

Draft Business Plan and Budget Setting 2026-27 – 2028-29

To: Strategy, Resources and Performance Committee

Meeting Date: 11 December 2025

From: Chief Executive and Executive Director of Finance and Resources

Electoral division(s): All

Key decision: No

Forward Plan ref: Not Applicable

Executive Summary: This report sets out the draft 2026-29 Business Plan and Budget. It includes an update on the new Strategic Framework vision, ambitions and priorities, a summary of how the council is responding to developments in its wider financial and operating contexts, a summary of resident views obtained via the council's ongoing engagement activity, and an overview of directorate plans and proposals for achieving a legal budget.

Recommendation: The Strategy, Resources and Performance Committee is asked to consider:

- a) the revised Strategic Framework vision, ambitions and priorities, with amendments delegated to the Chief Executive in consultation with the Chair and Vice Chair;
- b) the draft 2026-29 Business Plan and Budget, including:
 - i. Medium Term Financial Strategy (Appendix 1a)
 - ii. Financial Tables 1-5 (Appendix 1b)
 - iii. Capital Strategy (Appendix 1c)
 - iv. Fees and Charges (Appendix 2)
 - v. Phase 1 Engagement Survey Results (Appendix 3).

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1. Towards a healthy, fair and sustainable Cambridgeshire

- 1.1 The council's existing Strategic Framework was launched in April 2023, setting out seven ambitions for the council in its aim to deliver the vision of a greener, fairer and more caring Cambridgeshire. Over this time the council has made considerable progress in pursuing the seven ambitions, with progress highlights included in each of the annual Strategic Framework refreshes in 2024 and 2025 as well as the business planning paper to Strategy, Resources and Performance Committee on 23 October 2025 and past business planning papers.
- 1.2 Since launching in 2023, the seven ambitions have given the council a frame of reference to determine, communicate and carry out the commitments within its sphere of influence and service delivery to contribute to a greener, fairer and more caring Cambridgeshire. In an organisation consisting of almost 5,000 employees and over 300 teams spread across services as diverse as highways and social care, the seven ambitions have provided a unifying thread that gives the various elements of the council a shared identity, sense of purpose and understanding of impact. From the higher levels of decision-making in strategy development and business planning all the way through to the evaluation of individual employee impact, the seven ambitions have framed the story of the council's progress at all levels over the last two and a half years.
- 1.3 However, the last year in particular has seen an exceptional degree of change for local government nationally, with policy shifts from central Government such as those found in the 10 Year Health Plan for England, Families First, the English Devolution and Community Empowerment Bill and the Fair Funding Review 2.0. Cambridgeshire specifically has also seen considerable change within this period, with local Integrated Care Boards preparing to form the new Central East cluster, the election of a new Mayor at the Cambridgeshire and Peterborough Combined Authority (CPCA), the CPCA itself becoming a Mayoral Strategic Authority, councils developing plans for Local Government Reorganisation (LGR), and the establishment of the Cambridge Growth Company.
- 1.4 Amidst these waves of change nationally and locally, in May 2025 a new Administration was elected to lead the county council. As indicated to Strategy, Resources and Performance Committee on 23 October 2025, these factors motivated a review of the council's existing Strategic Framework, to ensure it is fit for the new Administration's agenda and the council's current and future operating context. Over Autumn 2025, elected Members and officers worked together to draft a revised vision and set of ambitions for the council to deliver for Cambridgeshire. A fully revised Strategic Framework will be presented to Strategy, Resources and Performance Committee on 29 January 2026 as part of the 2026-29 Business Plan and Budget.
- 1.5 The revised Strategic Framework will maintain a clear strategic vision, with simplified cross cutting ambitions that are each further elaborated by a set of priorities – together representing the next phase in the evolution of the council's strategic goals as it responds to its changing context. The new draft vision, ambitions and priorities for Cambridgeshire are set out in the table below.

Table 1.1 New draft vision, ambitions and priorities

Vision: A healthy, fair and sustainable Cambridgeshire	
Ambitions:	Ambition priorities:
Support a green and sustainable county	Low carbon council: Reduce the council's carbon emissions by 38% by 2027-28 (excluding forestry, land use and agriculture) and support wider climate action in Cambridgeshire
	Tackling climate risks: Support community energy and local area energy planning, and work with communities to understand and manage the effects of a changing climate, from the threats of flooding and fire to securing the future of water, food and farming
	Restoring nature: Create and connect green spaces, restore natural habitats on council land and support community-led nature recovery projects
	A circular economy: Support repair cafés, reuse hubs, food waste reduction campaigns, sustainable waste management and other projects with partners and communities to promote sustainable living
Enable full, healthy lives for all	Eating well: Work with partners on targeted interventions that help provide enough good food for every home, aiming to have no family hungry or under-nourished
	Good health and wellbeing: Support people to build strong connections with their families, communities and the natural environment to combat loneliness and improve mental and physical health
	Active living: Create more safe cycling and walking routes and work with partners and communities to promote green spaces, community sports and accessible ways to get active
	Independent living: Provide social care that supports adults and unpaid carers to live safely in the way they choose, and reduces the need for more intensive support and care where possible
Ensure fairness and opportunity wherever we can	The best start in life for children and young people: Work with partners to provide a safe and healthy environment for children and young people to live, learn and develop strong mental health from their earliest moments through their school years
	Jobs for the future: Work alongside other providers to ensure people have the right skills and opportunities to build successful working lives, including those with care experience, learning disabilities and mental health conditions
	Financial security: Invest in targeted interventions that help move people out of poverty and build long-term financial stability and independence
	Well connected: Better broadband, tackling mobile phone 'not-spots', with safe and sustainable transport routes to connect people to jobs, education and health services

1.6 This new vision, three ambitions and 12 supporting priorities evolved directly out of the Administration's review of the existing Strategic Framework's vision and seven ambitions. Elected Members decided that the seven ambitions should be consolidated and refocused into the three new draft ambitions above to better reflect the Administration's strategic

approach and the council's remit, and to relate more clearly to the vision, which also required adjustment to the new Administration's agenda. See the table below for illustration of how the new ambitions consolidate and refocus the existing seven.

Table 1.2: Rationale for new ambitions

Existing ambition	New ambition	Rationale for change
1 - Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes	Support a green and sustainable county	Allows a more comprehensive approach to climate, nature and the environment whilst allowing transport/travel to support other ambitions as well
2 - Travel across the county is safer and more environmentally sustainable		
3 - Health inequalities are reduced		
4 - People enjoy healthy, safe and independent lives through timely support that is most suited to their needs	Enable full, healthy lives for all	Recognises the central role of health and wellbeing for delivering positive outcomes for people
5 - People are helped out of poverty and income inequality	Ensure fairness and opportunity wherever we can	Brings together issues relating to the delivery of core front line services and fair access for all people to fully participate in society locally, with priorities more focused on the council's remit to deliver, and space for education and children's social care to support other ambitions as well
6 - Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised		
7 - Children and young people have opportunities to thrive		

- 1.7 Driven by the Administration's goals in each of the three ambition areas, the 12 priorities are what the council will prioritise in its decision-making, service planning and service delivery to achieve the ambitions. As part of the council's commitment to be an evidence-led organisation that is responsive to residents' needs, these ambitions and priorities are also informed by the Quality of Life Survey results presented to Strategy, Resources and Performance Committee on 23 October 2025 and discussed further in section three below. Hence there is a clear connection between the three new draft ambitions and the most prominent areas of concern revealed by the Quality of Life Survey: health and wellbeing issues such as the mental health of young people, economic issues such as job opportunities and the cost of living, and local climate and environment issues. With strategic ambitions more clearly aligned to the concerns of our residents, the council will be in an even better position to track its progress on delivering the ambitions through its engagement with residents.
- 1.8 The development of the priorities was also informed by recent council strategies that reflect council directorates' current and future operating context. These include the Public Health Strategic Plan, the Adults, Health and Commissioning Strategy, the Cambridgeshire Poverty Strategy Commission findings, the refreshed Climate Change and Environment

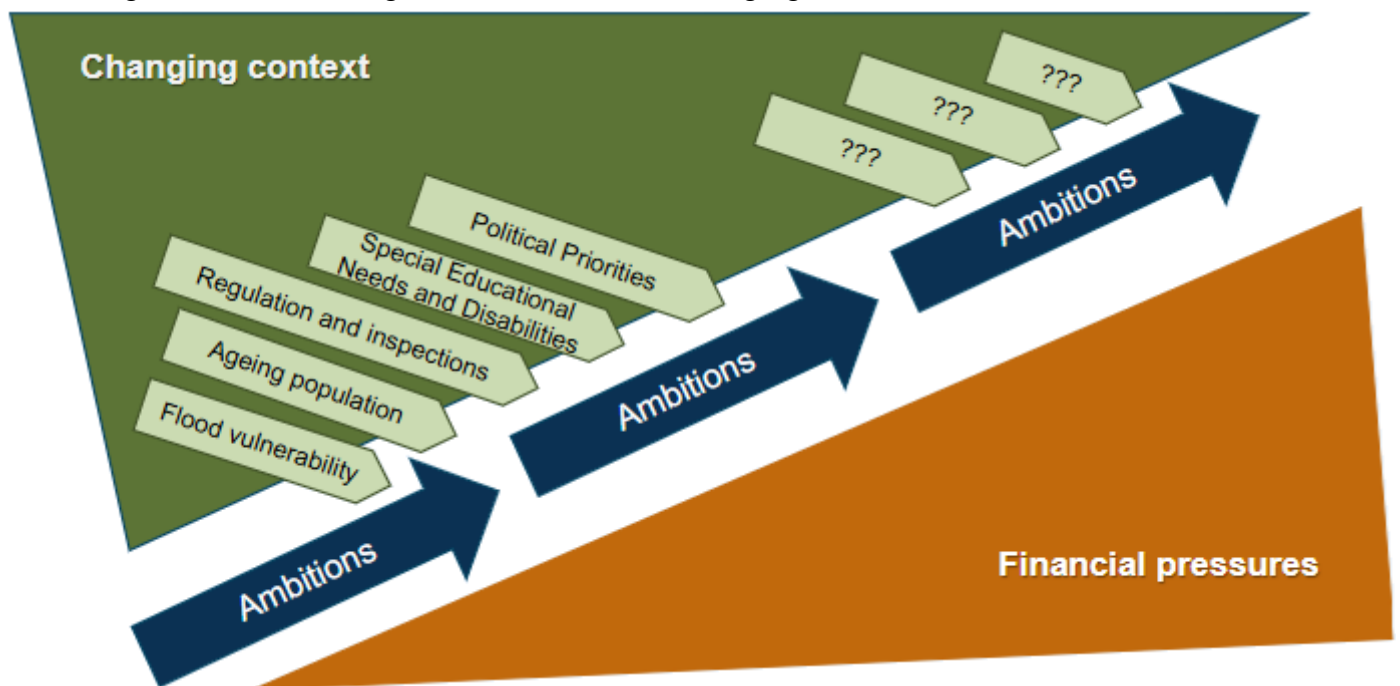
Strategy, the draft Economic Strategy and other new or developing strategies and approaches. Alongside the council's corporate enabling strategies such as the 'Our Future Council' change strategy, these directorate strategies will be key to guiding the delivery of the council's new ambitions and priorities.

- 1.9 Together the new ambitions and priorities form a more integrated framework for strategic direction and thereby constitute an enhancement of the Strategic Framework's structure as well as its content. The ambitions and priorities are deliberately interconnected to reflect the interconnections in the positive outcomes for people and places the council aims to deliver as well as the cross-service work this requires. In this way, the ambitions and priorities are designed to cut across the responsibilities of council services, just as the work of individual council services will often contribute to multiple ambitions or priorities. For example, the best start in life for children and young people priority requires the work of public health, education and children's social care services, just as the circular economy priority requires the work of waste management, commissioning and communities services. Similarly, tackling health inequalities enables people to live healthier lives and ensures fairness, just as active travel supports a sustainable county and enables people to live healthier lives.
- 1.10 To support this strategic approach the priorities are designed to be mutually reinforcing, so that work achieving one also aids the achievement of others wherever possible, thereby helping to increase the impact and efficiency of the council's work in realising its new vision. The priorities are also designed to be more specific to the council's remit to support clarity of action and decision-making, to more thoroughly infuse the council's Closer to Communities approach into the Strategic Framework and to be more measurable to enable clearer accountability and progress reporting. In accordance with the council's Performance Management Framework, council officers will begin formalising a new set of strategic key performance indicators (SKPIs) in early 2026 to track and report the council's performance against the ambitions and priorities.
- 1.11 As the primary statement of the council's highest goals, the Strategic Framework is the main reference point for everything the council plans and delivers for local communities. The revised Strategic Framework is being developed toward the purpose of being an even stronger unifying thread for council decision-making, activity and impact than its predecessor. The draft 2026-29 Business Plan and Budget presented in this report details how the council will deliver its new vision and three ambitions, respond to resident feedback and set a legal budget. These plans include an overview of how the council will allocate its budget over the coming three years, subject to funding from the next Local Government Finance Settlement (expected to be a multi-year settlement covering 2026-27 and 2027-28) due in mid-December 2025. The plans also include proposals for the 2026-27 council tax precept, proposals for capital spend, the risks and reserves position, and investment and savings proposals generated by the council's five directorates for the coming three years.
- 1.12 In considering and proposing the draft 2026-29 Business Plan and Budget, Strategy, Resources and Performance Committee will start the process of scrutiny through policy and service committees, with feedback presented to Strategy, Resources and Performance Committee at its next meeting on 29 January 2026. At this meeting the Strategy, Resources and Performance Committee will also be asked to consider the results of Phase Two of the council's business plan and budget engagement as well as details of the Local Government Finance Settlement. Strategy, Resources and Performance Committee will then make a recommendation to Full Council on 10 February 2026 for debate and decisions to be made in respect of the 2026-29 Business Plan and Budget, Capital Programme, Treasury Management Strategy and the level of allocated and General Reserves to be held.

2. Responding to the council's context

- 2.1 The business plan and budget outline how the council will maintain the capacity to achieve its ambitions within a legal budget. Section one above has already indicated the way in which the council's ambitions themselves are evolving in response to its context. This section, alongside the directorate overviews in section four, will present the ways council resources are focused to deliver the new vision and ambitions in the draft 2026-29 Business Plan and Budget, and detail the challenging financial landscape the council, like many local authorities nationally, is navigating to achieve a legal budget.
- 2.2 As illustrated in the figure below, the council must deliver its ambitions in ways that are both responsive to its context and ensures financial sustainability. However, the difficulty is compounded by the fact that this already demanding context becomes increasingly variable and unforeseeable the further one looks into the future, which in turn makes the need to manage financial pressures unlikely to ease in the near future for the council to be able to deliver its ambitions and meet the demands of its changing context. This is the circumstance in which the council must make its budgeting and business planning decisions – deciding where to allocate its spending to deliver its ambitions and respond to its context, and where to make savings or generate income to remain financially viable, all whilst keeping an eye towards an uncertain future.

Figure 2.1: Delivering ambitions within a changing context and financial constraints



- 2.3 Despite the ongoing need to manage financial pressures, the council's spending power to deliver services for the county remains substantial. For 2025-26 the council has a net budget of £573 million. This budget funds services as diverse as social care for older people and those with learning disabilities, highways maintenance, strategic planning, education, special educational needs and disability (SEND), waste disposal, public health, protecting children and young people at risk of harm, improving the local natural environment, delivering a range of community-based services such as libraries and maintaining the historic archives of the county. The plans presented in this report project growth of £31 million in the 2026-27 revenue budget, representing a 5.4% increase on 2025-26, allowing the council to continue investing in much-valued local services. This

projected growth relies on the outcome of the Local Government Finance Settlement for 2026-27, with numbers currently estimated based on available information.

2.4 Through the services it directly provides, commissions and delivers in partnership with other local organisations, the council strives to realise its vision by delivering its ambitions to support a green and sustainable county, enable full, healthy lives for all and ensure fairness and opportunity wherever possible. Over the course of the last year, the council has made significant progress on its existing seven ambitions in ways that lay the groundwork for the delivery of its new ambitions. For example:

- **Support a green and sustainable county:** the council was ranked as one of the top-performing authorities in the UK for the action it has taken towards net zero carbon emissions.
- **Enable full, healthy lives for all:** the council provided over 5,000 hours of homecare capacity by creating 80 additional care micro-enterprises, which consist of local people supported to set up their own small businesses that provide their neighbours with personalised care and support, amongst other services that support independence at home.
- **Ensure fairness and opportunity wherever we can:** the council convened the Cambridgeshire Poverty Strategy Commission, which investigated the complex reality of poverty throughout the county and published a series of recommendations for the public sector and Voluntary, Community and Social Enterprise (VCSE) organisations on how they could work more effectively together to prevent and alleviate poverty.

2.5 Looking forward to the next financial year and beyond, the council will continue to make capital and revenue investments that progress the delivery of its ambitions. To this end, the draft 2026-29 Business Plan and Budget contains proposals including, but not limited to:

- **Support a green and sustainable county:**
 - Continued investment to support delivery of the Climate Change and Environment Strategy.
- **Enable full, healthy lives for all:**
 - Embed an enablement approach into adult social care and support packages from the Mental Health Social Work Team to tailor support towards enhancing independent living skills.
 - Promote independent living by expanding individual service funds so more residents can access flexible person-led care and support.
- **Support a green and sustainable county / Ensure fairness and opportunity wherever we can:**
 - Implement a Travel to Learn project to enable more children and young people to access public transport, reducing carbon emissions and home to school transport costs.
 - Invest in highways to ensure they are maintained in a safe and sustainable way.
- **Ensure fairness and opportunity wherever we can / Enable full, healthy lives for all:**
 - Invest in a new care scheme in Wisbech to prevent and delay residential care needs.
 - Transition to the Family Hubs model to align with national guidance and local strategies for the Best Start in Life.

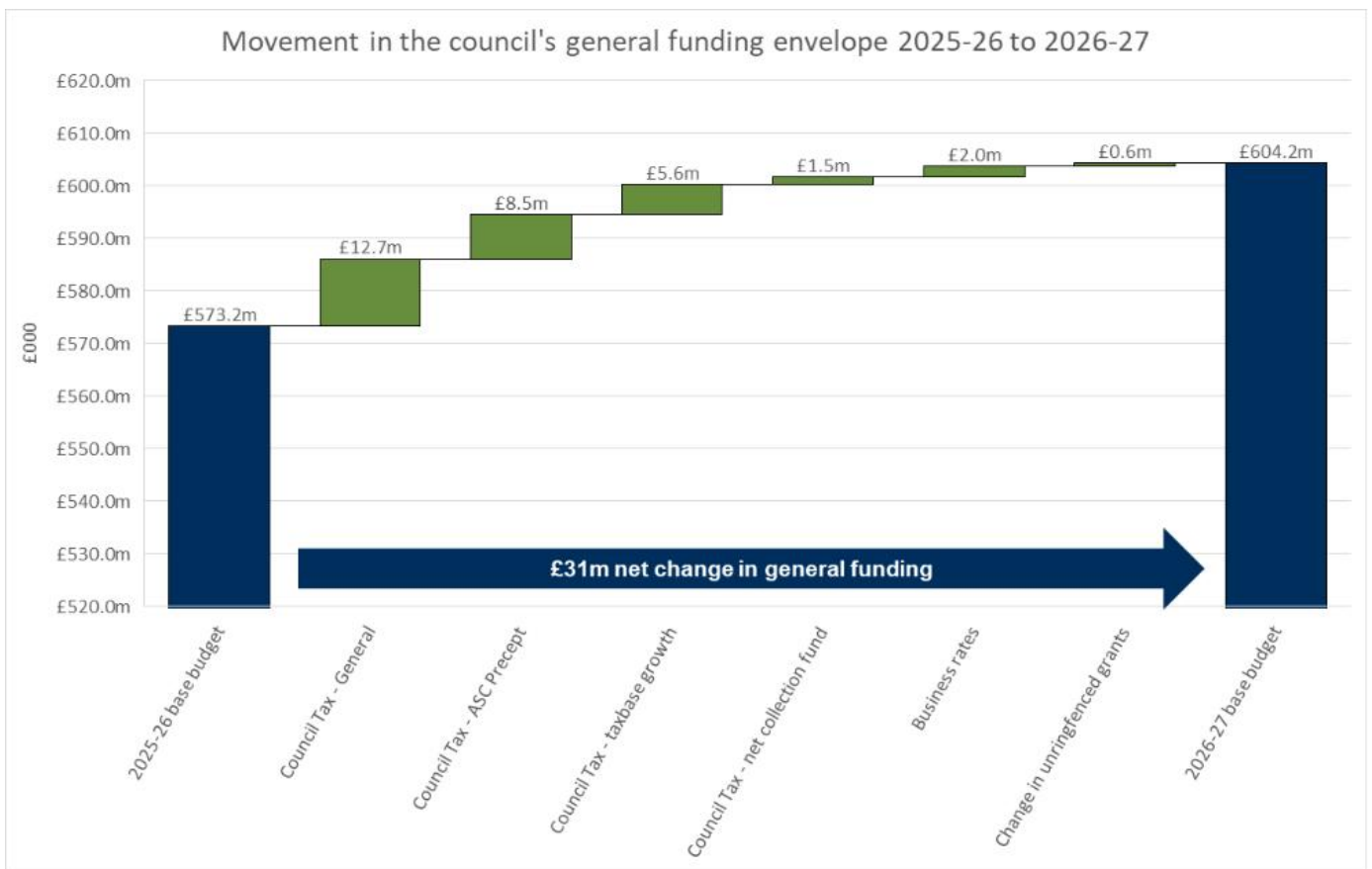
2.6 To fund the services the council provides, it raises revenue from a variety of sources, including council tax from residents, business rates, grants from central Government and fees and charges for certain services. The makeup of the council's revenue base has changed significantly during recent years. Whereas in 2010 central government grants

accounted for over a third of the budget, the council is now much more reliant on locally generated funding through council tax and business rates, with these now forming over 87% of the net budget. The council is currently forecasting a £31 million increase in general funding for 2026-27, comprising income resulting from increased council tax (and an increase in the underlying taxbase), increased business rates income and estimates regarding Government grant levels.

2.7 The level of government grants is only estimated at this stage since they will be confirmed in the Local Government Finance Settlement due in mid-December 2025. The settlement is expected to see the first implementation of the reforms Government intends to carry out to local government funding through its Fair Funding Review 2.0 proposals. On 20 November, the government issued a policy statement that confirmed its response to the fairer funding consultation, the approach being taken to many of the grants in scope of the settlement, and the level of council tax increases that will be permitted without a referendum. However, the policy statement does not give indicative allocations of grants to individual local authorities, and consequently it is impossible to say at this stage what the impact will be on Cambridgeshire. Several key updates were given in the statement that may have an impact on the council:

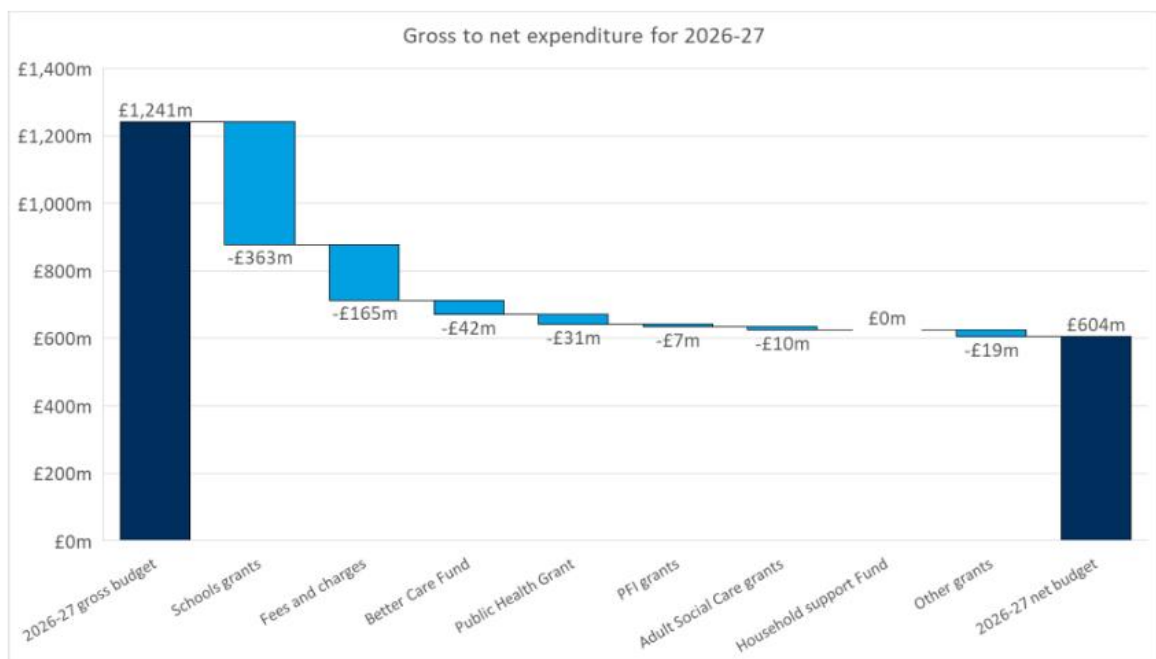
- The broad approach to funding reforms were confirmed to be as per the Government's proposals. This will likely see funding directed to shire counties through updated relative needs assessments and area cost adjustments. However, these same areas will be impacted by council tax equalisation, which adjusts funding down in areas, like Cambridgeshire, with strong tax bases.
- The Government announced a continuation of the 'recovery grant' which was a large funding pot allocated to just a handful of mainly London and Metropolitan Borough Councils in 2025-26, likely to compensate for these areas being adversely affected by the change in relative needs formulae. This addition will be at the cost of funding to be allocated through the new formula.
- It was confirmed that there would be large scale consolidation of grants. The impact of this cannot be determined without seeing grant allocations, but this is a helpful reform to a complex funding regime.
- There will be a national business rates reset, again, the impact of which is difficult to estimate.
- Some currently un-ringfenced grants will be ringfenced. This will likely adversely impact the council as we benefit from the flexibility of un-ringfenced grants and may through this be compelled to spend more in certain areas than we currently do, at the expense of other areas.

Table 2.1: Currently estimated movement in the council's general funding envelope from 2025-26 to 2026-27



2.8 The totality of the council's gross budget, including schools and services funded by specific grants, is expected to be over **£1.2 billion** for 2026-27.

Chart 2.2: Gross to net expenditure for 2026-27:



2.9 Each year councils in England are required to set a legal budget. This means the council must ensure the money it plans to spend will not exceed the money it expects to raise in

revenue and after taking account of expected movements in reserves. Achieving this has become more difficult in recent years owing to several interrelated issues that are having a major impact on local government across the country:

- Demand for services and increasing complexity of need: people are living longer, and this creates a larger ageing population where more people live with multiple, long-term conditions that require support from health and social care services, while in the younger population special educational needs continue to rise alongside mental health needs. This increasing complexity of need is exacerbated by health inequalities, which particularly affect a 'county of contrasts' like Cambridgeshire, where life expectancy differs both between males and females and between the north and south of the county.
- Inflation: inflation affects the cost of everything in the economy, meaning it also affects the cost to the council of providing and commissioning services. This does not just have an impact on the council's supply chain and contracts but also council staff pay.
- Market failures: markets such as children in care placements have become deeply dysfunctional through combinations of high demand, insufficient supply, provider profiteering and diminished council negotiating power.

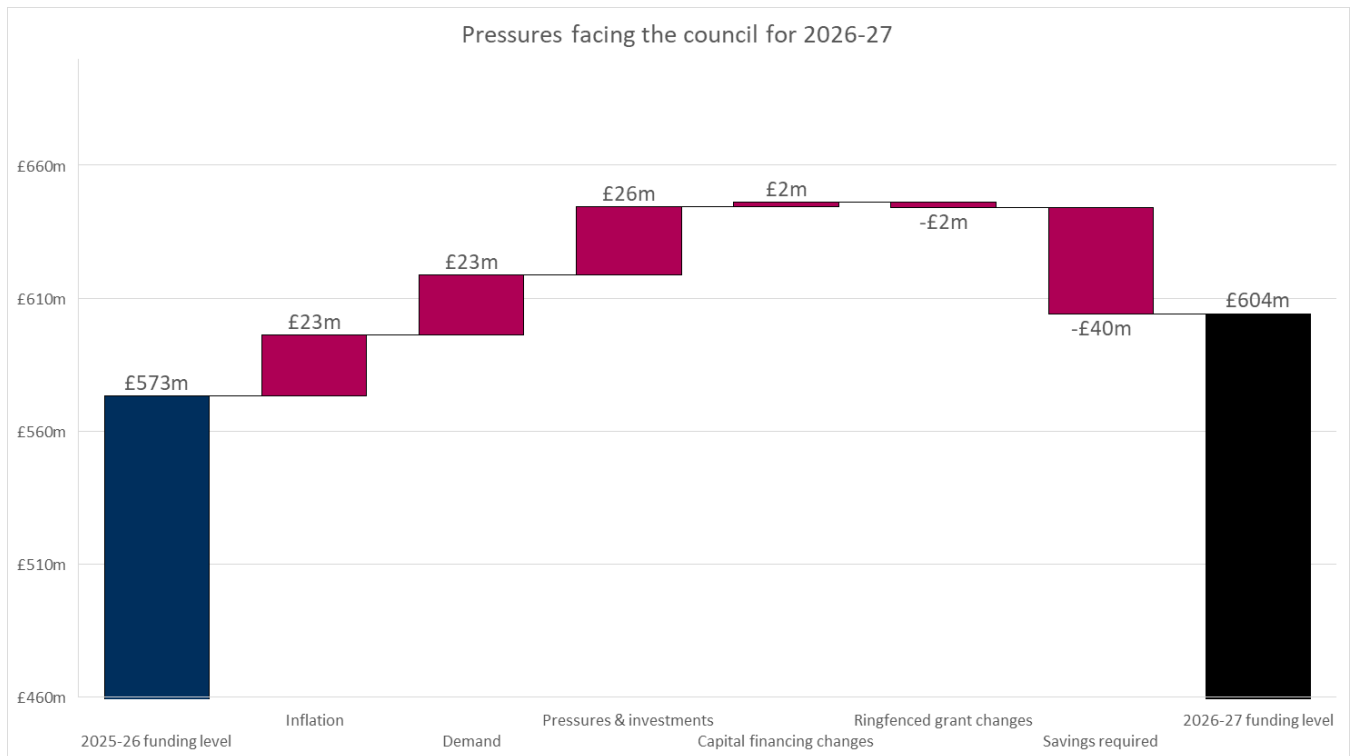
2.10 As a result of these pressures, the 2025-30 Business Plan had these budget gaps in 2026-29:

Table 2.1 - Opening medium-term budget gaps

Year	2026-27	2027-28	2028-29
Budget gap per 2025-30 business plan	£18.7 million	£11.1 million	£22.6 million

2.11 Following updates to pressure projections, a projected budget gap of £40.3 million for 2026-27 was reported in an update to Strategy, Resources and Performance Committee on 23 October 2025 – an increase of £22 million from the previous business plan forecasts. Whilst the budget of the council is increasing year on year, allowing it to continue investing in important local services, the budget is not growing fast enough to keep pace with the pressures arising from the issues described at 2.9 above. Latest estimates now show over £74 million of cost pressures, offset by a £31 million increase in our general funding and a £2 million increase in ringfenced grants, leaving a gap of £40 million to find for 2026-27.

Chart 2.3: Overall movement in net budget from 2025-26 to 2026-27



2.12 The overall impact of the additional investments the council is making and the compound pressures set out in the table above means that, to secure a legal budget, the council is required to find efficiency savings or additional income of £40 million for 2026-27.

2.13 To achieve this each of the council's directorates have developed proposals for the coming years which will allow the council to continue investing in the delivery of its ambitions whilst making savings through careful recalibration of the way services are provided. The increased challenge of maintaining financial sustainability in the council's current context has meant that the draft 2026-29 Business Plan and Budget has focused on continuing to deliver multi-year savings introduced in previous years whilst new proposals often focus on allowing services to remain financially sustainable to deliver the council's ambitions. As a result, new proposals developed by directorates tend to fall under the following tactical themes:

- generate increased income by introducing or expanding charges for services
- review service models to ensure efficient resource management and effective service delivery
- invest in new services or expand current services to enable more independent living and reduce, prevent or delay complex care needs
- adapt current staffing, processes and resource management to improve efficiency and/or reduce third party charges
- develop in house resources and specialist skills to reduce or remove third party charges
- manage and negotiate contracts to deliver savings and ensure efficient service delivery
- work in partnership with other organisations to deliver solutions for residents.

2.14 These proposals will enable the council to get the most out of every pound it spends, including actions to stabilise key workforce challenges, reduce fragmentation of provision, prevent the escalation of need, improve the efficiency and effectiveness of delivery and refocus services on what must be delivered to ensure the council fulfils its statutory duties.

The details of these directorate plans can be found in section four of this report. Having proposed these plans, the budget gap for 2026-27 remains at £6.4 million.

Table 2.2 - How the legal budget is arrived at

	£million	£million
Pressures, investments and adjustments	72.0	
Budget Changes		72.0
Less funding changes:		
Change in ringfenced grants		-2.0
Change in general grants	-0.6	
Proposed council tax increase	-21.3	
Council tax taxbase and collection fund	-7.1	
Business rates income	-2.0	
General funding increase		-31.0
Funding envelope changes		-33.0
Total gap to find		38.9
Savings identified	-32.1	
Changes in income, excluding schools	-4.0	
Add: reverse out previous year reserves budget	9.5	
Less: reserves use	-5.9	
Total Gap remaining		6.4

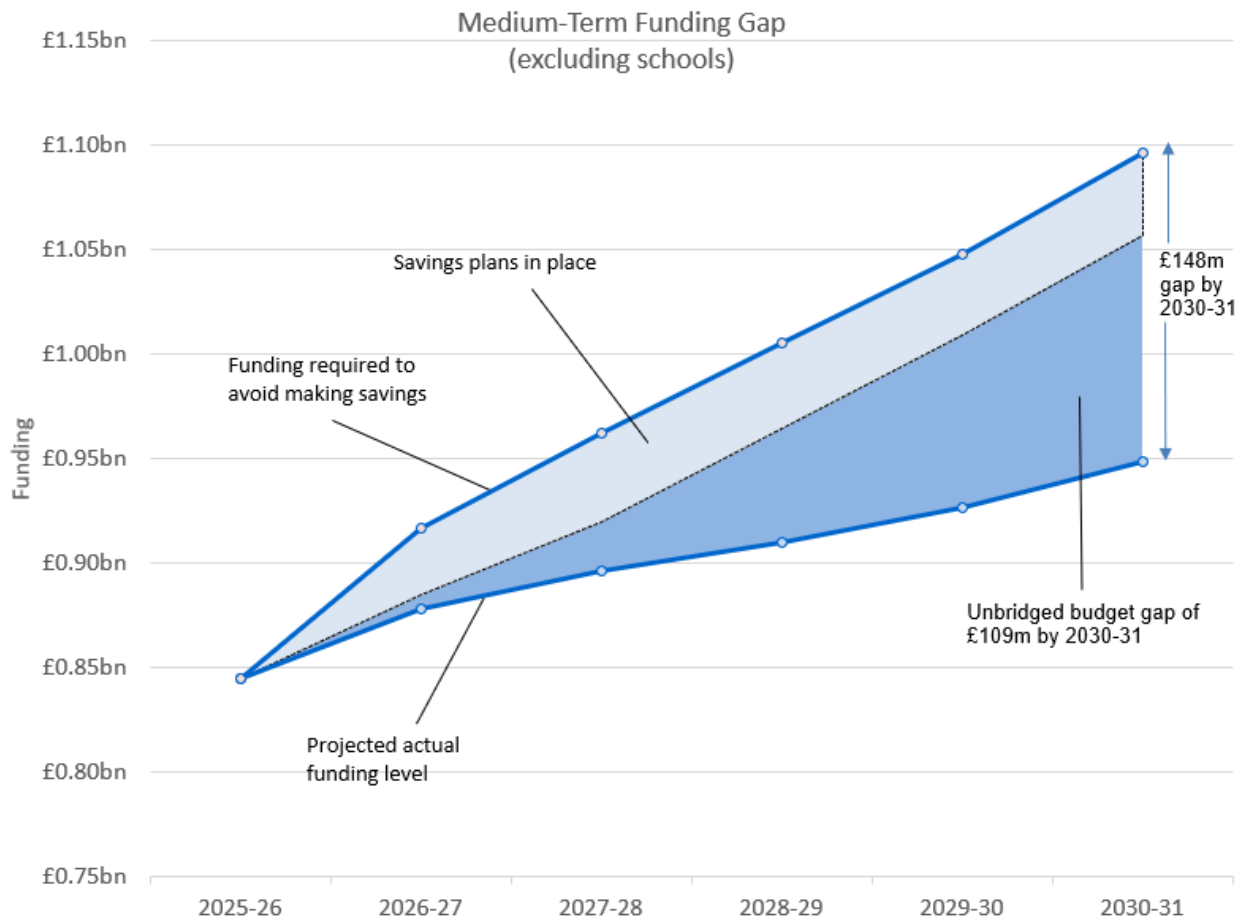
- 2.15 A gap remains at this stage in the draft business plan and budget, and a legal budget position for 2026-27 is contingent on Government funding announcements or, failing that, further savings. There are also budget gaps remaining in future years (assuming a 4.99% increase in council tax for 2027-28 and a 2% increase in each of the remaining years):

Table 2.3: Revised medium-term budget gaps

Year	2027-28	2028-29	2029-30
Latest unidentified savings gap	£17.1 million	£31.8 million	£27.5 million

This means that the medium-term picture for the council shows an overall funding gap of £96 million over the next three years, of which £41 million is not yet addressed:

Chart 2.4 - Medium-term funding gap



2.16 The significance of this financial challenge means the council must be more strategic in the way it plans to secure long-term financial sustainability whilst also improving resident outcomes and enhancing public trust in the organisation. The ‘Our Future Council’ change strategy provides the high-level vision needed for future-proofing the council through cross-organisational innovation, allowing the council to better navigate the uncertainties of the future and support it to adapt to emerging risks and opportunities. Our Future Council is structured around design principles that consist of eight ‘Solid Foundation Principles’ and four ‘Innovation Principles’. The ‘Solid Foundation Principles’ represent the essentials of good governance, organisational culture and resource allocation needed to be a well-managed council. The ‘Innovation Principles’ – Preventative, Place-based, Digital and Collaborative – provide a framework for the council to use in developing plans to change its services.

2.17 Thus, whereas the Strategic Framework is the highest-level statement of **what** the council aims to deliver for Cambridgeshire, Our Future Council is the highest-level statement of **how** the organisation will remain financially sustainable – and change appropriately to do so – to maintain the abilities to respond to its context and deliver its ambitions, thereby future-proofing delivery. Since its approval in October 2024, Our Future Council has entered its implementation phase through a portfolio of change programmes that have been developing over the last year. Each current Our Future Council change programme can be summarised as follows:

2.17.1 The **Assets Programme** is ensuring the council is taking a joined-up, strategic approach to how the council’s buildings and land assets are managed and reviewed. The aims of the Assets Programme are:

- to deliver a well-managed and sustainable property strategy and service that supports the council's Strategic Framework and Our Future Council whilst meeting the current needs of all directorates for the medium term
- to develop strategic asset solutions to support the future change associated with LGR, including an effective transition
- to identify and deliver asset-related savings and efficiencies over the next two years, ensuring that proposals are financially viable and achievable within the pre-LGR timeframe.

The programme is also overseeing a £1.188 million saving from rationalisation of the council's office estate across 2024-27. The budget for this is held in the corporate landlord function in the Finance and Resources directorate, for which further comments are made in section 4 below.

2.17.2 The **Commissioning and Commercial** programme is working across the council to ensure commissioning and commercial activities are seamlessly integrated, data-driven and community focused so that services are delivered with value for money, quality and financial sustainability. In preparation for LGR, the programme is working to identify key areas such as contracts requiring re-procurement in the next few years to reduce the risk of disruption to services. The programme's work includes:

- a focus on skills and capabilities for people who are directly and indirectly involved in procurement, contract management and other aspects of the commissioning life cycle
- developing standards and frameworks to have a consistent approach to contract management
- utilising technologies and tools to help manage processes
- carrying out deep dives into areas of high spend such as Travel to Learn to ensure effective management of contracts is driving efficient procurement
- enhancing the use of data and insights to better inform decision-making and planning
- developing leadership behaviours to enhance the ability to think commercially and help the council work with providers
- working directly with teams to identify areas where value for money and better service provision can be made through better contract management.

2.17.3 The **Customer Experience** programme aims to enable the council to deliver a positive customer experience that is seamless, responsive and consistent. Its key deliverables include the recently updated Customer Care Standards (discussed in 2.18 and 2.19 below). The programme focuses on:

- establishing clear principles, standards, guidance and best practice for the council's interactions with residents and their engagement with the organisation and its services
- improving how feedback, including complaints, is handled and ensuring that customer concerns are heard and addressed through staff training and reviewing lessons learned
- enhancing the council's website and contact channels to make it easier for customers to find what they need to reduce repeat contact, targeting hotspot areas of high avoidable contact
- continuing to offer alternative routes to support for resolving complex issues and

for those who are digitally excluded.

2.17.4 The **Digital, Data and Technology** programme aims to set the strategic direction for the confident use of digital, data and technology services across the council to enable council employees to perform their duties efficiently and within available financial, ethical and sustainable means, which also helps the council prepare for a safe and legal LGR transition. The programme has four pillars: Systems and Solutions, Data and Intelligence, Governance and Accountability and Skills and Capabilities. Its work includes:

- understanding the value of data to enable insight, constructive challenge and intelligence underpinning the design of every council service and informing every council decision
- fostering a data-centric culture that drives digital and technological solutions by design, enhancing personalisation, prevention, automation and innovation in service delivery whilst streamlining internal processes to reduce costs, improve productivity and achieve better outcomes
- increasing transparency in council operations by making data and processes more accessible to the public
- delivering digital and technology solutions that drive better efficiency to manage future costs.

2.17.5 The **Target Operating Model** programme aims to deliver an effective and sustainable organisation that is more effectively place-based in readiness for LGR. The programme's work includes:

- overseeing the implementation of the organisational design principles across all council services
- driving efforts towards place-based working to ensure council services are prepared for future changes
- developing place-based principles to determine where services are in terms of place-based working to support service redesigns and determine teams' readiness for change – for example, LGR and the potential for multi-skilled roles and new career pathways
- defining the council's operating model, providing clarity on how the council's strategic and business goals are met, and clearly articulating the current position for the new shadow authorities formed through LGR
- leading on LGR planning and implementation of local authority workforce changes and activity.

2.18 With the Strategic Framework defining **what** the council aims to deliver and Our Future Council defining **how** the council future-proofs delivery, the council's CARE (collaborative, accountable, respectful and excellence) values define **the way** council employees work with each other, and they inform the Customer Care Standards, which define the way the council delivers through its interactions with residents, businesses, VCSE organisations and other partners. The CARE values embody the council's commitment to working collaboratively with our communities and taking responsibility for our actions, treating everyone with respect and being dedicated to achieving excellence in everything the council does. The council is committed to providing services that are simple to use and cost effective, and in so doing to deliver consistent standards of customer service and ensure all members of Cambridgeshire's communities can access the information and support they need, in accordance with the council's Equality Diversity and Inclusion Strategy – as exemplified by the user testing for digital solutions council officers held with

library groups for changes to the council's website. It also links to the council's commitment to the Ombudsman's recommendation for an annual report on actively responding to customer feedback, presented to Strategy, Resources and Performance Committee on 23 October 2025 as well as the role of the refreshed Engagement and Consultation Strategy (approved by Strategy, Resources and Performance Committee on 31 October 2024) in allowing residents to hold the council to account for effective engagement.

- 2.19 The council's Customer Care Standards, delivered by the Our Future Council Customer Experience change programme as noted in 2.17.3 above, translate the CARE values into the council's way of interacting with its customers as follows:
- Collaborative: We will listen to your experiences and learn from them. We review all comments, suggestions or concerns you share, to help us understand what we're doing well and where we can do better. We will use your feedback to make meaningful improvements to our information and our services.
 - Accountable: We are committed to meeting the timelines we set with you. If, for any reason, we're unable to deliver on time, we will keep you informed with timely updates and a clear explanation. We will ensure the personal information you share with us is kept safe in accordance with the General Data Protection Regulation (GDPR).
 - Respectful: We believe digital services offer efficient and accessible ways to connect with us. However, we will always consider alternative access routes to our services, including making reasonable adjustments, to ensure they meet the needs of our customers. We will value you as an individual and treat you with care and respect.
 - Excellence: No matter how you connect with us – whether in the community, in our buildings, by phone or online – we aim to deliver the same consistent customer experience. We will listen to you and respond with respect, compassion and empathy.
- 2.20 Finally, the last two years have seen the council's hierarchy of corporate enabling strategies and approaches continually strengthen alongside the development of new directorate-focused strategies. For example, the council's frameworks for Performance Management, Project Management and Partnership Working as well as its strategies for People, Land and Property, Digital, Communications and (refreshed) Engagement and Consultation have emerged alongside new strategies and approaches in directorates that support the delivery of specific ambitions, such as the Public Health Strategic Plan, the Adults Health and Commissioning Strategy, Inclusion for All and the Biodiversity and Tree and Woodland strategies. All of this is to say that, despite the challenging terrain ahead, the council is well-positioned to navigate this terrain with strategies and approaches designed for its current and future operating context.

3. Listening to residents

- 3.1 The draft 2026-29 Business Plan and Budget presented in this report has been informed and shaped by the needs and priorities of residents, captured through both the council's annual Quality of Life Survey and Phase One of its business plan and budget engagement exercise. The Quality of Life Survey generates insight into the experience of residents across Cambridgeshire, including 'hard to reach' groups, with a particular focus on feeding contextual evidence into the business planning process and tracking the impact of the council's progress on its strategic ambitions.
- 3.2 In the third annual Quality of Life Survey, undertaken in 2025, overall levels of happiness remain high for Cambridgeshire residents, with 84% of survey respondents indicating they feel happy and an average happiness score of 7.33 on a scale of 10, higher than the national average. Residents continue to feel safe (85%) and have a sense of belonging to

(76%) their local communities, as they have in previous years, and around half (48%) of residents are involved in their local community. Cambridgeshire continues to be seen as a good place to raise children, and satisfaction with some of the council's services is at its highest since the survey began in 2023.

- 3.3 However, the percentage of residents who report often feeling lonely (30%) and struggling with their mental health in the last year (28%) remains high, especially among younger people, with 49% of 18-24 year olds reporting feelings of loneliness, 44% reporting mental health struggles and 29% of parents reporting their child has experienced mental health problems in the last year. 32% of residents say their physical health has been a concern or caused them difficulty in the last year. Concerns about cost of living increases also remain high, with 87% of residents reporting that they personally feel concerned. Over half (55%) of residents took action this year as a result of cost of living increases, with heating usage and nutritious food continuing to be the areas most likely to be cut back on. Just under two thirds (62%) of residents report concern over the level of investment and jobs in their local area – a concern which has been steadily increasing year-on-year. As in previous years, over three quarters of residents are concerned about climate change and the environment.
- 3.4 As already indicated in 1.8 above, the new draft Strategic Framework ambitions and priorities are informed by these issues. With ambition priorities addressing healthy behaviours, food poverty, loneliness, social connection, young people's mental health, access to economic opportunities, waste reduction and local climate risk, the council is signalling to residents that it hears their concerns and moves to align its priorities with theirs. A further benefit of this alignment and the refined strategic approach the revised Strategic Framework will embody is that new proposals in the draft 2026-29 Business Plan and Budget which help deliver the new ambitions – such as the examples mentioned in 2.5 above – simultaneously respond to resident concerns voiced through the Quality of Life Survey.
- 3.5 Phase One of the council's dedicated budget engagement exercise was undertaken between 24 October and 24 November 2025, inviting residents to learn more about the business planning process and share their priority areas for council income, spending and savings. There were 344 responses to the survey. A summary report of the engagement survey results can be found in Appendix 3. High level results are included below:
- 3.5.1 53% of respondents supported an increase in council tax of up to 4.99% to maintain or improve essential services, recognising the current financial pressures faced by the council.
- 3.5.2 66% of respondents supported an increase in the council's fees and charges to help balance the budget by keeping the council's spending power in line with inflation, which would be roughly a 3.6% increase in fees and charges on average.
- 3.5.3 Those respondents who supported an increase in council tax and/or fees and charges were asked to select the top three service areas to which they would prefer the additional income from these increases to be allocated. The following percentages show the percentage of respondents who selected the service area listed as one of their three choices:
- Services for vulnerable adults – 53%
 - Services for vulnerable children – 65%
 - Education services – 56%

- Place and sustainability services (for example: highways, infrastructure, waste and environment) – 49%
- Corporate services (for example: customer services, HR, IT, finance, council committees and property) – 4%
- Community services (for example: registration and libraries) – 26%.

3.5.4 Those respondents who did not support an increase in council tax or fees and charges were asked to select the top three service areas they would prefer to receive less funding to help balance the budget. The following percentages show the percentage of respondents who selected the service area listed:

- Services for vulnerable adults – 18%
- Services for vulnerable children – 11%
- Education services – 11%
- Place and sustainability services (for example: highways, infrastructure, waste and environment) – 18%
- Corporate services (for example: customer services, HR, IT, finance, council committees and property) – 48%
- Community services (for example: registration and libraries) – 25%.

3.5.5 Respondents were asked to provide a free text response if they had any further comments on how the council should prioritise and plan services for the future, such as any council services that they think should receive a greater or lesser amount of funding from our budget regardless of changes to council tax or fees and charges. Analysis of free text responses yielded the following themes:

- Education: discussions around the need for funding for education services and debate around potential savings by reducing or charging for specific provisions
- Place and Sustainability: discussions around the need for funding for highways and transport, particularly regarding road and path maintenance, and debate about spending on cycleways, pedestrianisation, traffic calming and the guided busway
- Social Care: discussions around the need for funding for social care, potential savings without reducing funding and debate around the increasing costs of social care
- Community Services: discussions around the need for funding community services, particularly libraries and the benefits these services could bring, including reducing the cost of other services
- Duplication and Waste: concerns about there being too much waste or duplication of services across the council and whether things could be done more efficiently
- Green Initiatives: debate about the need for environment saving measures and potential long-term savings
- Year-round Budget Management: discussions about the need for better oversight and monitoring of budgets with earlier intervention, as well as what should be measured to achieve this.

3.5.6 The geographical spread of responses received was as follows:

- Cambridge – 34 responses
- East Cambridgeshire – 64 responses
- Fenland – 35 responses
- Huntingdonshire – 104 responses
- South Cambridgeshire – 86 responses

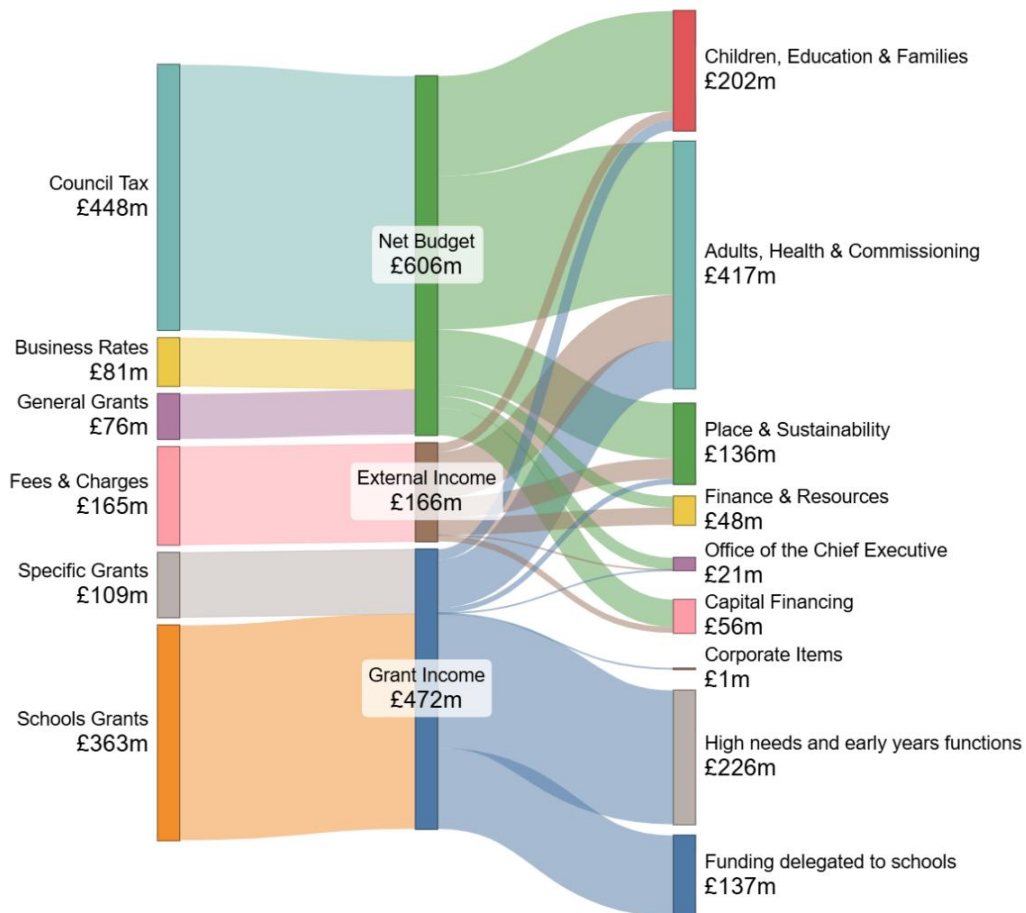
- I don't live in Cambridgeshire – 14 responses
- Prefer not to say – 7 responses.

3.6 Insight from engagement has enabled the council to reaffirm priority areas and to develop proposals for investment and savings that address the issues faced by residents whilst delivering the council's ambitions. The next engagement milestone is Phase Two engagement on the draft 2026-29 Business Plan and Budget for residents and stakeholders. Phase Two launched on 3 December 2025, closes on 7 January 2026 and will have its results reported to Strategy, Resources and Performance Committee on 29 January 2026.

4. Directorate overviews

4.1 The council's directorates have a range of savings, income and investment proposals that will enable them to deliver the new ambitions. These proposals are responsive to the evidence base generated by the Quality of Life Survey, demographic insights and feedback from the budget engagement exercise and will enable the council to set a legal budget. The proposed 2026-29 Business Plan and Budget includes £42 million total of savings and income proposals and £12.4 million of investments related to the three ambitions.

Chart 4.1 – Overall budget summary



Adults, Health and Commissioning Directorate

- 4.2 Overall, it is proposed that the Adults, Health and Commissioning directorate, including Public Health, will receive a £417.4 million gross budget in 2026-27, including total growth of £37.3 million. This budget will support continued investment in services for older people and working age adults with care and support needs to maintain existing eligibility thresholds, as well as a range of public health services that aim to address the wider determinants of health and health inequalities. This includes proposals for an additional:
- £14.7 million of funding for local care providers, to meet pay and inflation impacts
 - £1.9 million to meet demand for care and support amongst older people accessing both domiciliary and residential care
 - £4.9 million to help meet the rising levels of need amongst people with a learning disability
 - £2.1 million for working age and older people with mental health needs.
- 4.3 Public health commissions services to improve the health of the population, with particular emphasis on those places with higher needs, such as support to people to quit smoking, health checks for older adults and sexual health services, as well as health and wellbeing services in partnership with local NHS organisations. Through these services and those described in 4.2 the council will further realise the aims of the revised Strategic Framework – including but not limited to the ambition to enable full, healthy lives for all – and respond to the health inequalities and residents’ wellbeing and independence needs the council has seen through the Quality of Life Survey and other sources of insight.
- 4.4 Like many local councils in England, the county council is facing the challenge of a growing and ageing population and the need to support more people. This puts extra pressure on services and budgets. Between 2011 and 2021, the Cambridgeshire population grew by 9%. By 2030, the resident population is forecast to grow by 6%. The greatest increases are forecast to be in the number of adults over 65 years (26%) and over 80 years (50%), the latter being more likely to require more intensive long-term care and support from councils and health services. There have been several projected cost increases in delivering services including the recent announcement of an increase to the hourly rate of the Real Living Wage to £13.45 per hour by May 2026, increasing demand (£1 million) and costs of care (£4 million) for residents with learning disabilities, and contractual changes in 2025-26 resulting in assumed pressure in 2026-27. This latter point includes the emergency measures taken to ensure the council’s responsibility for community equipment was maintained in light of the previous provider’s financial sustainability challenges, and the undertaking of Deprivation of Liberty and Mental Health Act assessments with an appropriately (Section 12) skilled doctor’s input required in this process.
- 4.5 The recently approved overarching Adults, Health and Commissioning Strategy has informed the draft business plan to ensure services will continue to meet residents’ needs and provide the best value for money. To support the strategy, the directorate developed six ambitions (ASPIRE) that connect to the work carried out every day:
- Improve **access**
 - Focus on **safety**
 - Increase **place** based support
 - Be **innovative**
 - **Reduce** inequalities
 - Provide **enhanced** carers support.

The ASPIRE ambitions were informed by work carried out by the Association of Directors of Adult Social Services (ADASS) to map out the reform of care and support in England, and they were co-produced with the directorate workforce, stakeholders, people with lived experience and unpaid carers, to broadly describe practice and ambitions for further development. These ASPIRE ambitions will enable the directorate to deliver and improve the high quality of service to improve outcomes for residents.

- 4.6 These ambitions will continue to build on established approaches, and learning, such as Care Together and Home First, that enable a greater emphasis on preventative care and support, early intervention, making better use of data and co-production with residents and those people with lived experience. These approaches have helped transform services to meet these priorities and are reflected in the draft business plan and budget through allocating additional funding for supporting older people, residents with physical disabilities, autism and learning disabilities and/or mental health challenges.
- 4.7 The directorate has reflected the ambitions of the Adults, Health and Commissioning Strategy, including the Public Health Strategic Plan, and navigated the current context to include the following priorities in the draft 2026-29 Business Plan and Budget:
- continue to support providers paying the Real Living Wage to care and support workers
 - ensure contracts with providers are well negotiated and managed to deliver a preventative approach to manage demand and continue to appropriately shape the provider market to ensure sustainability and quality
 - establish oversight and change opportunities which will improve transitions for young people into adulthood, and throughout their adult life, including reviewing funding arrangements and developing practice-enhancing training and development programmes for all those involved
 - invest in initiatives such as Individual Support Funds and an Extra Care Scheme in Fenland, embed an enablement approach within the Mental Health Social Work Team, and core and cluster supported living opportunities for people with a learning disability, that will support a person's independence and resilience, thus reducing and preventing care and support interventions
 - review care and support packages, and charges, to ensure provision is targeted to meet residents' needs, and appropriate charges are applied in line with the council's charging policy as well as recovering costs where appropriate.

Children, Education and Families Directorate

- 4.8 Overall, it is proposed the Children, Education and Families directorate will receive a £201.6 million gross budget in 2026-27, including total growth of £24.4 million. This budget will support continued investment in the wide range of services delivered and commissioned by the directorate, including a proposed additional:
- £10.4 million for children who become looked after
 - £3.8 million to support home to school transport services
 - £406,000 to increase direct payment packages for children and young people with disabilities.

Through these services the directorate will begin delivering on the Strategic Framework ambitions to enable full, healthy lives and ensure fairness and opportunity.

- 4.9 The directorate delivers the core functions of children's social care (including quality assurance and practice improvement), fostering and adoption (through the Cambridge and

Peterborough Regional Adoption Agency) as well as education services. The draft 2026-29 Business Plan and Budget will support the directorate to continue to enable children, young people and families in Cambridgeshire to live full, healthy lives and to promote fairness and opportunity in a challenging national and local context. The directorate continues to operate with a whole family approach so that interventions are considered holistically across the needs of the household in order to achieve the best outcomes for children, young people and their families.

- 4.10 Children's social care continues to ensure that children that need the highest level of care and protection are placed in appropriate care settings. Where children cannot be looked after by local authority foster carers or kinship carers, the Children's Commissioning Team continue to work with independent providers. The two services work closely to scrutinise the care plans and care arrangements of children to make sure they meet the children's needs and that costs to private providers are managed well. Between April and November 2025, this approach saved approximately £595,000 in costs.
- 4.11 Whilst the number of children and young people identified with special educational needs and disabilities (SEND) continues to increase, both nationally and locally, the directorate has developed an improvement plan and strategy for SEND focused on improving the timeliness of processing requests, assessments and annual reviews of Education, Health and Care plans (EHCPs). Between 2021-22 and 2023-24, there was a 31% increase in Cambridgeshire children and young people with EHCPs, which significantly contributed to the £6.2 million increase in home to school transport costs over the same period for SEND transport.
- 4.12 With an increasing pressure on home to school transport, the directorate has focused business planning decisions on managing increasing demands for transport, rigorously managing relationships and contracts with providers as well as improving the efficiency of internal processes and governance.
- 4.13 The pressures around SEND services are nationally recognised, with 38 councils from 2022-23 onwards, including Cambridgeshire County Council, entering into special arrangements (the 'Safety Valve' programme) with the Department for Education (DfE) to manage the significant budget deficits. Recent announcements to extend the statutory override to March 2028 will avoid short term financial crisis. However, the cumulative SEND deficit is forecast to be £200 million in Cambridgeshire by 1 April 2028. At the same time, the DfE has delayed announcing the outcomes of the review of the SEND system and associated reforms, although the Chancellor's recent Autumn budget statement identified that from 2028-29 future costs will be managed by Government and the liability will no longer fall to councils. However, there remains uncertainty over how the legacy sum of around £200 million will be dealt with. This uncertainty includes future funding arrangements for schools and SEND. The DfE have also delayed the delivery of two new Cambridgeshire Special Free Schools in Gamlingay (South Cambridgeshire) and March (Fenland). These delays are also contributing to an increasing reliance on high-cost specialist independent provision as well as further transport costs.
- 4.14 The Quality of Life Surveys (2023-2025) have consistently found that between 29-31% of parents reported their children experienced mental health problems. With this in mind, focusing activities to support the wellbeing of children, young people and their families continues to be a strategic priority for the directorate.
- 4.15 There are several programmes and priorities the directorate will continue to implement in order to meet the increasing challenges of our context. The implementation of the Families

First Partnership reforms, a programme of transformation which will support early intervention and redesigned multi-agency working over the next two to three years. The intention is to identify and meet children's emerging needs at an earlier stage and reduce the need for more complex and costly specialist services later in childhood. This includes co-designing services with families to ensure the voice of the child is at the heart of our services. To help address the pressures on the SEND system, pending government decisions, local progress has been made to develop and implement the Inclusion for All Strategy, a multi-agency approach to improving SEND outcomes across the local area partnership.

- 4.16 The draft business plan and budget includes new proposals that will reduce costs, target resources where significant impact is achievable and invest in prevention-focused, independence-enhancing measures for children, young people and families. These proposals include:
- continue to reduce use of agency social workers down from 38% in January 2024 to just 12% in November 2025
 - maximise government grants such as those from Families First, Best Start in Life and Crisis Resilience Fund to target support where it is most needed, and to reach the improved DfE target for Cambridgeshire children reaching a Good Level of Development through the implementation of the Family Hub model
 - support families to access their full benefits entitlement and additional help they might need once the Household Support Fund closes
 - work with a range of partners to deliver a three-year Travel to Learn project to boost independence of learners, improve access and uptake of safe active travel and public transport routes, and improve efficiency of transport services
 - deliver a stretch target of reducing the costs of children's care placement by £2 million for 2026-27.

Place and Sustainability Directorate

- 4.17 The work of the Place and Sustainability directorate impacts the lives of everyone living, working, learning and travelling through Cambridgeshire every day. In relation to highways and transport the directorate is responsible for maintaining over 4,600 km of roads, 2,936 km of footways and cycleways, 950 road bridges, 142 bridges, 108,751 gullies, five Park and Ride sites, 25 km of busway and 54,286 streetlights across the county.
- 4.18 In addition the directorate leads on the council's approach to enhancing and protecting the environment and the delivery of the county's waste disposal arrangements. With changes to the senior management structure of the council, the directorate will also be responsible for the wide range of services which support and protect local communities, including trading standards, registration services, coroner's support services, libraries, skills and community services.
- 4.19 Furthermore, the directorate covers the strategic planning functions for the council, which includes representing the needs of local people through its role as a statutory consultee. For Nationally Significant Infrastructure Projects (NSIPs), this involves working with applicants to develop their proposals to ensure they come forward in the best ways possible for the local community, including through presenting Local Impact Reports (LIRs) and negotiating Section 106 funding and community legacy funding through legal agreements.
- 4.20 The directorate will continue to strive to deliver effective customer services to residents receiving these services and ensure it performs its regulatory functions in line with the

relevant statutory duties.

- 4.21 It is proposed the Place and Sustainability Directorate will receive a £136.7 million gross budget in 2026-27, including revenue growth of £2.3 million. This budget will support continued investment in services the directorate delivers and commissions, including waste disposal, flood risk management, nature and biodiversity management, highways maintenance, road safety, active travel, major infrastructure delivery and implementation of the Connecting Cambridgeshire programme to enhance local digital connectivity on behalf of the CPCA.
- 4.22 The proposed budget for the directorate includes investment and funding to address ongoing priorities.
- 4.23 The highway network is a key enabler of economic growth and access to essential services, work and leisure for local residents. It therefore supports the ambition to ensure fairness and opportunity. However, to address the historic underinvestment that resulted in a significant backlog of repairs and to respond to feedback in the Quality of Life Survey, the directorate will continue to deliver a £58 million capital investment programme for 2026-27 for planned maintenance of Cambridgeshire's highways.
- 4.24 This funding will continue to target improvements to roads, pavements, drainage and flood protection systems, bridges, safety barriers, traffic signals, public rights of way and cycleways. The Climate Change and Net Zero Programme will continue to be prioritised, having been allocated approximately £617,000 in 2026-27. This and other work in the directorate is responding to residents' concerns in the Quality of Life Survey about climate and environment issues and preparing the council to deliver on the ambition to support a green and sustainable county.
- 4.25 The draft 2026-29 Business Plan and Budget include a number of emerging priorities that will enable the directorate to reduce costs, improve efficiency and expertise and continue to invest in systems and assets to ensure residents receive high quality services. These priorities are demonstrated in the draft business plan and budget in proposals that focus on:
- increased investment in highways maintenance
 - maximising the level of income to support ongoing investment in the highway as well as improving traffic management – for example, through development of a lane rental scheme and development of traffic management schemes
 - investing in Household Recycling Centres for Cambridgeshire residents, reducing costs and improving efficiencies.
- 4.26 Some of the additional pressures that have arisen when preparing the directorate budget relate to demand in relation to regulatory functions such as trading standards and the coroner's service.
- 4.27 The draft business plan and budget include how the directorate will be taking on the responsibilities, costs and income from delivering Communities, Libraries and Skills services and teams, which will move to the directorate from January 2026 and be key to the delivery of multiple Strategic Framework ambitions and priorities. This new group of services will more effectively align the council's community-facing services by bringing together important community, lifelong learning and regulatory functions.
- 4.28 As a result the directorate will have responsibility for a number of key functions including, library services, registration services, waste management, Park and Ride, guided busway

and street lighting, which have been highly rated by Cambridgeshire residents for satisfaction in three years of the Quality of Life Surveys.

Corporate Centre Directorates: Finance and Resources Directorate and Office of the Chief Executive

- 4.29 The Finance and Resources Directorate and the Strategy and Partnerships Directorate contain the core enabling services for the council to deliver services and functions for residents, with both directorates including services that play key roles in the development of the business plan. As of 1 January 2026 the majority of the Strategy and Partnerships Directorate will become the Office of the Chief Executive (see 4.33 below).
- 4.30 The Finance and Resources Directorate will have a gross budget of £47.7 million, with a projected growth of £6.7 million over the 2026-29 budget period, largely reflecting inflationary pressures related to pay and third-party contracts. The directorate has responsibility for ensuring the council is suitably resourced, including buildings, to deliver essential services for residents. The draft business plan and budget for the directorate has required walking the tightrope of meeting the increased cost of procurement and utilities and delivering substantial savings. These pressures have led to the inclusion of proposals to ensure increased utility costs are met, income is maximised and contracted services are managed and reduced where possible without creating significant risk to colleagues, service delivery or value for money.
- 4.31 Savings in the Finance and Resources Directorate are focused on contract efficiencies (especially from contracts held by Customer and Digital Services and the Property Service) as well as property rationalisation savings through the Asset Improvement Programme. The Assets Programme noted at section 2.17.1 of this report is leading a corporate change to our estate, in particular the office accommodation. This programme started in 2024 and aims to deliver over £1 million of revenue savings and realise over £5 million of capital receipts. Whilst this programme has slipped due to consideration of the potential impacts of LGR, the focus remains to deliver against target by March 2027. This work has also driven nearly £0.8 million of savings from a review of cleaning, decarbonisation, maintenance and management of the estate on top of the £1.2 million. That is a 22% reduction in property costs over 2024-27.
- 4.32 There are also a series of productivity improvements through staffing reviews and continued contributions to the budget gap through close management of balance sheet items: the insurance fund and doubtful debt provision.
- 4.33 From 1 January 2026, the Strategy and Partnerships Directorate will be disbanded, leading to the following internal reorganisation:
- The post of Executive Director of Strategy and Partnerships will be deleted.
 - Emergency Planning and the Communities, Libraries and Skills services will transfer into the Place and Sustainability Directorate.
 - The creation of the Office of the Chief Executive will consist of the Legal and Governance, People and Culture (formerly known as Human Resources) and Assistant Chief Executive's Service (formerly known as Policy, Insight, Change and Communications).

The Office of the Chief Executive will have a gross budget of £20.8 million, with a projected growth of approximately £2.5 million over the budget period. In addition to the deletion of the Executive Director role, this directorate will manage the increased costs from Members'

Allowances, wellbeing services and continue to deliver savings from previously agreed service reviews. The directorate will also continue to support local democracy functions, including LGR across Cambridgeshire and Peterborough.

- 4.34 At this stage the council has a £2.7 million Digital and Change Reserve set aside to fund the Our Future Council change programme, of which some was delegated by Committee for use in 2025-26 on the LGR submission. This was supplemented with a small grant from Government. Looking forward these proposals have not yet identified specific funding need or resourcing and as such there is no account for 2026-27 LGR costs within the proposals put forward in this paper. Further commentary will be provided in the 29 January 2026 update to Strategy, Resources and Performance Committee following any Government announcements and consideration of the position of reserves.

5. Capital

- 5.1 The council is continuing to invest capital funding in the county's infrastructure, such as schools and roads. The full capital programme for 2026-31 (and onwards to 2036) is set out in tables 4 and 5 of appendix 1b, along with indicative sources of funding available. There is increasing transparency of the expected values for the capital schemes. We now indicate expected tender values through procurement pipeline and pre-tender publications and on review have concluded that the commercial interest in securing the best price from tendering for capital works is not prejudiced from including the budgets for capital schemes in the capital tables without redactions.

The programme for 2026-27 proposes a total budget of £147 million for capital expenditure, and a medium-term programme of £751 million. It must be noted that later years do not include assumption for a large number of Government grants, so the figures post 2026-27 are likely to significantly increase in later years.

Table 5.1 – Capital programme 2026-31 and beyond

	Prev Years £000	2026-27 £000	2027-28 £000	2028-29 £000	2029-30 £000	2030-31 £000	Later Yrs £000	Total £000
Children, Education and Families	93,246	55,477	42,776	31,190	39,367	19,110	4,271	285,437
Adults, Health and Commissioning	-	6,690	6,690	6,690	6,690	6,690	33,450	66,900
Place and Sustainability	165,826	79,244	62,781	24,990	6,782	1,440	20,664	381,727
Finance and Resources	10,703	3,597	2,860	2,088	1,944	1,944	8,064	31,200
Office of the Chief Executive	1,500	1,500	253	253	253	253	1,518	5,530
Total Budget	271,275	146,508	115,360	65,211	55,036	29,437	67,967	750,794

5.2 The funding for this programme is largely from grants and borrowing:

Table 5.2 – Capital funding summary

	Prev Years £000	2026-27 £000	2027-28 £000	2028-29 £000	2029-30 £000	2030-31 £000	Later Yrs £000	Total £000
Grants	48,216	57,666	45,423	34,832	14,222	7,130	33,070	240,559
Contributions	76,370	44,252	62,865	19,575	28,458	10,860	11,081	253,461
Capital Receipts	3,500	7,000	8,253	4,253	3,253	2,253	9,518	38,030
Prudential Borrowing	151,050	43,199	44,740	11,103	12,155	12,246	18,823	313,316
Prudential Borrowing (repayable)	-7,861	-5,609	-45,921	-4,552	-3,052	-3,052	-4,525	-74,572
Total funding	271,275	146,508	115,360	65,211	55,036	29,437	67,967	750,794

- 5.3 The programme is largely built up from Government and other grants received or due to be received. Where grant allocations for 2026-27 are also still to be announced or finalised, particularly for education, estimates have been used which will need to be adjusted once grant levels are announced. Additionally, other sums may become available during the year from a variety of sources which can be added to the programme in 2026-27.
- 5.4 In addition to government grants, additional sums in the form of capital receipts from sales of assets and borrowing can be added to the programme. Capital receipts assume a total of £7 million in 2026-27 received to fund part of the planned expenditure.
- 5.5 The total programme for 2026-27 as it currently stands requires £146.5 million of funding, which includes £37 million from borrowing. Given the financial pressures on the revenue fund, limits are set to provide a level above which capital financing costs will have an unjustifiable impact on the revenue budget – this limit is inflated each year. The level of borrowing planned for 2026-27 has been assessed as affordable within the current provision for financing.
- 5.6 Table 5.3 below shows that the cost of capital is expected to continue to rise into 2028-29, largely due to the impact of the Dedicated Schools Grant (DSG) deficit. Adjusting for that DSG deficit, the council is projected to be within the recommended limits. The DSG deficit represents a real cash deficit that is forcing the council to borrow, and so the council is having to adjust its capital programme to reduce its impact
- 5.7 The other major driver of borrowing across future years increases is the prioritised investment in highways.

Table 5.3 – Capital financing position

	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m	2029-30 £m
2025-26 draft borrowing (net figures excluding invest to save / earn schemes)	43.7	46.3	46.3	46.5	50.5	48.6
Adjustment for impact of DSG deficit	-2.3	-3.2	-4.7	-5.7	-6.7	-7.4
Recommend limit	42.2	43.0	43.9	44.7	45.6	46.5
HEADROOM (-)	-0.8	0.1	-2.2	-3.9	-1.8	-5.3

Recommend limit (3 years)	129.1	136.8
HEADROOM (-) (3 years)	-2.9	-11.0
Impact of DSG Deficit	10.2	19.8

- 5.8 At the same time as continually challenging the programme, finance officers have been carrying out treasury management reviews to take opportunities to reprioritise, re-profile and better manage cash over borrowing to fund schemes. The focus is to ensure capital financing costs are squeezed downwards wherever possible. Reprogramming the capital programme has the impact of pushing the costs into later years, and an estimate of this has been made within the budgeting. This will prevent the council from borrowing money too early and having to pay unnecessary interest repayments. Work was undertaken to assess the ability to apply more capital receipts from disposal of assets. In addition, officers continue to explore proposals to manage its minimum revenue provision.
- 5.9 The council is currently reviewing the medium-term budget and financial strategy submitted by the Greater Cambridge Partnership (GCP) following consideration by its Executive Board in November. The GCP's budget planning governance has been brought forward to align with the county council's timescales. Significant progress has been made in recent years with reducing the GCP 'overprogramming', whereby an overallocation of funds was initially made in a recognition that not all capital schemes would progress and gain permission. The spending programme for the next five years is now firmer and more closely aligned to total budget available. The GCP has significant capital expenditure programmed over the coming years, funded through a mixture of government grants and developer contributions. Although overprogramming has been reduced, there remains a timing risk around developer contributions, with much of these expected to be receivable in later years (later than the spend associated with the schemes they fund). Modelling of scenarios for the current programme including financing costs and income indexation indicate a revenue deficit and a capital surplus. Alternative funding and prioritisation options are continuing to be explored. At present, the County Council, as GCP's Accountable Body, has not included an estimate of repayable borrowing from GCP within its capital strategy whilst the partnership gives further consideration to likely delivery timescales and available funding sources.
- 5.10 More information about the county council's capital programme can be found in the draft capital strategy at appendix 1c.

6. Funding

- 6.1 The council draws its funding from two main sources – government grants and locally generated revenue (predominantly council tax, as well as business rates).

Government Grants

- 6.2 The Government has increasingly given councils specific but un-ringfenced grants to provide some support to emerging pressures, particularly relating to social care and its own priorities. For 2026-27, the council is expecting to receive £77 million of these general grants. The Government has confirmed that it is moving ahead with funding reform for councils that will see significant change to government grants, rolling-in many specific grants into several more general grants. For the purposes of planning to date, the council has assumed flat grants from 2025-26, other than a previously announced end to the New Homes Bonus. This remains a prudent approach, but the specific grants will be different to those assumed in planning so far, even if the quantum of them remains the same.
- 6.3 In addition to this the Government is expected to be issuing a smaller number of specific ringfenced grants for schools funding, social care pressures and market support, private finance initiatives and others. The council also receives a key contribution from the Government, via the NHS, through the Better Care Fund which supports adult social care. The Dedicated Schools Grant and the Better Care Fund are both expected to increase in line with Government commitments, and other adult social care grants appear to be protected. The public health grant totals around £30.6 million. It has been confirmed that the Household Support Fund, worth around £7 million for the council, will be ended for 2026-27.
- 6.4 Ringfenced grants usually require new expenditure to meet grant conditions, and so there is not a direct link between the increase in ringfenced grants and any change in the council's budget gap. Where conditions allow, the council does seek to maximise the use of ringfenced grants against existing or already planned pressures. For example, increases in some social care grants offset the already planned demand increases, and so produce a net benefit to the council's financial position.
- 6.5 The expected grants overall are:

Table 6.1 – Grant projections for 2026-27

Grant	Amount 2026-27	
General grants:		
Social Care Support Grant	£48.3 million	These general grants are based on the 2025-26 settlement and will change substantially (+ / -) with funding reforms for 2026-29
Revenue Support Grant	£1.5 million	
Section 31 grants and local taxation support	£18.0 million	
New Homes Bonus	-	
Education Retained Duties	£2.7 million	
Domestic Abuse Grant	£1.5 million	
National insurance compensation grant	£3.7 million	
Other un-ringfenced grants	£1.6 million	
Total un-ringfenced grants	£77.3 million	
Ringfenced grants:		
Better Care Fund		£22.9 million
Local Authority Better Care Grant		£18.7 million
Adult skills		£2.2 million
PFI grants		£6.5 million
Public Health Grant		£30.6 million
Unaccompanied asylum seeking children		£4.9 million
Household support fund		£0.0 million
Leaving care		£2.1 million
Adult social care market sustainability fund		£10.2 million
Adult social care discharge fund		£0.0 million
Children and Families Grant	£3.4 million	
Other ringfenced grants		£7.1 million
Total ringfenced grants	£108.6 million	
Total grants	£185.9 million	

6.6 The Government has also announced funding for Extended Producer Responsibility Payments – a scheme under which producers of packaging waste would be required to make a payment – will continue for 2026-27 and could see around £5 million for Cambridgeshire. At this stage, this is not included in planning numbers as the parameters remain unclear, and it is expected to be a diminishing funding source. If the settlement clarifies this, the council may be able to budget for this grant.

6.7 The main sources of locally generated revenue to the council include:

Fees and charges

6.8 The council generates over £165 million a year in income from charging for its services. This

can be charges to local residents either on a statutory (such as assessed charges for adult social care) or discretionary basis (such as parking charges), charges to other councils and public bodies (such as income for shared services), or other income (such as charges to utility companies for roadworks, or interest income from the council's cash balances).

6.9 Directorates review fees and charges annually as part of the business planning process, and these can be found at Appendix 2. These are updated in accordance with the council's policy for an annual inflationary increase, where permitted, and also updated where there are additional income generation proposals.

6.10 At this stage, a summary of fees and charges budgeted for by directorate is:

Table 6.2 – Fees and charges for 2026-27

Directorate	2026-27 fees & charges budget	Examples of charging
Children, Education and Families	£14.6 million	Traded education services, contributions from other local authorities for services, charges in line with policy for home to school transport.
Adults, Health and Commissioning	£77.4 million	Statutory assessed social care contributions from individuals receiving care.
Place and Sustainability	£34.1 million	Charges for highways management and permitting; income from selling generated electricity; libraries and archives income.
Finance and Resources	£28.7 million	Commercial and treasury income, including from property rents, loan interest and fund investments. Rental income from the farms estate.
Office of the Chief Executive	£0.5 million	Learning and development income, and income received for insight work.
Financing	£9.9 million	Interest on council banking balances
Total	£165 million	

Business rates

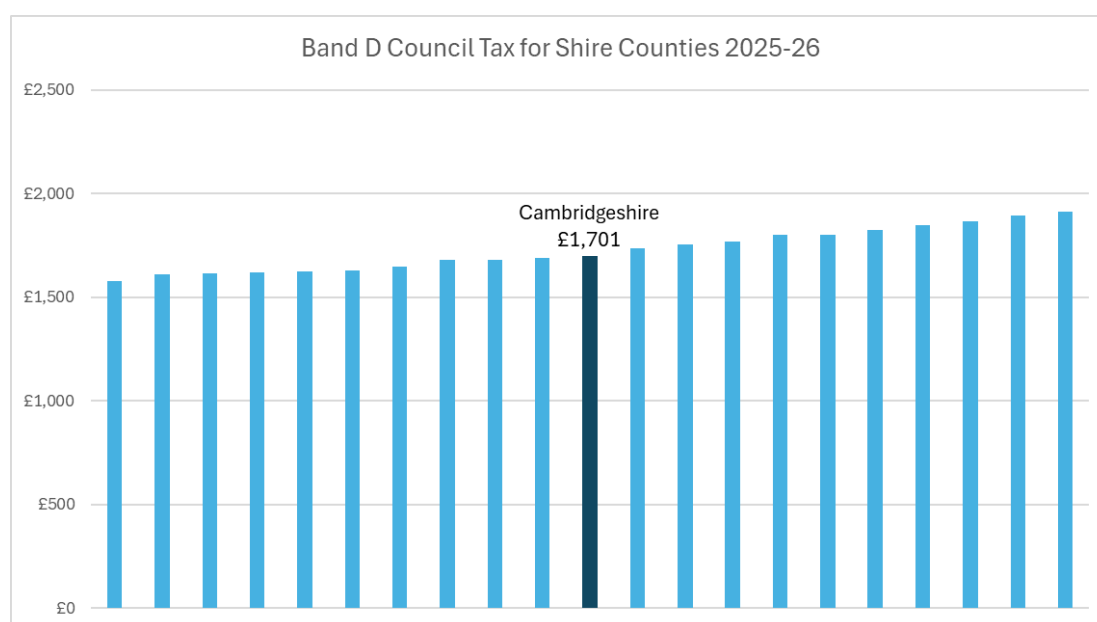
6.11 This is a tax on commercial property and is based on the assessed property value at a rate set by national government (including various reliefs and exemptions). Half of the business rates collected by local authorities is retained locally, and the remainder is passed to national government who redistribute it to councils to equalise the impact on areas that collect less in rates. The Government also minimises the impact on councils of the reliefs

and exemptions that are put in place – as the scale of reliefs increases (particularly the government having not increased business rates by inflation much over recent years) an increasing amount of funding is received as a grant instead of as business rates. For 2026-27, the council is forecasting to receive £79 million in business rates (and a further £17.9 million in compensation grants which are reported above).

Council tax

- 6.12 For council tax, increased income is seen through two routes. Firstly, the council is permitted to increase the rate at which council tax is set. In recent years, this has been a maximum of 5% above which a confirmatory referendum must be held. A portion of this increase is permitted if it is ringfenced to support adult social care services (the adult social care precept). Following the November Policy Statement, the council has confirmed that upper-tier councils will be permitted to raise council tax by up to 5%. For the purposes of this budget update, an uplift of 4.99% has been assumed for 2026-27 (an increase from the underlying assumption of 2% set in last year's business plan, which continues to apply to later years). A 4.99% increase in council tax generates around £21 million for the council, of which £13 million would be additional compared to the previous assumed level. While this increase is above the level of general inflation, staffing costs and the cost of delivering our services are increasing at a rate in excess of general inflation.
- 6.13 As well as increasing the rate of tax, the underlying taxbase also increases. This is mainly through additional properties being developed but also follows work in the council to review eligibility for discounts and exemptions. Based on projections from district councils, the council estimates a 1.34% increase in taxbase, generating around £5.6 million. Usually, people who live on their own are entitled to benefit from the national 25% discount scheme from council tax. All of the district councils in Cambridgeshire operate a council tax reduction or support scheme for some eligible households which are on low incomes or in receipt of benefits. These schemes vary from district to district.
- 6.14 Compared to other shire counties, Cambridgeshire is currently around the average in terms of the annual council tax charge it levies, and given pressures facing local authorities across the country the council would expect to continue to be in the middle of this comparator group for 2026-27:

Chart 6.1 – Band D council tax (county element only) shire counties 2025-26



6.15 The amount of council tax paid by a household depends on the banding of the property, with band D used as the comparator and benchmark. Despite this, the majority of properties within Cambridgeshire are lower than band D and will therefore pay less:

Table 6.3 – Cambridgeshire council tax bands per district

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Bands A-C
Cambridge	7.3%	18.2%	34.3%	17.4%	10.0%	6.6%	5.4%	0.8%	59.8%
East Cambridgeshire	12.1%	28.2%	20.8%	18.4%	12.4%	6.0%	2.0%	0.2%	61.1%
Fenland	36.3%	27.4%	18.8%	10.3%	5.2%	1.5%	0.4%	0.1%	82.5%
Huntingdonshire	15.0%	26.0%	23.2%	15.5%	12.4%	5.4%	2.4%	0.2%	64.2%
South Cambridgeshire	3.8%	11.6%	30.4%	18.7%	16.7%	11.7%	6.6%	0.6%	45.8%
Cambridgeshire	13.7%	21.5%	26.1%	16.2%	11.8%	6.6%	3.6%	0.4%	61.3%

6.16 The Local Government Finance Act 1992 (as amended by the 2003 Act) sets out the powers and duties of the council in setting the annual council tax. The key requirements under Part IV of the Act are that:

- Council tax is set at Full Council.
- Council tax is set at a sufficient level to meet its proposed budget requirements for the ensuing year.
- The level of council tax is set before 11 March to enable circulation of council tax bills to residents.
- The Executive Director of Finance and Resources as the council's appointed Section 151 Officer must report on the robustness of estimates and the proposed adequacy of reserves – Section 25. Given the current position on consultation and the provisional financial settlement this will be provided to the Committee at the end of January, but initial comments are set out in Section 13 and the reserves specified in more detail at Appendix 2.

- 6.17 The latest estimates from district councils are that the taxbase for council tax is 250,793.30, and the county council's council tax requirement at the moment is estimated as £448 million. The band D council tax charge from the county council would therefore be £1,785.42 (an increase of £84.78), with other bands seeing charges of:

Table 6.4– Cambridgeshire County Council, council tax charge increase for 2026-27

Band	Fraction	County council tax charge	Increase	Increase per week
A	6	£1,190.28	£56.52	£1.09
B	7	£1,388.66	£65.94	£1.27
C	8	£1,587.04	£75.36	£1.45
D	9	£1,785.42	£84.78	£1.63
E	11	£2,182.18	£103.62	£1.99
F	13	£2,578.94	£122.46	£2.36
G	15	£2,975.70	£141.30	£2.72
H	18	£3,570.84	£169.56	£3.26

- 6.18 The formal derivation of our council tax requirement is set out below.

Table 6.5– Derivation of council tax requirement:

2026-27 revised gross budget	£1,210.5m
Plus: Demand, inflation, pressures and priorities	£65.6m
Less: Savings	-£32.1m
Change in budget for reserve drawdowns	£3.6m
Budget gap	-£6.4m
Gross budget	£1,241.2m
Less: Ringfenced grants	-£108.7m
Fees & charges	-£165.2m
Schools grants	-£363.2m
Net budget required for 2026-27	£604.2m
Funded by:	
General un-ringfenced grants	-£77.3m
Business rates and top-up	-£79.1m
Collection fund adjustment	-
Council tax requirement	£447.8m
Taxbase	250,793.30
Band D	£1,785.42

7. Reserves

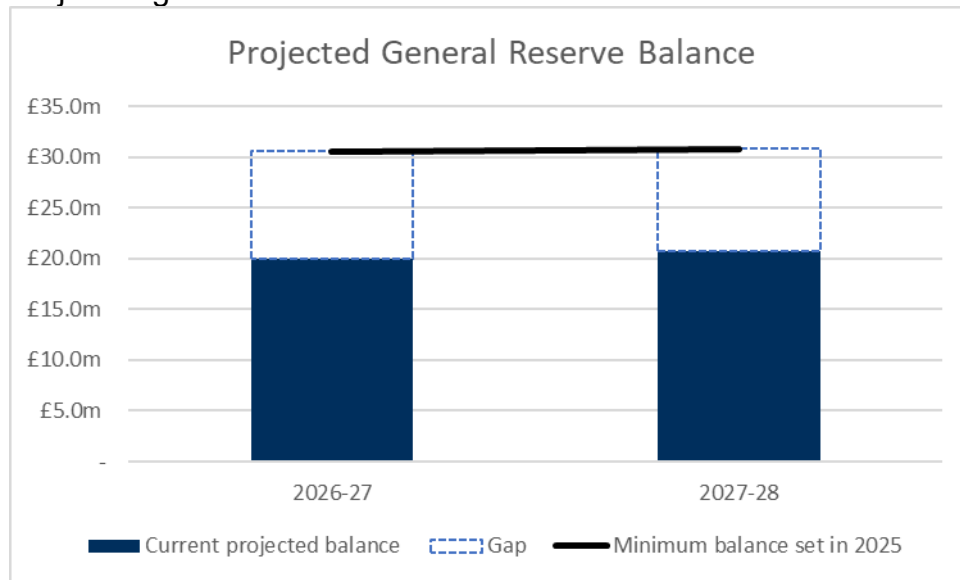
- 7.1 The council holds reserves for four main purposes:

- To mitigate risks and meet the impact of unforeseen costs
- To enable investment and pump priming of activity to make us more sustainable
- To meet cyclical costs
- To hold ringfenced funds until they are spent.

- 7.2 The council's general reserve is the main un-ringfenced reserve to meet unexpected costs

and is projected to be £20 million at the end of 2025-26 based on the latest revenue forecast position. The minimum position of the general reserve set in the current business plan is £30.6 million for 2025-26. We are focusing on reducing the forecast overspend and consequent draw on this reserve for 2025-26, but if this does not improve sufficiently we will need to prioritise topping this reserve back up. In January, the Section 151 Officer will present the formal assessment of the adequacy of reserves.

Chart 7.1 – Projected general reserve balance versus the minimum level set in 2025



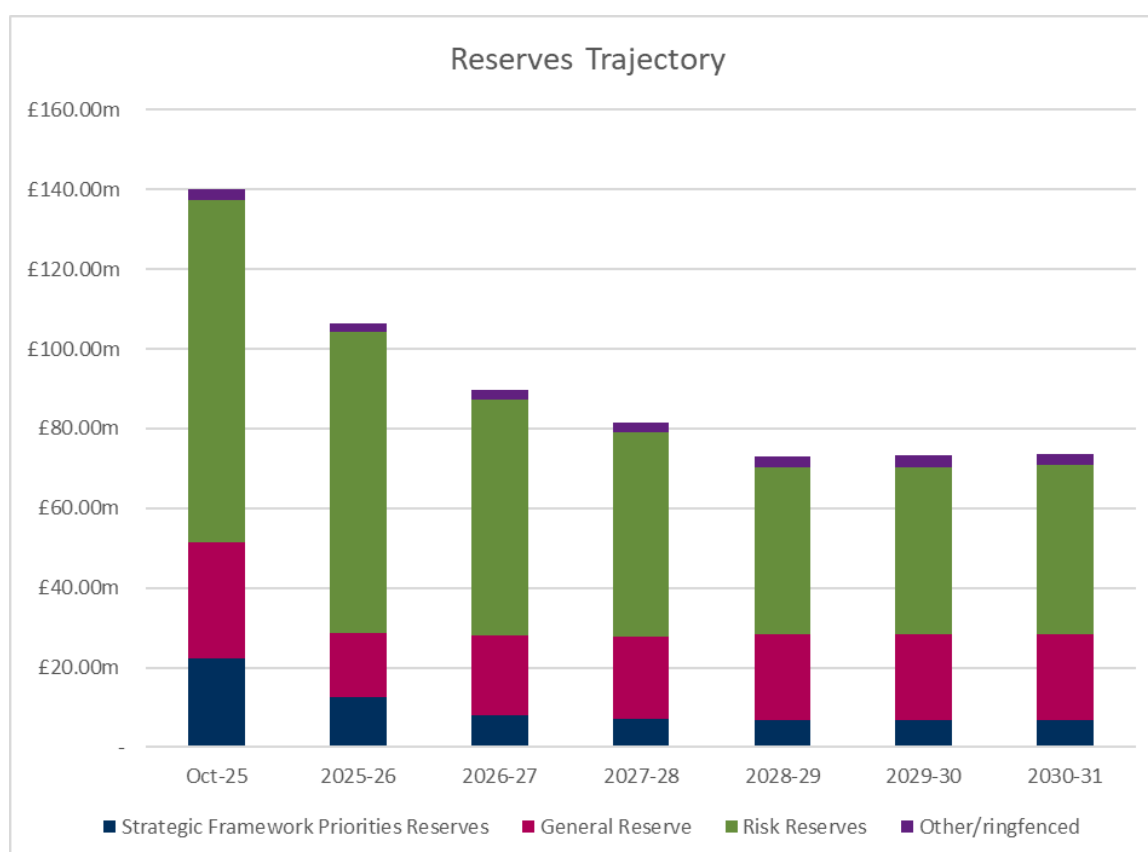
- 7.3 As well as the general reserve, the council maintains some more specific reserves to cover known risks. The general reserve other risk reserves are for use where other actions cannot deliver savings or urgent ones of needs arise unexpectedly. The council will seek to manage within resources by proposing alternative savings first rather than drawing on reserves which are only available as a one off and do not address recurring saving needs.
- 7.4 Reserves funding to deliver the council’s strategic priorities predominantly come from the Just Transition Fund (established in 2022 to drive change required to make the council more sustainable) and the Change and Digital Reserve (to pump prime reforms and the council’s change programme). These are committed over the medium-term as part of this business plan.
- 7.5 The following key assumptions are made in considering the level of reserves:
- Savings – these are expected to be generally deliverable, but some provision is made through the business plan for slippage on delivery.
 - Funding – the continuing lack of certainty around the medium-term funding position requires us to hold reserve to mitigate against adverse changes and fluctuations.
 - Demand – uncertain demand for council services due to changing needs and unforeseen events such as weather disruption.
- 7.6 The key risks identified at this time are related to unpredictable costs and demand trajectories in social care, the council’s high needs block deficit, volatility in council tax projections, long-term arrangements for waste disposal, and commercial income.

7.7 The table and graph below summarise the forecast reserves balances over the medium-term. Projections show quite a steep reduction in reserve balances over the remainder of 2025-26 and in 2026-27. As well as currently projecting the need to finance the in-year overspend, reserve draw-downs are expected for delivery of priorities through the Just Transition Fund and Change and Digital Reserve, the use of certain specific risk reserves on planned spend (such as for guided busway works) and the use of ringfenced grants and contributions:

Table 7.1 – Reserves summary

Reserve category	Forecast closing balances					
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
General Reserve	£16.14m	£20.04m	£20.75m	£21.44m	£21.44m	£21.44m
Strategic Framework Priorities	£12.51m	£7.91m	£7.08m	£6.77m	£6.77m	£6.77m
Risk	£75.46m	£59.44m	£51.37m	£42.02m	£42.17m	£42.60m
Ringfenced	£13.96m	£9.56m	£5.15m	£3.16m	£1.69m	£1.69m
Sinking Fund	£1.89m	£1.94m	£2.18m	£2.57m	£2.77m	£2.77m
Unusable	£0.38m	£0.29m	£0.20m	£0.11m	£0.00m	£0.00m
Total Revenue Reserves	£120.34m	£99.17m	£86.73m	£76.07m	£74.85m	£75.27m

Chart 7.2 – Reserves Trajectory Forecast Closing Balances



8. Medium Term Financial Strategy

8.1 As a result of the changes proposed through this update to the draft business plan, the overall current draft medium-term financial plan is set out in Table 8.1 below. It is noted that

the Medium Term Financial Strategy looks beyond the current suggested LGR vesting date of 1 April 2028, however, as this has not been confirmed, and the council has a duty to plan. Looking longer term will allow for this forecast data to then be used in any LGR assessment and future work.

Table 8.1 – Draft medium-term financial plan

	2026-27	2027-28	2028-29	2029-30	2030-31
Funding					
Council tax	-£448m	-£463m	-£478m	-£494m	-£511m
Business Rates	-£79m	-£81m	-£82m	-£84m	-£86m
General government grants	-£77m	-£77m	-£77m	-£77m	-£77m
Funding total (Net Budget)	-£604m	-£620m	-£637m	-£655m	-£674m
Net Expenditure					
Opening net budget	£573m	£611m	£644m	£693m	£738m
Base adjustments	£6m	£5m	£4m	£0m	-£0m
Inflation	£23m	£25m	£26m	£28m	£30m
Demand	£23m	£19m	£20m	£22m	£23m
Pressures	£9m	-£1m	-£0m	£0m	-
Priorities & Investments	£9m	-£1m	-£3m	-£2m	£0m
Capital Financing budget changes	£2m	-£2m	£1m	-£3m	-£4m
Changes in ringfenced grants	-£2m	-£1m	£2m	£1m	-
Subtotal	£643m	£653m	£693m	£739m	£786m
Changes in income generation	-£0m	-£0m	£2m	£2m	-£0m
Income inflation	-£4m	-£3m	-£3m	-£3m	-£3m
Change in budget for reserves draw-down	£3.6m	£3.3m	£0.8m	£0.4m	-
Savings	-£32m	-£9m	-£0m	-£0m	-£0m
Net Expenditure Budgets	£611m	£644m	£693m	£738m	£783m
Cumulative budget gap	-£6m	-£23m	-£55m	-£83m	-£109m
Funding Requirement	£604m	£620m	£637m	£655m	£674m
Council tax as %	74.1%	74.6%	75.0%	75.5%	75.9%

8.2 The full detailed medium-term financial strategy of the council is set out in Appendix 1a.

9. Significant Implications

9.1 Finance Implications

The proposals set out the response to the financial context and the need to review the council's service offer and model to maintain a sustainable budget. The full detail of the financial proposals, including investments, savings and income as well as the impact on the budget are described in the financial tables of the business plan appended. Assessment of all proposals endorse deliverability and have accounted for any costs to implement.

Proposals seek to ensure that the council makes the most effective use of available resources and is delivering the best possible services given the reduced funding.

More detailed consideration of the council's financial sustainability will be provided to members as part of the 29 January 2026 Strategy, Resources and Performance Committee through the section 151 section 25 report. This includes detailed assessment of reserves, including provision for LGR. At this stage the proposals do not include any provision for LGR. This will be commented on further before Council consider the budget in February 2026.

9.2 Legal Implications

The Monitoring Officer considers that the proposals for consultation and decision-making on the budget fulfil the statutory requirements set out below with regard to setting the amount of council tax for the forthcoming year and to set a balanced budget:

- Section 30(6) Local Government Finance Act 1992 (the 1992 Act). This section requires that council tax must be set before 11 March, in the financial year preceding that for which it is set.
- Section 42A of the 1992 Act. This section sets out the calculations to be made in determining the budget requirements, including contingencies and financial reserves.
- Section 42B of the 1992 Act. This section requires the council to set a balanced budget.
- Section 25(1) Local Government Act 2003 (the 2003 Act). The Chief Finance Officer of the Authority must report to it on the following matters: (a) the robustness of the estimates made for the purposes of the calculations; and (b) the adequacy of the proposed financial reserves.
- Section 25(2) the 2003 Act. When the council is considering calculations under section 42A, it must have regard to the Chief Finance Officer's report issued pursuant to section 25(1) concerning the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

The legislation that governs local government will continue to be reviewed across this parliamentary term, and the business plan will be kept under review to see if changes are needed as the changes in legislation are made available and clarified. Elected Members will be given separate guidance in relation to their responsibilities in setting the budget.

9.3 Risk Implications

Services have considered risk in developing the proposals for investment and savings shown in the financial plan and these will be reflected in their usual risk management arrangements. There is a risk that budget proposals will impact on delivery of the council's Strategic Framework, but this will be monitored, and appropriate action taken. There is a risk that assumptions within these proposals are incorrect. Due diligence has been undertaken, as well as assessment within the reserves to mitigate such risks.

9.4 Equality and Diversity Implications

This report sets out the council's approach to strengthening the county, including how it will interact with its customers and improve access to services and information as per the council's Equality, Diversity and Inclusion Strategy. The draft 2026-29 Business Plan and Budget contain specific investment to support vulnerable adults and children in Cambridgeshire and is also informed by the Quality of Life Survey, which reached a

representative sample of the Cambridgeshire population, including harder to reach residents. An Equality Impact Assessment (EQIA-00412) has been conducted for the overall draft business plan and budget. The equality implications of the long-term strategies already approved were considered as part of the development of those strategies. In order for the council to fulfil its legal requirements under the Public-Sector Equality Duty, individual Equality Impact Assessments will be done on the delivery plans for the respective budget decisions at the stage when plans for implementation are drawn up. These can be made available to all elected Members during the decision-making process so that the full equality implications of proposals are understood, inform final decisions and due regard is paid to the Equality Duty.

10. Source Documents

- 10.1 Quality of Life Survey results: <https://www.cambridgeshire.gov.uk/quality-of-life-survey>