year-end.

- Transformation Team

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.672	(+436%)

A £0.672m pressure is being reported at year-end. This is an increase of £0.409m on the position previously reported in December, of which £0.322m relates to a change since last month.

Following a review of capital flexibility regulations, the Council's Section 151 Officer has determined that some staff costs which were forecast to be capitalised should be reallocated as revenue costs. This is the result of the need to focus more on policy and strategy issues this year due to the complex and new requirements on Local Authority, driven primarily by the impacts of the coronavirus pandemic. The total revenue staff cost impact was £370k.

The remaining pressure consists primarily of £5k for costs related to the Best Start in Life project, £27k on Ambition work, £6k pressure on SEND project, £180k of professional fees for strategic work and £20k spent on funding research carried out to understand the impact of COVID-19 on communities.

- Investment in Social Care Capacity

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-2.425	(-93%)

A -£2.425m underspend is being reported at year-end. This is an increase of 0.475m on the underspend position previously reported in December, which relates in full to a change since last month. At budget setting for 2020-21, Council agreed a social care capacity and investment sum to be held by GPC in case of demand pressures. As a result of the pandemic significant additional grant funding has been received and the impact of the restrictions on daily life is to initially decrease demand. This underspend reflects the very small amount required this year. This has been re-planned as part of business planning for 2021-26 with this budget permanently reduced and an additional investment made in the demand impact of the pandemic recovery.

- Authority-wide Miscellaneous

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+1.151	(+271%)

A £1.151m pressure is being reported at year-end. This is due to an adjustment made to the bad debt provision of £1.5m partially offset by a saving from September 2020 of £376k for the discontinuation of the New Homes Bonus contribution to the Greater Cambridge Partnership. The previously reported costs of an external independent investigation are also reported under this heading.

- A combination of more minor variances sums with the above to lead to an overall outturn of -£1.011m. For full and previously reported details, see the [CS & LGSS Finance Monitoring Report](#).

### 3.3.5 CS Financing:

-£1.012m (-3.4%) underspend is being reported at year-end.

- Debt Charges

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-1.012	(-3.4%)

A -£1.012m underspend is being reported at year-end. This is an increase of £0.322m on the underspend position previously reported in November, of which £0.122m relates to a change since last month.

The Council is required to repay an element of the accumulated General Fund capital spend each year through a revenue charge (the MRP). Following analysis of capital schemes completed in 2019/20 and how they were funded, the MRP payment for 2020/21 has been recalculated and the year-end position is £370k higher than budgeted. The Interest Payable budget underspent by £2,464k; the final capital spend was significantly lower at year-end than previously forecast, and combined with lower interest rates, this resulted in a lower year-end interest payable final position. Whilst the cost of PWLB borrowing has been higher over the past 12 months, the Council has been able to take advantage of lower rates on Local Authority borrowing in refinancing some of its existing loans. The Interest Payable underspend was partially offset by a £1,223k overspend on the capitalisation of interest budget; as lower capital spend and

lower interest rates resulted in lower interest costs being charged to schemes; consequently there was a smaller recharge back to the financing costs budget. Finally, there was a net £159k underspend across brokerage fees.

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

### 3.3.6 Commercial & Investment:

+£3.161m (-%) pressure is being reported at year-end.

- **Property Investments**

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+1.291	(+35%)

A +£1.291m pressure is being reported at year-end. This is an increase of £0.363m on the position previously reported in October, of which £0.128m relates to a change since last month. This is due to increase in the loss from rental income for two of the Council's properties due to the impact of the Covid-19 pandemic.

- **County Farms**

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-0.517	(-12%)

A -£0.517m underspend is being reported at year-end. This is due to an increase in rental income for the second part of the year following rent reviews.

- A combination of more minor variances sums with the above to lead to an overall outturn of +£3.161m. For full and previously reported details, see the [C&I Finance Monitoring Report](#).

### 3.3.7 Funding Items:

A -£9.548m underspend is being reported at year-end. £7.907m relates to the usage of the unbudgeted Covid-19 support grant from MHCLG in relation to pressures as a result of the Covid-19 pandemic. The amount of Covid-19 grant identified as required this financial year has decreased by £1.4m since the previous report last month. General Purposes Committee earmarked the amounts for responding to the pandemic and unused amounts at year-end will remain earmarked for this purpose, taking account of the significant pressures included within the 2021-26 business plan. The £1.47m Business Rates Retention 20-21 Pool Dividend (as reported in section 6.1 below) and other more minor and previously reported corporate grants' variances make up the remainder of the -£9.548m underspend.

### 3.3.8 LGSS Operational:

A balanced budget is being reported at year-end. During 2020-21 the services previously delivered by LGSS either repatriated to the Council or are part of the new Lead Authority sharing arrangements with Milton Keynes Council and Northamptonshire County Council. On the transition of the final services and closure of LGSS budgets, an underspend for CCC for the 2020-21 financial year was reported of £22k. This has been transferred to the LGSS earmarked reserve for use in dealing with any issues arising from the move to the

new Lead Authority model. There are no exceptions to report this month; for full and previously reported details, see the [CS & LGSS Finance Monitoring Report](#).

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 2020-21 Business Planning process. For 2020/21, the Council has delivered £8.9m of savings against its original plan. Blue rated savings totalled £0.5m, exceeding the target on those initiatives. Green rated savings totalled £7.7m. The year-end Savings Tracker is included as [Appendix 4](#) to this report. It is also important to note the relationship with the reported position within this report. As pressures arose in-year, further mitigation and/or additional savings were required to deliver a balanced position.

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

Financial Year	Business Plan Original Savings £m	Savings Delivered £m	Total Variance £m
2016-17	43.4	35.5	7.9
2017-18	33.4	27.1	6.3
2018-19	38.3	27.8	10.5
2019-20	15.8	13.2	2.6
TOTAL	130.9	103.6	27.3

- 4.2 A summary of 2020-21 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	-250	-214	Green	27	-7,983	250	Amber	2	-200	155	Red	2	-5,200	4,577	Black	8	-2,296	2,296	-15,929	7,064

## 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 Finance Monitoring Report](#) (section 5).

## 6. Funding Changes

### 6.1 Business Rates Retention 2020-21 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 2020-21 pool dividend applicable to the Council is estimated to be £1.47m due to be paid in May/June 2021. An accrual has been made for this amount to apply the income to revenue in 2020-21. This has not been budgeted for and is shown as part of the underspend in the 'Funding Items' section of this report.

Strategy & Resources Committee is asked to note the allocation of the accrued £1.47m Business Rates Retention 2020-21 Pool Dividend to the corporate grants account within Funding Items. This has improved the outturn position and the overall underspend as a result.

## 7. Schools

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

7.2 Total schools' balances as at 31<sup>st</sup> March 2021 are as follows:

	<b>31<sup>st</sup> March 2020 £m  (original published balances)</b>	<b>31<sup>st</sup> March 2020 £m  (amended for in-year academy conversions)</b>	<b>31<sup>st</sup> March 2021 £m</b>	<b>Change £m</b>
Nursery Schools	0.8	0.8	0.6	-0.2
Primary Schools	10.6	10.5	14.1	3.6
Special Schools	0.5	0.5	0.9	0.4
Pupil Referral Units (PRUs)	0.1	0.1	0.1	0
<b>Sub Total</b>	<b>12</b>	<b>11.9</b>	<b>15.7</b>	<b>3.8</b>
Other Revenue Balances (Community Focused)	1.1	1.1	1.1	0
<b>TOTAL</b>	<b>13.1</b>	<b>13</b>	<b>16.8</b>	<b>3.8</b>

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

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

- Some schools will have delayed or cancelled spending decisions due to the uncertainty around future years funding amounts.
- Some schools have chosen to apply balances in 2021/22 to maintain current staffing levels and class structures.
- Due to Covid-19, schools have been unable to spend elements of some ring-fenced grants
- Pressures on capital funding have led some schools to reconsider and reprioritise revenue resources to allow for the possibility of capitalisation in future years.

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



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

The balances can be further analysed in the tables below:

<b>Sector</b>	<b>Schools with Reported Deficit Balances as at 31<sup>st</sup> March 2021</b>
Nursery	1
Primary	4
Special	0
<b>Total Schools</b>	<b>5</b>

Value of revenue deficits at 31<sup>st</sup> March 2021:

<b>Deficit</b>	<b>Nursery</b>	<b>Primary</b>	<b>Special</b>	<b>Total</b>
£100k+	0	0	0	<b>0</b>
£60k - £100k	0	0	0	<b>0</b>
£20k - £60k	1	4	0	<b>5</b>
£10k - £20k	0	0	0	<b>0</b>
£1k - £10k	0	0	0	<b>0</b>

Value of surplus revenue balances held by schools at 31<sup>st</sup> March 2021:

<b>Surplus</b>	<b>Nursery</b>	<b>Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>Total</b>
£0k - £10k	0	0	0	0	<b>0</b>
£10k - £20k	0	3	0	0	<b>3</b>
£20k - £60k	2	26	0	0	<b>28</b>
£60k - £100k	1	35	0	0	<b>36</b>
£100k - £150k	1	24	0	0	<b>25</b>
£150k - £200k	2	9	0	0	<b>11</b>
£200k - £300k	0	12	0	2	<b>14</b>
£300k - £400k	0	3	0	0	<b>3</b>
£400k+	0	4	0	1	<b>5</b>

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

## 8. General Reserve Balances

8.1 Balances on the general reserve as at 31<sup>st</sup> March 2021 are £26.1m as set out below:

<b>General Reserve Balance</b>	<b>2020/21 Final Outturn £m</b>
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>17.658</b>
<b>Changes Arising:-</b>	
Planned Business Plan adjustments	1.829
Additional pensions contributions net underachievement	-0.185
Business Rates Retention 17/18 Growth pilot	0.351
Corporate Grants	9.733
Commercial & Investment	-3.161
People & Communities	-3.035
Debt Charges	1.012
Corporate Services	1.011
Public Health	0.000
Place & Economy	0.882
LGSS Operational	0.000
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>26.094</b>

8.2 As a minimum, it is proposed that the General Reserve should be no less than 3% of the gross expenditure of the Council (excluding schools' expenditure). At year-end, the General Reserve was 4.0% of budgeted 2021-22 gross non-school expenditure.

## 9. Review of Other Reserves

9.1 The Council reviews the level of its overall reserves at outturn each year, in addition to assessing the adequacy of reserves as part of the BP process. Reserves have long provided vital flexibility in the Council's financial management and no changes are proposed in the operation of these reserves going forward. Details of the Council's earmarked reserves are set out in [Appendix 2](#).

## 10. Treasury Management Activity

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

	<b>Budget £m</b>	<b>Outturn £m</b>	<b>Variance £m</b>
Interest payable on Borrowing	21.943	19.359	-2.584
Interest payable charged to/from Other Funds	-6.414	-6.294	0.120
Interest receivable	-0.462	-0.469	-0.007
Capitalisation of Interest Costs	-2.455	-1.232	1.223
Technical & Other	0.678	0.545	-0.134
MRP	16.279	16.649	0.370
<b>Total</b>	<b>29.570</b>	<b>28.558</b>	<b>-1.013</b>

10.2 The Interest Payable on Borrowing underspent by £2,584k. The overall interest rate on the market loans (from local authorities) was very low, driven by the pandemic (local authority cashflows were favourable during the year as well as the low price of gilts as a comparator); this was also the case for short-term loans. Due to the PWLB consultation outcome, PWLB lowered interest rates by 100 basis points on all new standard and certainty rate loan arrangements from 26 November 2020. These overall factors contributed to a lower interest rate on borrowings in 2020/21. Following analysis of capital schemes completed in 2019/20 and how they were funded, the MRP payment for 2020/21 has been recalculated and the year-end position is £370k higher than budgeted. The Interest Payable underspend was partially offset by a £1,223k overspend on the capitalisation of interest budget; as lower capital spend and lower interest rates resulted in lower interest costs being charged to schemes; consequently there was a smaller recharge back to the financing costs budget.

10.3 The change in the authority's loan debt over the year was as follows:

	<b>1<sup>st</sup> April 2020 £m</b>	<b>31<sup>st</sup> March 2021 £m</b>	<b>Difference</b>
Long Term Debt	526.7	561.3	<b>34.6</b>
Short Term Debt	237.2	251.3	<b>14.1</b>
	<b>763.9</b>	<b>812.6</b>	<b>48.7</b>
Less: Investments	65.8	98.3	<b>32.5</b>
Less: 3rd Party Loans & Share Capital	5.5	5.3	<b>-0.2</b>
<b>Net Debt</b>	<b>692.6</b>	<b>709.0</b>	<b>16.4</b>

10.4 Long-term debt consists of loans for periods exceeding one year (at either fixed or variable rates of interest) and the average rate of interest paid on this long-term debt was 2.91%. The average rate paid on short term debt was 1.44%. The overall average rate on total borrowing was 2.37% at 31.03.2021.

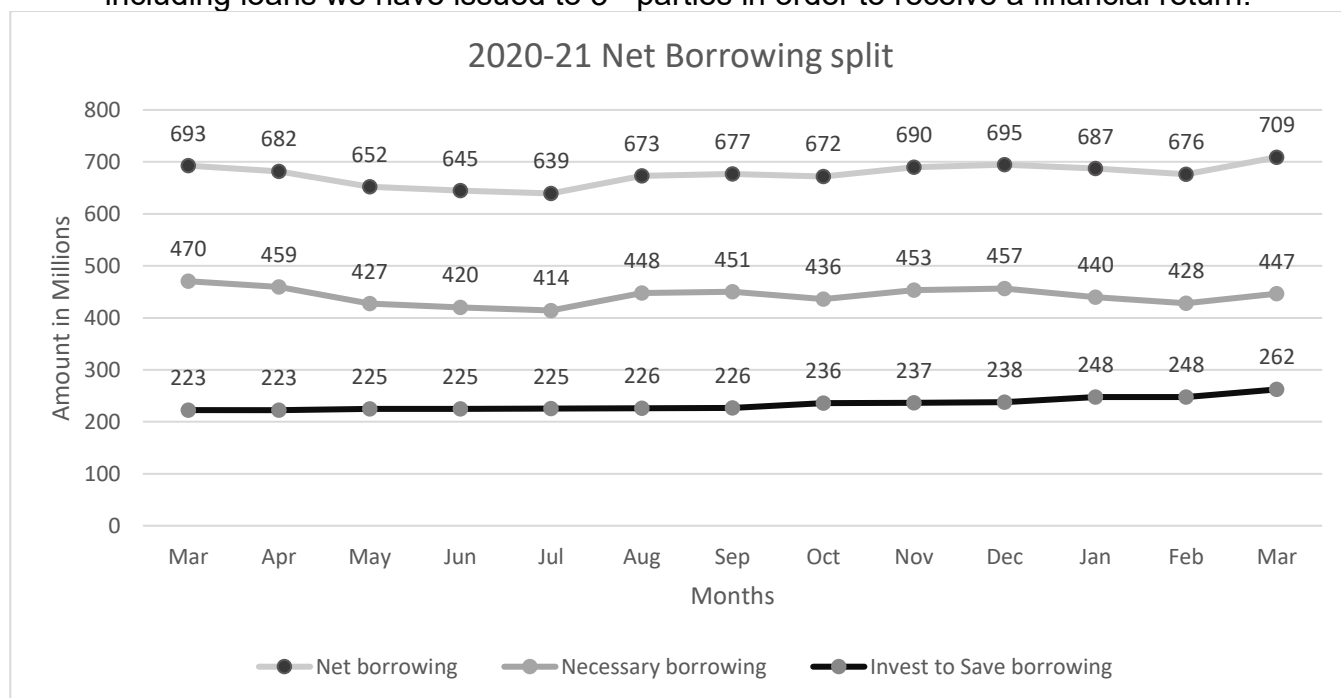
- 10.5 Each year the Council must approve limits known as Prudential Capital Indicators for the level of its external financing costs and the maximum limits on total debt. The outcome for 2020/21 compares with approved limits as follows:

	Approved	Actual
<b>Financing Costs</b>		
% of Net Revenue Stream	8.40%	3.47%
Authorised Limit for Debt	£1,093.0m	£812.6m
Operational Boundary for Debt	£1,063.0m	£812.6m
<b>Interest Rates Exposure (as % of total net debt)</b>		
Fixed Rate	150%	112%
Variable Rate	65%	-12%
<b>Debt Maturity Range (as % of total debt) *</b>		
Under 1 year	0 to 80%	30.76%
1 – 2 years	0 to 50%	12.03%
2 – 5 years	0 to 50%	8.19%
5 – 10 years	0 to 50%	12.42%
Over 10 years	0 to 100%	36.60%

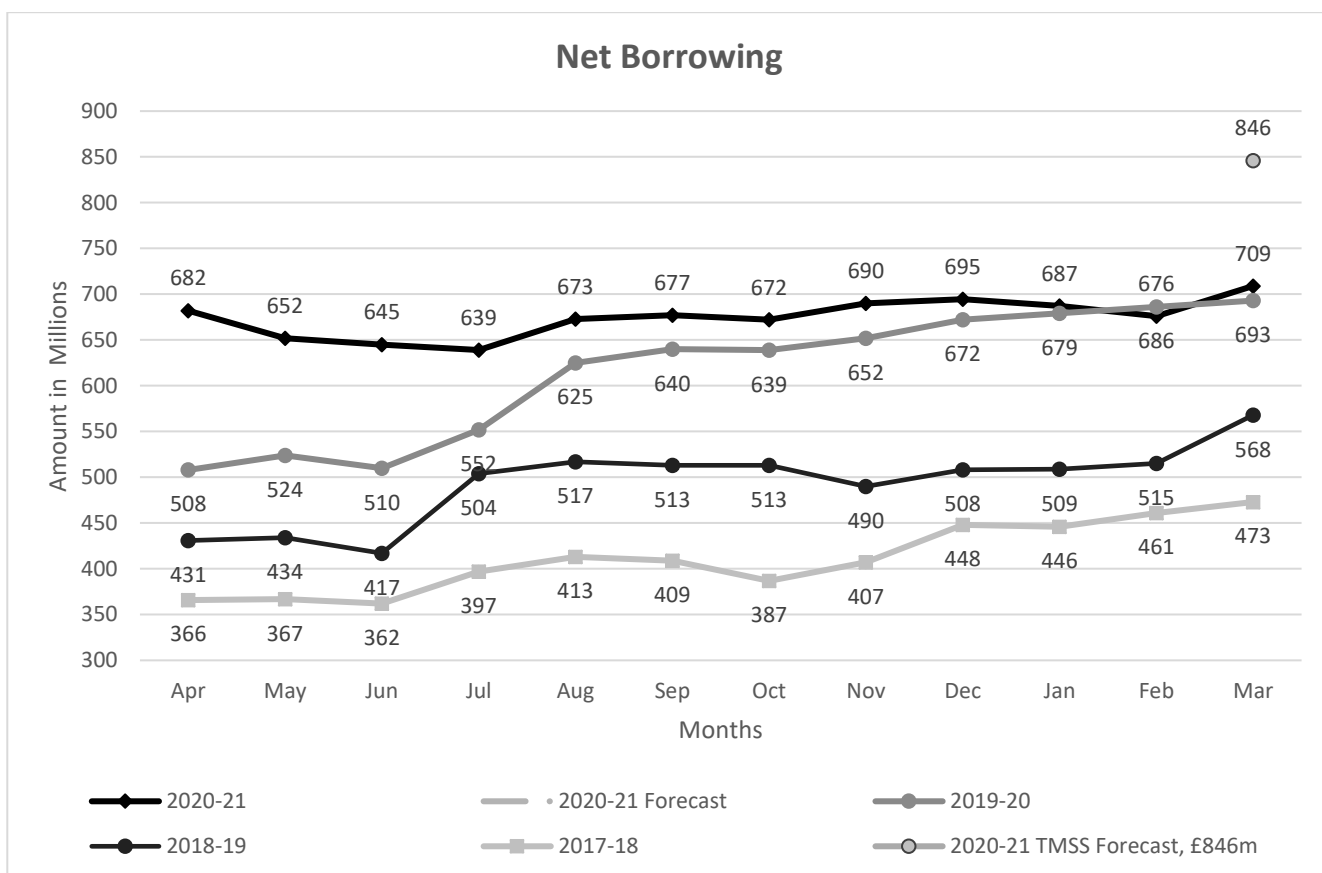
\* The guidance for this indicator required that LOBO loans are shown as maturing at the next possible call date rather than at final maturity, regardless of likelihood of this option being exercised.

## 11. Balance Sheet

- 11.1 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2020-21, it is estimated that £262m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3<sup>rd</sup> parties in order to receive a financial return.



- 11.2 The graph below shows net borrowing (borrowings less investments) on a month-by-month basis and compares the position with the previous financial year. At the end of March 2021, investments held totalled £103.6m (excluding all 3<sup>rd</sup> party loans) and gross borrowing totalled £812.6m, equating to a net borrowing position of £709.0m.



- 11.3 The Council's cash flow profile – which influences the net borrowing requirement - varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, council tax etc.). As illustrated by 2019-20 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2020-21 net borrowing position has taken a similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.
- 11.4 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2020-21 TMSS was set in February 2020, it anticipated that net borrowing would reach £846.0m by the end of this financial year. Based on the 2019-20 outturn position and subsequent revisions to the capital programme, and a further decrease in C&I and CS of £19.4m, the net borrowing was predicted to be below this, at £787.0m by the end of this financial year. The actual net borrowings at 31/03/2021 were £709.0m, £78m lower than previously forecast.
- 11.5 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings and consequently holding less investments reduces the Council's exposure to credit risk. However, this approach carries with it interest rate risk and officers continue

to monitor options as to the timing of any potential longer-term borrowing should underlying interest rates be forecast to rise in a sustained manner.

- 11.6 There is a link between the capital financing borrowing requirement, the net borrowing position and consequently net interest costs. However, the Debt Charges budget is prudently formulated with sensitivity to additional factors including projected levels of cash-backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond
- 11.7 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).
- 11.8 The Council's reserves include various earmarked reserves (held for specific purposes), as well as provisions (held for potential liabilities) and capital funding. A schedule of the Council's reserves and provisions can be found in [Appendix 2](#).

## 12. Debt Management & Prompt Payment

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

Measure	Year End Target	Actual as at the end of Mar 2021 <sup>1</sup>
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£3.37m	£8.14m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£1.71m	£2.94m
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	97.5%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	85.0%	81.7%

<sup>1</sup> The debt figures exclude Cambridgeshire & Peterborough CCG debts as these are considered collectable and are subject to separate reconciliation. The amount of debt owed by Cambridgeshire & Peterborough CCG exceeding one year hold was £6.10m. The overdue amounts primarily relate to funding contributions to nursing care and for aftercare provided under section 117 of the Mental Health Act. The CCG now funds care homes for nursing care directly, rather than via the Council, so this issue relates to historic sums accrued between 2017 and 2019. Individual payments continue to be received and officers are working to reconcile these to payments owed and allocate against specific invoiced amounts. Both the Council and the CCG continue to work together to agree, expedite and reconcile payments for clients eligible for NHS funding.

### 12.2 Bad Debt Provision

As a result of the levels of debt at year end, assessed for security, the Council has increased the general provision it carries on its balance sheet for bad debt by £1.558m.

### 12.3 Summary Final Position:

Overall debt outstanding has decreased since February. Overdue debt (total less current) has decreased by £1m from £25m to £24m.

91 days + KPI debt balances have decreased by £0.80m since February. The target of £5.08m was not achieved, with the final balance being £11.08m.

## 12.4 Adults Social Care

Adult Social Care (ASC) and Older People– 91 days + debt has decreased by £395k since February. Final balances are £8.14m against a target of £3.37m. Audit & Accounts Committee members are receiving a detailed paper in July (by circulation) considering progress being made with the debt management position.

## 12.5 Sundry (non- Adult Social Care)

Overall sundry 91 days + debt has decreased by £400k since February. This consists primarily of debt decreases of £328k in Place & Economy. This has resulted in the final sundry 91 days + debt balance being £2.94m against a target of £1.71m.

# 13. Capital Programme

## 13.1 Capital financial performance

A summary of capital financial performance is shown below:

Original 2020/21 Budget as per Business Plan £000	Forecast Variance - Outturn (Feb) £000	Service	Revised Budget for 2020/21 £000	Actual- Year to Date (Outturn) £000	Actual Variance - Outturn 2020/21 £000	Actual Variance - Outturn 2020/21 %	Total Scheme Revised Budget (Outturn 2020/21) £000	Total Scheme Forecast Variance (Outturn 2020/21) £000
29,051	-1,817	P&E	61,197	52,851	-8,346	-13.6%	434,370	-
61,817	-2,804	P&C	50,754	43,623	-7,131	-14.1%	574,180	-2,428
11,006	-2,922	Corporate Services	16,134	12,528	-3,606	-22.4%	74,043	-1,363
74,569	-25,286	C&I	76,906	45,515	-31,392	-40.8%	434,146	-11,413
-	-	Outturn adjustment	-	-	-	-	-	-
<b>176,443</b>	<b>-32,830</b>	<b>Total Spending</b>	<b>204,992</b>	<b>154,517</b>	<b>-50,475</b>	<b>-24.6%</b>	<b>1,516,739</b>	<b>-15,204</b>

### 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 13.2.
2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2020/21 of £38.0m and is reporting an in-year underspend of -£14.2m 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.

## 13.2 2020-21 capital programme variations budgets

13.2.1 In light of the significant slippage experienced in recent years due to deliverability issues with the programme, and the impact this has on the revenue financing of the related debt for the programme, the Capital Programme Board recommended that a 'Capital Programme Variations' line be included for each Service which effectively reduced the programme budget for 2020/21. This was allocated service-wide rather than against individual schemes as it is not possible to identify in advance which particular schemes will be affected by land-purchase issues, environmental factors etc. which create the slippage.

A summary of the use of capital programme variations budgets by services is shown below.

Service	Capital Programme Variations Budget £000	Actual Variance - Outturn 2020/21 £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Actual Variance Against Revised Budget - Outturn 2020/21 £000
P&E	-12,043	-20,389	12,043	100.00%	-8,346
P&C	-6,523	-13,654	6,523	100.00%	-7,131
CS	-4,010	-7,616	4,010	100.00%	-3,606
C&I	-17,625	-49,017	17,625	100.00%	-31,392
Outturn adjustment	-	-	-	-	-
<b>Total Spending</b>	<b>-40,201</b>	<b>-90,676</b>	<b>40,201</b>	<b>100.00%</b>	<b>-50,475</b>

13.2.2 As at year-end, all services have exceeded the capital programme variations budget allocated to them. Place & Economy (P&E), People & Communities (P&C), Corporate Services and C&I schemes are reporting in-year underspends of -£8.3m, -£7.1m, -£3.6m, and -£31.4m respectively after full utilisation of the capital programme variations budget. Overall expenditure on the 2020/21 capital programme is therefore underspent by -£50.5m compared to the position originally anticipated when the capital variations budget was set. By comparison, the underspend in 2019-20 was £83.8m.

13.3.3 Although the outturn reflects improved capital delivery on the previous year, and the capital variations budget has been a helpful development to improve budgeting accuracy, it is acknowledged that further attention is required to this area. The Place & Economy directorate has commissioned a training programme for its management staff, including a focus on capital budgeting, and the capital programme board is reviewing the position Council wide to identify areas where delivery of forecasting needs to be accelerated.

13.3.4 The largest areas where spend varied from planned budgets were Housing Schemes (£12.5m), Commercial Investments (£11.3m) and Shire Hall relocation, asset review and data centre relocation (£13.7m).

The expenditure on Housing Schemes relates to the loans made to This Land, and this reduced level of lending reflects the level of progress through planning and construction undertaken by the Company, and that the company has access to its own cashflows. Plans for commercial investment were changed as a result of the economic conditions



and following the change in the PWLB stipulations announced in November 2020. The Shire Hall relocation and asset review schemes underspent in-year primarily due to the initial impact of Covid-19 on planned construction works and preparatory works; completion is now expected in late summer-early autumn 2021.

### 13.3 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.

#### 13.3.1 Place & Economy:

An -£8.3m (-13.6%) in-year underspend is being reported at year-end.

##### • Delivering the Transport Strategy Aims- Highway schemes

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,501	522	-1,979	-1,574	-405	0	-1,979

An in-year underspend of -£2.0m is being reported at year-end. This is an increase of £0.5m on the underspend position previously reported in January, of which £0.4m relates to a change since last month. A number of schemes within this area were delayed and will be completed in 2021/22.

The main schemes are:-

- Cambridge Victoria Ave/Maids Causeway – Pedestrian & Cycle Improvements – design and consultation difficulties have delayed delivery on site.
- Cambridge –Oxford Rd/Windsor Rd traffic calming – Consultation delays – revised plan upon public consultation comments. Further consultation to take place.
- Meldreth – Footpath 9 – work being done in conjunction greenway project and land purchase is required.
- Cambridge, new footpath Worts Causeway – delays due to Covid pressures.
- Cambridge, West Road traffic calming – delays due to Covid pressures.
- Godmanchester to Hinchbrook Park – cycle improvements – delays due to Covid pressures.
- Cambridge, Barton Rd/Grantchester St – crossing improvement – delays due to Covid pressures.
- Cambridge, Storeys Way – Traffic control measures and improve cycle route – work currently being done as part of the Emergency Active Travel fund.

##### • Girton to Oakington

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
450	194	-256	-50	-206	0	-256

An in-year underspend of -£0.3m is being reported at year-end. Work was delayed and only started in late March. The scheme will be completed in 2021/22.

- Carriageway Maintenance – Safety fencing renewals

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
740	10	-730	-351	-379	0	-730

An in-year underspend of -£0.7m is being reported at year-end. This is an increase of £0.4m on the underspend position previously reported in January, of which £0.379m relates to a change since last month. This is mainly due to the A505 Road Safety audits – the scheme was delayed as responses were required from the Road Safety Audit and the Street Lighting Audit before the project could proceed. Highways will then need to get road space approval from Highways England before the work can commence. This scheme will now take place in 2021/22.

- Carriageway Maintenance –Prep patching for Surface Dressing programme

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
992	915	-77	231	-308	0	-77

An in-year underspend of -£0.1m is being reported at year-end. This is a decrease of -£0.3m from the pressure position previously reported in January, of which -£0.308m relates to a change since last month. Less surface dressing took place in 2020/21 due to Covid restrictions; additional prep patching took place to ensure a full programme is carried out in 2021/22.

- Carriageway & Footway Maintenance schemes under £500k

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,882	3,176	-706	-59	-647	0	-706

An in-year underspend of £0.7m is being reported at year-end. This relates primarily to the following schemes:

- 3 schemes have been rescheduled to be delivered in 2021/22 £288k
  - Unc Huntingdon, Chequers Ct Footway resurfacing
  - Castle Camps
  - St Neots, Cambridge Street
- 2 schemes were delayed as they are awaiting full design and will be delivered in 2021/22, £236k
  - A1123 Haddenham, West End Footway Improvements
  - Unc March, Eastwood Ave Footway repairs
- March, Regent Avenue Footway – a consultation is required so the project will now be delivered in 2021/22 £112k
- There has also been some rephasing in the delivery of Countywide patching which will be delivered in 2021/22

- Bridge Strengthening – Schemes under £400k

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,769	2,642	-127	374	-501	0	-127

An in-year underspend of -£0.1m is being reported at year-end. This is a decrease of £0.5m from the pressure position previously reported in January and relates in full to a change since last month. The change relates primarily to:

- A -£270k in-year underspend on Gravel Head Bridge, Downham Common which has experienced delays due to the presence of water voles impacting the booking of road space.
- An -£80k in-year underspend on the replacement of the parapets on Stokes Bridge at Holme where the work didn't start until February 2021 and is not expected to complete until early 2021/22.
- The remainder relates to a reduction in the expenditure looking at design work for future schemes.

- Traffic Signal Replacement

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,736	1,186	-550	193	-693	0	-550

An in-year underspend of -£0.6m is being reported at year-end. This is due to the road space allocation being affected; work started in January 2021 but will be completed in quarter 1 2021/22.

- £90m Highway maintenance – B1050 Willingham, Shelford Road

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
839	76	-763	-322	-441	-250	-513

An in-year underspend of -£0.8m being reported at year-end. This is an increase of £0.4m on the position previously reported in January and relates in full to a change since last month. The scope of the work was reduced by £250k to compensate for funding required for the B1044 Huntingdon scheme (see below under £90m Highway Maintenance – Other schemes).

- £90m Highway maintenance – B198 Wisbech, Cromwell Road Carriageway

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
550	55	-495	95	-590	0	-550

An in-year underspend of -£0.5m is being reported at year-end. Additional issues arose regarding the drainage element of the scheme, requiring further design work prior to commencing on site. The work has been rescheduled for 2021/22.

- £90m Highway Maintenance – Other schemes

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,062	2,954	-108	410	-518	0	-108

An in-year underspend of -£0.1m is being reported at year-end. This is a decrease of -£0.5m on the pressure position previously reported in January, which relates in full to a change since last month. Underspends on other £90m schemes (e.g. the B1050 Willingham, Shelford Road scheme reported above) were used to fund pressures on these schemes. This includes the B1044 Huntingdon, Stukeley Road, Ermine Street scheme. Funding for other schemes will carry forward to 2021/22.

- Pothole Grant Funding- Additional Surface Treatments 2020/21

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,000	2,679	-321	-2	-319	0	-321

An in-year underspend of -£0.3m is being reported at year-end. Phase 2 of the scheme will be delivered in 2021/22 due to the delay in the availability of the new Eastern Highways Alliance Framework contract; this work will be delivered early 2021/22

- Pothole Grant Funding- Additional DfT Allocation (surface treatments)

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
4,201	2,043	-2,158	-1,822	-336	0	-2,158

An in-year underspend of -£2.2m is being reported at year-end. This is an increase of -£0.3m on the underspend position previously reported in January and relates in full to a change since last month. Three projects will now be delivered in 2021/22 due to the delay in the new Eastern Highways Alliance Framework contract being operational.

The schemes are:

C134 Ely - Branch Bank / Padnal Bank Carriageway overlay £550k.

B1093 Manea Wimblington Road Carriageway reconstruction £640k.

B1093 Manea, Fifty Road – carriageway shaping £390k

- Energy Efficiency Fund

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
422	116	-306	-52	-254	0	-306

An in-year underspend of -£0.3m is being reported at year-end. Funding was allocated to schemes which will now take place in 2021/22.

- Fendon Road Roundabout

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
996	721	-275	-1	-274	-1	-274

An in-year underspend of -£0.3m is being reported at year-end. The project has experienced some significant challenges with underground utility equipment and also been impacted by the Covid-19 pandemic. A specific report detailing how these issues and the budget now required to complete the project was presented to the Highways & Transport Committee on 7th July. On 16th June 2020, Highways & Transport Committee approved the transfer of £304k from Cherry Hinton Road (in South Cambs S106 budget) to Fendon Road roundabout.

- King's Dyke

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
10,400	9,789	-611	-1,038	427	0	-611

An in-year underspend of -£0.6m is being reported at year-end. This is a decrease of £0.4m on the underspend position previously reported last month. More work was able to be carried out in the last months of the financial year than previously anticipated.

The construction is due to complete by December 2022.

- Lancaster Way

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,307	1,797	-510	-218	-292	0	-510

An in-year underspend of -£0.5m is being reported at year-end. This is an increase of £0.3m on the underspend position previously reported last month. This scheme is still within the overall agreed budget of £2,589k, however the scheme is now expected to be completed in May 2021.

- A14

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
0	322	322	0	322	0	322

An in-year pressure of £0.3m is being reported at year-end. This is for work relating to the A14 that is fully re-imbursed by Highways England.

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

### 13.3.2 People & Communities:

A -£7.1m (-14.1%) in-year underspend is being reported at year-end.

- Basic Need- Primary

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
13,178	12,120	-1,058	-474	-584	232	-1,290

- An in-year underspend of -£1.1m is being reported at year-end across Basic Need- Primary schemes. This is an increase of £0.7m on the underspend position previously reported in January, of which £0.6m relates to a change since last month. This is primarily due to a change in the scheme below, together with other more minor variances below £250k:

- St Neots, Wintringham Park primary

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,900	4,098	198	450	-252	282	-84

There was a year-end pressure of £198k due to additional costs incurred by the contractor due to the Covid-19 pandemic. The 2021-22 Business plan has included additional budget of £282k as a result.

- Basic Need - Early Years

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,297	845	-452	0	-452	-0	-452

An in-year underspend of -£0.5m is being reported at year-end across Basic Need - Early Years Schemes. This is primarily due to changes on the schemes outlined below:

- LA Early Years Provision

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,000	535	-465	0	-465	0	-465

Rephasing has taken place due to delays in a small number of schemes; these will conclude in 2021-22.

- Condition & Maintenance

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,055	2,917	-2,138	-1,261	-877	-0	-2,138

An in-year underspend of -£2.1m is being reported at year-end across Condition & Maintenance Schemes. This is due to changes on the schemes outlined below:

- School Condition, Maintenance & Suitability

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
4,905	2,383	-2,522	-1,641	-881	-384	-2,138

A number of schemes expected to be completed this financial year were not completed by the end of the financial year. These are all funded by the school conditions funding which will carry forward into next year, 2021-22.

- Specialist Provision

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,951	2,497	-454	-268	-186	-0	-454

An in-year underspend of -£0.5m is being reported at year-end across Specialist Provision Schemes. This is primarily due to changes on the scheme outlined below:

- Spring Common Special School

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,500	1,205	-295	-200	-95	0	-295

The in-year underspend is due to a delay in the completion of phase 1 works by the contractor, causing rephasing and delay in phase 2 being progressed.

- Cultural & Community Services

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
7,909	3,058	-4,851	-3,580	-1,271	0	-4,851

An in-year underspend of -£4.9m is being reported at year-end across Cultural & Community Services Schemes. This is an increase of -£1.3m on the underspend position previously reported last month. This is primarily due to changes on the schemes outlined below:

- Libraries - Open access & touchdown facilities (hub libraries)

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
567	25	-542	0	-542	0	-542

The project has incurred £542k rephasing. A [report](#) was approved by the Communities and Partnerships Committee in October 2020 to expand the pilot with updated financial information. The project has moved forward and is currently in the process of awarding a tender for the full technology needed to facilitate the project. The scheme will progress in 2021-22.

- Libraries - Open access & touchdown facilities - further 22 Libraries

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
605	0	-605	0	-605	0	-605

This project has been amalgamated with the hub libraries open access & touchdown facilities scheme above and will be progressed in 2021-22.

- Capitalised Interest

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,513	479	-1,034	0	-1,034	-1,034	0

An in-year underspend of -£1.0m is being reported at year-end. This is due to lower capital spend than budgeted and lower interest rates in 2020/21 than anticipated at the time of budget setting, resulting in lower interest costs being charged to schemes.

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



### 13.3.3 Corporate Services:

A -£3.606m (-22.4%) underspend is being reported at year-end.

- Data Centre Relocation

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,204	2,295	-2,909	-2,440	-469	0	-2,909

An in-year underspend of -£2.9m is being reported at year-end. This is an increase of £0.5m on the underspend position previously reported in August and relates in full to a change since last month. Due to the impact of Covid-19 the requirement for connectivity within the Shire Hall campus has been extended which has also resulted in the final move date for the Data Centre being moved to June 2021. The programme and budget have therefore been re-profiled.

- Investment in Connecting Cambridgeshire

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
8,790	6,125	-2,665	-2,174	-491	0	-2,665

An in-year underspend of -£2.7m is being reported at year-end. This is an increase of £0.5m on the underspend position previously reported in December and relates in full to a change since last month. Due to the nature of the contract with BT, the majority of the costs are being extended with expenditure being incurred into 2021/22. The total scheme budget is currently committed.

- Capitalisation of interest

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
96	433	337	0	337	337	0

An in-year pressure of £0.3m is being reported at year-end. This is primarily due to a scheme being in the Place & Economy directorate at the time the capitalisation budget was calculated. There is a corresponding year-end underspend in the equivalent Place & Economy capitalisation of interest budget.

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

### 13.3.4 Commercial & Investment:

A -£31.392m (-40.8%) underspend is being reported at year-end.

- Housing Schemes

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
42,300	29,798	-12,501	-12,886	385	0	-12,501

An in-year underspend of -£12.5m is being reported at year-end. This is a decrease of £0.4m on the underspend position previously reported in January and relates in full to a change since last month. As a result of positive cashflows into the company, lending to This Land has been lower than originally expected this year. Loans are released according to progress on works and review by the monitoring surveyor. This has reduced the borrowing requirement in year by £12.1m and the capital receipts requirement by £0.4m.

- Stanground Closed Landfill Energy Project

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
491	172	-319	-155	-164	0	-319

An in-year underspend of -£0.3m is being reported at year-end. In January 2021 the Stanground Project was placed on hold after securing planning consent. This decision was taken due to a combination of resourcing challenges for the Energy Investment Unit and the Council's Energy Performance Contractor and constraints due to Covid-19. Consequently, commencement of construction is expected to be delayed for a year from June 2021 to June 2022.

- North Angle Solar Farm

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,014	149	-4,865	-4,040	-825	0	-4,865

An in-year underspend of -£4.9m is being reported at year-end. This is an increase of £0.8m on the underspend position previously reported in January and relates in full to a change since last month. The planning timetable for the North Angle project has been revised due to additional planning requirements and the incorporation of some design changes which has resulted in a minor delay to the construction timetable. Pre-mobilisation works, including road reinforcement, were expected to take place during 2020/21 but will now occur in early 2021/22.

- Investment in the CCC asset portfolio

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
4,793	1,145	-3,648	-1,663	-1,985	0	-3,648

An in-year underspend of -£3.6m is being reported at year-end. This is an increase of £2.0m on the underspend position previously reported in November and relates in full to a change since last month. The underspend is due to delays, mainly due to the impact of Covid on planned construction works and preparatory works. The Spokes programme is well underway, and savings have been seen on existing projects. The Hawthorns budget of £771k is no longer required since it was agreed not to enhance this property for use as part of the Spokes programme. This has reduced the borrowing requirement in year by £3.6m and the budget available moved over to 2021-22, however a full update will be submitted to Commercial and Investments Committee in early 2021-22 outlining the savings/budget required for the remainder of the programme.

- Decarbonisation Fund

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
4,500	516	-3,984	-3,317	-667	0	-3,984

An in-year underspend of -£4.0m is being reported at year-end. This is an increase of £0.7m on the underspend position previously reported in January and relates in full to a change since last month. Several major projects have been delayed due to a combination of factors including practical issues onsite due to Covid-19, planning permission and supplier delays also linked to the pandemic. Some projects have also been cancelled due to uncertainty surrounding long term use of the sites. However, 20 projects totalling £4.4m in value are currently in progress and a further £2.4m of schemes are cleared to proceed.

- Shire Hall Relocation

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
14,076	6,950	-7,126	-6,076	-1,050	0	-7,126

An in-year underspend of -£7.1m is being reported at year-end. This is an increase of £1.1m on the underspend position previously reported in November and relates in full to a change since last month. The underspend is mainly due to the initial impact of Covid-19 on planned construction works. The building is now watertight with completion of the roof and glass façade, as well as the internal walls, allowing the first fix of electrical, plumbing, and mechanical installations to get underway. Completion is now expected in late summer-early autumn.

- Capitalisation of interest

Revised Budget for 2020/21 £'000	Actual Spend (Outturn 20-21) £'000	Actual Variance (Outturn 20-21) £'000	Variance Last Month (Feb) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
603	306	-297	0	-297	-297	0

An in-year underspend of -£0.3m is being reported at year-end. This is due to lower capital spend than budgeted and lower interest rates in 2020/21 than anticipated at the time of budget setting, resulting in lower interest costs being charged to schemes.

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

### 13.4 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:

#### 13.4.1 Place & Economy:

A total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details, see the [P&E Finance Monitoring Report](#).

#### 13.4.2 People & Communities:

A -£2.4m (-0.4%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details, see the [P&C Finance Monitoring Report](#).

#### 13.4.3 Corporate Services:

A -£1.363m (-1.8%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details, see the [CS & LGSS Finance Monitoring Report](#).

#### 13.4.4 Commercial & Investment:

An -£11.413m (-2.6%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details, see the [C&I Finance Monitoring Report](#).

## 13.5 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 Funding <sup>1</sup> £m	Revised Phasing £m	Additional/Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	17.8	-	5.2	4.6	27.6	25.6	-2.0
Basic Need Grant	20.6	-	-	-	20.6	0.0	-20.6
Capital Maintenance Grant	3.9	-	-	1.2	5.1	2.8	-2.2
Devolved Formula Capital	0.8	1.4	-	-0.0	2.2	0.9	-1.3
Specific Grants	9.0	0.1	2.7	5.2	17.1	28.5	11.5
S106 Contributions & Community Infrastructure Levy	8.5	2.7	-2.9	7.0	15.4	23.2	7.8
Capital Receipts	7.3	11.3	0.0	-5.1	13.5	3.4	-10.1
Other Contributions	11.4	0.0	1.7	8.7	21.8	15.6	-6.3
Revenue Contributions	-	-	-	-	-	1.8	1.8
Prudential Borrowing	97.1	46.0	-59.7	-1.8	81.7	52.6	-29.1
<b>TOTAL</b>	<b>176.4</b>	<b>61.6</b>	<b>-52.9</b>	<b>19.9</b>	<b>205.0</b>	<b>154.5</b>	<b>-50.5</b>

<sup>1</sup> Reflects the difference between the anticipated 2019/20 year-end position used at the time of building the initial Capital Programme budget, as incorporated within the 2020/21 Business Plan, and the actual 2019/20 year end position.

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

Funding	Service	Amount (£m)	Reason for Change
Additional / Reduction in Funding (Specific Grants and Other Contributions, and Prudential Borrowing)	All	<p>-£3.5 (Grants &amp; Contributions)</p> <p>+£3.5 (Prudential Borrowing)</p>	<p>For accounting reasons, the Council recognises income against the capital programme at the earliest opportunity: Funds received in 2020/21 for the Greater Cambridge Partnership (£17.9m) which have not yet been required in cash flow terms for the specific schemes they relate to have initially been accounted for in place of borrowing to fund other schemes across the capital programme. This will reduce the MRP charge that will be payable for 2021/22. When these funds are needed in the future for the specific schemes that they relate to, the Council will account for the borrowing to repay them. This is an accounting treatment only and has no impact on the actual funds available to the Greater Cambridge Partnership.</p> <p>Funds previously received for Basic Need (£20.0m) and from the Combined Authority for the Wisbech Access Strategy (£1.4m) that have already been initially accounted for in place of borrowing are now required to fund expenditure in 2020/21. The Council has therefore accounted for the borrowing to repay these funds in 2020/21. This £21.4m additional borrowing in 2020/21 has then been partially offset by the £17.9m Greater Cambridge Partnership funding accounted for in place of borrowing as described above.</p> <p>This results in a net funding swap for 2020/21 of £3.5m. (This is then offset by the use of £9.6m Section 106 contributions described in the next section below.) This does not affect the actual balances available and all funds are used for the original purpose as intended.</p> <p>Strategy &amp; Resources Committee is asked to approve the accounting of £17,914k Greater Cambridge Partnership funding in place of borrowing, to partially offset the additional borrowing required to repay the use in previous years of £19,963k Basic Need funding and £1,401k Combined Authority funding for the</p>

Funding	Service	Amount (£m)	Reason for Change
			Wisbech Access Strategy, and also approve the resulting increase of £3,450k in the prudential borrowing requirement.
Additional / Reduction in Funding (Section 106 contributions)	All	<p>+£9.6 (S106 contributions)</p> <p>-£9.6 (Prudential Borrowing)</p>	<p>Section 106 contributions applicable to projects which have already completed in prior years (£9.6m) due to a timing issue between expenditure and receipt of funding have been allocated to those projects in 2020/21. This has the effect of reducing prudential borrowing across other projects in 2020/21 (as the completed projects were funded by £9.6m prudential borrowing in prior years).</p> <p>Strategy &amp; Resources Committee is asked to note the use of £9,569k Section 106 contributions for applicable schemes where expenditure was incurred in prior years, and the resulting reduction of £9,569k in the prudential borrowing requirement for 2020/21.</p>

## 14. Approval of Earmarked Reserves Carry-forwards

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

Fund Description	Transfer to reserves £000s	Notes
Director of Children & Safeguarding	200	Social Work Grant- to provide contingency in the event of increased costs in 2021-22 in Children's Social Care.
Coroners	375	Reserve for high cost inquests due to start 2021/22. A number of complex inquest cases are expected to be investigated in the coming financial year, which will entail higher costs through the need for specialist reports, witnesses or jury inquests. This is a one-off provision funded from a carry forward of underspend in 2021/22 put forward by the Communities directorate.
Service Director - Adults and Safeguarding	2,664	Mitigating risks in adult social care through 2021/22 as the effects of the pandemic on budgets are fully determined.  This reserve is funded by a carry forward of underspend from 2020/21. By making provision in this way it is anticipated that some of the permanent budget allocation made in 2021/22 can be released (see next report)
Adults and NHS debt	2,824	Related to payments made by the Clinical Commissioning Group ahead of a settlement of debt expected in 2021/22. The level of debt owed by the CCG is concerning and referred to in section 12 of this report. Negotiations with the NHS to settle the total sum and reduce the potential for reoccurrence in future are progressing, but in the meantime the NHS have paid an advanced sum to offset part of the debt. The Council is holding this amount in reserve, rather than applying this to the debt position until there is a wider settlement.
Cambridgeshire Skills	670	Consolidation of previous brought forward balances of external income, to continue a reserve to cover grant income risks plus specific provision for anticipated reductions to or claw backs of grant funding and planned spend in in 2021-22.
Shire Hall Relocation	590	Shire Hall Relocation – to mitigate against one-off revenue costs in Cambs 2020- further detail can be found in Appendix 3, section 2.4.3 of the May Integrated Finance Monitoring Report.
<b>Total</b>	<b>7,323</b>	

Strategy & Resources Committee is asked to approve the transfers to earmarked reserves listed above, totalling £7,323k.



## 15. External and Contextual Issues

- 15.1 The financial challenges facing the Council have increased during 2020/21 principally due to the unprecedented impact of the Covid-19 pandemic; the financial and human cost has been substantial. Every council department experienced disruption to its budgetary provision, and in some cases completely different patterns of service demand as well as wholly new activities and initiatives needed to be supported dynamically and at short notice. The scale of additional funding in response has also been significant. The major additional grants received by the Council include the following, totalling £63.6m:

<b>Grant</b>	<b>Awarding Body</b>	<b>Amount, £000</b>
Covid-19 Support Grant	Ministry of Housing, Communities & Local Government (MHCLG)	20,282 <sup>1</sup>
Contain Outbreak Management Fund	DHSC	15,311
Infection Control Grant	Department of Health and Social Care (DHSC)	11,577
Lost Sales, Fees & Charges Compensation	MHCLG	6,469
Test and Trace Support Grant	DHSC	2,493
Covid - rapid testing fund	DHSC	1,514
Covid Catch up premium	Department for Education (DFE)	1,416
Covid Winter Grant Scheme	Department for Work and Pensions (DWP)	1,286
Covid - workforce capacity grant	DHSC	1,162
Funding for support to Clinically Extremely Vulnerable (CEV) individuals	DWP	889
Lateral Flow Testing Grant	DHSC	656
COVID-19 Emergency Assistance Grant for Food and Essential Supplies	Department for Environment, Food & Rural Affairs (DEFRA)	541

<sup>1</sup> In addition to the £14.612m received in 2019-20.

- 15.2 Aside from the pandemic, the Council has remained vigilant to the enduring financial risks and uncertainties it faces throughout the year. CCC continues to face underlying increases in demand for its services, both as a result of population growth and changing demographics, particularly in relation to the ageing population and those with complex care needs. Altogether, these pressures, coupled with assumed levels of government grants, lead to a savings requirement of £66m from 2020/21 to 2024/25.
- 15.3 While numbers of Children in Care are continuing to decline, albeit more slowly, there has been a small increase in the number of young people in care with extremely complex needs. There is a shortage of placements for this group of young people, and placement costs have been increasing from an already very high unit cost. The Covid-19 pandemic has also affected the full implementation of Family Safeguarding, with a small number of adult practitioner posts remaining vacant. Family Safeguarding is associated with lower numbers of children in the care system; the full benefit of the model requires all posts to be recruited, and it is therefore possible that overall numbers in care may reduce more slowly than anticipated over coming months.
- 15.4 Similarly to councils nationally, cost pressures have been faced by Adult Services in Cambridgeshire for a number of years, in particular the rising cost of care homes and home care provision due in part to the requirement to ensure compliance with the national

living wage, as well as the increasing complexity of needs of people in receipt of care. Adult services generally benchmark as low cost and good outcomes. Despite this, for 2020/21, Adults Services had a balanced starting budget with no un-mitigated pressures carried-forward from the previous year. Revised arrangements during the first months of the pandemic for funding discharge from hospital initially led to a significant drop in weekly expenditure on Adult Social Care. This re-bounded somewhat later in the year although the longer-term impacts on demand in Adults Services and the care market are yet to be fully realised. As restrictions on daily activity persisted during the fourth quarter of the year, the anticipated increase in demand for long term Adult Social Care funded by the Council was not apparent by year end. We do expect significant increase in future, exceeding our pre-pandemic estimate.

- 15.5 Serious pressures have continued to grow on Special Education Needs and High Needs block of the dedicated schools grant, leading to the carried forward deficit reported in section 3.3.2. Although that deficit is ring-fenced (at least for until 2023) the increase this year is particularly concerning given it now exceeds the balances held elsewhere within dedicated schools grant by individual schools (see section 7) and the limited measures the Council can take to control expenditure in this area. Work continues to mitigate and understand these risks. A small number of authorities have now received a “safety valve” package of additional funding from Department for Education alongside agreeing to mitigating actions locally. CCC is keen to explore this and is in touch with DfE about the local deficit.
- 15.6 Despite the scale of the challenge the Council has faced this year, the 2020-21 year-end outturn position was a £6.3m underspend. This means that the Council’s non-earmarked reserves were topped up by £6.3m, which given the scale of the risks and potential pressures the Council has faced, is a favourable outcome enabling some flexibility in the face of the still very considerable uncertainties and risks looking forward. It is also pleasing that despite the disruption and difficulties with forecasting throughout the year, overall the financial position at outturn was close to expectations. Details of the pressures and underspends that have led to this year’s position can be found in previous [Finance Monitoring Reports](#).
- 15.7 The financial outlook for 2021/22 remains extremely constrained. The Coronavirus pandemic has transformed the environment in which local authorities operate with wide ranging repercussions for service provision and the financial resources required to deliver services. The longer-term impacts of COVID are expected to extend considerably into the Medium Term Financial Strategy period. Some of the specific challenges that the Council expects to face over the next five years are:
- Potential for growing regional and more local inequalities as a result of the economic fallout from the pandemic
  - Significant losses of fees and charges and precept income are anticipated due to suppressed demand for some services and increases in Council Tax Support
  - A number of new responsibilities for local authorities with significant resource implications, such as the provision of personal protective equipment, support to track and trace and outbreak management as well as infection control measures. As yet the extent of Government support for local authorities in funding these new burdens on an ongoing basis remains unclear.
  - Providing additional support for our local care markets to ensure sufficient appropriate care provision remains available

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

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

15.8 Beyond the pandemic, there is also a great deal of uncertainty surrounding the UK's public finances. In December 2020 the UK secured a post-Brexit trade deal with the EU, however the impacts of the new trading arrangements on economic growth, labour availability, and the cost of goods and services are still unclear and may yet influence levels of resources available to local authorities. In addition to the international uncertainty, there are a number of Central Government consultations currently underway (or paused), most notably those on technical aspects of Fair Funding and the Business Rates Retention Scheme, which are expected to affect the Council's funding, as well as the green paper on the longer term funding of Adult Social Care. Local Authorities had expected these funding reforms to take effect from 2021-22 however Government has confirmed that these will now be deferred until 2022-23 at the earliest.

15.9 The Council expects to see an overall increase in funding (excluding schools grants) of 7.2% to 2025/26, primarily due to increases in Council tax assumed within the medium term financial strategy. Nevertheless, inflationary pressures, population growth and increased demand for services are expected to result in additional budget pressures of 19.9% of gross budget over the same period, resulting in a savings requirement of £81m over the next five years. In May 2021, a new joint administration took control of the Council and committed to a thoroughgoing financial review alongside its new policy priorities.

15.10 Looking ahead the Council faces a larger savings requirement for upcoming years than it has had to deal with for sometime. Although there is some additional short term flexibility resulting from the underspend in 2020-21 and carried forward grant balances mitigate the pandemic risk to some degree, the need to deal with financial challenges on a recurrent basis is the priority. There is more information contained with the Council's [Medium Term Financial Strategy](#) passed in February and pending the review and reset that the joint administration will herald.

## 16. Alignment with corporate priorities

16.1 Communities at the heart of everything we do

There are no significant implications for this priority.

16.2 A good quality of life for everyone

There are no significant implications for this priority.

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

There are no significant implications for this priority.

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

There are no significant implications for this priority.

16.5 Protecting and caring for those who need us

There are no significant implications for this priority.

## 17. Significant Implications

### 17.1 Resource Implications

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

### 17.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

### 17.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

### 17.4 Equality and Diversity Implications

There are no significant implications within this category.

### 17.5 Engagement and Consultation Implications

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

### 17.6 Localism and Local Member Involvement

There are no significant implications within this category.

### 17.7 Public Health Implications

There are no significant implications within this category.

### 17.8 Environment and Climate Change Implications on Priority Areas

#### 17.8.1 Implication 1: Energy efficient, low carbon buildings.

Status: Neutral

Explanation: There are no significant implications within this category

#### 17.8.2 Implication 2: Low carbon transport.

Status: Neutral

Explanation: There are no significant implications within this category

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

Status: Neutral

Explanation: There are no significant implications within this category

17.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Status: Neutral

Explanation: There are no significant implications within this category

17.8.5 Implication 5: Water use, availability and management:

Status: Neutral

Explanation: There are no significant implications within this category

17.8.6 Implication 6: Air Pollution.

Status: Neutral

Explanation: There are no significant implications within this category

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

Status: Neutral

Explanation: There are no significant implications within this category

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS 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

## 18. Source documents

### 18.1 Source documents

P&E Finance Monitoring Report (Outturn 2020-21)  
P&C Finance Monitoring Report (Outturn 2020-21)  
PH Finance Monitoring Report (Outturn 2020-21)  
CS and LGSS Cambridge Office Finance Monitoring Report (Outturn 2020-21)  
C&I Finance Monitoring Report (Outturn 2020-21)  
Capital Monitoring Report (Outturn 2020-21)  
Report on Debt Outstanding (March 2021)  
CCC Prompt Payment Report (March 2021)

### 18.2 Location

1<sup>st</sup> Floor,  
Octagon,  
Shire Hall,  
Cambridge

## 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	Public Health £'000	P&E £'000	CS Financing £'000	Corporate Services £'000	C&I £'000	LGSS Op £'000	Financing Items £'000
<b>Opening Cash Limits as per Business Plan</b>	275,096	0	56,470	29,570	29,441	-9,277	6,286	16,844
Greater Cambridge Partnership budgets not reported in CCC budget					-649			
Cambridgeshire Music and Outdoor Education - moving from C&I to P&C	-72					72		
Integrated Finance- moving from LGSS to Corporate Services					6		-6	
Transfer re Social Work recruitment	31				-31			
Transfer for temporary relocation of Babbage House staff					-15	15		
Transfer from Democratic Services to School Organisation and Planning Service	29				-29			
Transfer from Fostering to Communications	-34				34			
Transfer of IT trainer budgets from LGSS to Corporate Services IT & Digital Service					262		-262	
Transfer of IT CCC SLA, Customer Services, Desktop and laptop charges to LGSS to replace annual recharging	-20				-655		675	
Transfer of Ely Archives property costs from P&C to County Offices	-78					78		
County Offices and Early Help District Delivery Service adjustments	-5					5		
Transfer of Recruitment team from P&C to Corporately Managed	-212				212			
Transfer budget for additional Information Management storage					20	-20		
Transfer IT networks budget from IT Managed to IT Operations					-202		202	
Transfer Children's Centres CPSN and VOIP budgets	-9				9			
Transfer Desktop and Application support budgets to IT Operations					-175		175	
Centralisation of postage budgets	-93		-40		133	0		
Transfer of P&E Management restructure savings from PCC Shared Service			-22		22			
Transfer Non-Exec Director fees budget to C&I					35	-35		
Budget for New Homes Bonus contribution no longer required for Greater Cambridge Partnership					376			
Repatriation of Procurement from LGSS to Corporate Services					373		-373	
Repatriation of Finance Operations from LGSS to Corporate Services					45		-45	
Repatriation of Human Resources from LGSS to Corporate Services					1,340		-1,340	

Repatriation of Health, Safety & Wellbeing from LGSS to Corporate Services				182		-182		
Repatriation of Learning & Development from LGSS to Corporate Services				1,586		-1,586		
Repatriation of Finance Assessments from LGSS to P&C	569					-569		
Repatriation of IT & Digital Services from LGSS to Corporate Services				340		-340		
Repatriation of IT Managed from LGSS to Corporate Services				2,807		-2,807		
Budget allocation to cover extra 0.75% LGE pay increase	389	0	35	-440	4	12		
Allocation of Dec-Mar Lead Authority Service budgets for 20-21				172		-172		
Repatriation adjustments				-53		53		
Repatriation of Social Care Finance Operations from LGSS to Corporate Services				732		-732		
LGSS Transition project adjustments - Professional Finance				-531		531		
LGSS Transition project adjustments - Shared Services				-569		569		
Energy Efficiency Fund savings achieved by Cambridge Central Library			16		-16			
Transfer Insurance budgets in line with annual Insurance Fund processes	533		1,608	-2,203	62			
<b>Current budget</b>	<b>276,125</b>	<b>0</b>	<b>58,067</b>	<b>29,570</b>	<b>32,576</b>	<b>-9,112</b>	<b>88</b>	<b>16,844</b>
Rounding	0	0	0	0	0	0	1	0



## Appendix 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2020 £000s	Movements in 2020-21 £000s	Balance at 31 March 2021 £000s	Notes
<b>- County Fund Balance</b>	17,658	8,436	26,094	
1 P&C	0	0	0	
2 P&E	0	0	0	
3 CS (LGSS Cambridge & Shared Services)	825	100	925	
<b>General Reserves subtotal</b>	18,483	8,536	27,019	
4 Insurance	4,165	665	4,830	
<b>Specific Earmarked Reserves subtotal</b>	4,165	665	4,830	
5 P&C	0	0	0	
6 P&E	0	0	0	
7 CS	3	-3	0	
8 C&I	0	0	0	
<b>Equipment Earmarked Reserves subtotal</b>	3	-3	0	
9 P&C	1,097	7,443	8,540	Savings realised through change in MRP policy.
10 PH	2,728	1,759	4,487	
11 P&E	4,669	515	5,184	Includes remainder of COVID-19 Support Grant 1st, 2nd, 3rd and 4th tranches
12 Corporate Services	5,423	-2,725	2,698	
13 C&I	709	464	1,173	Composite contingencies (row 21) divided between specific reserves
14 Transformation Fund	24,593	6,060	30,653	
15 Innovate & Cultivate Fund	972	-285	687	Composite contingencies (row 21) divided between specific reserves
16 Corporate- COVID	14,612	12,375	26,987	
17 Specific Risks Reserve		2,140	2,140	Composite contingencies (row 21) divided between specific reserves
18 This Land Credit Loss & Equity Offset		5,850	5,850	
19 Revaluation & Repair (Commercial Property)		2,940	2,940	Division to individual reserves set out above
20 Collection Fund Volatility & Appeals Account		3,690	3,690	
21 Composite contingencies	14,620	-14,620	0	Carry forward of unspent grant to spend in accordance with purposes for which the grant was given. £14.6m relates to specific Covid related grants.
22 Grant carry forwards	3,632	16,700	20,332	
<b>Other Earmarked Funds subtotal</b>	73,055	42,306	115,361	
<b>SUBTOTAL</b>	<b>95,706</b>	<b>51,504</b>	<b>147,210</b>	
23 P&C	2,518	1,074	3,592	Section 106 and Community Infrastructure Levy balances.
24 P&E	5,024	2,291	7,315	
25 C&I	11,632	-771	10,861	
26 Corporate	60,761	-10,945	49,816	
<b>Capital Reserves subtotal</b>	79,935	-8,351	71,584	

<b>GRAND TOTAL</b>	<b>175,641</b>	<b>43,154</b>	<b>218,795</b>	
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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:

<b>Fund Description</b>	<b>Balance at 31 March 2020 £000s</b>	<b>Movements in 2020-21 £000s</b>	<b>Balance at 31 March 2021 £000s</b>	<b>Notes</b>
1 P&E	0	0	0	
2 P&C	224	1,731	1,955	
3 Corporate Services	2,093	0	2,093	
4 C&I	0	0	0	
<b>Short Term Provisions subtotal</b>	<b>2,317</b>	<b>1,731</b>	<b>4,048</b>	
5 Corporate Services	3,613	0	3,613	
<b>Long Term Provisions subtotal</b>	<b>3,613</b>	<b>0</b>	<b>3,613</b>	
<b>GRAND TOTAL</b>	<b>5,930</b>	<b>1,731</b>	<b>7,661</b>	

## Appendix 3 – Recommendations from February 2021 report

The February Integrated Finance Monitoring Report included one recommendation to General Purposes Committee (GPC) that has not yet received approval, as the last Integrated Finance Monitoring Report to be presented at a meeting of GPC was the January report, on 23<sup>rd</sup> March 2021.

Strategy & Resources is asked to approve the recommendation from the February report.

### February 2021 Integrated Finance Monitoring Report

One recommendation concerning capital funding changes, found in section 5.6:

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

Funding	Service	Amount (£m)	Reason for Change
Additional/ Reduction in Funding (Specific Grants)	P&E	+£1.0	<p>A second tranche of Emergency Active Travel Funding has been awarded to CCC by the Department for Transport (DfT). The Government recently announced the Tranche 2 allocation of Emergency Active Travel Funding for Cambridgeshire and Peterborough. The Council is currently working with the Combined Authority to shape how this is allocated and spent and this will take account of the Government's guidance on the process to follow. We have now been notified the details of the funding split; the capital amount is £1,006k. This funding will be used this year and next financial year.</p> <p>Strategy &amp; Resources Committee is asked to note the additional funding for the Emergency Active Travel scheme as above.</p>

# Appendix 4 – Savings Tracker 2020-21 Year-end

RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 20-21 £000	Actual Investment - 20-21 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 20-21	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 20-21	Variance from Plan £000	Saving complete ?	% Variance	Direction of travel	Forecast Commentary
Blue	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.	1,536	1,520	0	0	-5,681	-62	-63	-62	-63	-250	-4,558	-138	-77	-33	-216	-464	-214	No	-85.60	↑	Four high value out of area continuing healthcare cases were concluded in Q4.
Red	A/R.6.176	Adults Positive Challenge Programme	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.	2,000	2,213	0	0	-3,800	-950	-950	-950	-950	-3,800	-3,102	-230	-47	-70	-48	-415	3,385	No	89.08	↔	Delivery of the APC demand management saving has been heavily impacted by Covid. The focus on hospital discharges and emergency work has resulted in saving delivery within assistive technology and reablement (two key areas) to be significantly below the pre-Covid profile. Work has been undertaken to evaluate what savings can still be delivered next year, and a portion has been removed in business planning. A key focus for delivering the remaining saving will be in reablement, as well as a cross-cutting workstream to ensure changing the conversation principles are being used in all parts of the service.
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.	0	0	0	0	0	-120	0	-12	-12	-144	0	-120	0	-12	-12	-144	0	Yes	0.00	↔	Complete
Black	A/R.6.181	Review of commissioned domiciliary care	A review will be undertaken to ensure that the hours of domiciliary care we provide are required to meet people's needs, particularly ensuring that care is tailored to individuals' lifestyles. This should allow fewer hours to be commissioned, for example, where there are care calls that are not needed, and release some capacity to use elsewhere. This is associated with a transformation fund investment, providing capacity to undertake this work.	0	0	0	0	0	-75	-75	-75	-75	-300	0	0	0	0	0	0	300	No	100.00	↔	Impaired due to Covid-19.
Green	A/R.6.182	Improved Better Care Fund	A review has been conducted of expenditure funded by ringfenced social care grants, particularly the IBCF. A number of areas of spend (those not achieving sufficient outcomes) are proposed to be discontinued, with funding redirected to meet demand pressures.	0	0	0	0	0	-170	0	0	0	-170	0	-170	0	0	0	-170	0	Yes	0.00	↔	Complete
Green	A/R.6.201	Cambridgeshire Skills	'Cambridgeshire Learning & Skills' is being transformed into 'Cambridgeshire Skills' a new stand-alone, self-financing service which aims to deliver more substantial, direct delivery of adult learning and skills, particularly targeted at those furthest away from learning and work to support their social and economic wellbeing.	0	0	0	0	0	-180	0	0	0	-180	0	-180	0	0	0	-180	0	Yes	0.00	↔	Saving complete
Green	A/R.6.202	Youth Justice / Youth Support	A reduction in staff capacity (£15k) and grants to external organisations (£15k) across the Youth Offending and Youth Support Services.	0	0	0	0	0	-30	0	0	0	-30	0	-30	0	0	0	-30	0	Yes	0.00	↔	Saving complete
Green	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 2020/21.	2,271	1,367	0	0	-1,311	-783	-784	-783	-784	-3,134	-1,311	-783	-784	-783	-784	-3,134	0	No	0.00	↔	Complete
Green	A/R.6.257	Early Help offer within Children's services	This saving will be achieved by ensuring that early help services are targeted in as effective and efficient a way possible.	0	0	0	0	0	-187	-188	-187	-188	-750	0	-187	-188	-187	-188	-750	0	Yes	0.00	↔	Complete
Green	A/R.6.266	Children in Care Stretch Target - Demand Management	Please see A/R.6.255 above.	2,271	1,367	0	0	0	-375	-375	-375	-375	-1,500	0	-375	-375	-375	-166	-1,291	209	No	13.93	↔	Final CIC Placements overspend of £857k, offset by £648k underspend in-house. Increased pressures in the final quarter of the year.
Green	A/R.6.267	Children's Disability 0-25 Service	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.	0	0	0	0	0	-12	-13	-12	-13	-50	0	-12	-13	-12	-13	-50	0	Yes	0.00	↔	Complete
Green	A/R.6.268	Utilisation of Education Grants	Contribution from the LAC Pupil Premium Grant to fund work with children in care	0	0	0	0	0	-12	-13	-12	-13	-50	0	-12	-13	-12	-13	-50	0	Yes	0.00	↔	Saving complete
Green	A/R.6.269	Review of Education support functions	Review of Education support functions including business support.	0	0	0	0	0	-43	-43	-43	-42	-171	0	-43	-43	-43	-42	-171	0	Yes	0.00	↔	Saving complete
Black	A/R.6.270	Home to School Transport	Review of Home to School Transport processes and provision to include procurement, shared services, demand management and supporting independence	0	0	129	0	0	0	-200	-200	-200	-600	0	0	0	0	0	0	600	No	100.00	↓	Savings were due to be achieved through a number of workstreams including route reviews and independent travel training. Travel training requires pupils to be in school and to be trained on public buses which has not been possible for the majority of the year. A decision was also taken to delay tender rounds recognising the pressure on the transport sector, reducing available savings from route reviews.
Green	A/R.7.102	Registration Service - Certificate Income	An increase in statutory charges for certificates has resulted in an increase in income collected by the Registration Service.	0	0	0	0	0	-35	-35	-35	-35	-140	0	-35	-35	-35	-35	-140	0	Yes	0.00	↔	Saving complete
Amber	A/R.7.105	Income from utilisation of vacant block care	We currently have some vacancies in block purchased provision in care homes. Income can be generated to offset	0	0	0	0	0	-37	-38	-37	-38	-150	0	0	0	0	-12	-12	138	No	92.00	↓	This saving has been impaired by the change in the care home market as a result of covid 19. There are now more vacancies in care

RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 20-21 £000	Actual Investment - 20-21 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 20-21	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 20-21	Variance from Plan £000	Saving complete ?	% Variance	Direction of travel	Forecast Commentary
		provision by self-funders	the vacancy cost by allowing people who pay for their own care to use these beds																					home beds across the market than previously. This reduces the likelihood of being able to sell our vacant block beds to people who pay for their own care as there is more choice across the market and it is anticipated only minimal savings will be delivered this year.
Red	A/R.7.106	Client Contributions Policy Change	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.	0	0	153	0	0	-350	-350	-350	-350	-1,400	0	0	0	-183	-25	-208	1,192	No	85.14	↑	Delivery of the saving in-year is expected to be significantly impaired. The impact of the pandemic in conjunction with resourcing issues has impacted on timescales for commencing the programme of reassessments following amendment of the contributions policy.
Green	B/R.6.102	Waste	Reduction in the amount of Waste being landfilled.	0	0	0	0	0	-100	-100	-100	-100	-400	0	-100	-100	-100	-100	-400	0	No	0.00	↔	
Green	B/R.6.204	Road Safety	H&CI committee members approved the implementation of a new transformative model for delivering all elements of road safety (education, engineering, school crossing patrols, safety cameras, audits etc). The approach is an integrated model with Peterborough, built around core and commercial activities. The £50k will be achieved through more efficient working practices (moving resource online and co-location)	0	0	0	0	0	-12	-13	-12	-13	-50	0	-12	-13	-12	-13	-50	0	No	0.00	↔	
Green	B/R.6.214	Street Lighting - contract synergies	Every year the budget is changed to reflect the level of synergy savings which will be achieved from the joint contract. This will not lead to any reduction in street lighting provision.	800	228	0	0	-216	5	5	5	6	21	-216	5	5	5	6	21	0	No	0.00	↔	
Black	B/R.7.119	Income from Bus Lane Enforcement	Utilising additional bus lane enforcement income to fund highways and transport works, as allowed by current legislation.	0	0	0	0	0	-162	-163	-162	-163	-650	0	0	0	0	0	0	650	No	100.00	↔	Due to COVID, existing income target not being met.
Black	B/R.7.120	Deployment of current surpluses in civil parking enforcement to transport activities	Deployment of current surpluses in civil parking enforcement to transport activities, including a contribution to Park & Ride, as allowed by current legislation.	0	0	0	0	0	-85	-85	-85	-85	-340	0	0	0	0	0	0	340	No	100.00	↔	Due to COVID, existing income target not being met.
Black	C/R.6.103	External Auditor fee	Saving to be achieved from reduction in expenditure on External Audit, as per fees set by Public Sector Audit Appointments	0	0	0	0	0	-3	-4	-4	-4	-15	0	0	0	0	0	0	15	No	100.00	↔	No further reduction this year, after a number of years of falling external audit prices for local government, the Redmond Review and auditor action is likely to lead to increases.
Green	C/R.6.106	Reduction in costs on Redundancy, Pensions & Injury budget	Reduction in costs on Redundancy, Pensions & Injury budget, held within Corporate Services.	0	0	0	0	-30	0	0	0	-10	-10	-20	0	0	0	-10	-10	0	Yes	0.00	↔	
Green	C/R.6.108	Democratic Services	Savings from efficiencies in the Democratic Services team and additional income from public sector partners.	0	0	0	0	0	0	0	0	-30	-30	0	-30	0	0	0	-30	0	Yes	0.00	↔	Long term increase in income
Green	C/R.7.102	Business rates income from Alconbury Enterprise Zone	Cambridgeshire County Council's shared of retained business rates income from the Alconbury Weald Enterprise Zone.	0	0	0	0	0	-22	-23	-22	-23	-90	0	-22	-23	-22	-23	-90	0	No	0.00	↔	Rates paid over 10 months of the year
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.	0	0	0	0	-162	-32	-32	-32	-31	-127	-162	-32	-32	-32	-31	-127	0	No	0.00	↔	On track
Green	E/R.6.034	Recommissioning of the Integrated Contraception and Sexual Health (iCASH) Service contract	This saving has been deferred from 2019/20 into 2020/21 and refers to the recommissioning of integrated sexual and reproductive health services described under saving E/R.6.042	0	0	0	0	0	-4	-4	-4	-3	-15	0	-4	-4	-4	-3	-15	0	No	0.00	↔	On track
Green	E/R.6.042	Joint re-procurement of Sexual Health Services	The re-commissioning of Integrated Sexual and Reproductive Health Services (SRH) for one service across Cambridgeshire and Peterborough. Peterborough City Council will delegate authority to Cambridgeshire County Council to commission, contract and performance manage the successful bidder on its behalf. Service efficiencies and transformational changes will secure the planned savings.	0	0	0	0	0	-12	-12	-12	-14	-50	0	-12	-12	-12	-14	-50	0	No	0.00	↔	On track
Amber	E/R.6.043	Joint re-procurement of Integrated Lifestyle Services	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.	0	0	0	0	0	-12	-12	-12	-14	-50	0	0	-7	-12	-14	-33	17	No	34.00	↓	Delivery of this saving has been delayed due to Covid-19
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.	369	239	0	0	0	-99	-99	-99	-100	-397	0	0	0	-397	0	-397	0	Yes	0.00	↔	Babbage House is now closed.
Green	F/R.6.108	Energy Efficiency Fund - Repayment of Financing Costs	Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal B/C.5.029	0	0	0	0	-58	0	0	0	-8	-8	-58	0	0	0	-8	-8	0	No	0.00	↔	Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs.
Green	F/R.7.105	Renewable Energy Soham - Income Generation	Income generation resulting from capital investment in solar farm at Soham. Links to capital proposal C/C.2.102 in BP 2016-17.	0	0	0	0	-282	-4	-5	-4	-5	-18	-282	-18	0	0	0	-18	0	Yes	0.00	↔	Increased income received
Black	F/R.7.106	Utilisation/commercialisation of physical assets	One Public Estate	0	0	0	0	-21	-9	-9	-9	-9	-36	21	0	0	0	0	0	36	No	100.00	↔	Income from parking – not met in 2020/21
Black	F/R.7.110	Return on Commercial Property Investments	The Council is developing a portfolio of commercial property investments. This is the rental income generated from the leases of these properties.	1,000	145	257	0	-4,700	-26	-26	-26	-27	-105	-2,600	0	0	0	0	0	105	No	100.00	↔	This was an extension of the current target, which has not been met due to delayed investment.
Green	F/R.7.113	Invest to Save Housing Schemes - Income Generation	The Council is a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This will require CCC to move from being a seller of sites to being a developer of sites, through a Housing Company. In the future, CCC will operate to make best use of sites with development potential in a co-ordinated and	0	0	0	0	-8,406	0	0	0	54	54	-3,575	0	0	0	54	54	0	Yes	0.00	↔	Net reduction in income from loans from This Land expected in 20/21

RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 20-21 £000	Actual Investment - 20-21 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 20-21	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 20-21	Variance from Plan £000	Saving complete ?	% Variance	Direction of travel	Forecast Commentary
			planned manner to develop them for a range of development options, generating capital receipts to support site development and significant revenue and capital income to support services and communities.																					
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.	0	0	0	0	0	-18	-19	-19	-19	-75	0	-38	0	-37	0	-75	0	Yes	0.00	↔	Rental income increased, but not due to commercial investment
Green	F/R.7.129	Pooled Property Fund Investment (CCLA)	In accordance with the Council's treasury management strategy, the Commercial & Investment Committee has supported a pooled property fund investment. The Local Authorities' Pooled Property Fund, managed by CCLA, has over £1.1bn invested spread across property classes throughout the UK. The Council has funds available to invest with a long-term horizon and the expected net returns are shown on this line.	0	0	0	0	0	-105	-105	-105	-105	-420	0	-95	-80	-80	-124	-379	41	Yes	9.76	↑	The return from the CCLA fund improved later in the year, after initially granting rental breaks
Black	F/R.7.130	Increase in ESPO dividend	Increase in ESPO dividend						0	0	0	-250	-250		0	0	0	-250	0	250	No	100.00	↓	ESPO dividend saving is expected to be achieved; however, it was not declared in time..
Green	G/R.6.004	Capitalisation of interest on borrowing	Through a change in the Council's accounting policy in 2017-18, the cost of borrowing within all schemes will be capitalised. This will help to better reflect the cost of assets when they actually become operational.					-308	0	0	0	-49	-49	-319	0	0	0	-49	-49	0	Yes	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

## Integrated Finance Monitoring Report for the period ending 31 May 2021

To: Audit & Accounts Committee

Meeting Date: 13 July 2021

From: Chief Finance Officer

Electoral division(s): All

Key decision: Strategy & Resources Committee

Forward Plan ref: 2021/021 (Strategy & Resources Committee)

Outcome: The Committee will receive information sent to the Strategy & Resources Committee concerning delivery of the business plan, financial position and allocation of resources.

Recommendation: Audit & Accounts Committee is invited to note and comment on the report.

Strategy & Resources Committee (S&R) was recommended to:

- a) Approve allocating £25k in order that all directly employed staff are paid at least the living wage throughout 2021-22 and to commence work to explore achieving the Real Living Wage Foundation accreditation, with the full implications to be considered by this Committee in collaboration with Staffing & Appeals Committee, as set out in section 2.3.4;
- b) Approve allocating up to £537k, from the Transformation Fund reserve, to People & Communities (Education) in order to provide children eligible for free school meals with that provision in Summer 2021, as set out in section 2.3.5;
- c) Approve the net the budget revision and redistribution set out in the table at 2.3.6: deducting £2.7m budget for items that are not currently required and investing £956k for additional pressures;

- d) Approve the carry forward of £33.8m capital funding from 2020/21 to 2021/22 and beyond as set out in section 5.6;
- e) Approve the -£25.4m revised phasing of funding in relation to schemes as set out in section 5.6;
- f) Note the changes in capital grants of £2.8m, and the associated reduction of £3.6m in the prudential borrowing requirement as set out in section 5.6;
- g) Approve £869k virement between property budgets, as set out in section 5.6;
- h) Note the changes in other contributions and Section 106 funding of £6.8m as set out in section 5.6 and
- i) Note the £0.3m reduction in capital receipts funding in 2021/22 as set out in section 5.6.

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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

<b>Revenue budget forecast outturn</b>  +£0.3m (+0.1%) forecast year end variance, however there continues to be uncertainty about the pandemic impact in the coming months  Green		<b>Capital programme forecast outturn</b>  A balanced budget forecast year end variance  Green
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### Number of service users supported by key care budgets

<b>Older people aged 65+ receiving long term services</b>	-	<b>May-21</b>	<b>Trend since May 21</b>
Nursing	-	492	-
Residential	-	864	-
Community	-	1,932	-

<b>Adults aged 18+ receiving long term services</b>	-	<b>May-21</b>	<b>Trend since May 21</b>
Nursing	-	69	-
Residential	-	358	-
Community	-	2,868	-

<b>Children open to social care</b>	<b>May-21</b>	<b>Apr-21</b>	<b>Trend since Apr 21</b>
Children in Care	664	660	Stayed the same
Child Protection	445	443	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 pressure of +£0.3m. The forecast pressures are largely within People & Communities (P&C) (+£0.3m) and Corporate Services (CS) (+£1.2m). These are offset by forecast underspends in Funding Items (-£1.1m) and Place & Economy (P&E) (-£0.2m). See section 3 for details.
- The Capital Programme is forecasting a balanced budget at year-end. This includes use of the capital programme variations budget. See section 5 for details

## 2.3 Joint Administration

2.3.1 The new administration has initiated a review of Council finances. This includes commissioning an LGA Peer Challenge including a dedicated finance module to provide external insight. This will feed into the revision of the medium term financial strategy to be considered by this Committee in Autumn 2021 alongside the resourcing and implementation of policy initiatives in the agreement through the first joint administration budget to be proposed to Full Council in 2022.

2.3.2 The joint administration comes to power at a time of

- Significant budget change and uncertainty as a result of the pandemic
- National funding uncertainty due to the existing one-year settlement and a piecemeal approach to funding of additional activity through a large number of non-recurrent grants
- A recurrent funding gap next year of more than £22m, with significant gaps thereafter
- Some short term flexibility through higher levels of reserve/grant carryforward due to some increases in demand not yet materialising

2.3.3. Although the joint administration will adopt a comprehensive approach to setting its first full budget, it is also recognised that additional investment in Cambridgeshire could make a more immediate impact in the following areas set out under paragraphs 2.3.4 and 2.3.5:

2.3.4 The real living wage is currently £9.50 per hour. At the time of writing local government scale points 1 and 2 are below this level. There is currently a national pay award pending, however the Joint Administration have indicated they wish to mitigate any uncertainty or delay connected to this for directly/centrally employed staff by allocating funds of £25k in order to bring these staff up to at least the living wage throughout 2021-22.

The Joint Administration Agreement also commits the Council to working towards achieving Real Living Wage accreditation. This will be a longer process with wider implications that will be subject to consideration by both this Committee, in terms of allocating resources, and the Staffing and Appeals Committee with respect to workforce policy. Alongside the additional funding, the Committee is therefore invited to adopt the commitment to that further exploration of the accreditation.

Strategy & Resources Committee is asked to approve allocating £25k in order that all centrally employed staff are paid at least the living wage throughout 2021-22 and to commence work to explore achieving the Real Living Wage Foundation accreditation, with the full implications to be considered by this Committee in collaboration with Staffing & Appeals Committee;

2.3.5 At its meeting on 29 June 2021, the Children's & Young People's Committee will consider a proposal to support vulnerable families during the Summer 2021 school break – this includes continuing the voucher approach to free school meals which has operated in recent school holidays.

That report to the CYP Committee ([available here](#)) sets out the nationally available funding which has supported vulnerable families since last winter during previous phases of the pandemic. In the medium term, the joint administration is committed to

implementing an anti-poverty strategy that will consider how those families entitled to free school meals, and other vulnerable groups, can access food and other basic essentials, debt management support and employment and training opportunities. In the short term however, there is an important opportunity to respond to need this Summer during the current phase of the pandemic. The report to the CYP Committee sets out that in the short term continuation of a voucher based approach is the available option and gives further details of the procurement approach and logistics for implementing this with local schools.

At the time of writing, the Secretary of State has just announced that additional funds will be allocated to this priority for the period up to 30 September. The CYP Committee will consider an addendum to take account of that announcement, and subject to that Committee's recommendation, S&R Committee is requested to utilising up to £537k of local resources to supplement the national funding for this priority.

Strategy & Resources Committee is asked to approve re-allocating up to £537k from the Transformation Fund reserve to People & Communities (Education) in order to provide children eligible for free school meals with that provision in Summer 2021.

- 2.3.6 In recent years a budgeting review has been undertaken in the early part of the Summer to check for significant opening budget variances as a result of developments since the budget was set. This reflects a dynamic approach to budgeting that acknowledges the complexity and uncertainty in making forward looking financial estimates. It supports an agile allocation of resources responding to the latest circumstances whilst ensuring budget manager accountability. Initial budget review has identified a number of budget areas where circumstances have changed since the budget was set. The proposals in this section are distinguished from the other exceptions in this report due to their *permanent* nature. There are favourable changes resulting from contingencies which have not been realised (court judgment and economic indicator led policy, as well as how risk is addressed in the Adults (demand-led) budgets). These amount to £2.7m.

At the same time, permanent budget increases are proposed in three areas: Coroners, Collective Investment Funds and the TotalMobile system. There is a pressure in the Coroners budget due to the increasing complexity of cases referred to the Coroner in the jurisdiction, leading to longer investigation and inquest durations. Complexity relates to the number of specialist hospitals, mental health facilities and prisons in the locality (for instance five inquests have been opened in the past 12 months relating to deaths in prisons). As well as complexity, the number of cases requiring action by Her Majesty's Coroner is 25% greater than 10 years ago. The Council has already taken steps to mitigate the service pressures in this area in a sustainable and cost effective way (such as the appointment of Area Coroners), a previous budget increase was also agreed through business planning however the joint management team has now supported a detailed case that leads to this further allocation request.

The Collective Investment Fund budget has a pressure of £670k due to an overall reduction in the anticipated value of the returns from 5.7% to 2.9% reflecting the environmental, social and governance factors used in selecting an appropriate investment fund for multi-class credit. The actual income yield generated by that fund in the last 10 months has been lower than expected (yield is <1%) and although there is some prospect this will improve over time, this budget adjustment also allows for a similar emphasis on ESG throughout the wider treasury portfolio. Finally, an additional £46k is required for

additional hosting mobilisation/carelinks support costs in the TotalMobile system as part of enabling delivery of the Adults Positive Challenge Programme.

In total, re-allocating the available amounts towards the new pressures means that these can be funded alongside redirecting a further £1.695m in future. Should the committee approve this request, the re-allocation will proceed as set out in the table below with the balance of £1.695m held centrally in reserve during 2021-22 and reflected into business planning for future years. This will initially reduce the ongoing budget gap, pending anticipated further pressures, and is set against the non-recurrent funding used at budget setting.

A table of the proposed budget adjustments is shown below (permanent):

<b>Budget Adjustment</b>	<b>£000</b>	<b>Policy Line</b>
Covid demand scenario funding set aside for Adults Services (provision sufficient through grant)	-1,331	Strategic Management - Adults
Social Care Market Support Provision not required (provision sufficient through grant)	-600	Strategic Management - Adults
Budget held pending Supreme Court case outcome – no longer required	-400	Strategic Management - Adults
Office for Budget Responsibility economic estimates in budget higher than required	-320	Strategic Management - Adults
Coroners: Increasing complexity and volume of cases	240	Coroners
Collective Investment Funds & Commercial: Reduction in budgeted net yield	670	Collective Investment Funds & Commercial
TotalMobile: Increase in investment required	46	IT & Digital Service
<b>Total Adjustment Required</b>	<b>-1,695</b>	

Strategy & Resources Committee is asked to approve the budget revision and redistribution set out in the table above: deducting £2.7m budget for items that have been realised and investing £956k for additional pressures.

### 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	Service	Current Budget for 2021/22 £000	Actual (May) £000	Forecast Variance (May) £000	Forecast Variance (May) %	Overall Status	DoT	Covid-19 Pressure £000	Other Financial Impact £000
64,317	Place & Economy	64,034	1,849	-162	-0.3%	Green	↑	3,751	-3,913
302,530	People & Communities	302,742	18,730	326	0.1%	Amber	↓	14,349	-14,023
0	Public Health	0	-21,432	0	-	Green	↓	0	0
25,489	Corporate Services	25,561	7,919	1,226	4.8%	Red	↓	4,302	-3,076
31,295	CS Financing	31,295	-3,083	0	0.0%	Green	↔	0	0
<b>423,632</b>	<b>Service Net Spending</b>	<b>423,632</b>	<b>3,984</b>	<b>1,391</b>	<b>0.3%</b>	Red	↓	<b>22,402</b>	<b>-21,011</b>
11,745	Funding Items	11,745	9,670	-1,070	-	Green	↑	0	-1,070
<b>435,377</b>	<b>Grand Total Net Spending</b>	<b>435,377</b>	<b>13,654</b>	<b>321</b>	<b>0.1%</b>	Green	↓	<b>22,402</b>	<b>-22,081</b>
155,583	Schools	155,583							
<b>590,960</b>	<b>Total Spending 2021/22</b>	<b>590,960</b>							

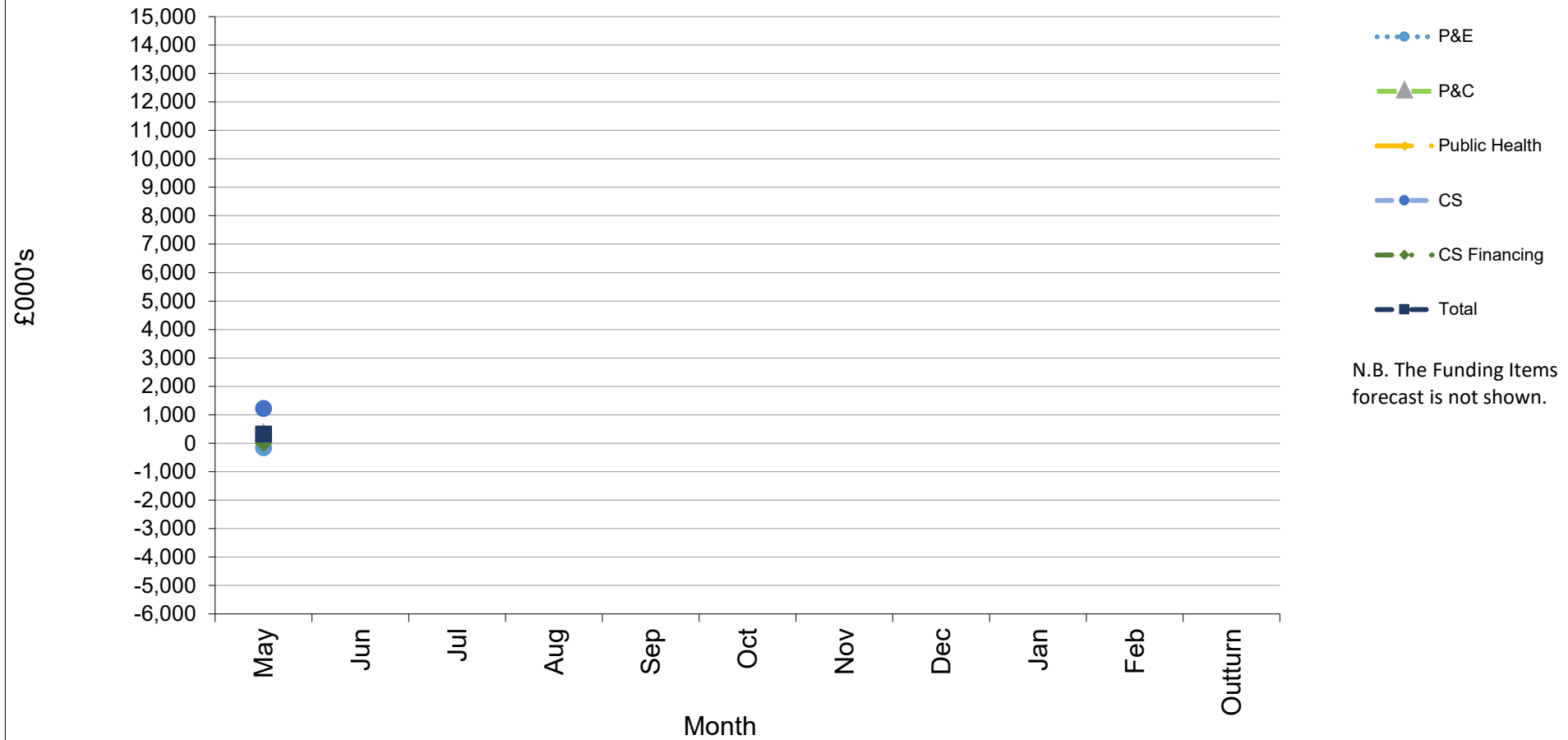
<sup>1</sup> The budget figures in this table are net.

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

<sup>3</sup> The budget of £0k stated for Public Health is its cash limit budget. In addition to this, Public Health has a budget of £26.8m from ring-fenced public health grant, £15.6m from the Contain Outbreak Management Fund, £1.8m from the Community Testing Grant, £1.1m from Test and Trace Support Grant and £0.5m from other grants which make up its gross budget.

<sup>4</sup> The 'Funding Items' budget comprises the £9.2m Combined Authority Levy, the £424k Flood Authority Levy and £2.1m 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.

# Forecast Outturn Position 2021/22



### 3.2 Key exceptions this month are identified below.

#### 3.2.1 Place & Economy:

-£0.162m (-0.2%) underspend is forecast.

- Lost Sales, Fees & Charges Compensation

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-3.113	(-100%)

-£3.113m compensation is forecast. Budget has been set aside to cover expected shortfalls in income due to COVID. The budget has been built on assumptions on the level of income and these will be closely monitored during the year.

- Traffic Management

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.604	N/A

A +£0.604m pressure is forecast. Income from permitting is projected to be lower than the budget set due to COVID. This is currently projected on certain assumptions and these assumptions will be closely monitored during the year. Currently we do not have enough data to change the assumptions when the budget was set. This is offset by the 'Lost Sales, Fees & Charges Compensation' line.

- Parking Enforcement

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+1.500	N/A

A +£1.500m pressure is forecast. Income is projected to be lower than the budget set due to COVID. This is currently projected on certain assumptions and these assumptions will be closely monitored during the year. This is offset by 'Lost Sales, Fees & Charges Compensation' line.

- Bus Operations including Park & Ride

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.700	N/A

A +£0.700m pressure is forecast. Income is projected to be lower than the budget set due to COVID. This is currently projected on certain assumptions and these assumptions will be closely monitored during the year. Currently we do not have enough data to change the assumptions when the budget was set. This is offset by the 'Lost Sales, Fees & Charges Compensation' line.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of -£0.162m. For full details, see the [P&E Finance Monitoring Report](#)

### 3.2.2 People & Communities:

+£0.326m (+0.1%) pressure is forecast at year-end.

- Learning Disabilities

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.410	(+1%)

A +£0.410m pressure is forecast. Learning Disabilities (LD) have cost pressures that are driving a forecast pressure for the year. Levels of need have risen greatly over the last year, and this is exacerbated by several new LD care packages with very complex health needs that cost much more than we budget for an average new care package. LD services in Cambridgeshire work in a pooled budget with the NHS, so any increase in cost in-year is shared.

- Older People's Services

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-1.000	(-1%)

A -£1.000m underspend is forecast. As was reported throughout 2020/21, sadly 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, and this short-term impact has carried forward into early forecasting for 2021/22. We remain significantly below budget at the end of May for spend on older people's care.

The financial position of this service is uncertain. There is a risk of an increase in care packages as Covid restrictions ease, and as NHS discharge funding ends in the middle of the year, as well as evidence of a rising complexity of need which will increase costs. Market support may also be required if government funding is not aligned to how long infection control requirements last. The forecast underspend assumes a lot of growth in cost from this month to the end of the year.

We will review in detail on a quarterly basis the activity information and other cost drivers to validate this forecast position, and so this remains subject to variation as circumstances change.

- Mental Health Services

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.300	(+2%)

A +£0.300m pressure is forecast. It was reported last year that the Covid pandemic had a significant impact on elderly clients with the most acute needs in the short-term. However, there was a significant increase in placements into care homes over the final quarter of 2020-21, and this has continued into the early part of 2021-22 with current placement numbers returning to pre-pandemic levels. Similar to Older People's Services, there is considerable uncertainty around the impact of the pandemic on longer-term demand for services, and so it is not yet clear whether the recent increase in placements is indicative of an emerging trend or a one-off outcome of the second wave.



Mental Health care teams are reporting a significant increase in demand. It is anticipated that this may result in an increase in the provision of packages for working age adults with mental health needs above budgeted expectations, both in terms of numbers and complexity of needs.

Detailed monitoring of placement activity continues to be maintained to inform financial reporting

- Coroners

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.311	(+20%)

A +£0.311m pressure is forecast. This is as a result of:

- Required changes to venues to make them Covid-19 compliant.
- Increased costs of postmortems owing to additional Personal Protective Equipment (PPE) and more staff required to reflect the high risk nature of potential Covid-19 related deaths.
- Increasing complexity of cases referred to the Coroner in the jurisdiction, leading to longer investigation and inquest durations.

- Outdoor Education (includes Grafham Water)

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.639	(-%)

A +£0.639m pressure is forecast. This is due to the loss of income as a result of school residential visits not being allowed until mid-May and a reduction in numbers following the opening up in order to adhere to Covid-19 guidance. More than 50% of the centres' income is generated over the summer term and so the restricted business at the start of the financial year has a significant impact on the financial outlook for the year. Approximately 70% of the lost income until June can be claimed back through the local Government lost fees and charges compensation scheme. The figures above also allow for the small number of staff still being furloughed.

- SEND Financing - DSG

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+11.244	(-100%)

An +£11.244m pressure is forecast. Due to the continuing increase in the number of children and young people with an Education, Health and Care Plan (EHCP), and the complexity of need of these young people the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. The current forecast in-year pressure reflects the initial identified shortfall between available funding and existing budget requirements.

- Financing - DSG

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-11.244	(-100%)

An -£11.244m required contribution from the Dedicated Schools Grant (DSG) is forecast. This contribution represents the amount that will be drawn down from the DSG reserve in excess of what was budgeted to cover pressures in DSG-funded areas. Within P&C, spend of £90.5m is funded from the ring-fenced Dedicated Schools Grant. Net pressures on Special Educational Needs and Disability (SEND) services (as above) will be carried forward as a deficit on the DSG. The final DSG balance brought forward from 2020/21 was a deficit of £26.4m.

This is a ring-fenced grant and, as such, pressures do not currently affect the Council's bottom line however there is increasing scrutiny and challenge from the Department for Education (DfE) to manage the deficit and evidence plans reduce spend. Work is underway to develop system wide improvements and deliver reductions in costs where identified. However, we continue to lobby for fairer funding in this area, as it is our view that we have a structural deficit and we cannot deliver plans to reduce budget pressure without impacting adversely services and outcomes for our most vulnerable and complex pupils.

- Executive Director – directorate wide protective equipment

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-0.432	(-24%)

A -£0.432m underspend is forecast. A provision of £900k was made against this budget line on a one-off basis in 2021/22 for the costs of Personal Protective Equipment (PPE) that is needed to deliver a variety of services across social care and education services. When budgets were agreed for 2021/22 there was uncertainty about what, if any, PPE would be provided directly by government rather than having to purchase it ourselves. The government subsequently confirmed that their PPE scheme would continue, and therefore over the first quarter of the year PPE spend by the Council will be minimal. As infection control measures are expected to loosen over the rest of the year, we expect to underspend by at least this much on PPE.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£0.326m. For full details, see the [P&C and PH Finance Monitoring Report](#).

### 3.2.3 Public Health:

- A balanced budget is forecast for year-end.

- Public Health Strategic Management

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-0.294	(-31%)

A -£0.294m underspend is forecast. The budget for this service line consists of parts of the increase in Public Health Grant in both 2020/21 and 2021/22 where these have not yet been allocated to specific services (either because it remains unallocated or because the service has not yet started). The forecast underspend is approximately half of the available grant uplift and reflects the likelihood that the first part of the year will continue to be disrupted by Covid and therefore plans to spend this funding may be delayed. It also provides for a more general likelihood

that there will be some underspend across Public Health over the first part of the year even if services are not reporting that yet.

- A combination of more minor variances sum with the above to lead to an overall balanced budget forecast; the -£294k underspend being reported in the Public Health directorate will be transferred to the Public Health ring-fenced grant reserve at year-end, leading to a balanced budget overall. For full details, see the [P&C and PH Finance Monitoring Report](#).

### 3.2.4 Corporate Services:

+£1.226m (4.8%) pressure is forecast for year-end.

- **Property Investments**

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.474	(+13%)

A +£0.474m pressure is forecast. The reduction in rental income anticipated from the leisure property and the student accommodation property within the portfolio is higher than expected at budget setting. Income from the office/research, retail and manufacturing properties remains on target.

- **Collective Investment Funds**

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.290	(+30%)

A +£0.290m pressure is forecast. There is an overall reduction in the anticipated value of the returns from 5.7% to 2.9% reflecting the environmental, social and governance factors used in selecting an appropriate investment fund. In addition, the pandemic has impacted on the returns being achieved in the early part of the year. This pressure will be mitigated if the investment in section 2.3.6 is approved.

- **Facilities Management**

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.400	(+8%)

A +£0.400m pressure is forecast. This is the estimated pressure expected due to the continued increase in the cost of maintaining libraries, and other corporate properties.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£1.226m. For full details, see the [CS Finance Monitoring Report](#).

### 3.2.5 CS Financing:

A balanced budget 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](#).

### 3.2.6 Funding Items:

-£1.070m underspend is forecast for year-end. This relates to a forecast additional £290k to be received above the £1.47m Business Rates Retention 2020-21 Pool Dividend accrual reported in the Outturn 2020-21 report, and an estimated additional £780k Local tax losses 2020-21 grant due later in 2021.

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

## 4. Key Activity Data

- 4.1 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).

## 5. Capital Programme

### 5.1 Capital financial performance

A summary of capital financial performance is shown below:

Original 2021/22 Budget as per Business Plan £000	Forecast Variance - Outturn (Apr) £000	Service	Revised Budget for 2021/22 £000	Actual-Year to Date (May) £000	Forecast Variance - Outturn (May) £000	Forecast Variance - Outturn (May) %	Total Scheme Revised Budget (May) £000	Total Scheme Forecast Variance (May) £000
96,983	-	P&E	119,948	-847	-	0.0%	546,403	-
44,588	-	P&C	43,154	-125	0	0.0%	534,814	-319
10,261	-	Corporate Services	15,404	3,143	-	0.0%	191,143	-
-	-	Outturn adjustment	-	-	-	-	-	-
<b>151,832</b>	<b>-</b>	<b>Total Spending</b>	<b>178,506</b>	<b>2,170</b>	<b>0</b>	<b>0.0%</b>	<b>1,272,360</b>	<b>-319</b>

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 5.2.
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.

## 5.2 2021-22 capital programme variations budgets

5.2.1 A summary of the use of the 2021-22 capital programme variations budgets by services is shown below. As 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 (May) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (May) £000
P&E	-12,737	-1,156	1,156	9.08%	0
P&C	-5,957	-2,590	2,590	43.47%	0
CS	-13,757	-6,624	6,624	48.15%	0
Outturn adjustment	-	-	-	-	-
<b>Total Spending</b>	<b>-32,451</b>	<b>-10,370</b>	<b>10,370</b>	<b>31.95%</b>	<b>0</b>

## 5.3 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.

### 5.3.1 Place & Economy:

A balanced budget is forecast at year-end.

In February 2021, Roads Fund/Pothole grant allocations were announced by the Department for Transport. The County Council will receive £8.3m, via the Combined Authority. This is the second year of a funding programme announced over three years by government. Expenditure of these funds is underway as part of the Council's commitment to investment in roads, footways and cycleways.

- Decarbonisation Fund

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (May) £'000	Forecast Spend - Outturn Variance (May) £'000	Variance Last Month (Apr) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
4,846	4,059	-787	0	-787	0	-787

An in-year underspend of -£0.8m is forecast. Twenty low carbon heating projects are currently underway, one of which is now completed. Any unspent funding will roll forward to 2022/23.

- P&E Capital Variation

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (May) £'000	Forecast Spend - Outturn Variance (May) £'000	Variance Last Month (Apr) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-12,737	-11,581	1,156	0	1,156	0	1,156

As agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore, the net £1.2m underspend is balanced by use of the capital variations budget. This relates primarily to the underspend on the Decarbonisation Fund as reported above, together with more minor variances.

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

### 5.3.2 People & Communities:

A balanced budget is forecast at year-end.

- Basic Need- Secondary

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (May) £'000	Forecast Spend - Outturn Variance (May) £'000	Variance Last Month (Apr) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,822	4,100	-1,722	0	-1,722	219	-1,940

- An in-year underspend of -£1.7m is forecast across Basic Need- Secondary schemes. The main schemes included in the variance are the ones outlined below, together with other more minor variances below £250k:

- Northstowe Secondary

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (May) £'000	Forecast Spend - Outturn Variance (May) £'000	Variance Last Month (Apr) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
537	250	-287	0	-287	0	-287

Rephasing has taken place due to further review and decision that the build element including the Sixth Form provision is no longer required until 2024.

- New secondary capacity to serve Wisbech

<b>Revised Budget for 2021/22 £'000</b>	<b>Forecast Spend - Outturn (May) £'000</b>	<b>Forecast Spend - Outturn Variance (May) £'000</b>	<b>Variance Last Month (Apr) £'000</b>	<b>Movement £'000</b>	<b>Breakdown of Variance: Underspend/ pressure £'000</b>	<b>Breakdown of Variance: Rephasing £'000</b>
1,984	600	-1,384	0	-1,384		-1,384

Rephasing has taken place following the project recommencing after delays in the announcement of Wave 14 free school applications. Design work is expected in 2021/22 with start on site not expected until late March 22.

- P&C Capital Variation

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (May) £'000	Forecast Spend - Outturn Variance (May) £'000	Variance Last Month (Apr) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-5,957	-3,367	2,590	0	2,590	0	2,590

- As agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore, the net £2.6m underspend is balanced by use of the capital variations budget. This relates primarily to the underspends on Northstowe Secondary and the New secondary capacity to serve Wisbech scheme as reported above, together with more minor variances.

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

### 5.3.3 Corporate Services:

A balanced budget is forecast at year-end.

- Housing Schemes

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (May) £'000	Forecast Spend - Outturn Variance (May) £'000	Variance Last Month (Apr) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
6,674	50	-6,624	0	-6,624	0	-6,624

An in-year underspend of -£6.6m is forecast. This Land's cashflow position is such that they do not currently require any further loan financing, the next loan request is expected in mid-2022.

- CS Capital Variation

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (May) £'000	Forecast Spend - Outturn Variance (May) £'000	Variance Last Month (Apr) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-13,757	-7,133	6,624	0	6,624	0	6,624

As agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore, the net £6.6m underspend is balanced by use of the capital variations budget. This relates to the underspend on the Housing Schemes as reported above.



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

## 5.4 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:

### 5.4.1 Place & Economy:

A total scheme balanced budget is forecast. There are no exceptions to report this month; for full details, see the [P&E Finance Monitoring Report](#).

### 5.4.2 People & Communities:

A -£0.3m (-0.1%) total scheme underspend is forecast. There are no exceptions to report this month; for full details, see the [P&C and PH Finance Monitoring Report](#).

### 5.4.3 Corporate Services:

A total scheme balanced budget is forecast. There are no exceptions to report this month; for full details, see the [CS Finance Monitoring Report](#).

## 5.5 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 Funding <sup>1</sup> £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	-0.1	4.0	23.5	23.5	-
Basic Need Grant	-	1.0	-	-	1.0	1.0	-
Capital Maintenance Grant	3.1	2.2	-	0.7	6.1	6.1	-
Devolved Formula Capital	0.8	1.3	-	-0.0	2.0	2.0	-
Specific Grants	20.3	4.0	-4.2	4.6	24.7	21.8	-2.9
S106 Contributions & Community Infrastructure Levy	23.5	-0.3	-5.0	0.4	18.6	18.6	-
Capital Receipts	1.6	-	-	-0.3	1.3	1.3	-
Other Contributions	16.0	0.6	-1.9	6.7	21.4	21.1	-0.2
Revenue Contributions	-	-	-	-	-	-	-
Prudential Borrowing	70.4	21.6	-14.2	-4.0	73.8	76.9	3.1
<b>TOTAL</b>	<b>151.8</b>	<b>33.8</b>	<b>-25.4</b>	<b>12.1</b>	<b>172.4</b>	<b>172.4</b>	<b>-0.0</b>

<sup>1</sup> 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.

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

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	All Services	+£33.8	<p>The Capital Programme Board has reviewed overspends and underspends at the end of 2020/21, and many of these are a result of changes to the timing of expenditure, rather than variations against total costs. As such, this funding is still required in 2021/22 to complete projects. Of the £33.8m funding to be carried forward, £21.6m relates to prudential borrowing.</p> <p>Further details are available in <a href="#">Appendix 4</a>, which shows capital roll-forwards.</p> <p><b>Strategy &amp; Resources Committee is asked to approve the carry forward of £33.8m capital funding from 2020/21 to 2021/22 and beyond.</b></p>
Revised Phasing	All Services	-£25.4	<p>There have been some changes to schemes since the 2021/22 Business Plan was finalised. The following schemes have been rephased resulting in the following changes to their 2021/22 funding requirement:</p> <p><b>P&amp;E, -£17.6m:</b></p> <ul style="list-style-type: none"> <li>• Bar Hill to Northstowe Cycle Route (-£819k)</li> <li>• Boxworth to A14 cycle route (-£550k)</li> <li>• Dry Drayton to NMU link cycle route (-£251k)</li> <li>• Hilton to Fenstanton cycle route (-£500k)</li> <li>• Buckden to Hinchingsbrooke cycle route (-£780k)</li> <li>• Guided Busway (-£4,079k)</li> <li>• King's Dyke (+£1,189k)</li> <li>• Wisbech Town Centre Access Study (-£3,359k)</li> <li>• Waste - Household Recycling Centre (HRC) Improvements (-£2,975k)</li> <li>• Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride (-£2,388k)</li> <li>• Babraham Smart Energy Grid (-£662k)</li> <li>• North Angle Solar Farm, Soham (-£2,457k)</li> </ul> <p><b>P&amp;C, -£7.6m</b></p> <ul style="list-style-type: none"> <li>• Littleport Community Primary (-£591k)</li> <li>• WING Development - Cambridge (new primary) (+£604k)</li> <li>• St Philips Primary School (-£710k)</li> <li>• North West Fringe secondary (-£250k)</li> <li>• Cambourne Village College Phase 3b (-£5,276k)</li> <li>• Duxford Community C of E Primary School rebuild (-£300k)</li> </ul> <p>Other schemes below the de minimis make up the difference.</p> <p><b>Strategy &amp; Resources Committee is asked to approve the -£25.4m revised phasing of funding in relation to schemes as set out above.</b></p>



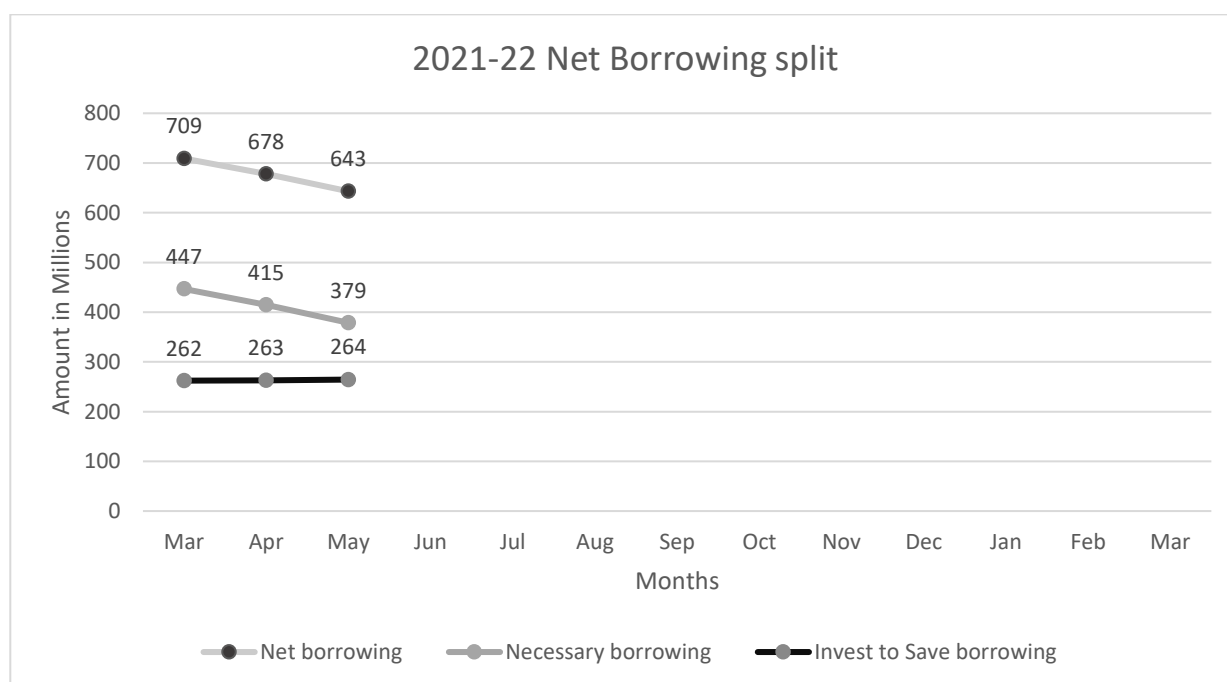
			<b>Strategy &amp; Resources Committee is asked to approve the £869k re-allocation between property budgets.</b>
Additional/ Reduction in Funding (Other contributions and Section 106 contributions)	P&E	+£6.8	<p>Additional contributions are anticipated in relation to the following schemes:</p> <ul style="list-style-type: none"> <li>• Carriageway &amp; Footway Maintenance (+£420k) consisting of £250k relating to a rebate from the Highways contractor and £170k revenue contributions</li> <li>• Pothole funding (+£4,000k)- revenue contributions</li> <li>• Combined Authority Schemes- March Area Transport Study (+£2,072k)- contributions from the Combined Authority</li> <li>• S106 Cherry Hinton Road (+£330k)- S106 developer contributions</li> </ul> <p><b>Strategy &amp; Resources Committee is asked to note the changes in other contributions and Section 106 funding of £6.8m as outlined above.</b></p>
Additional/ Reduction in Funding (Capital Receipts)	CS	-£0.3	<p><b>CS, -£0.3m:</b></p> <p>A reduction of £0.3m in the use of capital receipts is anticipated in relation to Capitalisation of Redundancies as at this stage no redundancies are linked to current savings in 2021-22.</p> <p><b>Strategy &amp; Resources Committee is asked to note the £0.3m reduction in capital receipts funding in 2021/22 in relation to the above scheme.</b></p>

## 6. Balance Sheet

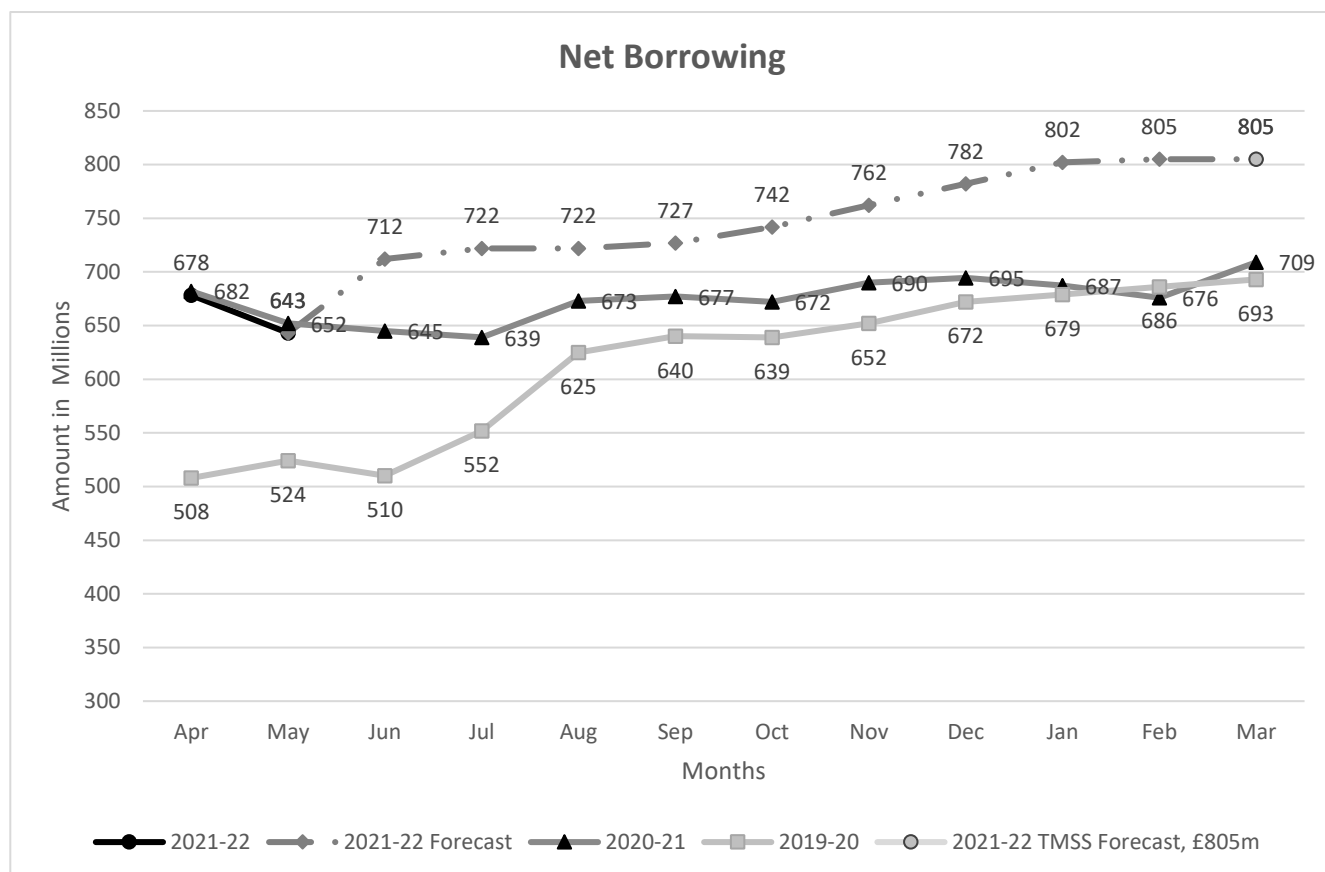
6.1 A more detailed analysis of balance sheet health issues is included below:

Measure	Year End Target	Actual as at the end of May 2021 <sup>1</sup>
% of income collected (owed to the council) within 90 days: Adult Social Care	85%	10%
% of income collected (owed to the council) within 90 days: Sundry	90%	12%
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	91.7%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	85.0%	77.7%

6.2 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 £264m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3<sup>rd</sup> parties in order to receive a financial return.



- 6.3 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 May 2021, investments held totalled £163.5m (excluding all 3<sup>rd</sup> party loans, Equity and This Land) and gross borrowing totalled £806.6m, equating to a net borrowing position of £643.1m.



- 6.4 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.
- 6.5 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.
- 6.6 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.

- 6.7 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.
- 6.8 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).
- 6.9 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](#).

## 7. Alignment with corporate priorities

### 7.1 Communities at the heart of everything we do

There are no significant implications for this priority.

### 7.2 A good quality of life for everyone

There are no significant implications for this priority.

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

There are no significant implications for this priority.

### 7.4 Cambridgeshire: a well-connected, safe, clean, green environment

There are no significant implications for this priority.

### 7.5 Protecting and caring for those who need us

There are no significant implications for this priority.

## 8. Significant Implications

### 8.1 Resource Implications

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

### 8.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

### 8.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.



#### 8.4 Equality and Diversity Implications

There are no significant implications within this category.

#### 8.5 Engagement and Consultation Implications

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

#### 8.6 Localism and Local Member Involvement

There are no significant implications within this category.

#### 8.7 Public Health Implications

There are no significant implications within this category.

#### 8.8 Environment and Climate Change Implications on Priority Areas

##### 8.8.1 Implication 1: Energy efficient, low carbon buildings.

Status: Neutral

Explanation: While this paper proposes no significant implications within this category, it should be noted that section 6.6 under “Reserved Phasing” includes renewable energy generation schemes which will aid in decarbonisation of those sites and neighbouring businesses.

##### 8.8.2 Implication 2: Low carbon transport.

Status: Neutral

Explanation: While this paper proposes no significant implications within this category, it should be noted that section 6.6 under “Revised Phasing” includes a range of cycle-way related projects whose delivery will assist in modal shift towards low carbon options.

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

Status: Neutral

Explanation: There are no significant implications within this category

##### 8.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Status: Neutral

Explanation: There are no significant implications within this category

##### 8.8.5 Implication 5: Water use, availability and management:

Status: Neutral

Explanation: There are no significant implications within this category

#### 8.8.6 Implication 6: Air Pollution.

Status: Neutral

Explanation: While this paper proposes no significant implications within this category, it should be noted that section 6.6 under “Revised Phasing” includes a range of cycle-way related projects whose delivery will assist in modal shift towards non-polluting transport options.

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

Status: Neutral

Explanation: There are no significant implications within this category

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? No

Name of Officer: Not applicable

Has the impact on statutory, legal and risk implications been cleared by the Council’s Monitoring Officer or LGSS Law? No

Name of Legal Officer: Not applicable

Have the equality and diversity implications been cleared by your Service Contact? No

Name of Officer: Not applicable

Have any engagement and communication implications been cleared by Communications?  
No

Name of Officer: Not applicable

Have any localism and Local Member involvement issues been cleared by your Service Contact? No

Name of Officer: Not applicable

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

Name of Officer: Not applicable

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

Name of Officer: Emily Bolton

## 9. Source documents

### 9.1 Source documents

P&E Finance Monitoring Report (May 21)

P&C and PH Finance Monitoring Report (May 21)

CS Finance Monitoring Report (May 21)

Capital Monitoring Report (May 21)

CCC Debt Reporting Pack (May 2021)

CCC Prompt Payment Report (May 2021)

## Appendix 1 – transfers between Services throughout the year

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

<b>Budgets and Movements</b>	<b>P&amp;C £'000</b>	<b>P&amp;E £'000</b>	<b>CS Financing £'000</b>	<b>Corporate Services £'000</b>	<b>Financing Items £'000</b>
<b>Opening Cash Limits as per Business Plan</b>	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	
Renewable Energy Investments transfer from CS to P&E		-239		239	
ICT Service (Education) transfer from CS to P&C	-200			200	
<b>Current budget</b>	<b>302,742</b>	<b>64,034</b>	<b>31,295</b>	<b>25,561</b>	<b>11,745</b>
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 May 2021 £000s	Forecast Balance at 31 March 2022 £000s	Notes
<b>- County Fund Balance</b>	26,094	-76	26,018	25,698	
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	925	0	925	925	
<b>General Reserves subtotal</b>	27,019	-76	26,943	26,623	
4 Insurance	4,830	-117	4,713	4,713	
<b>Specific Earmarked Reserves subtotal</b>	4,830	-117	4,713	4,713	
5 P&C	0	0	0	0	
6 P&E	0	0	0	0	
7 Corporate Services	0	0	0	0	
<b>Equipment Earmarked Reserves subtotal</b>	0	0	0	0	
8 P&C	8,540	0	8,540	3,266	Savings realised through change in MRP policy.
9 PH	4,487	0	4,487	1,212	
10 P&E	5,184	0	5,184	3,626	
11 Corporate Services	3,871	0	3,871	3,366	
12 Transformation Fund	30,653	-3,517	27,136	22,364	Includes remainder of COVID-19 Support Grant 1st, 2nd, 3rd and 4th tranches
13 Innovate & Cultivate Fund	687	0	687	83	
14 Corporate- COVID	26,987	0	26,987	26,987	
15 Specific Risks Reserve	2,140	0	2,140	2,140	
16 This Land Credit Loss & Equity Offset	5,850	0	5,850	5,850	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.
17 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	2,940	
18 Collection Fund Volatility & Appeals Account	3,690	0	3,690	3,690	
19 Grant carry forwards	20,332	0	20,332	0	
<b>Other Earmarked Funds subtotal</b>	115,361	-3,517	111,844	75,524	
<b>SUBTOTAL</b>	<b>147,210</b>	<b>-3,710</b>	<b>143,500</b>	<b>106,860</b>	
20 P&C	3,592	0	3,592	0	Section 106 and Community Infrastructure Levy balances.
21 P&E	7,315	1,276	8,591	0	
22 Corporate Services	10,861	0	10,861	10,861	
23 Corporate	49,816	4,807	54,623	42,809	
<b>Capital Reserves subtotal</b>	71,584	6,083	77,667	53,670	
<b>GRAND TOTAL</b>	<b>218,795</b>	<b>2,373</b>	<b>221,167</b>	<b>160,529</b>	

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:

<b>Fund Description</b>	<b>Balance at 31 March 2021 £000s</b>	<b>Movements in 2021-22 £000s</b>	<b>Balance at 31 May 2021 £000s</b>	<b>Forecast Balance at 31 March 2022 £000s</b>	<b>Notes</b>
1 P&E	0	0	0	0	
2 P&C	1,955	0	1,955	1,955	
3 Corporate Services	2,093	0	2,093	2,093	
<b>Short Term Provisions subtotal</b>	<b>4,048</b>	<b>0</b>	<b>4,048</b>	<b>4,048</b>	
4 Corporate Services	3,613	0	3,613	3,613	
<b>Long Term Provisions subtotal</b>	<b>3,613</b>	<b>0</b>	<b>3,613</b>	<b>3,613</b>	
<b>GRAND TOTAL</b>	<b>7,661</b>	<b>0</b>	<b>7,661</b>	<b>7,661</b>	

## Appendix 3 – Financial Update on Cambs 2020

### 1. Background

- 1.1 This appendix is presented alongside the separate report at this Committee concerning the future of the Shire Hall campus.
- 1.2 In May 2018 Full Council agreed to support the Council changing its overarching service delivery model to one that is based upon Hub and Spokes. This model is predicated on the Council moving to a smaller modern headquarters, with Spokes locations across the County to support front facing service delivery. Members wanted to ensure that this Programme should not just be about buildings but should be broadened to provide the necessary infrastructure to support a new community service based delivery model. The Programme's focus is on the provision of delivering the infrastructure necessary to provide services within the communities that we serve, whilst rationalising the cost of that service provision.
- 1.3 In October 2019 Commercial and Investments Committee approved the overall Spokes programme capital expenditure and anticipated revenue costs as a result of the programme.

### 2. Main Issues

#### 2.1 Civic Hub Capital Expenditure

- 2.1.1 Regular updates were provided to C&I Committee to confirm that the project is still anticipated to come within the £18.337m budget agreed and this remains the case. Actual expenditure to 7<sup>th</sup> June 2021 totals £12.355m.
- 2.1.2 In July 2020, C&I Committee supported the provision of a separate specific £400k Covid-19 risk contingency budget, funded by Prudential Borrowing. The current total additional costs associated with the impact of Covid-19 is £192,624 and this is not currently expected to increase.
- 2.1.3 A separate capital budget is in place for the solar array at the new Civic Hub which is not part of the budgets included in this report.
- 2.1.4 The current position on the Civic Hub capital budget is summarised in Table 1 below:

Table 1: Civic Hub capital budget position June 2021

Budget Item	Agreed MS5 Budget £ 000s	Actual Spend to Date £ 000s	February 2021 Forecast Outturn £ 000s	June 2021 Forecast Outturn £ 000s
Feasibility	137	137	137	137
Construction cost	13,282	10,129	14,075	14,161
ICT & FF&E	1,600	122	1,596	1,600
Land	1,474	1,541	1,541	1,541
Other	779	427	630	634
Sub total	17,272	12,355	17,979	18,073
Construction risk allowance remaining	863		329	258
Employers Change Contingency remaining	202		29	6
Total before Covid contingency	18,337	12,355	18,337	18,337
Additional Covid risk contingency budget	400	Included above	400	193
Total	18,737	12,355	18,737	18,530

## 2.2 Spokes Capital Expenditure

2.2.1 The Spokes capital budget agreed at Committee in October 2019 totalled £5.99m. An additional £388k was agreed in 2020/21 in relation to Babbage House and Oak Court bringing the total budget to £6.387m. The investment required in many of the buildings would have been required regardless due to an under-investment in corporate buildings over the years. There have been delays to the Spoke projects due to the impact of Covid-19 on the priorities of the organisation, capacity internally, as well as the ability to move forwards with various elements at the anticipated speed (for example, planning).

2.2.2 Completed projects are as follows:

- Bernard Sunley Centre, Papworth
- Scott House, Huntingdon
- Noble House, Ely - underspend £85k due to a decision not to invest in additional car parking

2.2.3 Significant changes to project scopes of note are as follows:

- Hawthorns, Cambridge City. This project looked to refurbish an existing freehold asset to create a suitable space for supervised contact in addition to space for additional teams to work from. However, the pre-tender estimate returned higher than anticipated, and this gave the Council pause to consider whether work on the site was worthwhile given the condition of the building and investment needed to bring it up to an acceptable standard, or if a more suitable alternative location could be found. An options appraisal was completed in conjunction with service representatives, and it was agreed that the teams proposed to work from the site would instead be based from two existing freehold assets: Bottisham Locality Centre and CPDC. Works required to the two alternative sites to accommodate service requirements have been estimated at £189k (CPDC) and £77k (Bottisham Locality Centre) which is significantly below the original budget for the Hawthorns site of £771k.

- Library Service (Oak Court). A decision was made in agreement with the service to acquire a new site in St Ives. Agreement was made for the total revised project value of £788k, which included the acquisition and fit out costs for the building. This was an increase of £370k in comparison to the previous £418k budget approved, however this has allowed for an additional freehold asset to be acquired, rather than investing in a temporary solution with little residual value.

2.2.4 The overall forecast for the Spokes capital programme is an underspend of £718k against the budget of £6.387m. Underspends and overspends per property are set out in Table 2 below:

Table 2: Spokes capital budget position June 2021

Item	Previously estimated funding required £000's	Re-allocated funding £000's	Updated estimated funding required £000's	Outturn Variance estimated (if applicable) £000's
Bernard Sunley Centre, Papworth	1,755		1,737	-18
Scott House, Huntingdon	45		17	-28
Noble House, Ely	90		5	-85
Hawthorns, Cambridge	771	-339	11	-760
CPDC, Cambridge	488	189	677	189
Oak Court, St Ives	788	-10	778	-10
Stanton House, Huntingdon	70		30	-40
South Cambs Hall, Cambourne	7		0	-7
Butts Grove & Hill Rise, Huntingdon	150		110	-40
Huntingdon Youth Centre	98		40	-58
Hot-Desking Mobile Unit, Cambridge	216		216	0
Roger Ascham, Cambridge	931	-34	897	-34
Signet Court, Cambridge	41		48	7
Sackville House, Cambourne	365		365	0
Fenland Supervised Contact	55		55	0
Eastfield House, Huntingdon	79		66	-13
Bottisham Supervised Contact	0	77	77	77
IT & Furniture	328		328	0
Risk Budget	15		15	0
Babbage House decant	18		3	-15
Project Management	77	117	194	117
Total expenditure	6,387	0	5,669	-718

## 2.3 Civic Hub and Spokes Ongoing Revenue Expenditure

2.3.1 Revenue expenditure is an expected ongoing annual cost (e.g. utilities, lease costs etc.).



- 2.3.2 The following changes have been made to the revenue budgets for the Council's Hub and Spokes buildings compared to previous reporting:
- £126k income budget for the Shire Hall Car Park has been removed as this will no longer be received;
  - £60k revenue costs for the Papworth Site are in relation to an increase in business rates; and
  - £55k has been added for Eastfield House which was previously omitted in error.
- 2.3.3 The ongoing revenue requirements following these changes are set out in Table 3 below. The ongoing annual revenue commitment recognised in the Business Plan for the Council's Hub and Spokes buildings is £1,632k per annum as opposed to previous costs of £2,196k per annum – an annual saving of £564k. However, the savings from Shire Hall will not be achieved until such time as the sale is complete and there is therefore currently an in year pressure on the budget. This is being partially offset by savings on the new Civic Hub until such time as the building is occupied. The estimated in year net pressure is around £500k with a further pressure of £240k anticipated in 2022/23.

Table 3: Civic Hub and Spokes forecast revenue costs

Site/Item (recurring costs/savings)	Previous Revenue Commitment p.a. £000's	Change to Revenue Commitment £000's	Updated Commitment 21/22 £000's	Ongoing Annual Revenue Commitment £000's
Shire Hall site	1,189	-1,189		0
Shire Hall Car Park	-126		126	0
Babbage House	595	-595		0
Alconbury Hub	0	526		526
Papworth site	0	88	60	148
Toft	15	-15		0
Roger Ascham	72	7		79
Library Service (Oak Court)	0	65		65
CPDC	37	64		101
Hawthorns	33	26		59
Sackville House	173	17		190
Scott House	267	75		342
Fenland Supervised Contact	12	13		25
Hot-Desking Mobile Unit	0	22		22
Eastfield House			55	55
Off-site storage costs	0	20		20
CPDC (income)	-71	71		0
<b>Total</b>	<b>2,196</b>	<b>-805</b>	<b>241</b>	<b>1,632</b>
<b>Total Savings</b>				<b>-564</b>

## 2.4 Civic Hub and Spokes One off costs

2.4.1 In addition to the capital project costs and ongoing revenue costs set out above, there are also one off costs related to the Cambs2020 programme. Costs directly attributable to vacating the Shire Hall building will be offset against the receipt from the sale of the building. In addition, a reserve has been set aside to cover the one off costs of the move to the new Civic Hub. The balance on this reserve at the end of 2020/21 was £483k.

2.4.2 The latest forecast of one-off costs is set out in table 4 below:

Table 4: One off costs

Site/Item (one-off costs)	Previously Estimated £000's	Updated Estimate £000's	Difference £000's
Reorganisation Allowance	450	450	0
Cleaning Contract Redundancy Costs	20	20	0
Vehicles and Crate Hire	43	73	30
Contribution to staff transport costs	0	70	70
Additional Shire Hall costs to August 2022	0	750	750
<b>Total One off Costs</b>	<b>513</b>	<b>1,363</b>	<b>850</b>
Agreed funding	-513	-513	
Remaining pressure	0	850	

2.4.3 Approval was requested from Strategy & Resources Committee in the Outturn 2020-21 Integrated Finance Monitoring Report, section 14.1, for additional funding of £590k to be transferred from general reserves to the earmarked reserve for Shire Hall relocation to contribute to this pressure. The balance will seek to be managed through offsetting underspends elsewhere in the Property budgets.

## 2.5 Overall Programme Financial Update

2.5.1 The overall expected costs of the Cambs2020 programme compared to budgets allocated are set out in Table 5 below. There are forecast one off savings of £925k on the capital budgets for the Civic Hub and Spokes. One off revenue costs are now estimated at £850k more than previously anticipated principally due to the expected continuing costs for Shire Hall through to 2022 including business rates, insurance and security costs.

2.5.2 Ongoing revenue costs are reduced by £564k per annum. This reduction has already been fully reflected in the Business Plan for 2021/22. However, these savings will not be fully achieved until the disposal of Shire Hall is complete.

Table 4: Overall Programme financial update

Item	Budget £000's	Forecast £000's	Variance £000's
One off and project costs			
Civic Hub (cost of capital)	18,737	18,530	-207
Spokes asset programme (cost of capital)	6,387	5,669	-718
Programme resources (staff costs)	646	646	0
One-off costs not chargeable against receipt	513	1,363	850
Total One off and project costs	26,283	26,208	-75

Ongoing revenue costs	Previous annual revenue impact £000's	Forecast annual revenue impact £000's	Change Per annum £000's
Civic Hub and Spokes buildings	2,196	1,632	-564

## Appendix 4 Capital Rephasing compared to 2021-22 Business Plan

### CHANGE IN FIGURES

Scheme Ref.	Scheme Name	EXPENDITURE							TOTAL (£k)	FUNDING					Reason for Change in Spend / Rephasing	Is there a detailed plan for spend in place? Y/N
		Up to 2020-21 (£k)	2021- 22 (£k)	2022- 23 (£k)	2023- 24 (£k)	2024- 25 (£k)	2025- 26 (£k)	Later Yrs (£k)		Grants (£k)	Dvp Cont. (£k)	Other Cont. (£k)	Capital Receipts (£k)	Borrow- ing (£k)		
A/C.01.021	North West Cambridge (NIAB site) primary	-93	-	93	-	-	-	-	-	-	-	-	-	-	Rephasing due to carry forward	Y
A/C.01.029	Sawtry New Primary	-30	-	30	-	-	-	-	-	-	-	-	-	-	Rephasing due to c/f	Y
A/C.01.034	St Neots, Wintringham Park primary	-252	182	70	-	-	-	-	-	-	-	-	-	-	Rephasing due to c/f	Y
A/C.01.041	Barrington Primary	-32	32	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to c/f	Y
A/C.01.043	Littleport Community Primary	9	-600	591	-	-	-	-	-	-	-	-	-	-	Rephasing due to c/f	Y
A/C.01.044	Loves Farm primary, St Neots	-	-240	240	-	-	-	-	-	-	-	-	-	-	Rephasing due to c/f	Y
A/C.01.048	Histon Additional Places	-79	79	-	-	-	-	-	-	308	-	-	-	-308	change of funding - Basic Need C/F	Y
A/C.01.062	Waterbeach Primary School	-176	176	-	-	-	-	-	-	165	-	-	-	-165	change of funding - Basic Need C/F	Y
A/C.01.065	New Road Primary	-77	77	-	-	-	-	-	-	371	-	-	-	-371	change of funding - Basic Need C/F	Y
A/C.01.066	Bassingbourn Primary School	-13	13	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.01.067	WING Development - Cambridge (new primary)	4	600	-604	-	-	-	-	-	-	-	-	-	-	Rephasing due to works progressing ahead of schedule	Y
A/C.01.068	St Philips Primary School	-70	-640	710	-	-	-	-	-	-	-	-	-	-	Rephasing due to c/f	Y
A/C.01.070	St Ives, Eastfield / Westfield	-39	39	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.01.071	Kennett Primary School	-5	-150	155	-	-	-	-	-	-	-	-	-	-	Rephasing due to c/f	Y
A/C.01.072	Genome Campus - New Primary	-	-180	180	-	-	-	-	-	-	-	-	-	-	Rephasing due to c/f	Y
A/C.01.074	Soham Primary Expansion	-20	-100	120	-	-	-	-	-	-	-	-	-	-	Rephasing due to c/f	Y
A/C.01.077	Waterbeach New Town Primary	-70	70	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.02.006	Northstowe secondary	-37	37	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.02.007	North West Fringe secondary	-	-250	250	-	-	-	-	-	-	-	-	-	-	Rephasing completion will be later than 2024 forecast	Y
A/C.02.009	Alconbury Weald secondary and Special	-145	145	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.02.011	New secondary capacity to serve Wisbech	-284	284	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.02.012	Cromwell Community College	419	-419	-	-	-	-	-	-	132	-	-	-	-132	change of funding - Basic Need C/F	Y
A/C.02.013	St. Neots secondary	-23	23	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.02.015	Sir Harry Smith Community College	-20	20	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.02.016	Cambourne Village College Phase 3b	-176	-5,100	5,276	-	-	-	-	-	-	-	-	-	-	Rephasing due to shortened build period on site means later on site start date	Y
A/C.03.003	LA Early Years Provision	-911	911	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.03.004	Cottenham Early Years	13	-13	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.04.007	William Westley Primary	-1	1	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.04.008	Duxford Community C of E Primary School rebuild	47	-347	300	-	-	-	-	-	-	-	-	-	-	Rephasing	Y
A/C.04.009	Sawtry Infants Adaptations	-12	12	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.05.001	School Condition, Maintenance & Suitability	-2,232	2,947	-	-	-	-	-	715	715	-	-	-	-	Carryforward from 2020-21 - Additional grant paid in 2020-21.	Y
A/C.07.001	School Devolved Formula Capital	-1,254	1,223	-	-	-	-	-	-31	-31	-	-	-	-	Carryforward from 2020-21 - 3 year rolling programme	Y

A/C.08.003	SEN Pupil Adaptations	-	-	-	-	-	-	-	-	2,709	-	-	-	-2,709	New SEN allocation announced Feb 2021	
A/C.08.005	Spring Common Special School	-295	295	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.08.006	Highfields Special School Phase 2	-10	10	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.08.007	Samuel Pepys Special School	-199	-	199	-	-	-	-	-	-	-	-	-	-	Rephasing	Y
A/C.12.006	East Cambridgeshire Adult Service Development	-375	-1,500	-1,125	-	-	-	-	-3,000	-2,000	-	-	-	-1,000	Scheme removed - Decision taken in February 2021	Y
A/C.12.007	Care Suites : East Cambridgeshire	-190	190	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.13.004	Community Fund	-194	194	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.13.005	Histon Library Rebuild	-10	10	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
A/C.13.006	Libraries - Open access & touchdown facilities	-105	105	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
B/C.1.009	Major Scheme Development	-360	488	-	-	-	-	-	128	-	128	-	-	-	Rephasing of Stuntney Cycleway scheme and delay with the Northstowe busway link until funding is confirmed.	Y
B/C.1.011	Local Highway Improvements (includes Accessibility & New Paths)	-161	161	-	-	-	-	-	-	-	-	-	-	-	Scheme slippage - schemes to be completed in 2021/22	Y
B/C.1.012	Safety Schemes	-730	730	-	-	-	-	-	-	-	-	-	-	-	Scheme slippage - schemes to be completed in 2021/22	Y
B/C.1.015	Strategy Development & Integrated Transport Schemes	-	149	-	-	-	-	-	149	-	-	149	-	-	3rd party contributions	
B/C.1.019	Promoting Economic Growth - Delivering Strategy Aims	-1,775	1,775	-	-	-	-	-	-	-	-	-	-	-	Rephasing of schemes	Y
B/C.1.020	Bar Hill to Northstowe Cycle Route	-37	-730	819	-	-	-	-	52	-	-	52	-	-	Additional funding from Highways England. Slight rephasing of scheme.	Y
B/C.1.021	Girton to Oakington Cycle Route	96	-96	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme.	Y
B/C.1.022	Busway to Science Park	-16	16	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme.	Y
B/C.1.023	Boxworth to A14 cycle route	-	-550	550	-	-	-	-	-	-	-	-	-	-	Funding yet to be confirmed with Highways England	
B/C.1.024	Dry Drayton to NMU link cycle route	21	-272	251	-	-	-	-	-	-	-	-	-	-	Funding yet to be confirmed with Highways England	
B/C.1.025	Hardwick path widening	-20	20	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme.	Y
B/C.1.026	Hilton to Fenstanton cycle route	-	-500	500	-	-	-	-	-	-	-	-	-	-	Funding yet to be confirmed with Highways England	
B/C.1.027	Buckden to Hinchingsbrooke cycle route	-	-780	780	-	-	-	-	-	-	-	-	-	-	Funding yet to be confirmed with Highways England	
B/C.2.001	Carriageway & Footway Maintenance including Cycle Paths	-2,428	2,848	-	-	-	-	-	420	-	-	420	-	-	Scheme slippage - schemes to be completed in 2021/22	Y
B/C.2.004	Bridge strengthening	-562	562	-	-	-	-	-	-	-	-	-	-	-	Scheme slippage - schemes to be completed in 2021/22	Y
B/C.2.005	Traffic Signal Replacement	-557	557	-	-	-	-	-	-	-	-	-	-	-	Scheme slippage - schemes to be completed in 2021/22	Y
B/C.3.001	Highways Maintenance (carriageways only from 2015/16 onwards)	-2,163	3,843	-	-	-	-	-	1,680	-	-	-	-	1,680	Scheme slippage - schemes to be completed in 2021/22. Additional funding agreed for 21/22 budget.	
B/C.3.002	Footpaths and Pavements	-	-	-	-	-	-	-	-	4,000	-	-	-	-4,000	Funded by Dft Pothole funding	
B/C.4.001	Ely Bypass	-40	40	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme.	
B/C.4.006	Guided Busway	-	-4,079	4,079	-	-	-	-	-	-	-	-	-	-	Spend dependent on final settlement	
B/C.4.021	Abbey - Chesterton Bridge	2,063	-2,063	-	-	-	-	-	-	-	-	-	-	-	All further will be part of Chisholm trail	
B/C.4.023	King's Dyke	-611	1,800	-1,189	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme.	Y
B/C.4.025	Wisbech Town Centre Access Study	-2,304	-1,055	3,359	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme.	Y
B/C.5.012	Waste - Household Recycling Centre (HRC) Improvements	-81	-2,894	2,975	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme.	Y

B/C.5.013	Swaffham Prior Community Heat Scheme	-163	163	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
C/C.1.001	Essential CCC Business Systems Upgrade	-33	33	-	-	-	-	-	-	-	-	-	-	-	carry forward request for spend in future years	
C/C.1.006	Data Centre Relocation	-469	469	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme.	
C/C.1.007	IT Strategy	55	-114	59	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme.	
C/C.2.010	IT Infrastructure Refresh	45	9	-28	-26	-	-	-	-	-	-	-	-	-	Rephasing of scheme.	
C/C.3.001	Capitalisation of Transformation Team	-795	-	-	-	-	-	-	-795	-	-	-	-795	-	underspend, time spent on revenue projects/re-deployment/vacancies	
C/C.3.002	Capitalisation of Redundancies	-647	-300	-	-	-	-	-	-947	-	-	-	-947	-	at this stage no redundancies linked to current savings in 21-22	
F/C.1.118	Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	-221	-2,167	3,064	-	-	-	-	676	-214	-	-	-	890	Rephasing due to C/F, project timelines have been impacted by grant funding negotiations with BEIS, Covid impacts and PPA negotiations with potential customers. Updated scheme budget and grant funding per revised business case taken to E&GI Committee in July 2021.	
F/C.1.119	Babraham Smart Energy Grid	90	-752	1,169	-	-	-	-	507	-	-	-	-	507	Rephasing to reflect actual spend in 20-21 and scheme slippage. Increased budget required due to increased costs of materials, including solar panels.	
F/C.1.121	Stanground Closed Landfill Energy Project	-109	109	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
F/C.1.122	Woodston Closed Landfill Energy Project	-65	-	-	-	-	-	65	-	-	-	-	-	-	Rephasing due to C/F	
F/C.1.123	North Angle Solar Farm, Soham	-826	-1,631	2,457	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F, some slippage due to extended connection timetable to install a private wire to supply Swaffham Prior	
F/C.1.124	Fordham Renewable Energy Network Demonstrator	-85	85	-	-	-	-	-	-	-	-	-	-	-	Rephasing due to C/F	
F/C.1.240	Housing schemes	-353	353	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme	
F/C.1.243	Development Funding	-188	188	-50	-50	-50	-50	-	-200	-	-	-	-	-200	funding started in 20-21, rephasing future years	
F/C.1.244	Lower Portland Farm	-236	50	-	-	-	-	-	-186	-	-	-	-	-186	purchase price known/planning fees estimated for 21-22	
F/C.2.112	Building Maintenance	-438	1,307	-	-	-	-	-	869	-	-	-	-	869	20-21 work schedule not completed, £438k roll forward required in 21-22, plus £869k transferred from F/C.3.119	
F/C.2.113	Decarbonisation Fund	-3,093	3,142	-17	-17	-15	-	-	-	50	-	-	-	-50	Rephasing due to C/F, funding adjusted to take account of revised grant amount	
F/C.3.109	Community Hubs - East Barnwell	-68	68	-	-	-	-	-	-	-	-	-	-62	62	Rephasing of scheme, work has not progressed to timescale	
F/C.3.116	Shire Hall Relocation	-1,050	1,050	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme, delays in 2020	
F/C.3.119	Cambs 2020 Spokes Asset Review	-1,985	1,116	-	-	-	-	-	-869	-	-	-	-	-869	Schemes have been revised, changes will be reported on at next committee meeting	
		-	-	-	-	-	-	-	-	-	-	-	-	-		
***NEW SCHEMES***		-	-	-	-	-	-	-	-	-	-	-	-	-		
B/C.1.019	Papworth to Cambourne	-747	747	-	-	-	-	-	-	-	-	-	-	-	Scheme carried over from 2020-21, delayed in order to reduce costs.	Y
B/C.1.019	Fenstanton to Busway	-14	14	-	-	-	-	-	-	-	-	-	-	-	Residual costs outstanding	Y
B/C.1.019	NMU Cycling Scheme - Washpit Road	3	97	-	-	-	-	-	100	100	-	-	-	-	Residual costs outstanding	Y
B/C.1.019	NMU Cycling Scheme - Longstanton Bridleway	32	356	-	-	-	-	-	388	388	-	-	-	-	Highways England scheme to be completed in 2021-22	Y
B/C.1.019	Swavesey Park & Ride	-28	28	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme	Y
B/C.4.017	Fendon Road Roundabout	-275	275	-	-	-	-	-	-	-	-	-	-	-	Residual costs outstanding	Y
B/C.4.017	Ring Fort Path	-308	308	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme	Y
B/C.4.017	S106 Cherry Hinton Road	-	330	-	-	-	-	-	330	-	330	-	-	-	S106 developer contributions	Y
0	Lancaster Way	-792	792	-	-	-	-	-	-	-	-	-	-	-	Residual costs outstanding	Y
B/C.1.019	Cycling Schemes	-2	2	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme	Y
B/C.5.029	Energy Efficiency Fund	-306	306	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme	Y
0	Northstowe Heritage Centre	-519	519	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme. Costs and funding to be reviewed	Y
0	Pothole Funding	-2,841	6,841	-	-	-	-	-	4,000	-	-	4,000	-	-	Rephasing of schemes plus pothole funding balance	Y
0	Abington Wood Adaptations	-	167	-	-	-	-	-	167	-	-	-	-	167	New scheme as per Feb CPB business case- approved by CFO via delegated authority.	
0	Isleham Primary	-	10	70	728	8,455	1,963	-	11,226	-	-	-	-	11,226	New scheme as per March CPB business case	



0	Arbury Road Site (Estates)	-	150	-	-	-	-	-	150	-	-	150	-	-	New scheme as per CPB business case presented	Y
0	Mill Road - Former Library	-319	489	-	-	-	-	-	170	-	-	-	-	170	New scheme approved by GPC in-year in 20-21 - cost expected to increase	Y
0	March Community Centre - Adult Learning	-365	365	-	-	-	-	-	-	-	-	-	-	-	New scheme approved by GPC in-year in 20-21 - rephasing	Y
0	Cambs Outdoor (Traded)	-37	37	-	-	-	-	-	-	-	-	-	-	-	Final work to be completed early 21	Y
0	Alconbury Solar Carports	-103	583	-	-	-	-	-	480	-	-	-	-	480	New scheme - construction budget approved by E&S Committee in March 2021, total £928k budget approved by GPC in March 2021.	Y
0	School Ground Source Heat Pump Projects	-79	3,224	-	-	-	-	-	3,145	1,888	-	-	-	1,257	New scheme - construction budget approved by E&S Committee in March 2021, £3.145m 21-22 budget approved by GPC in March 2021.	Y
B/C.4.032	Scheme Development for Highways Initiatives	-437	437	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme	
0	Meldreth Caretaker House	-	15	284	1	-	-	-	300	-	-	-	-	300	New Scheme	Y
B/C.1.019	- Arbury Road	-12	12	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme	
0	Emergency Active Fund	-785	785	-	-	-	-	-	-	-	-	-	-	-	Rephasing of scheme	
0	Combined Authority Schemes- March Area Transport Study	-	2,072	-	-	-	-	-	2,072	-	-	2,072	-	-	Combined authority funding	
0	A505	-	143	-	-	-	-	-	143	143	-	-	-	-	Combined authority funding	
0	Spencer Drove, Soham	-	158	-	-	-	-	-	158	-	-	158	-	-	Third party contributions	

-35,170	20,546	25,617	636	8,390	1,913	65	21,997	8,724	458	7,001	-1,804	7,618
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## Audit and Accounts Committee Forward Agenda Plan

Updated 5<sup>th</sup> July 2021

The following are standing agenda items which are considered at every Committee meeting:

- Minutes of previous meeting and Action Log
- Financial Reporting and Related Matters Update – Monitoring at each meeting. Lead officers: Tom Kelly/Justine Hartley/Michelle Parker
- Integrated Finance Monitoring Report: this is always the latest report to be considered by Strategy & Resources Committee. Lead officers: Tom Kelly/ Rebecca Barnes
- Internal Audit Progress Report including progress of Implementation of Management Actions, Internal Audit Plan Update and Update on the value of the National Fraud Initiative. Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date. Considered at every meeting. Lead Officers: Neil Hunter/Mairead Claydon
- Agenda Plan/Training

Meeting Date/ (report deadline)	Report title	Frequency of report	Director/ responsible officer	Report author
13/07/21 (02/07/21)	Farms Audit Update		Chief Executive/ Monitoring Officer	Gillian Beasley/ Fiona Macmillan
	+ Farms Audit Report		Chief Executive/ Monitoring Officer	Gillian Beasley/ Fiona Macmillan
22/07/21 (09/07/21)	Final Accounts	Annual	Director of Resources and Chief Financial Officer	Tom Kelly
	Whistle Blowing Policy and Annual Review	Annual	LGSS Head of Internal Audit / Audit and Risk Manager	Neil Hunter Mairead Claydon
	Annual Governance Statement	Annual	LGSS Head of Internal Audit	Neil Hunter
	Section 106 Update Report	Annual	Director of Resources and Chief Financial Officer	Tom Kelly

	Internal Audit Annual Report 2020/21	Annual	LGSS Head of Internal Audit	Neil Hunter
	Debt Management Update	Twice yearly – January and July		Alison Balcombe Liam Fowell
<b>Meeting Date/ (report deadline)</b>	<b>Report title</b>	<b>Frequency of report</b>	<b>Director/ responsible officer</b>	<b>Report author</b>
28/09/21 (15/09/21)	Update Report in respect of Consultancy expenditure and compliance with the Policy		HR/ Procurement	Janet Aitkin
	BDO External Audit Final report on investigations into Objections to the 2016/17 and 17-18 Accounts	Out-standing report from Previous External Auditors	Lead partner - East Anglia/Head of Public Sector Assurance BDO	Lisa Clampin, BDO Barry Pryke, BDO
	Performance Report Quarter 3 and 4	Quarterly	Head of Business Intelligence	Tom Barden
	Transformation Fund Monitoring Report Quarters 3 and 4	Half Yearly Update	Transformation Manager	James Gemmell
25/11/21 (12/11/21)				
22/02/22 (11/02/22)	Update Report in respect of Consultancy expenditure and compliance with the Policy		HR/ Procurement	Janet Aitkin
	External Audit Annual Plan	Annual	Ernst Young	Mark Hodgson
<b>Meeting Date/ (report deadline)</b>	<b>Report title</b>	<b>Frequency of report</b>	<b>Director/ responsible officer</b>	<b>Report author</b>
31/05/22 (17/05/22)	Section 106 Update Report	Annual	Deputy Section 151 Officer	Tom Kelly
	Performance Report Quarter 3	Quarterly	Head of Business Intelligence	Tom Barden

Annual Whistle Blowing Report	Annual Report	Head of Internal Audit / Audit and Risk Manager	Neil Hunter
Annual Governance Statement	Annual Report	Head of Internal Audit / Audit and Risk Manager	Neil Hunter
Internal Audit Annual Report	Annual Report	Head of Internal Audit / Audit and Risk Manager	Neil Hunter

+ = indicates Exempt report

### REPORTS TO BE PROGRAMMED AS SUBJECT TO ONGOING INVESTIGATIONS/ADDITIONAL WORK

<p>FACT, HACT and ESACT Recovery of Monies</p> <p>This is currently the subject of a Police investigation</p>	<p>One-off Report</p> <p>When the report comes forward it may require a separate confidential appendix if it contains commercially sensitive information for the Council and other parties. This is being led by FACT and so until negotiations are concluded, any updates remain commercially sensitive.</p>	<p>Director of Resources and Chief Financial Officer / Service Director Highways and Finance</p>	<p>Tom Kelly</p>
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## Farms Audit Update

To: Audit & Accounts Committee

Meeting Date: 13 July 2021

From: Chief Executive and Director of Law and Governance

Electoral division(s): All

Forward Plan ref: Not applicable

Key decision: No

Outcome: To provide an update on the actions arising from the Manor Farm Audit and give assurance that appropriate all actions have been taken.

Recommendation: The Committee is asked to note the progress of actions which arise from the Farm's Audit

### Officer contacts:

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Tel:	01223 699188	

### Member contact:

Names:	Councillor Wilson
Post:	Chairman, Audit & Accounts Committee
Email:	<a href="mailto:Graham.Wilson@cambridgeshire.gov.uk">Graham.Wilson@cambridgeshire.gov.uk</a>
Tel:	01223 706398

## 1. Background and History

1.1 The Manor Farm Audit and its recommendations were considered by this Committee on three occasions, 5 March 2021, 23 March 2021 and 26 March 2021.

1.2 In summary the following occurred at each of the Committees:

**5 March 2021** – The Committee determined that the section of the Mazars report on the County Farm Service process and procedures and the 31 recommendations in the relevant audit should be made public and considered first by the Committee as these sections did not contain exempt information. The Committee adjourned for those sections to be made public and the committee debated in detail all of those recommendations and made comments, amendments and recommendations accordingly. The Committee then resolved to consider the remainder of the reports in private concerning specific tenancy issues, code of conduct and disciplinary issues as this information was considered to be exempt and the Committee considered, on the basis of the legal advice that they had received that these matters should not be considered in public.

**23 March 2021** – An update on 31 recommendations was presented by the Assistant Director: Property and the Committee resolved to note the progress of actions which arise from the part of the Manor Farm Audit which related to the Farms service.

**26 March 2021** – The Committee resolved to make a confidential progress report available for public consideration. As there are a number of new members of the committee a copy of this report is attached to this report for each Committee member to consider (Appendix 1).

## 2. Update on actions

2.1 Attached to this report is an update on the 31 recommendations which arise from the audit in relation to the Farm's Service (Appendix 2). The Assistant Director: Property will attend the meeting to present this update and answer any questions on it.

2.2 As stated in the report to this committee on 26 March 2021, the Respect@Work policy has been reviewed and updated with input from members of our Equality and Diversity group and also our recognised trade unions. It now has a greater emphasis on discrimination and now includes information for members of staff how on to address concerns with a third party such as a partner, contractor or elected member. The revised policy has been published and will shortly be relaunched with a communication campaign to raise the profile both of the policy and of the Council's stance that we should all feel comfortable to carry out our roles in a respectful and supportive working environment. Furthermore, that we all have a part to play in establishing and maintaining a culture of respect at all levels of our organisation. This culture underpins employee wellbeing and is crucial to enable us all to do our best work. We have issued a staff engagement

survey specifically focused on staff's experience of respect at work, including interactions from members, which closed on 2 July and we are currently analysing the results. This will feed into an action which we will publish to our staff before the end of July 2021.

- 2.3 Our policies in relation to Violence and Aggression at work are currently under review. What has become apparent is that there is clear guidance in place for circumstances where serious incidents arise, but realistically most people are more likely to experience something that falls short of what we might typically determine an act of violence or aggression, but which nevertheless can still have a significant impact on health and wellbeing. In some cases, this might be discriminatory behaviour from service users or customers, or might be repetitive acts of harassment. Work is underway to create a single source of information for people to access on Camweb that shows them which policy or process to use, depending on what they have experienced and where, and appropriate sources of support in each case. It is anticipated that this will be complete by end of July 2021. It is then planned to take the Respect@Work Policy and this policy to a meeting of Staffing and Appeals Committee in September 2021.
- 2.4 The Council's Whistleblowing Policy has been updated and, following discussion at JMT, will be presented to our recognised trade unions for consultation on 15th July. The revised policy will be presented to this Committee for approval, subject to the consultation with our recognised Trade Unions on 22<sup>nd</sup> July 2021. The updated policy is more concise; provides clarity on the type of disclosures that are protected by law; specifies the type of concerns that can be raised under the Whistleblowing Policy; and contains clear signposting to other Council policies that may be used to raise specific concerns.
- 2.5 A virtual training session on the Code of Conduct and Ethical Standards for all newly elected councillors, alongside returning councillors, took place on Friday 18 May 2021 run by Simon Goacher, Local Government partner at Weightmans solicitors. The training included guidance on conflicts of interests and the Member Officer protocol, along with bias and predetermination and members worked through a number of case studies in small groups. The training was very well attended on the day and video recorded so members who were not able to attend could watch at another time alongside the training notes. All members who were not able to attend were asked to watch the session as soon as possible and Democratic Services is compiling a training record which will be reported back to Constitution and Ethics Committee with the aim of ensuring all members of council have participated.
- 2.6 A Conflict of Interest Policy for members has been drafted and will go to the Constitution and Ethics Committee for consideration on 27<sup>th</sup> July 2021. It is proposed that the policy will form an appendix to the Member Code of Conduct. This draft Conflict of Interest Policy is attached at Appendix 3 to this report for Members' comments, prior to consideration at Constitution and Ethics Committee.

2.7 A report on the Mazars recommendations regarding potential actions in respect of code of conduct issues will be considered at the next meeting of the Constitution and Ethics Committee on 27<sup>th</sup> July 2021.

#### Appendices:

Appendix 1: Report that was published following Audit & Accounts Committee meeting on 26/03/21

Appendix 2: Updated County Farms Audit Management Action Plan

Appendix 3: Draft Conflict of Interest guidance

#### Source documents:

[Hyperlink to previous Audit & Accounts Committee papers](#)



## Farms Audit update

To: Audit & Accounts Committee

Meeting Date: 26 March 2021

From: Chief Executive

Electoral division(s): All

Forward Plan ref: Not applicable

Key decision: No

Outcome: To ensure all actions arising from the Farms Audit are reported back to the Committee giving assurance that appropriate actions have been taken.

Recommendation: The Committee is asked to note the progress of actions which arise from the Farm's Audit.

## Officer contact:

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Post: Chief Executive

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## Member contact:

Name: Councillors Rogers

Post: Chairman, Audit & Accounts Committee

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Tel: 01223 706398

## 1. Background and History

- 1.1 The tenancy of Manor Farm was advertised publicly as the smallest of ten vacant County Farms Estate holdings in early 2017. The tenancy was awarded to Mr Roger Hickford and [REDACTED] on 5<sup>th</sup> April 2017 with a business tenancy signed on 20<sup>th</sup> December 2017. On 15<sup>th</sup> January 2019 the Chairman of Audit and Accounts Committee formally received a request from Councillor Nethsingha to review the process leading to the awarded of the tenancy and subsequent decisions made regarding the tenancy. The request was made after the Leader of the Council required ex-Councillor Hickford to be identified at a meeting of General Purposes Committee on 18<sup>th</sup> December 2018 as a tenant of the property Manor Farm in relation to a prudential borrowing request for a house extension. It was agreed that Internal Audit would conduct the investigation.
- 1.2 During the course of the investigation Internal Audit concluded that it was necessary to audit the County Farms Service's existing processes, including compliance. The Chief Internal Auditor decided to combine the 'Tenancy of Manor Farm, Girton' report and the 'County Farms Processes and Practices' report into one report to give proper context to all matters to be considered by this committee.
- 1.3 The first draft of the 'Tenancy of Manor Farm, Girton' report was completed in June 2019. Some of the early findings showed financial concerns and in line with standard audit practice, the matter was referred to the police to consider whether a formal criminal investigation was required. The formal referral was made on 4<sup>th</sup> July 2019. The police confirmed on 9<sup>th</sup> October 2019 that they would progress an investigation. At this point the audit work stopped to ensure that there was no prejudice to the police investigation. Internal Audit supported the police investigation throughout.
- 1.4 On 5<sup>th</sup> March 2020 the police confirmed that they were closing their investigation with no further action and this was confirmed in writing on 29<sup>th</sup> April 2020. The audit work was able to commence again once this notification was received. From 29<sup>th</sup> April 2020 there were some delays, due firstly to the Chief Internal Auditor being deployed on the response to the pandemic and he picked the audit up as soon as he could and secondly most of June and part of July 2020 were taken up dealing with process challenges by ex-Councillor Hickford's solicitors.
- 1.5 The report also went through two rounds of fact checking with key stakeholders which allows those stakeholders to see the parts of the report that relate to them and allows them to confirm or challenge the facts in those parts of the report which relate to them. The Chief Internal Auditor reported on the progress of the report to this committee on 24<sup>th</sup> November and confirmed that a final report would be issued to the Chief Executive and Monitoring Officer on 4<sup>th</sup> December 2020, as well as the Chairman, Vice-Chairman of this committee and the Leader of the Council.

- 1.6 On 7<sup>th</sup> December 2020 the Chief Executive was informed that the Chief Internal Auditor would not be able to complete the audit due to his sickness. Immediately after this news the Chief Executive worked with the Head of Finance to procure an audit firm to complete the audit. On 23<sup>rd</sup> December 2020 Audit and Accounts Committee met and resolved to note that the Chief Executive would proceed to appoint an independent firm of auditors to complete the audit. That appointment of Mazars LLP was made on 23<sup>rd</sup> December, after the committee. Mazars are a global top 10 accountancy firm and have expertise in corporate investigations as well as provision of audit services to the public sector.
- 1.7 On 26<sup>th</sup> January 2021 the committee received a report updating on the progress of Mazars' work which resulted in the Committee setting three dates to consider the report, the first being 5<sup>th</sup> March 2021. The Chief Executive confirmed at this meeting that whilst the reports which the committee would receive would be unredacted it would be up to the committee to determine whether the reports could be considered in the public domain. This position was confirmed by the Monitoring Officer who agreed to send written guidance to the committee on the considerations they would need to apply in determining these matters. On 25<sup>th</sup> February reports comprising over 480 pages were sent to the committee for its meeting on 5<sup>th</sup> March 2021. The reports were all marked as exempt as they contained exempt information under paragraphs 1,2 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972 amended. The information in the reports specifically related to an individual, information which is likely to reveal the identity of an individual and information relating to the financial affairs of any particular person.
- 1.8 On 26<sup>th</sup> February 2021, ex-Councillor Roger Hickford resigned as a councillor of Cambridgeshire County Council.
- 1.9 On 5<sup>th</sup> March 2021 the committee met and in summary the following business was transacted:-
- The committee determined that the section of the Mazars' report on the County Farm Service process and procedures and the 31 recommendations in the relevant audit should be made public and considered first by the committee as these sections did not contain exempt information. The committee adjourned for those sections to be made public and the committee then debated in detail all of those recommendations and made comments, amendments and recommendations accordingly;
  - The committee then resolved to consider the remainder of the reports in private concerning specific tenancy issues, code of conduct and disciplinary issues as this information was exempt and the committee considered, on the basis of the legal advice that they had received that these matters should not be considered in public;
  - The committee agreed that a press release of the proceedings of the committee should be issued as soon as possible and that a further report be prepared for the consideration of this committee of matters which could be considered in the public domain. The press release is attached to this report at [Annex 1](#).

## 2. Audit Findings

2.1 The audit concluded that correct procedures were followed in relation to the tenancy award process and also the approval of the additional extension works for the Manor Farm Dwelling.

2.2 Other serious concerns were raised as a result of the wide ranging audit investigation as follows:-

- Eleven recommendations were made to be considered for further action in relation to financial, transparency and conduct issues which this committee agreed should be referred on for further consideration under processes including the Members Code of Conduct and officer disciplinary issues. The Chief Executive and Monitoring Officer accept all of the recommendations and have committed to follow them up applying the relevant council procedures.
- These matters related to whether;
  - a) transparency rules were always followed;
  - b) an inappropriate advantage accrued as a result of the tenant's position
  - c) behaviour towards staff was inappropriate and;
  - d) staff took appropriate steps in relation to a number of matters outlined in the reports.
- Another thirty-one recommendations were made to strengthen policies and procedures of the County Farms Service and these management actions were reviewed by Mazars and these were considered and debated at length by the committee at its meeting on 5<sup>th</sup> March 2021.

### 3. Action and next steps

- 3.1 The Assistant Director: Property will be attending the meeting of Audit and Accounts Committee on 23<sup>rd</sup> March 2021 to update on the actions being taken in relation to thirty one recommendations which were agreed.
- 3.2 The Monitoring Officer is taking forward the Code of Conduct issues in accordance with the procedures required under the Localism Act referred to her in the Mazars report in eight of their eleven recommendations as referred to above.
- 3.3 The Chief Executive has considered with the Assistant Director: Human Resources the disciplinary matters referred to her in the Mazars report in two of their eleven recommendations.
- 3.4 The Chief Executive has amended the Respect at Work Policy to make reference to how officers can make a complaint under the Code of Conduct for Members and what support informal or otherwise is available to officers in this situation. A pulse survey of staff has already been planned for April 2021 on the implementation and awareness of the Respect at Work Policy which has been completely revised over the last two years and it is planned to add some questions to reflect the findings of this audit. Finally, in the new municipal year the ongoing awareness raising and training of officers and their managers will be reviewed against the findings of this audit and amended to reflect the findings of this audit. Induction arrangements for new officers are also being reviewed.
- 3.5 The Council's Whistleblowing procedures are being reviewed by Internal Audit and it is planned that, at its first meeting of the new municipal year, the Audit and Accounts Committee will be asked to consider an amended version of these procedures which will reflect the findings of this audit.
- 3.6 Induction of County Council Members has been arranged post the May 2021 elections and there is a module on the Code of Conduct and the Member Officer Relations Protocol. The Monitoring Officer is commissioning external training to support this module reflecting the findings of the audit.
- 3.7 The Monitoring Officer is drafting a new Conflict of Interest Policy for members, taking into account best practice elsewhere, which will be presented to the relevant committee in the new municipal year.
- 3.8 Other financial and transactional matters have been referred to the Assistant Director: Property and LGSS Law Ltd and are currently under consideration in accordance with one of the eleven recommendations.

### 4. Significant Implications

#### 4.1 Resource Implications

- 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications
- 4.3 Statutory, Legal and Risk Implications
- 4.4 Equality and Diversity Implications
- 4.5 Engagement and Communications Implications
- 4.6 Localism and Local Member Involvement
- 4.7 Public Health Implications

This report refers to the progress being made with the Farms Audit in the context of the relevant regulations and statutory framework. There are no other significant implications.

## Implications

Have the resource implications been cleared by Finance?

Yes/No Name of Financial Officer: Tom Kelly

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

Yes/No Name of Officer: Gus de Silva

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

Yes/No Name of Legal Officer: Fiona McMillian

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

Not applicable

Have any engagement and communication implications been cleared by Communications?

Yes/No 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

## Source documents

Previous reports to this Committee: [Link to Audit & Accounts Committee page](#)

## PRESS RELEASE

An all-day meeting of Cambridgeshire County's Audit and Accounts committee yesterday (Friday, March 5th ) considered the outcome of a 400+ page audit report into the process leading up to the award of the tenancy of Manor Farm, Girton, the subsequent decisions made regarding the tenancy and the processes and practices of the County's Farms Estate

And while the audit concluded correct procedures were followed not only in relation to the tenancy award process but also to the approval of the additional extension works for the Manor Farm dwelling. However other serious concerns were raised as a result of the wide ranging audit investigation.

This resulted in eleven separate recommendations, made to be considered for further action in relation to financial, transparency and conduct issues which the committee agreed should be referred on for further consideration under processes including the Members Code of Conduct and officer disciplinary procedures.

Another thirty one further recommendations made to strengthen policies and procedures of the county farms estate itself, were also discussed and the management action relating to each considered.

Cambridgeshire County Council is an organisation where, when concerns are raised, they are properly and fairly investigated. It seeks to learn from what is found, take action where this is needed and most importantly put in place measures to prevent them reoccurring.

All of the committee members were adamant that this ethos should prevail as regards to this particularly important and far ranging audit.

Gillian Beasley, Cambridgeshire County Council's chief executive – who has taken personal oversight of the progress of the audit since the end of last year – confirmed that the council fully accepts all the findings of the audit, and its recommendations.

Action on many of the recommendations are already underway and a follow up meeting for the Audit and Accounts Committee to consider the progress of all of these actions will take place on March 23rd.





## APPENDIX 2

Appendix: County Farms Audit Management Action Plan			
Colour Coding		In progress	To be commenced
		Complete/closed	
Ref	Audit Recommendation (truncated)	Management Action	Manager Responsible & Target Date
1	<b>Recommendation 1: Essential</b> i) The core recommendation is for a comprehensive review of team policies and procedures.... ii) Following discussions with the <del>current</del> [Interim] Head of Property, it has been proposed that the following approval limits will apply... iii) It is further recommended that the lead auditor from this work be seconded into the County Farms team for an interim period...	i) The first set of updated policies were presented to the County Farms Working Group on 24 March 2021. To date 11 policies and processes have been reviewed.  ii) Approval limits will continue to follow CCC Constitution and Scheme of Authorisation. The application of this to the Farms team will be recorded. Limits specific to the Farms team in accordance with CCC policy have been agreed with Chief Finance Officer.  iii) The Audit team is working alongside the Rural team in the review of policies and procedures.	Rural Asset Manager September 2021          Complete          Complete.
3	<b>Recommendation 3: Important</b> It is recommended that the County Farms team identify a set of KPIs, aligned to team objectives and strategy.....	Second draft of KPIs has been completed. These are being fed into the corporate KPI review to ensure alignment to produce final KPI's for review by CFWG	Rural Asset Manager September 2021 subject to corporate KPI review.

## APPENDIX 2

17	<b>Recommendation 17: Important</b> The County Farms team should take legal advice on the interest rates currently used in their tenancy agreements, and consider lowering the Default Interest Rate in any new tenancies granted, to reflect present low interest rates and ensure that such rates are enforceable by the Council.	Farms interest rate is close to the CCC Scheme of Financial Management debt interest rate of 8% over base rate so basis of recommendation remains unclear. Confirmation of interest rate to be discussed with new CCC Head of Finance.	July 2021
20	<b>Recommendation 20: Important</b> A formal policy is required to set out the circumstances under which a rent abatement will be considered, and how such abatements will be calculated and approved.	A formal policy has been drafted for review by CFWG. This procedure only comes into effect if part of the let property is not available to rent for reasons beyond the occupier's control.  This is usually at the commencement of a tenancy when the holding's dwelling requires refurbishment following the departure of a long standing tenant and there is not sufficient time between tenancy agreements to complete the works required to bring the dwelling up to modern standards.	Rural Asset Manager April 2021 – pending CFWG review
21	<b>Recommendation 21: Important</b> The County Farms Capital Investment Procedure should be updated to require evaluation of the cost of the scheme against the expected rental price increase on the open market.....	Updated Capital Investment Policy and Procedure agreed with Chief Finance Officer, completed pending endorsement by CFWG.	Rural Asset Manager May 2021 – pending CFWG review
22	<b>Recommendation 22: Important</b> The Capital Investment Procedure should be updated to: • State that Business Cases should be produced at an earlier stage in the process....	A revised Landlord Improvements and Improvement Charge has been documented and implemented. It has been used successfully by several tenants and has streamlined the review of applications.	Rural Estate Manager July 2021
24	<b>Recommendation 24:</b>	Specialist agricultural legal advice is being sought. Instruction delayed pending further investigation.	Rural Asset Manager July 2021

## APPENDIX 2

	The County Farms team should take legal advice regarding the best way to secure repayment of Improvement Charges.		September 2021
	<b>Closed/Completed Recommendations</b>		
2	<b>Recommendation 2: Important</b> .....a comprehensive review of the Strategy is complete....	Complete.	February 2020  <a href="#">Document.ashx (cmis.uk.com)</a>
4	<b>Recommendation 4: Important</b> A data cleanse of the property data should be undertaken..... County Farms should be included as active users of the new property asset management system currently being procured, unless there is a compelling reason to exclude the farms estate from this system.	Complete  Next iteration due for updating and review by end of July 2021.  A procurement process for a new property asset database is under way that will include all property assets including Rural Assets.	Rural Assets Manager July 2021  Assistant Director Property Summer 2022 (or earlier)
5	<b>Recommendation 5: Standard</b> Each County Farms property should be assigned a unique property code on ERP.....	Complete pending IT change.  Each Farm has an existing 3 digit identifier code and a new field has been requested in ERP to permit the insertion of this code. Final completion of task dependent upon IT amendment of ERP system.  The new asset database will incorporate revised property coding across all property assets.	Rural Asset Manager July 2021
6	<b>Recommendation 6: Important</b> The County Farms team should conduct a complete review of all invoicing raised in 2018/19 and 2019/20 to .....	The review has previously been completed.	Completed

## APPENDIX 2

	The Rental Agreement Spreadsheet should also be updated with details of all information relevant to the income from each tenancy, including Improvement Charges, payment plans etc.	Complete. An updated master spreadsheet has been created and re-verified.	Rural Asset Manager April 2021
7	<b>Recommendation 7: Standard</b> The County Farms team should consider setting up “subscriptions” for each tenants, which would enable invoices to be raised automatically in ERP Gold.....	Complete subject to ERP amendments. Consultation with the Finance team has identified the preferred process of “Bulk Uploads” within ERP to partially automate rent invoicing. This should be completed and implemented in time for the next half yearly batch of rent demands in October 2021.	Rural Asset Manager June 2021
8	<b>Recommendation 8: Important</b> In line with the process envisaged in existing Tenancy Agreements, the County Farms team must start to charge interest on all debts, in line with the rate specified in the relevant tenancy agreement.	Complete. Working closely with the Debt Recovery a revised debt management process (Rec. 9) has been agreed. The application of interest remains a discretionary process reflecting the specific nature of debt amongst farming tenants and the wider non-commercial objectives of the Estate. The default approach remains to charge interest unless there are extenuating circumstances (e.g. serious illness)	Rural Asset Manager July 2021
9	<b>Recommendation 9: Important</b> A formal policy on debt management must be developed and implemented by the County Farms team....	Complete. A new debt management policy has been agreed with CCC Debt Management. Debts are reviewed monthly and allocated to Debt Recovery or the Farms team for action as appropriate.  Categorisation of debts/debtors was considered but rejected due to issues around privacy, data protection and legal risks.	Rural Asset Manager May 2021
10	<b>Recommendation 10: Important</b> A policy on tenancy advertisement should be formalised and documented.	Complete.	Rural Estates Manager July 2021

## APPENDIX 2

		<p>The updated advertising policy forms part of the revised lettings procedure.</p> <p>The Farms team recently advertised 6 holdings. This resulted in well attended viewing days viable applications offering good market rents. A total of 64 formal applications were received across the 6 holdings. As an example, the commercial holding received applications from business in fire safety, care farming, supporting disabled entrants into farming, micro-greens, goat breeding and equestrian businesses, demonstrating the reach and effectiveness and breadth of the advertising.</p>	
11	<b>Recommendation 11: Standard</b> The application form for tenancies should be amended to include any associations, links to the Council, or close personal relationships with officers or Members of Cambridgeshire County Council to be disclosed.	Longstanding policy and is already on the application form.	N/A
12	<b>Recommendation 12: Standard</b> In order to encourage a more diverse range of businesses, it is recommended for the County Farms team to provide two versions of the application forms and budget forecast forms etc...	<p>Complete.</p> <p>The application has been amended to suit agricultural and non-agricultural proposals using a single dual-use form.</p>	April 2021
13	<b>Recommendation 13: Important</b> The evaluation criteria should be reviewed and aligned with the criteria which are made public to applicants on the Council's website.....	<p>Complete.</p> <p>Evaluation and selection criteria are on the Council's website and a link to the Council's Equality and Diversity strategy has been added to the Rural Business application webpages.</p>	Rural Asset Manager April 2021

## APPENDIX 2

		The standard position on any agricultural or commercial tenancies is that sub-letting is prohibited except with landlord's consent. In respect of sub-letting, there are a small number of holdings where sub-letting of residential properties has been permitted (with revenue share split between landlord and tenant), and occasional sub-letting of land for specific crops e.g. potatoes. This is subject to landlord's (i.e. CCC) consent.	
14	<b>Recommendation 14: Important</b> While rental levels should be realistic and achievable based on the planned use of the farm, it is recommended that the service would drive much greater value from its estate if a competitive bidding process were introduced to allow tenants who make it to the interview stage to formally review and re-bid on their rental offers. The team should also establish a target rent value for each property at re-rental.	Complete. The bidding process has been reviewed and policy updated in line with the management response.	Rural Asset Manager January 2021
15	<b>Recommendation 15: Important</b> A formal process should be introduced for succession tenancy applications.....	Complete. Members have previously agreed a succession process that will be followed for any re-lettings involving a succession request.	February 2020
16	<b>Recommendation 16: Important</b> In order to drive best value from the estate, the County Farms team should cease the practice of offering succession tenancies where there is no legal requirement to do so.....	Succession tenancies will continue to be an option for the Farms Estate as per agreed policy.	N/A

## APPENDIX 2

18	<b>Recommendation 18: Important</b> Following discussions with the <del>current</del> [Interim] Head of Property regarding the immediate improvements which can be made within the County Farms team.....	Delegations will follow CCC Constitution and Schemes of Authorisation with escalation to Committee as required.	N/A.
19	<b>Recommendation 19: Important</b> It is recommended that formal guidance to officers within the County Farms team about the rent review process is produced, in line with RICS guidance.	Complete.  Guidance incorporating RICS and CAAV requirements completed.	Rural Asset Manager June 2021
23	<b>Recommendation 23: Important</b> The practice of allowing tenants to retrospectively ask the Council to fund works they have carried out and treat this as an Improvement Charge is not appropriate and should be immediately discontinued.	Agreed and complete.	N/A
25	<b>Recommendation 25: Important</b> Improvement charges should be recorded on the Rental Agreement Spreadsheet.	Agreed and Complete.	N/A
26	<b>Recommendation 26: Important</b> The team should apply, and maintain records of, Improvement Charges separate to rent....	Agreed and Complete.	N/A
27	<b>Recommendation 27: Important</b> A clear housing standard should be established	Complete.  A Rural Estate Housing Standard has been prepared and presented the CFWG and is now in use.	Rural Asset Manager June 2021
28	<b>Recommendation 28: Standard</b> There must be a clear division of duties with regards to tender review.....	This has been and continues to be Rural Estate policy, in line with wider council practices.	N/A
29	<b>Recommendation 29: Important</b>	Agreed and Complete.	N/A

## APPENDIX 2

	Final proposed specifications should be assessed against the County Farms Standard and any variations from the Standard should have initial approval recorded by a manager.....		
30	<b>Recommendation 30</b> OFR report.	Final recommendations were approved by C&I Committee in February 2020 in the County Farms Strategic Review that is now the approved and settled Farms policy.	February 2020.
31	<b>Recommendation 31: Important</b> Future Outcome-Focused Reviews (OFRs) or equivalent service review processes.....	Reviews are corporate matter and appropriately designed and managed reviews will be undertaken as required.	N/A



## Cambridgeshire County Council

### Managing potential conflicts of interest guidance

#### Introduction

This guidance is for councillors who wish to consider how to manage potential conflicts of interest and will form a supplementary document to the Member's Code of Conduct.

Councillors, as holders of public office, are obliged to follow the Nolan Committee's Seven Principles of Public Life:

(a) **Selflessness:** You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.

(b) **Integrity:** You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.

(c) **Objectivity:** When carrying out your public duties you must make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on merit.

(d) **Accountability:** You are accountable for your decisions to the public and you must cooperate fully with whatever scrutiny is appropriate to your office.

(e) **Openness:** You must be as open as possible about your decisions and actions and the decisions and actions of your authority and should be prepared to give reasons for those decisions and actions.

(f) **Honesty:** You must declare any private interests, both pecuniary and nonpecuniary, that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out below.

(g) **Leadership:** You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.

Under the Members' Code of Conduct councillors are obliged to declare pecuniary interests and non-statutory disclosable interests. However, these formal definitions do not cover every possible conflict of interest which could be encountered by county councillor in their role and this document provides additional explanation and guidance on what conflicts, arising out of specific interactions/transactions with the Council, ought to be addressed.

This guide:

- applies to those interactions between the Council's services and councillors when councillors are acting as private individuals but where their Council role provides an inherent risk of being perceived as gaining favourable / unfavourable consideration.
- sets out the practical actions required to ensure compliance with the rules so the Council can demonstrate the highest standards of conduct have been applied.

For the avoidance of doubt this guidance applies to:

- All county councillors
- Transactions involving the immediate family of the above (ie parents and children)
- Transactions where the above persons act as a representative of another individual eg powers of attorney, executor, agency etc

These requirements **do not apply** where a councillor interacts with the Council for simple, routine transactions. Examples include:

- Paying an invoice / council tax
- Paying a parking fine etc
- Using a routine council service as a customer eg parking, library etc

These requirements **do apply** where an interaction with the Council requires more than simple transactional engagement, for example:

- Complex services provided by the Council including social care, mental health etc
- Dispute / disagreement of any nature eg appealing a parking fine, refuting a debt etc
- Any service requiring an application and / or eligibility criteria, such as a tenancy

The guidance does not apply where a councillor acts on behalf of a resident as an advocate in their role as councillor, unless such a person falls within the above categories ie a friend, relative etc. Where the relationship to the resident could be interpreted as such the councillor should seek advice from the Monitoring Officer.

### Key Principles

The objectives of this guidance are to:

- provide public confidence that councillors do not seek or receive inappropriate advantage or disadvantage in personal transactions with the Council
- ensure appropriate public transparency of certain transactions to maintain public confidence in Council services and the conduct of its councillors
- ensure appropriate confidentiality to relevant transactions

The application of this guidance will require additional scrutiny outside of normal service delivery to ensure public sector standards are upheld but its application should ensure councillors receive the same consideration as any resident/service user, albeit with additional safeguards and transparency.

### Process

- (1) Where a councillor interacts with the Council in respect of **non-simple, non-routine transactions** they should highlight this, in writing, to the Chief Executive.
- (2) The councillor should also advise the relevant Council officer handling the transaction that this process applies and that they should notify their line manager and highlight this guidance.

- (3) The Chief Executive shall, in consultation with the Monitoring Officer and Chief Internal Auditor, oversee the relevant decision, service delivery etc and nominate a specific senior officer to liaise and support the relevant service to progress the issue properly and to avoid delays arising from the application of this guidance.
- (4) Where the issue involves ongoing service provision/engagement with a councillor, oversight shall extend to periodic reviews of the transaction/support at least annually.
- (5) In all instances the normal transactional processes shall be applied (see item (6) below), and in addition:
  - a. The Chief Executive, in consultation with the Monitoring Officer or Chief Internal Auditor, shall determine whether the decision-making processes shall be anonymised.
  - b. Where the identity of the councillor is known to the service providing the decision/service support all communications between the councillor and the service shall copy the named officer as at (3) above and the Monitoring Officer
  - c. Where the identity of the councillor has not been made known to the service providing the decision/service support as per the above process;
    - i. The service decision shall NOT be implemented until reviewed and confirmed through this process by the person(s) designated by the Chief Executive.
    - ii. The decision shall be communicated to the councillor by the person(s) designated by the Chief Executive together with any communication to confirm rights of appeal etc.
  - d. Where the identity can be anonymised, the decision shall be taken and implemented with the outcome communicated to the Chief Executive. In seeking to anonymise the information, such data as is required to take an informed decision shall be provided.
- (6) The normal decision-making process shall be applied including governance structures and schemes of delegation. For clarity:
  - If the service decision would normally be taken by an officer that officer shall take the decision, but it shall be reviewed by that officer's line manager.
  - If the decision would normally be taken by a Committee, that decision shall be submitted to the Committee within a formal report that:
    - Clearly sets out the relevant service criteria applicable to the decision
    - Clearly sets out (but if possible anonymised) the potential undue influence that could be perceived and how the recommended decision has both:
      - Applied the relevant rules, and
      - Where necessary mitigated against any perception of undue influence
    - Contains the Chief Executive and Monitoring Officer's recommendations

(7) Where, in the opinion of the Chief Executive, Monitoring Officer and Chief Internal Auditor, the normal decision-making process cannot provide the required transparency, the decision will be escalated as below. For example, where the councillor's identity is known and that knowledge could be perceived by a reasonable person to have the potential to influence the decision.

- a. Where the decision was to be taken by officers, such decision would be escalated to a more senior officer
- b. Where a decision cannot be escalated to a more senior officer it may be escalated to either:
  - i. A relevant decision making committee of the Council, or
  - ii. A joint consideration of the matter by the Chief Executive, Monitoring Officer and s151 Officer. The views of the Chief Internal Auditor may also be invited.
  - iii. Such decision may be taken with the exclusion of press and public where an individual's personal information would otherwise be publicised (together with a redacted public decision paper)
- c. In all above situations the decisions (when taken) shall be:
  - i. Recorded within a central register maintained by the Monitoring Officer
  - ii. Copied to the Council's Chief Internal Auditor and External Auditor.

If in doubt Councillors should always request guidance from either the Council's Chief Internal Auditor or Monitoring Officer.