

Appendix 2 Strategy and Resources

Savings and Income Proposals

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Business Planning: Business Case proposal

Project Title: Members' Allowances

Committee: Strategy and Resources

2022-23 Savings amount: £40k

Brief Description of proposal:

No Member may receive more than one special responsibility allowance. Savings could be made where Members are appointed to two roles as they are only eligible to receive one special responsibility allowance.

Date of version: 15 Sep 2021

BP Reference: C/R.6.105

Business Leads / Sponsors:

Michelle Rowe

1. Please describe what the proposed outcomes are:

With Members in their current roles, savings could be made from the Members' Allowance budget.

2. What evidence has been used to support this work, how does this link to any existing strategies/policies?

Members' Allowances are recommended by an Independent Remuneration Panel and then approved by the Council. As set out in the Constitution, allowances comprise the following information:

Special Responsibility

Group Leaders and Deputy SRAs (Special Responsibility Allowance)

Leader of the Council	£31,704
Deputy Leader of the Council	£20,608
Leader of the main opposition	£10,462
Leader of the minor opposition x 2	£6,340
Total	£69,114*

The Leaders of the Labour and Independent Groups will not receive the Leader of the minor opposition allowances as they are part of the Joint Administration and therefore the Labour Leader receives one allowance as Deputy Leader of the Council and the Leader of the Independent Group receives one allowance as Chair of Communities, Social Mobility and Inclusion Committee.

*The total which will actually be claimed is therefore £62,774 rather than the £69,114 total as above.

Policy and Service Committees

Policy and Service Committee Chairs x 5	£18,372
Policy and Service Committee Vice-Chairs x 5	£7,927
Total	£131,495

Other Committees

Audit and Accounts Committee Chair	£7,926
Pension Fund Committee Chair	£7,926
Planning Committee Chair	£7,926
Total	£23,778

Combined Authority Appointments

Combined Authority Board Member	£3,170
Combined Authority Overview & Scrutiny Committee x 2	£1,585
Combined Authority Audit and Governance Committee	£1,585
Total	£7,925*

The Leader will not receive the Combined Authority Board allowance as they can only receive one allowance. The Council's representative on the Audit and Governance Committee is also the Chair of Audit and Accounts Committee so the same rule applies.

Fostering Panel Member to receive £140 per day or £70 per half day

*Total which will actually be claimed is therefore £3,170 rather than the £7,925 total above

The allowances for the Chair and Vice-Chair of Council are not part of the Members' Allowances Scheme and are funded from a separate budget managed by the Chief Executive's office. However, the payments are taken out of the Members' Allowances budget during the financial year. The Chair of Council receives £10,462 and the Vice-Chair of Council receives £3,170. Total for Chair and Vice-Chair is £13,632.

Special Responsibility Allowance Total including the allowances for the Chair and Vice Chair of Council is £234,849 (This does not include the Fostering Panel)

Basic Allowance

£10,568 x 61

£644,648

At the start of the financial year, the following budget figures were set for Basic and Special Responsibility Allowance budgets of £629,215 and £311,075 respectively totalling £940,290.

The changes set out above proposed by the Independent Remuneration Panel and approved by Council total £879,497.

To that figure you need to add £1,000 which is the Independent Persons allowance.

The total is therefore £880,497.

(This includes the allowance to the Chair and Vice-Chair of Council, but does not include the Fostering Panel, which is claimed for as and when the member sits on the panel. It also applies the one member one SRA rule).

Once the national local government pay award is confirmed this will be applied and backdated to these allowances from 10th May 2021. The local government employers first offer was an increase of 1.5%, however, this has been rejected by the staff side and further consideration is pending. We would expect that the uplift will be not less than 1.5% equating to an additional £13,192 across the allowances set out in this report.

The total budget figure is therefore £880,497. However, the pay award for next year needs to be added which is approximately £13,192. Total is £893,689.

There will also be a need to claim £6,432 from next year to offset the pressure to the Chair and Chair's fund. Total is therefore £900,121.

The original budget was set at £940,290 so this would give a saving of £40,169.

3. Has an options and feasibility study been undertaken? Please explain what options have been considered.

N/A

4. What are the next steps/ actions the Council should take to pursue it? Please include timescales.

We will need to await the outcome of the national local government pay award in order to confirm the savings amount that has been estimated.

5. Could this have any effects on people with Protected Characteristics including poverty and rural isolation? If so please provide as much detail as possible.

N/A The savings figures are simply related to current procedures and circumstances in the allowances that Members can receive.

6. What financial and non-financial benefits are there and how will you measure the performance of these? Are there any dis-benefits? These MUST include how this will benefit the wider internal and external system.

Financial Benefits

Potential savings of £40,169

7. Are there any identified risks which may impact on the potential delivery of this? What is the risk if we do not act?

It is important to note the following:

- Members cannot claim two special responsibility allowances, but if a new Member is appointed it becomes a new cost and so figures could be different to the current position.
- Co-opted Members can claim a Financial Loss Allowance which is a £50 flat fee per half day attended.
- Members can claim a Child and Dependant Carer's Allowance
- The Independent Remuneration Panel (IRP) want CCC to have a policy to support parental leave, which is going to Council on 9 November 2021
- Allowances are increased annually in line with the percentage increase in staff salaries
- The IRP is to undertake a review of the allowances for the new Policy and Service Committee Chairs and Vice-Chairs in twelve to eighteen months' time.

8. Scope: What is within scope? What is outside of scope?

The savings relate to Members' Allowances only.

Business Planning: Business Case proposal

Project Title: County Farms / Agricultural Rent

Committee: Strategy & Resources

Income / savings amount: £252k

Increase in income expected between 2021-22 and 2022-23 is £252k

Brief Description of proposal:

10% uplift in rent expected from October 2021- September 2022

2.5% annual uplift from Oct 2022

Date of version: 25/10/2021 BP Reference: C/R.7.120 [and C/R.7.151]

Business Leads / Sponsors: John Nash Rural Asset Manager

1. Please describe what the proposed outcomes are:

Agricultural legislation enables review of rents every 3 years with 12 months notice required.

With 98% of this year's rent reviews completed (44 holdings) Cambridgeshire County Council has increased the passing rent by an average of 16.39%. [There were some big increases this year to play catch up due to earlier internal resource restrictions]

Further, relets to existing tenants and new lettings (31 in total start date October 2021) has resulted in an increase of 16% on the passing rent.

Review of commercial lettings have also increased over 100% (one is subject to contract but with heads of terms agreed on a vacant property) .

These are very good results in the current climate and see a circa 9% increase across the rural portfolio as a whole. The changes are implemented for the agricultural year effective from October and so span two financial periods. Looking ahead to next October we have served rent review notices on 40 holdings (rent roll £400,000) where we believe there is a realistic opportunity to increase rents.

The figures at the top of this business case reflect those numbers apportioned to the relevant financial year.

There remains the possibility that tenants may serve notice on us for rent reductions moving forward.

Further ahead 2.5% is a place marker for future business planning across the portfolio and is a realistic reflection of the uncertainty in agriculture.

New BP			
	Farm rents	Covid Commercial Impairment	TOTAL Income Budget
Base	-£4,705,000.00		-£4,705,000.00
21/22	-£290,000.00	£205,000.00	-£4,790,000.00
22/23	-£45,769.02	-£205,000.00	-£5,040,769.02
23/24	-£126,019.23		-£5,166,788.24
24/25	-£129,169.71		-£5,295,957.95
25/26	-£132,398.95		-£5,428,356.90
26/27	-£135,708.92		-£5,564,065.82

2. What evidence has been used to support this work, how does this link to any existing strategies/policies?

Unlike commercial rents, agricultural rents are not subject to specified increases using RPI (Retail Price Index) formulae. Forecasting currently is particularly difficult due to uncertainty surrounding significant influences in farming – grain prices affected by uncertainty of world grain stocks due to climatic influences (flood and drought), increasing cost of inputs due to world shortages and cost of production (e.g fertiliser and diesel) as well as reducing subsidy payments in the UK. As such, the rent review process is specialised and can vary enormously year to year due to world markets.

The work is underpinned by the County Farms Strategy and overseen by the County Farms Member Reference Group. Minor consultancy support has been provided from a firm of Agricultural Surveyors, for more complex cases.

3. Has an options and feasibility study been undertaken? Please explain what options have been considered.

The alternative to this proposal would be for the Council to not implement or delay rent reviews, meaning the Council would forego income due under the Farm Business Tenancies agreed.

4. What are the next steps/ actions the Council should take to pursue it? Please include timescales.

The next steps are to agree the proposal for BP 2022-23 and minimum of 2.5% annually thereafter. We are also exploring opportunities from biodiversity net gain further ahead.

5. Could this have any effects on people with Protected Characteristics including poverty and rural isolation? If so, please provide as much detail as possible.

It is not anticipated that the proposal will have effects on people with protected characteristics as we are following a standard commercial process.

6. What financial and non-financial benefits are there and how will you measure the performance of these? Are there any dis-benefits? These MUST include how this will benefit the wider internal and external system.

Financial Benefits

- Monitoring achievement of expected rent levels/yield compared to target set
- 2.5% uplift in rents on an annual basis from Oct 2022-2023 as a planning tool

There are entries in the tables adjusted as follows:

Covid Impairment: improved by -£292k [C/R.7.151]

Income growth: reduced by +£130k [C/R.7.120]

Net improvement to business plan 2021-26 = **-£162k**

7. Are there any identified risks which may impact on the potential delivery of this? What is the risk if we do not act?

A key risk is that with uncertainty in the agricultural sector due to the UK Brexit and changes in subsidies and uncertain world markets, rents may well reduce rather than increase. In such a situation, ongoing capital investment into the estate may be required and associated with improvement charges.

It should be noted there is no mitigation against external influences.

8. Scope: What is within scope? What is outside of scope?

It should be noted that the County's agricultural estates only are in scope for this rent review.