

# GENERAL PURPOSES COMMITTEE



**Tuesday, 14 July 2020**

**Democratic and Members' Services**

Fiona McMillan  
Monitoring Officer

**10:00**

Shire Hall  
Castle Hill  
Cambridge  
CB3 0AP

## **COVID-19**

During the Covid-19 pandemic Council and Committee meetings will be held virtually for Committee members and for members of the public who wish to participate. These meetings will be held via Zoom and Microsoft Teams (for confidential or exempt items). For more information please contact the clerk for the meeting (details provided below).

## **AGENDA**

**Open to Public and Press**

### **CONSTITUTIONAL MATTERS**

1. **Apologies for absence and declarations of interest**

*Guidance on declaring interests is available at*  
<http://tinyurl.com/ccc-conduct-code>

2. **Minutes – 2nd June 2020 and Action Log**

**5 - 10**

3. [General Purposes Committee meeting 02/06/2020](#)  
**Petitions and Public Questions**

### **OTHER DECISIONS**

<b>4.</b>	<b>Finance and Performance Report – May 2020</b>	<b>11 - 20</b>
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## **KEY DECISIONS**

<b>5.</b>	<b>Integrated Finance Monitoring Report For The Period Ending 31st May 2020</b>	<b>21 - 48</b>
<b>6.</b>	<b>Connecting Cambridgeshire Superfast Broadband contract extension</b>	<b>49 - 56</b>

## **OTHER DECISIONS**

<b>7.</b>	<b>Covid-19 Issues Report (to follow)</b>	
<b>8.</b>	<b>General Purposes Committee Agenda Plan, Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels</b>	<b>57 - 60</b>

The General Purposes Committee comprises the following members:

Councillor Steve Count (Chairman) Councillor Roger Hickford (Vice-Chairman)

Councillor Anna Bailey Councillor Ian Bates Councillor Simon Bywater Councillor Steve Criswell Councillor Lorna Dupre Councillor Derek Giles Councillor Mark Goldsack Councillor Peter Hudson Councillor David Jenkins Councillor Noel Kavanagh Councillor Peter McDonald Councillor Elisa Meschini Councillor Lucy Nethsingha Councillor Tom Sanderson and Councillor Josh Schumann

*For more information about this meeting, including access arrangements please contact*

Clerk Name: Michelle Rowe

Clerk Telephone: 01223 699180

Clerk Email: [michelle.rowe@cambridgeshire.gov.uk](mailto:michelle.rowe@cambridgeshire.gov.uk)





## **GENERAL PURPOSES COMMITTEE**

### **Minutes-Action Log – Agenda Item No.2**



#### **Introduction:**

This log captures the actions arising from the General Purposes Committee on 2nd June 2020 and updates members on the progress on compliance in delivering the necessary actions. This is the updated action log as at 6th July 2020.

## Minutes of 2nd June 2020

Item No.	Item	Action to be taken by	Action	Comments	Completed
252.	<b>MINUTES – 14TH MAY 2020 AND ACTION LOG</b>	C Malyon	To update via e-mail the commitments in the financial projections which went beyond the costs incurred to date relating to Social Care Resilience and Social Care Bed Capacity.	The forward projections include in particular CYP Committee forecasts: additional spending on children in need or in care, which are anticipated in future, and in relation to Home to School transport. The impact on the Adults Positive Challenge programme also stretches into the Autumn. The Council expects significant spend on personal protective equipment throughout the coming year. Further details are included in the Integrated Monitoring report as well as the Covid-19 update to this Committee.	<b>Ongoing</b>

		C Malyon	<p>Requested more information as to why County Farms had not achieved savings from the repayment of financing costs and what was being done to address this issue.</p>	<p>The County Farms Investment Viability project is an Invest to Earn scheme which commenced in 2014-15. The County Farms team undertake improvements to farm buildings in return for an increased revenue rent. This has proved to be a cost effective approach to ensuring that our farms estate continues to be maintained to a high standard.</p> <p>For prudence, the scheme is currently shown in the business plan as cost neutral with an entry for additional financing costs resulting from capital spend on the scheme and an offsetting increase in rental income of the same value. In 2019-20, no further projects were completed and consequently the underachievement of savings from the scheme was offset by an underspend on financing costs so there was no net cost to the Council.</p> <p>Capital Programme Board will continue to review any proposals brought forward under the scheme to ensure that rental income is set at a sufficient level to cover the costs of delivering projects and, if practical, to provide a modest surplus for the Council.</p>	<b>Completed</b>
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		T Kelly	Highlighted the non-achieving ranking for term time only contracts for new staff in the Education Directorate where this was appropriate for their role. It was queried whether this was voluntary or compulsory as the latter could impact on recruitment.	The Education directorate has commented: "Roles are only advertised as term time only (TTO) where it is appropriate for the role and where officers do not believe that this will cause an issue with recruitment. Where roles are harder to fill they may be advertised with the option of either 52-week or TTO contracts, noting that in some cases TTO contracts are seen as more desirable because of the childcare flexibility they allow."	<b>Completed</b>
256.	<b>CAMBRIDGESHIRE COUNTY COUNCIL'S RESPONSE TO COVID-19</b>	G Hughes/ P Nelson	The Committee to be provided with more detail on how social distancing on Home to School Transport would be managed, and how public transport would be made safe to use in order to discourage people from using their cars.	E-mail sent on 22nd June 2020.	<b>Completed</b>
257.	<b>TREASURY MANAGEMENT REPORT – QUARTER FOUR UPDATE 2019-20</b>	T Kelly	The Head of Finance to investigate whether no significant implications for net zero carbon emissions for Cambridgeshire by 2050 meant the Council did not invest in fossil fuels.	Presently the Council's only treasury investments are managed by CCLA Investment Management Ltd. CCLA's policy is summarised at: <a href="https://www.ccla.co.uk/our-policies/climate-change-and-investment-policy">https://www.ccla.co.uk/our-policies/climate-change-and-investment-policy</a> and <a href="https://tinyurl.com/CCLA-ResPropInv">https://tinyurl.com/CCLA-ResPropInv</a> In view of this, Officers consider that these investments accord with seeking net zero carbon emissions for Cambridgeshire by 2050.	<b>Completed</b>



<b>258.</b>	<b>GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENT TO OUTSIDE BODIES, AND INTERNAL ADVISORY GROUPS AND PANELS</b>	Cllr Count A Askham C Malyon	The Chairman to work with officers to consider what training should be made available given that economic activity was a new responsibility for the Committee.	Officers are working with the Chairman of General Purposes Committee to develop a proposal for the September GPC meeting.	<b>Ongoing</b>
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**FINANCE AND PERFORMANCE REPORT – MAY 2020**

**To:** General Purposes Committee

**Meeting Date:** 14th July 2020

**From:** Director of Corporate and Customer Services  
Chief Finance Officer

**Electoral division(s):** All

**Forward Plan ref:** Not applicable      **Key decision:** No

**Outcome:** To present to General Purposes Committee (GPC) the May 2020 Finance and Performance Report for Corporate Services and LGSS Cambridge Office.

The report is presented to provide GPC with an opportunity to comment on the projected financial outturn position, as at the end of May 2020.

**Recommendation:** The Committee is asked to:

- a) review, note and comment upon the report.
- b) approve the carry forward of funding from 2019/20 to 2020/21, as set out in section 2 of Appendix A.

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
Name:	Tom Kelly	Names:	Councillors Count & Hickford
Post:	Head of Finance	Post:	Chair/Vice-Chair
Email:	<a href="mailto:Tom.Kelly@cambridgeshire.gov.uk">Tom.Kelly@cambridgeshire.gov.uk</a>	Email:	<a href="mailto:Steve.Count@cambridgeshire.gov.uk">Steve.Count@cambridgeshire.gov.uk</a> <a href="mailto:Roger.Hickford@cambridgeshire.gov.uk">Roger.Hickford@cambridgeshire.gov.uk</a>
Tel:	01223 703599	Tel:	01223 706398

## **1. BACKGROUND**

- 1.1 General Purposes Committee receives the Corporate Services and LGSS Cambridge Office Finance and Performance Report at all of its meetings, where it is asked to both comment on the report and potentially approve recommendations, to ensure that the budgets and performance indicators for which the Committee has responsibility, remain on target.

## **2. MAIN ISSUES**

- 2.1 Attached at **Appendix A**, is the May 2020 Finance and Performance report.

- 2.2 **Revenue:** At the end of May, Corporate Services and LGSS Managed is forecasting an overspend of £200k on revenue budgets. There are two new significant forecast outturn variance by value (over £100,000) to report this month.

At the end of May, the LGSS Cambridge Office budget is forecasting an overspend of £557k. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee. This pressure was anticipated in Business Planning and has been budgeted for by GPC.

- 2.3 **Capital:**

At the end of May, Corporate Services & Transformation and LGSS Managed are forecasting a balanced budget on capital and as yet none of the capital programme variations budget has been used. There are no significant forecast outturn variances by value (over £250k) to report.

## **3. ALIGNMENT WITH CORPORATE PRIORITIES**

- 3.1 **A good quality of life for everyone**

There are no significant implications for this priority.

- 3.2 **Thriving places for people to live**

There are no significant implications for this priority.

- 3.3 **The best start for Cambridgeshire's children**

There are no significant implications for this priority.

- 3.4 **Net zero carbon emissions for Cambridgeshire by 2050**

There are no significant implications for this priority.

#### **4. SIGNIFICANT IMPLICATIONS**

##### **4.1 Resource Implications**

This report sets out details of the overall financial position for Corporate Services / LGSS and this Committee.

##### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

##### **4.3 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

##### **4.4 Equality and Diversity Implications**

There are no significant implications within this category.

##### **4.5 Engagement and Consultation Implications**

There are no significant implications within this category.

##### **4.6 Localism and Local Member Involvement**

There are no significant implications within this category.

##### **4.7 Public Health Implications**

There are no significant implications within this category.

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	N/A
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?</b>	N/A
<b>Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?</b>	N/A
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	N/A
<b>Have any engagement and communication implications been cleared by Communications?</b>	N/A
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	N/A
<b>Have any Public Health implications been cleared by Public Health</b>	N/A

<b>Source Documents</b>	<b>Location</b>
CS and LGSS Cambridge Office Finance & Performance Report (May 20)	1 <sup>st</sup> Floor, Octagon, Shire Hall, Cambridge

<b>Service</b>	Corporate Services, LGSS Managed and LGSS Cambridge Office
<b>Subject</b>	Finance Monitoring Report – May 2020

## Appendix A

### KEY INDICATORS

Status	Category	Target	Current Status	Section Ref.
N/A	Income and Expenditure	Balanced year end position	Amber	1.1 – 1.3
N/A	Capital Programme	Remain within overall resources	Green	2

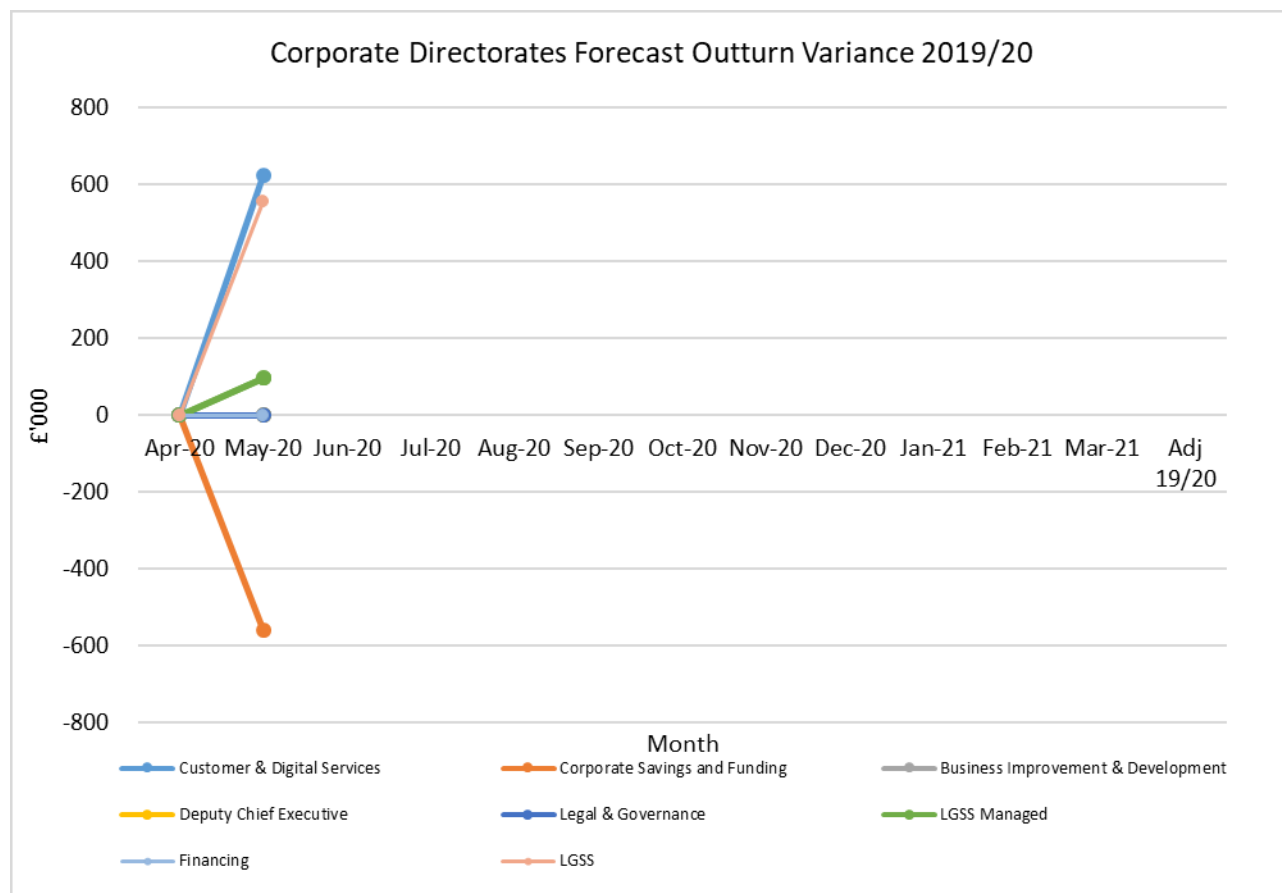
### CONTENTS

Section	Item	Description	Page
1	Revenue Executive Summary	High level summary of information; By Directorate Narrative on key issues in revenue financial position	2-5
2	Capital Executive Summary	Summary of the position of the Capital programme within Corporate Services and LGSS Managed	6
3	Savings Tracker Summary	Summary of the latest position on delivery of savings	6
4	Technical Note	Explanation of technical items that are included in some reports	6
Appx 1	Service Level Financial Information	Detailed financial tables for Corporate Services and LGSS Managed	7-8
Appx 2	Service Commentaries	Detailed notes on financial position of services that are predicting not to achieve their budget	9
Appx 3	Capital Position	This contains more detailed information about Corporate Services and LGSS Managed' Capital programme, including funding sources and variances.	10-11
Appx 4	Savings Tracker	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the business plan.	12
Appx 5	Technical Appendix	This contains technical financial information for Corporate Services and LGSS managed showing: <ul style="list-style-type: none"> <li>Grant income received</li> <li>Budget virements into or out of Corporate Services</li> <li>Service reserves</li> </ul>	13-18
Appx 7	Service commentaries	Detailed notes on financial position of LGSS Cambridge Office that are predicting not to achieve their budget	17
Appx 8	Technical Appendix	This contains technical financial information for LGSS Cambridge Office: <ul style="list-style-type: none"> <li>Grant income received</li> <li>Budget virements into or out of LGSS Cambridge Office</li> <li>Service reserves</li> </ul>	21

## 1. Revenue Executive Summary

### 1.1 Overall Position

Corporate Services, Financing costs and LGSS Managed has a budget of £57,935k in 2020/21 and is currently forecasting an overspend of £200k.



### 1.2 Summary of Revenue position by Directorate

Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	Outturn Variance %	Status
Customer & Digital Services	9,031	1,995	623	6.9%	Amber
Corporate Savings & Funding	2,311	0	-557	-24.1%	Green
Business Improvement & Development	1,027	780	0	0.0%	Green
Resources Directorate	2,005	339	0	0.0%	Green
Legal & Governance	2,019	382	37	1.8%	Amber
Financing Costs	29,570	-3,282	0	0.0%	Green
LGSS Managed	11,971	1,287	97	0.8%	Amber
<b>Total</b>	<b>57,935</b>	<b>1,500</b>	<b>200</b>	<b>0.3%</b>	



The service level budgetary control report for Corporate Services, Financing Costs and LGSS Managed can be found in [appendix 1](#).

Pressures and deficits within LGSS Operational budgets are the responsibility of the Joint Committee. Formal risk sharing arrangements are in place such that changes in service or financing impacting one partner are isolated from impacting other partners. In practice, this means that where there is risk (or additional requirements for) in-year savings for back-office services shared with or facing Northamptonshire County Council or Milton Keynes Council, these do not impact on the service received by Cambridgeshire County Council or impact any overspend to be handled by CCC.

Further analysis can be found in [appendix 2](#) for Corporate Services.

### **1.3 Significant Issues**

Corporate Services and LGSS Managed are currently predicting an overspend of 200k.

Significant issues are detailed below:

#### **Customer & Digital Services**

Corporate and Digital Services budgets are currently predicting an overspend of £623k.

##### Covid-19 Pandemic

The total cost of Statutory duty for providing temporary Mortuary facilities is £1m.

Provision of body storage facility for 20 weeks	£718K
Utilities / Electricity	£30K
Estimated Staffing for 20 weeks based on 6 FTE	£135K
Additional equipment / transport	<u>£100K</u>
TOTAL	£983K

The costs may partly be offset with financial contribution from OLA's (such as Peterborough, Suffolk, Essex) if the bodies come from outside the County.

#### **Corporate Savings and Funding**

Corporate Savings and Funding are currently predicting an underspend of £557k. This is mainly due to forecast underspend in Central Services and Organisation-Wide Risks.

The favourable variance of £557k in this area is to offset the pressure reported by the LGSS Cambridge office, resulting from a shortfall on the savings target set for LGSS for 2019/20 which has been carried forward into 2020/21.

#### **Business Improvement & Development**

Business Improvement & Development budgets are currently predicting a balanced position.

There are no exceptions to report this month.

## **Resources Directorate**

Resources Directorate budgets are currently predicting a balanced position.

There are no exceptions to report this month.

## **Legal and Governance**

Legal and Governance is currently predicting an overspend of £37k. This is mainly due to a forecast overspend in Information Management.

There are no exceptions to report this month.

## **LGSS Managed**

LGSS Managed budgets are currently predicting an overspend of £97k. This is mainly due to the overspend reported in IT managed, for the additional cost of 3,500 data sim connections.

## **Financing Costs**

Financing Costs budget is currently predicting a balanced position.

There are no exceptions to report this month.

## **LGSS Cambridge Office**

LGSS Cambridge Office budgets are currently predicting an overspend of £557k as a result of a shortfall on the £919k savings target set for LGSS for 2019/20 which has been carried forward into 2020/21. Some savings were identified and delivered in 2019/20, but the remainder were put on hold pending the outcomes of the review of the LGSS operating model.

## **2. Capital Executive summary**

Corporate Services and Transformation has a capital budget of £17.2m in 2020/21 and there is expenditure to date of £411k.

LGSS Managed has a capital budget of £913k in 2020/21 and there is expenditure to date of £391k.

General Purposes Committee to approve the carry forward of funding from 2019/20 into 2020/21 and rephasing budgets for the following schemes:

## Carry Forward/Rephasing Amount 20-21

Scheme	Other Funding Contribution £'000	Prudential Borrowing £'000
EastNet (CPSN Replacement)		273
Data Centre Relocation (£196k carry forward & £244k rephasing budget)		440
Investment in Connecting Cambridgeshire (13,649 carry forward and -7,859 rephasing budget into 21-22)	5,290	500
IT Strategy (1,554 carry forward and -1,554 rephasing of budget into 21-22)		0

### 3. Savings Tracker Summary

The savings tracker is produced quarterly. The first report will be available in the June Finance report.

### 4. Technical Notes

This appendix covers:

- Grants that have been received by the service, and where these have been more or less than expected
- Budget movements (virements) into or out of corporate services and LGSS Managed from other services (but not within corporate services and LGSS Managed), to show why the budget might be different from that agreed by Full Council
- Service reserves – funds held for specific purposes that may be drawn down in-year or carried-forward – including use of funds and forecast draw-down.

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



**INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING 31ST MAY 2020**

*To:* **General Purposes Committee**

*Date:* **14 July 2020**

*From:* **Chief Finance Officer**

*Electoral division(s):* **All**

*Forward Plan ref:* **2020/016**

*Key decision:* **Yes**

*Outcome:* **To present financial information to assess progress in delivering the Council's Business Plan.**

*Recommendations:*      **General Purposes Committee (GPC) is recommended to:**

- a) Approve the earmarking of the unringfenced grant (£11.512m) received in May 2020 for the purposes of responding to the coronavirus pandemic during 2020/21, as set out in section 5.1;
- b) Approve the carry forward of £61.2m capital funding from 2019/20 to 2020/21 and beyond as set out in section 6.6 and Appendix 3;
- c) Approve -£46.3m revised phasing of capital funding for schemes as set out in section 6.6;
- d) Note the changes in capital grants and Section 106 funding of £2.2m as set out in section 6.6;
- e) Approve the £750k virement from the People and Communities (P&C) Temporary Accommodation budget to the P&C School Condition Maintenance & Suitability budget, as set out in section 6.6;
- f) Note the additional Combined Authority contributions funding of £2.9m as set out in section 6.6;
- g) Note the £5.1m reduction in capital receipts funding in 2020/21 in relation to the schemes as set out in section 6.6;
- h) Note the reduction in Schools Condition Funding and to approve additional prudential borrowing of £418k to offset the reduction as set out in section 6.6;
- i) Note the £4.4m reduction in prudential borrowing in 2020/21 in relation to the schemes as set out in section 6.6;
- j) Approve additional prudential borrowing of £330k in 2020/21 for the Mill Road Former Library scheme, as set out in section 6.7;
- k) Approve additional prudential borrowing of £352k in 2020/201 for the Building Maintenance scheme, as set out in section 6.8;
- l) Approve additional prudential borrowing in 2020/21 for the Cambs 2020 Spokes capital programme budget to cover the full costs of a property acquisition in St Ives, as set out in section 6.9;
- m) Approve additional prudential borrowing of up to £400k in 2020/21 for a Covid-19 risk budget for the Civic Hub construction project, as set out in section 6.10. (This is subject to approval of the recommendation by Commercial and Investment (C&I) Committee at the 10th July)

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
Name:	Tom Kelly	Names:	Councillors Count & Hickford
Post:	Head of Finance	Post:	Chair/Vice-Chair
Email:	<a href="mailto:Tom.Kelly@cambridgeshire.gov.uk">Tom.Kelly@cambridgeshire.gov.uk</a>	Email:	<a href="mailto:Steve.Count@cambridgeshire.gov.uk">Steve.Count@cambridgeshire.gov.uk</a> <a href="mailto:Roger.Hickford@cambridgeshire.gov.uk">Roger.Hickford@cambridgeshire.gov.uk</a>
Tel:	01223 703599	Tel:	01223 706398

## 1. PURPOSE

- 1.1 To present financial and performance information to assess progress in delivering the Council's Business Plan.

## 2. OVERVIEW

- 2.1 The following summary provides the Authority's forecast financial position at year-end and its key activity data for care budgets.

### Finance and Key Activity

#### Revenue budget outturn

+£1.3m (+0.3%)  
variance at end of  
year

RED

#### Capital programme outturn

A balanced budget at  
end of year

GREEN

#### Number of service users supported by key care budgets

##### Older people aged 65+ receiving long term services

	May 20	Trend since May 20
Nursing	472	-
Residential	898	-
Community	1,861	-

##### Adults aged 18+ receiving long term services

	May 20	Trend since May 20
Nursing	72	-
Residential	351	-
Community	2,360	-

##### Children open to social care

	May 20	Apr 20	Trend since Apr 20
Children in Care	717	730	Decreasing
Child Protection	320	324	Decreasing

- 2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end pressure of +£1.3m. The pressures are largely within People & Communities (P&C) (+£11.7m), Place & Economy (P&E) (+3.6m), Commercial & Investment (C&I) (+£2.1m), and LGSS Operational (£0.6m). These are partially offset by underspends in Funding Items (-£16.6m). See section 3 for details.
- The Capital Programme is forecasting a balanced budget at year-end. This includes use of the capital programme variations budget. See section 6 for details.

### 3. REVENUE BUDGET

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

#### Key to abbreviations

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

Original Budget as per Business Plan £000	Service	Current Budget for 2020/21 £000	Actual (May) £000	Forecast Variance (May) £000	Forecast Variance (May) %	Overall Status	DoT	Covid-19 Financial Impact £000	Non Covid-19 Financial Impact £000
56,470	Place & Economy	56,470	252	3,557	6.3%	Red	↓	5,187	-1,630
275,096	People & Communities	274,947	45,710	11,676	4.2%	Red	↓	10,459	1,217
0	Public Health	0	-5,812	0	-	Green	↓	157	-157
17,214	Corporate Services	16,393	3,496	103	0.6%	Green	↓	983	-880
12,226	Corporately Managed	11,971	1,287	97	0.8%	Green	↓	0	97
-9,277	Commercial & Investment	-9,108	-648	1,874	-	Red	↓	2,005	-131
29,570	CS Financing	29,570	-3,282	0	0.0%	Green	↔	0	0
<b>381,299</b>	<b>Service Net Spending</b>	<b>380,243</b>	<b>41,003</b>	<b>17,307</b>	<b>4.6%</b>	<b>Red</b>	<b>↓</b>	<b>18,791</b>	<b>-1,484</b>
16,844	Funding Items	16,844	0	-16,550	-98.3%	Green	↑		
<b>398,143</b>	<b>Subtotal Net Spending</b>	<b>397,087</b>	<b>41,003</b>	<b>757</b>	<b>0.2%</b>	<b>Red</b>	<b>↓</b>	<b>18,791</b>	<b>-1,484</b>
	<b>Memorandum items:</b>								
6,286	LGSS Operational	6,691	2,529	557	8.3%	Amber	↓	0	557
	<b>Grand Total Net Spending</b>	<b>403,778</b>	<b>43,532</b>	<b>1,314</b>	<b>0.3%</b>	<b>Red</b>	<b>↓</b>	<b>18,791</b>	<b>-927</b>
148,989	Schools	148,989							
<b>553,418</b>	<b>Total Spending 2021/21</b>	<b>552,767</b>							

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

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

<sup>3</sup> The budget of £0k stated for Public Health is cash limit budget. In addition to this, Public Health has a budget of £25.2m from ring-fenced public health grant, which makes up its gross budget.

<sup>4</sup> The 'Funding Items' budget comprises the £9.0m Combined Authority Levy, the £416k Flood Authority Levy and £7.4m change in general and corporate reserves budget requirement. The forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, i.e. more income received than budgeted.



3.1.1 In addition to the County Council forecast shown above for management accounting purposes, the Council is also monitoring and estimating the full potential financial consequences of the pandemic through an additional and enhanced process (reported weekly to Joint Management Team (JMT)). The latest monitoring information, on a committee-by-committee basis, as at the week ending 3 July 2020, is shown below. An earlier version of this model formed the basis of the third monitoring return to Ministry of Housing, Communities & Local Government (MHCLG) in June:

Committee	DSG	Impaired Savings	Income foregone	New Commitments	Total	MHCLG	NHS	DSG	PCC	Other grant	Net total
Adults		4,410	330	21,964	26,704		-8,408		-139	-1,592	16,566
C&I		501	1,504	161	2,166						2,166
Communities		0	838	1,856	2,694				-291		2,403
CYP	1,483	1,436	2,432	5,674	11,025			-1,483	8	-136	9,414
GPC			58	1,088	1,146				-250		896
Health		17		2,656	2,673					-2,493	180
E&S			60	611	671						671
H&T		617	4,040	1,912	6,569						6,569
<b>Total</b>	<b>1,483</b>	<b>6,981</b>	<b>9,262</b>	<b>35,922</b>	<b>53,648</b>						
						-26,124					-26,124
<b>GRAND TOTAL</b>						<b>-26,124</b>	<b>-8,408</b>	<b>-1,483</b>	<b>-672</b>	<b>-4,221</b>	<b>12,740</b>

3.1.2 This illustrates a potential financial impact on the Council of £53.6m, with a deficit for the Council of £12.7m compared to funding confirmed up to 3 July 2020. It should be noted that there have been recent announcement of further funding for local government (£500m nationally) and support for some of the impact of reduced sales, fees and charges, however Cambridgeshire County Council (CCC) specific allocations are not yet known or included in the above. A cautious estimate would suggest these measures will improve the position by not less than £3m.

3.1.3 This method of anticipating the financial impact on the Council differs significantly from the overall forecast shown on the previous page on a management accounting basis. At this stage there remain major variables and uncertainties about the impact of the pandemic. The key differences between these forecasting approaches include:

- Adults Services – we have not yet included a longer term estimate of the impact on Adults services of the pandemic in our management accounts, whereas there is provision for this in the full consequences forecast. Additionally the management accounts acknowledge some reductions in demand, as fewer people are receiving social care compared to the Spring, with more NHS funding
- Children's Services – the anticipated national increase in demand is shown within the full consequences forecast, but not yet evident on commitment records underpinning the management accounts.
- Financing differences- the full consequences forecast includes the impact of redistributing staff internally and some capital impacts that will not have an impact on the revenue position necessarily.

Taken together, this confirms there is an unprecedented financial impact on the Council, but that it is too early to confidently allocate the grant received to service pressures. GPC will continue to closely monitor this and be ask to allocate grant and resources available in due course.

3.2 Key exceptions this month are identified below.

3.2.1 **Place & Economy:** +£3.557m (+6.3%) pressure is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> <li>• <b>Street Lighting</b> – a -£1.064m underspend is forecast. This is primarily due to a one off adjustment of £998k, which is expected to be paid this year for a prior year contract adjustment following review and negotiation by the Council.</li> </ul>	-1.064	(-10%)
<ul style="list-style-type: none"> <li>• <b>Parking Enforcement</b> – a +£3.936m pressure is forecast. With restrictions around the Covid-19 virus, there is expected to be a significant shortfall in income especially for on-street parking and bus lane enforcement. The assumptions behind this shortfall are continually being monitored.</li> </ul>	+3.936	(-%)
<ul style="list-style-type: none"> <li>• <b>Bus Operations including Park &amp; Ride</b> – a +£0.497m pressure is forecast. With restrictions around the Covid-19 virus, there is expected to be a significant shortfall in income for this service. The assumptions behind this shortfall are continually being monitored.</li> </ul>	+0.497	(+6,968%)
<ul style="list-style-type: none"> <li>• A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£3.557m. For full details, see the <a href="https://tinyurl.com/yaeqxkbf">P&amp;E Finance Monitoring Report</a>, (<a href="https://tinyurl.com/yaeqxkbf">https://tinyurl.com/yaeqxkbf</a>).</li> </ul>		

3.2.2 **People & Communities:** +£11.676m (+4.2%) pressure is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> <li>• <b>Strategic Management - Adults</b> – a +£4.547m pressure is forecast. This consists mainly of two elements: <ul style="list-style-type: none"> <li>○ The 10% market resilience payment agreed by Adults Committee in May covering the period from 20th April to 30<sup>th</sup> June 2020. This payment is being made to most providers of social care funded by the Council, and reflects additional cost pressures that the sector is facing as a result of the Covid emergency.</li> <li>○ The anticipated impact on delivery of in-year savings through the Adults Positive Challenge Programme as a</li> </ul> </li> </ul>	+4.547	(+61%)

result of the Covid emergency. The additional demands faced during the emergency period have resulted in a lower level of demand management activity than would otherwise have taken place.

- **Learning Disability Head of Service** - a +£0.644 pressure is forecast. This is mainly due to a 10% Covid market resilience payment to care providers and other covid pressures; it is anticipated that due to a delay in work on savings delivery as staff resource is diverted elsewhere, 25% of the savings target in this year's budget will be unachieved. Demand increases so far this year are broadly within levels budgeted for.

+0.644      (+11%)
- **Physical Disabilities** – a +£0.472m pressure is forecast. The service has provided increased volumes of community-based support to clients since the start of the financial year which has resulted in higher than budgeted spend. The Council's response to the Covid pandemic has included reprioritising the activities of preventative services and this is expected to have an adverse effect on demand for social care during the course of the pandemic. An estimate of the resulting pressure has been incorporated into the forecast position.

+0.472      (+4%)
- **Older People** – a +£0.982m pressure is forecast. The Council's response to the Covid pandemic has included reprioritising the activities of preventative services and this is expected to have an adverse effect on demand for social care during the course of the pandemic. This is currently being reflected through increased levels of community-based care provided since the start of the financial year. Conversely, the Covid pandemic is having a significant impact on existing clients with the most acute needs placed in care homes, resulting in a notable decrease in placements.

+0.982      (+2%)

New placements out of hospital or to facilitate avoidance of admission into hospital are being funded through NHS England as continuing health care in the short term, and it is expected that clients with assessed social care needs will return to local authority funding streams once the immediate crisis is over. A provision has been made for this future commitment within the Older People's Service forecast.
- **Mental Health Services** – a -£0.658m underspend is forecast. The Covid pandemic is having a significant impact on existing elderly clients with the most acute mental health needs, and this is reflected in the May forecast position.

-0.658      (-5%)

New placements out of hospital or to facilitate avoidance of admission into hospital are being funded through NHS England as continuing health care in the short term, and it is expected that clients with assessed mental health social care needs will return to local authority funding streams once the immediate crisis is over. A general provision has been made for this future commitment within the Older People's Service, and work will be undertaken to further refine and apportion this across relevant client groups in due course.

- **Registration & Citizenship Services** – a +£0.550m pressure is forecast. This is due to a forecast under recovery of income in 2020/21, relating predominantly to marriage notice fees, marriage certificates and ceremony fees. +0.550 (+86%)
- **Think Communities** – a +£0.315m pressure is forecast in relation to Think Communities (previously Strengthening Communities). This is due to costs incurred by the Covid-19 co-ordination and distribution hub including food parcels, and the running costs of the distribution centre in Alconbury. +0.315 (+64%)
- **Outdoor Education (includes Grafham Water)** – a +£0.700m pressure is forecast across the Outdoor Centres. This is due to the loss of income as a result of Covid-19 closures of the centres until the end of the Summer Term, and allows for any reduction in costs due to staff being furloughed where appropriate. +0.700 (+908%)
- **Cambridgeshire Music** – a +£0.274m pressure is forecast. This is due to the loss of income directly from the impact of Covid-19 on the service to the end of Summer Term. +0.274 (-%)
- **Alternative Provision and Inclusion** – a -£0.307m underspend is forecast. As part of the SEND Recovery Plan, which seeks to reduce the deficit on the High Needs Block, a reduction of 10% has been applied to the annual funding devolved to secondary schools through the Behaviour and Attendance Improvement Partnerships (BAIPs). The reduction will be applied from the start of the new Academic Year; the forecast underspend therefore reflects the part year impact of this reduction. -0.307 (-5%)
- **SEND Financing - DSG** – a +£12.7m pressure is currently forecast. The SEND service are starting the year with an estimated £12.7m underlying pressure on the High Needs Block of the Dedicated Schools Grant (DSG). This is in addition to the cumulative deficit carried forward on the DSG, which stood at £16.6m at the end of 2019/20.

Between April 2019 and March 2020 we saw an increase in the number of pupils with Education, Health and Care Plans (EHCPs) of 454 (10.4%) taking the total number of pupils with EHCPs to 4,803. This continued growth, along with an increase in complexity of need, has resulted in a pressure on all demand-led elements of the service.

+12.744 (+100%)

The is a ring-fenced grant and, as such, pressures do not currently affect the Council's bottom line, however there is increasing scrutiny and challenge from the Department for Education (DfE) to manage the deficit and evidence plans to reduce spend.

- **Financing DSG** – a -£12.4m required contribution from the Dedicated Schools Grant (DSG) is forecast. This represents the amount that will be drawn down from the DSG reserve in excess of what was budgeted to cover pressures in DSG-funded areas. Within P&C, spend of £69.5m is funded by the ring-fenced DSG. -12.437 (-18%)

Pressures on SEND Financing (£12.7m) and savings within Alternative Provision and Inclusion (-£0.3m) as reported above, will be carried forward as a deficit on the DSG. The final DSG balance brought forward from 2019/20 was a deficit of £16.6m.

- 0-19 Organisation & Planning**– a +£0.287m pressure is forecast. The Attendance and Behaviour service is forecasting a £197k pressure. This is due to the decision not to issue penalty notice fines or initiate any legal proceedings on parents relating to school attendance at least until the end of the Summer Term. The Education Safeguarding team have also seen a loss of income in the summer term due to the cancellation of training courses.
 

+0.287	(+9%)
--------	-------
- Home to School Transport – Special** – a +£0.800m pressure is forecast. A significant increase in transport costs in the latter part of 2019/20 has resulted in an opening pressure of £0.800m. While an increase in pupils receiving SEND Transport of 10% a year has been included within the budget, we have seen an increase in the average cost of transport per pupil in excess of available budget. This is as a result of price inflation as well as complexity of need meaning that more pupils require individual taxis, passenger assistants or a specialised vehicle. In two cases, private ambulances have had to be provided due to the severity of the children's medical needs following risk assessments undertaken by health and safety and insurance colleagues.
 

+0.800	(+7%)
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- Executive Director**– a +£1.330m pressure is forecast. This is in relation to the purchase of Personal Protective Equipment (PPE) for use by CCC staff, in order to comply with government and Public Health England guidance for the protection of front-line workers during the Covid-19 pandemic. Spend has been approximately £200k per month for April and May, with the expectation that it will continue at that rate for several more months before tapering downwards. Some funding is being provided by the NHS to fund PPE in the Council's Reablement service where required where supporting a hospital discharge.
 

+1.330	(+134%)
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- A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£11.676m. For full details, see the [P&C Finance Monitoring Report](https://tinyurl.com/y7xqd8km), (<https://tinyurl.com/y7xqd8km>).

3.2.3 **Public Health:** A balanced budget is forecast for year-end. There are no exceptions to report this month; for full details, see the [PH Finance Monitoring Report](https://tinyurl.com/ybjh2spq), (<https://tinyurl.com/ybjh2spq>).

3.2.4 **Corporate Services:** +£0.104m (+0.6%) pressure is forecast for year-end.

- |  | £m     | %       |
|--|--------|---------|
| <ul style="list-style-type: none"> <li> <b>Director, Customer &amp; Digital Services</b>– a £0.7m pressure is forecast. This relates to a £1m cost in Emergency Management for providing temporary mortuary facilities due to the Covid-19 Pandemic. The costs may partly be offset with financial           </li> </ul> | +0.700 | (+130%) |

contributions from other local authorities (such as Peterborough, Suffolk, Essex) if bodies come from outside the County.

- **Central Services and Organisation-Wide Risks**– a -£0.557m underspend is forecast. This favourable variance is being reported to offset the pressure reported by the LGSS Cambridge office, resulting from a shortfall on the savings target set for LGSS for 2019/20, which has been carried forward into 2020/21. (See also 3.2.9 below.)  
-0.557 (-24%)
- A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£0.104m. For full details, see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/y9vyjfh4), (<https://tinyurl.com/y9vyjfh4>).

3.2.5 **Corporately Managed:** +£0.097m (+0.8%) pressure is forecast for year-end. There are no exceptions to report this month; for full details, see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/y9vyjfh4), (<https://tinyurl.com/y9vyjfh4>).

3.2.6 **CS Financing:** A balanced budget is forecast for year-end. There are no exceptions to report this month; for full details, see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/y9vyjfh4), (<https://tinyurl.com/y9vyjfh4>).

3.2.7 **Commercial & Investment:** +£1.874m (-%) pressure is forecast for year-end.

- |  | £m     | %      |
|--|--------|--------|
| • <b>Property Investments</b> – a £1.5m pressure is forecast. This is due to the following:  |        |        |
| ○ Cambs 2020 Programme removals are expected to cost a further £20k to adhere with the new restrictions.   |        |        |
| ○ The current expected loss from rental income for Brunswick House (student accommodation) is £654k from unoccupied rooms, at another location there is a forecast 50% reduction in rental income for 2 units, £316k due to the impact of the Covid-19 pandemic. We are liaising closely with tenants. | +1.513 | (+32%) |
| ○ A £20m investment into a multi-class credit fund was scheduled to take place in April/May 2020, however, due to the impact of COVID-19 on the financial markets, it was necessary to reassess the viability of this fund to ensure that it still met our investment objectives.                      |        |        |
| • A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£2.129m. For full details, see the <a href="https://tinyurl.com/ybu2gtzm">C&amp;I Finance Monitoring Report</a> , ( <a href="https://tinyurl.com/ybu2gtzm">https://tinyurl.com/ybu2gtzm</a> ).   |        |        |

3.2.8 **Funding Items:** -£16.550m underspend is forecast for year-end. This relates to forecast usage of the unbudgeted Covid-19 support grant from MHCLG in relation to forecast pressures as a result of the Covid-19 pandemic.

3.2.9 **LGSS Operational:** +£0.557m (+8.3%) pressure is forecast for year-end.

- |   | £m     | %     |
|---|--------|-------|
| • <b>LGSS Cambridge Office</b> – LGSS Cambridge Office budgets are currently predicting a pressure of £0.557m as a result of a shortfall on the £0.919m savings target set for LGSS for 2019/20 which has been carried forward into 2020/21. Some savings were identified and delivered in 2019/20, but the remainder were put on hold pending the outcomes of the review of the LGSS | +0.557 | (+8%) |

operating model. The pressure position has been agreed with the CCC s151 officer. A -£0.557m underspend is being reported in Central Services and Organisation-Wide Risks within Corporate Services to offset this pressure. (See also 3.2.4 above.)

- For full details, see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/y9vyjfh4), (<https://tinyurl.com/y9vyjfh4>).

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

#### **4. KEY ACTIVITY DATA**

- 4.1 The latest key activity data for: Children in Care Placements; Special Educational Needs (SEN) Placements; Adults & Safeguarding; Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest [P&C Finance Monitoring Report](https://tinyurl.com/y7xqd8km) (section 5), (<https://tinyurl.com/y7xqd8km>).

#### **5. FUNDING CHANGES**

5.1 Coronavirus (COVID-19) pandemic funding - 2<sup>nd</sup> tranche

On 18th April, the Ministry of Housing, Communities and Local Government (MHCLG) announced a second tranche of COVID-19 funding for councils. The Council received an additional £11.512m in unringfenced funds in May 2020. This funding is intended to help Councils address the pressures they are facing in response to the pandemic. MHCLG expect the majority of the funding will be spent on meeting the increased demand for adult social care, including providing additional support to providers.

**General Purposes Committee is asked to approve the earmarking of the unringfenced grant (£11.512m) received in May 2020 for the purposes of responding to the coronavirus pandemic during 2020/21.**

Further details are included on the pandemic estimates in section 3.1.1 above.

## 6. CAPITAL PROGRAMME

6.1 A summary of capital financial performance by service is shown below:

2020-21							TOTAL SCHEME	
Original 2020/21 Budget as per Business Plan £000	Forecast Variance - Outturn (Apr) £000	Service	Revised Budget for 2020/21 £000	Actual- Year to Date (May) £000	Forecast Variance - Outturn (May) £000	Forecast Variance - Outturn (May) %	Total Scheme Revised Budget (May) £000	Total Scheme Forecast Variance (May) £000
29,051	-	P&E	53,032	-1,465	-	0.0%	421,235	-
61,817	-	P&C	48,333	179	-0	0.0%	571,293	-
10,866	-	CS	17,230	411	-	0.0%	68,918	-
140	-	Corporately Managed	913	391	-	0.0%	7,134	-
74,569	-	C&I	70,536	2,625	-	0.0%	442,192	-
-	-	Outturn adjustment	-	-	-	-	-	-
<b>176,443</b>	-	<b>Total Spending</b>	<b>190,045</b>	<b>2,141</b>	<b>-0</b>	<b>0.0%</b>	<b>1,510,772</b>	<b>-</b>

### Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 6.2.
2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2020/21 of £30.8m and is currently forecasting a balanced budget at year-end.
3. The 'Total Scheme Forecast Variance' reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.



- 6.2 A summary of the use of capital programme variations budgets by services is shown below. As forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when re-phasing exceeds this budget.

2020-21					
Service	Capital Programme Variations Budget	Forecast Variance - Outturn (May)	Capital Programme Variations Budget Used	Capital Programme Variations Budget Used	Revised Forecast Variance - Outturn (May)
	£000	£000	£000	%	£000
P&E	-6,402	0	0	0.00%	0
P&C	-7,541	-98	98	1.30%	-0
CS	-2,001	0	0	0.00%	0
Corporately Managed	0	0	0	0.00%	0
C&I	-17,692	0	0	0.00%	0
Outturn adjustment	-	-	-	-	-
<b>Total Spending</b>	<b>-33,636</b>	<b>-98</b>	<b>98</b>	<b>0.29%</b>	<b>-0</b>

- 6.3 A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.25m or greater are identified below.
- 6.3.1 **Place & Economy:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full details, see the [P&E Finance Monitoring Report](https://tinyurl.com/yaeqxkbf), (<https://tinyurl.com/yaeqxkbf>).
- 6.3.2 **People & Communities:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full details, see the [P&C Finance Monitoring Report](https://tinyurl.com/y7xqd8km), , (<https://tinyurl.com/y7xqd8km>).
- 6.3.3 **Corporate Services:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full reported details, see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/y9vyjfh4), (<https://tinyurl.com/y9vyjfh4>).
- 6.3.4 **Corporately Managed:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full reported details, see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/y9vyjfh4), (<https://tinyurl.com/y9vyjfh4>).
- 6.3.5 **Commercial & Investment:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full reported details, see the [C&I Finance Monitoring Report](https://tinyurl.com/ybu2gtzm), (<https://tinyurl.com/ybu2gtzm>).
- 6.4 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.25m or greater are identified below:
- 6.4.1 **Place & Economy:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full details, see the [P&E Finance Monitoring Report](https://tinyurl.com/yaeqxkbf), (<https://tinyurl.com/yaeqxkbf>).

6.4.2 **People & Communities:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full details, see the [P&C Finance Monitoring Report](https://tinyurl.com/y7xqd8km), , (<https://tinyurl.com/y7xqd8km>).

6.4.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full details, see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/y9vyjfh4), (<https://tinyurl.com/y9vyjfh4>).

6.4.4 **Corporately Managed:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full details, see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/y9vyjfh4), (<https://tinyurl.com/y9vyjfh4>).

6.4.5 **Commercial & Investment:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full details, see the [C&I Finance Monitoring Report](https://tinyurl.com/ybu2gtzm), (<https://tinyurl.com/ybu2gtzm>).

6.5 A breakdown of the changes to funding has been identified in the table below.

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding <sup>1</sup> £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	17.8	-	6.0	-1.0	22.8	22.8	-
Basic Need Grant	20.6	-	-	-	20.6	20.6	-
Capital Maintenance Grant	3.9	-	-	-0.4	3.5	3.5	-
Devolved Formula Capital	0.8	1.4	-	-0.0	2.2	2.2	-
Specific Grants	9.0	0.1	2.7	1.8	13.7	14.0	0.3
S106 Contributions & Community Infrastructure Levy	8.5	2.7	0.1	1.1	12.4	12.2	-0.1
Capital Receipts	7.3	11.3	-	-5.1	13.5	16.2	2.7
Other Contributions	11.4	0.0	7.8	8.5	27.7	29.7	2.0
Revenue Contributions	-	-	-	-	-	-	-
Prudential Borrowing	97.1	45.6	-63.0	-6.1	73.7	68.8	-4.9
<b>TOTAL</b>	<b>176.4</b>	<b>61.2</b>	<b>-46.3</b>	<b>-1.2</b>	<b>190.0</b>	<b>190.0</b>	<b>-</b>

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

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

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	All Services	+£61.2	<p>The Capital Programme Board has reviewed overspends and underspends at the end of 2019/20, and many of these are a result of changes to the timing of expenditure, rather than variations against total costs. As such, this funding is still required in 2020/21 to complete projects. Of the £61.2m funding to be carried forward, £45.6m relates to prudential borrowing, of which £13.6m relates to a rephasing of Investment in Connecting Cambridgeshire, £11.3m to a rephasing of the Commercial Investments, and £10.1m to a rephasing of Housing schemes.</p> <p>Further details are available in Appendix 3, which shows capital roll-forwards.</p> <p><b>General Purposes Committee is asked to approve the carry forward of £61.2m capital funding from 2019/20 to 2020/21 and beyond.</b></p>
Revised Phasing	All Services	-£46.3	<p>There have been some changes to schemes since the 2020/21 Business Plan was finalised. The following schemes have been rephased resulting in the following changes to their 2020/21 funding requirement:</p> <p><b>P&amp;E, +£2.0m:</b></p> <ul style="list-style-type: none"> <li>Waste – Household Recycling Centre (HRC) Improvements (-£2,793k)</li> <li>Abbey Chesterton Bridge (+£1,043k)</li> <li>Wisbech Town Centre Access Study (+£3,641k)</li> </ul> <p><b>P&amp;C, -£30.9m</b></p> <ul style="list-style-type: none"> <li>Sawtry New Primary (-£350k)</li> <li>Chatteris New School (-£6,850k) (Project amalgamated with Cromwell Secondary below)</li> <li>WING Development – Cambridge (new primary) (-£6,279k)</li> <li>St Philips Primary School (-£851k)</li> <li>Northstowe secondary (-£371k)</li> <li>Alconbury Weald secondary and Special (-£770k)</li> <li>New secondary capacity to serve Wisbech (-£3,342k)</li> <li>Cromwell Community College (+£6,131k)</li> <li>LA Early Years Provision (-£1,046k)</li> <li>Samuel Pepys Special School (-£1,322k)</li> </ul>

			<p><b>CS, -£14.8m</b></p> <ul style="list-style-type: none"> <li>IT Strategy (-£1,554k)</li> <li>Investment in Connecting Cambridgeshire (-£7,859k)</li> </ul> <p><b>C&amp;I, -£30.7m</b></p> <ul style="list-style-type: none"> <li>Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride (-£2,196k)</li> <li>Stanground Closed Landfill Energy Project (-£7,536k)</li> <li>North Angle Solar Farm, Soham (-£20,331k)</li> <li>LGSS Law Equity (-£475k)</li> </ul> <p>Other schemes below the de minimis make up the difference.</p> <p><b>General Purposes Committee is asked to approve the -£46.3m revised phasing of funding in relation to schemes as set out above.</b></p>
Additional/ Reduction in Funding (Specific Grants and Section 106 contributions)	P&E, P&C and C&I	+£2.2	<p><b><u>P&amp;E, +£2.2m:</u></b>  <b>Highways England, +£1.5m:</b>  Additional Highways England funding of £1.472m is anticipated for A14 Cycling schemes.</p> <p><b>Allocation of Section 106 contributions, +£0.7m:</b>  Existing Section 106 contributions of £0.740m are being allocated to the Fendon Road Roundabout.</p> <p><b><u>P&amp;C, -£0.4m</u></b>  The School Conditions grant allocation from Central Government has decreased by £418k</p> <p><b><u>C&amp;I, +£0.4m:</u></b>  Additional grant funding of £353k is anticipated from Central Government for the Swaffham Prior Energy project.</p> <p><b>General Purposes Committee is asked to note the changes in capital grants and Section 106 funding of £2.2m as outlined above.</b></p>
Additional/ Reduction in Funding (Grants)	P&C	+£0.8  -£0.8	<p>At the April Capital Programme Board (CPB) meeting, CPB received a virement request to move £750k budget from Temporary Accommodation to the School Condition, Maintenance &amp; Suitability budget to reflect the 2020/21 minor works and condition work requirements. CPB was provided with schedules of works for the two budgets and is recommending the approval of this virement to GPC.</p>

			<b>General Purposes Committee is asked to approve the £750k virement from the P&amp;C Temporary Accommodation budget to the P&amp;C School Condition Maintenance &amp; Suitability budget</b>
Additional/ Reduction in Funding (Other contributions)	P&E	+£2.9	<p>Additional contributions are anticipated from the Combined Authority in 2020/21 in relation to the following schemes:</p> <ul style="list-style-type: none"> <li>• A505 (£280k)</li> <li>• Coldham's Lane Roundabout (£1,100k)</li> <li>• Other Combined Authority schemes (£1.553k)</li> </ul> <p><b>General Purposes Committee is asked to note the additional Combined Authority contributions funding of £2.9m as outlined above.</b></p>
Additional/ Reduction in Funding (Capital Receipts)	P&C and C&I	-£5.1	<p><b><u>P&amp;C, -£1.0m:</u></b> A reduction of £1m in the use of capital receipts is anticipated in relation to the scheme to amalgamate Eastfield Infant and Westfield Junior School as the scheme for the new build is no longer going ahead.</p> <p><b><u>C&amp;I, -£4.1m:</u></b> Due to updated assumptions regarding This Land overage, it is no longer anticipated that £4.1m capital receipts will be received in relation to Commercial Investments schemes in 2020/21.</p> <p>Future year changes will be managed through the 2021/22 Business Planning process.</p> <p><b>General Purposes Committee is asked to note the £5.1m reduction in capital receipts funding in 2020/21 in relation to the above schemes</b></p>
Additional/ Reduction in Funding (Prudential borrowing)	P&C	+£0.4	<p>As noted above, the School Condition Funding allocation from Central Government has reduced by £418k. This funding is still required for schools' condition works; additional prudential borrowing is therefore requested to offset the reduction in grant funding.</p> <p><b>General Purposes Committee is asked to note the reduction in School Condition Funding and to approve additional prudential borrowing of £418k to offset the reduction.</b></p>
Additional/ Reduction in Funding (Prudential borrowing)	P&C	-£4.4	<p>As noted above, the scheme for the new build for the St Ives, Eastfield / Westfield / Wheatfields primary school is no longer going ahead. This will result in a reduction in the</p>

			<p>required prudential borrowing of £3.036m in 2020/21.</p> <p>An overall cost reduction of Cambourne Village College scheme is expected as phase 3b of the scheme is no longer going ahead. This will result in a reduction in the required prudential borrowing of £1.343m in 2020/21.</p> <p>Future year changes will be managed through the 2021/22 Business Planning process.</p> <p><b>General Purposes Committee is asked to note this £4.4m reduction in prudential borrowing in 2020/21 in relation to the above schemes.</b></p>
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- 6.7 Additional funding of £330k is requested in 2020/21 for the Mill Road Former Library project. Mill Road Former Library Building is a Grade II listed building that was vacated in January 2020 when the tenancy was brought to an end. It was returned in a state of disrepair due to the tenant's neglect and inability to fund repairs. Throughout the tenancy, it was regularly inspected on behalf of CCC as freeholder and appropriate steps were taken against the tenant to force them to address the condition issues. Urgent works are required in order to rectify problems with the structure to ensure that it is safe, wind and water tight at an estimated cost of £330k. Cambridge City Conservation officers will serve a notice on CCC if these works are not carried out. The cost is based on detailed inspections carried out by conservation architects who are currently obtaining quotations for the work.

The Cambs 2020 Board is considering if the building is required partially/wholly for CCC office use. Further fit out costs will be required depending on the final use. If the building is not required for Cambs 2020 Programme, the proposal would be to dispose of the asset on the open market to generate a capital receipt. There have been approaches from several parties. The scheme will be funded by borrowing; the estimated annual cost of borrowing for this scheme will start in 2021/22 at £18k, and decreases each year thereafter.

**General Purposes Committee is asked to approve additional prudential borrowing of £330k in 2020/21 for the Mill Road Former Library scheme.**

- 6.8 Additional funding of £352k is requested in 2020/21 for Building Maintenance. This request is in order to undertake statutory works to various CCC buildings, highlighted in condition surveys. The request relates to level 1 works such as accessible toilet compliance and roof repairs. The scheme will be funded by borrowing; the estimated annual cost of borrowing for this scheme will start in 2021/22 at £20k, and decreases each year thereafter.

**General Purposes Committee is asked to approve additional prudential borrowing of £352k in 2020/201 for the Building Maintenance scheme.**

- 6.9 At the June Commercial and Investment (C&I) Committee meeting, C&I Committee considered a report from which the press and public were excluded, on the acquisition of a St Ives Industrial Unit in relation to the relocation of the Library Service. C&I Committee delegated the approval of the purchase of a new freehold industrial unit in St Ives to the Deputy Chief Executive in consultation with the Chair of C&I Committee to a maximum capital value (agreed at the meeting) of £1.5m exclusive of stamp duty and fees but exclusive of

VAT), subject to assurances from the Communities and Partnership Committee Chairman regarding efficient governance, including Public Health. Funding for the full cost of the acquisition, set out in the confidential report to C&I, is now requested from prudential borrowing. The increase in the annual cost of borrowing will start in 2021/22 at £22k, and decreases each year thereafter.

**General Purposes Committee is asked to approve additional prudential borrowing in 2020/21 for the Cambs 2020 Spokes capital programme budget to cover the full costs of a property acquisition in St Ives**

- 6.10 At the July Commercial and Investment (C&I) Committee meeting, C&I Committee is considering recommending to General Purposes Committee the provision of a £400k Covid-19 risk budget for the Civic Hub, to be funded by prudential borrowing. At present the Council's contractor is reporting a 7-week delay to the contract completion date, which would still see the building complete in spring 2021. The risk register and related contingency allowance for this project understandably did not account for the outbreak of a pandemic and allowances were therefore not made. The risk of Covid-19 impacting the project further remains live and the cost and programme impact to the end of the project cannot be fully quantified at this stage. However, based on an estimate of the potential reductions in productivity through to completion and an allowance for further supply chain issues, it is proposed that a specific Covid-19 project risk budget allowance of £400k now be provided. This will be funded by prudential borrowing; the annual cost of this additional prudential borrowing if required will start in 2021/22 at £21k per annum, decreasing each year thereafter over 35 years.

**General Purposes Committee is asked to approve additional prudential borrowing of up to £400k in 2020/21 for a Covid-19 risk budget for the Civic Hub construction project. (This is subject to approval of the recommendation by C&I Committee at the 10<sup>th</sup> July C&I meeting.)**

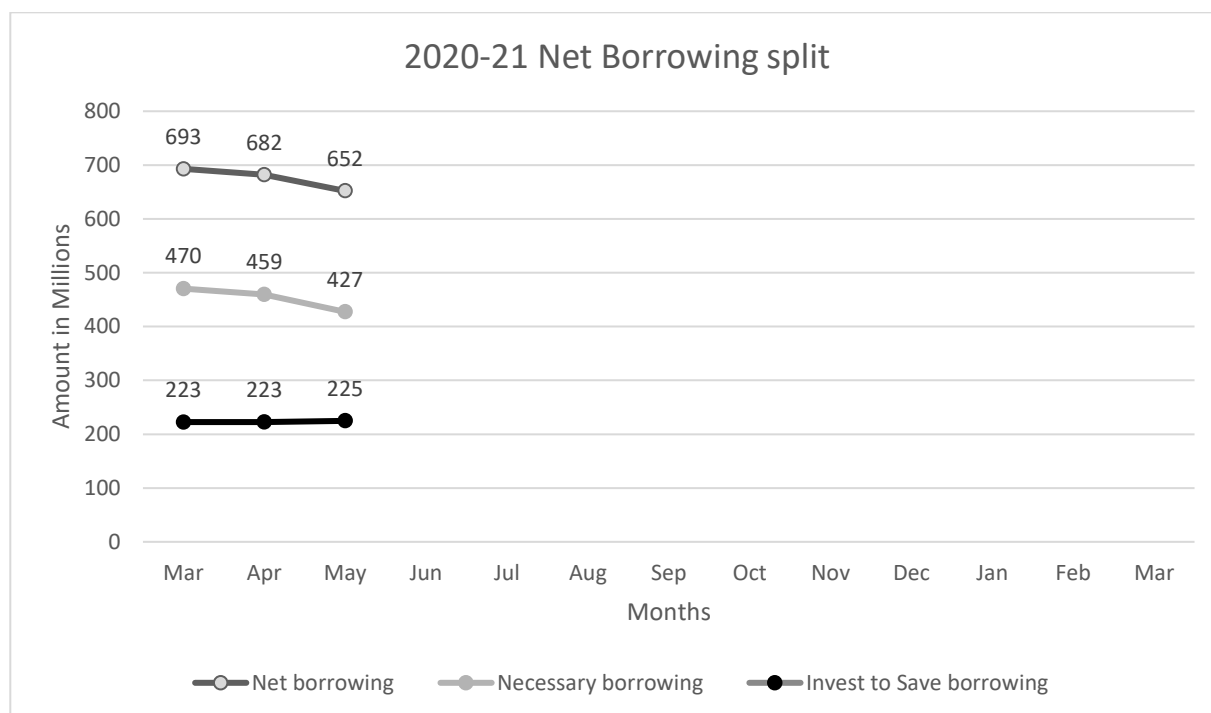
## 7. BALANCE SHEET

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

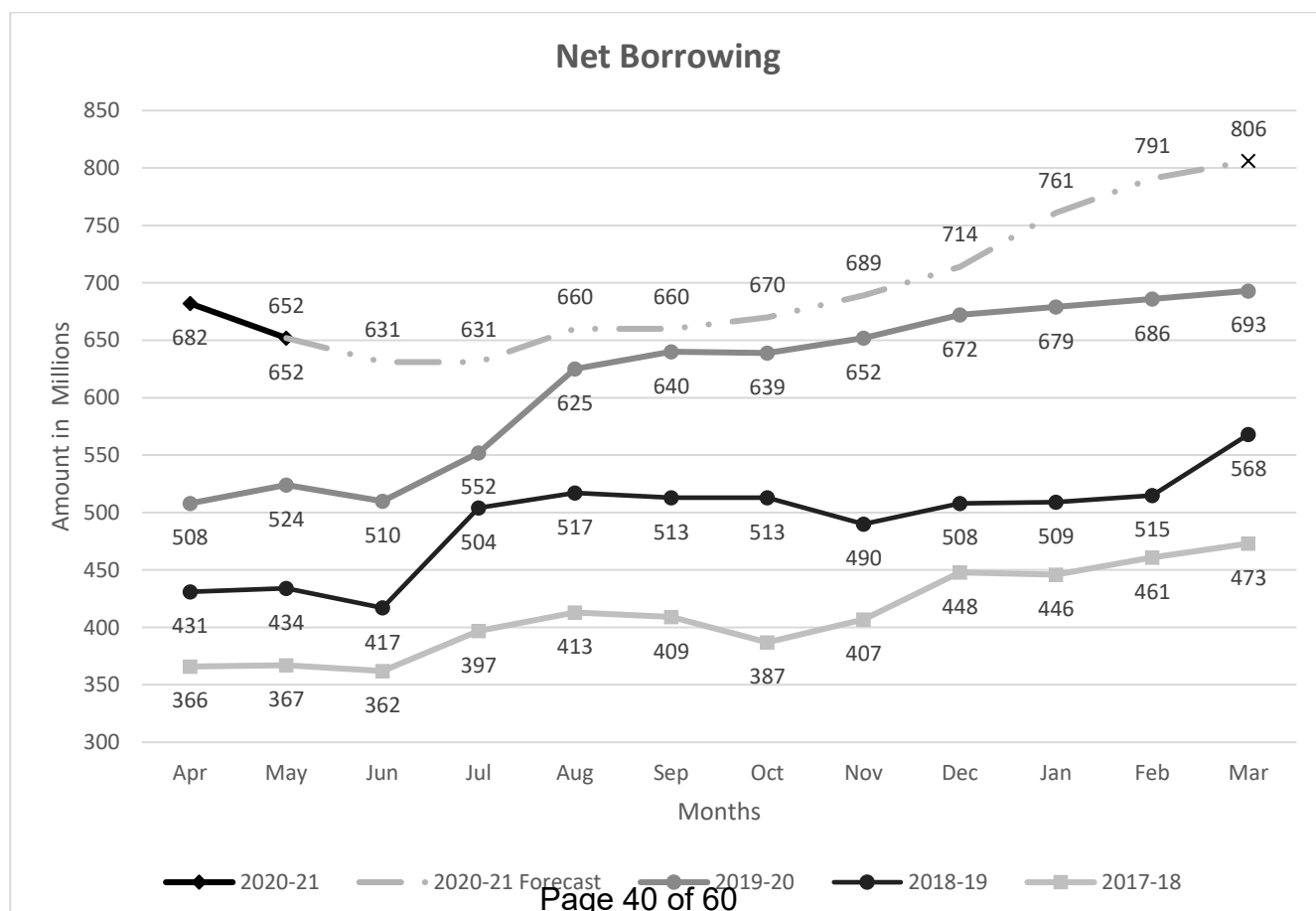
Measure		Year End Target	Actual as at the end of May 2020 <sup>1</sup>
Level of debt outstanding (owed to the council) 91 days +, £m	Adult Social Care	£3.37m	£5.71m
	Sundry	£1.71m	£2.15m

<sup>1</sup> The debt figures from Oct 19 onwards exclude Cambridgeshire & Peterborough CCG debts as these are considered collectable and are subject to separate reconciliation. The amount of debt owed by Cambridgeshire & Peterborough CCG exceeding one year hold was £3.89m. The overdue amounts primarily relate to funding contributions to nursing care and for aftercare provided under section 117 of the Mental Health Act. The CCG now funds care homes for nursing care directly, rather than via the Council, so this issue relates to historic sums accrued between 2017 and 2019. Individual payments continue to be received and officers are working to reconcile these to payments owed and allocate against specific invoiced amounts. Both the Council and the CCG continue to work together to agree, expedite and reconcile payments for clients eligible for NHS funding.

- 7.2 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2020-21, it is estimated that £225m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3<sup>rd</sup> parties in order to receive a financial return.



- 7.3 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. At the end of May 2020, investments held totalled £91.5m (excluding 3<sup>rd</sup> party loans) and gross borrowing totalled £743.9m, equating to a net borrowing position of £652.4m.





- 7.4 The Council's cash flow profile – which influences the net borrowing requirement - varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, council tax etc.). As illustrated by 2019-20 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2020-21 net borrowing position is expected to take a similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.
- 7.5 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2020-21 TMSS was set in February 2020, it anticipated that net borrowing would reach £846.0m by the end of this financial year. Based on the 2019-20 outturn position and subsequent revisions to the capital programme, this is still forecast to be £806.0m by the end of this financial year, remaining on target.
- 7.6 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings and consequently holding less investments reduces the Council's exposure to credit risk. However, this approach carries with it interest rate risk and officers continue to monitor options as to the timing of any potential longer term borrowing should underlying interest rates be forecast to rise in a sustained manner
- 7.7 There is a link between the capital financing borrowing requirement, the net borrowing position and consequently net interest costs. However, the Debt Charges budget is prudently formulated with sensitivity to additional factors including projected levels of cash-backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.
- 7.8 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](https://tinyurl.com/ybacyogm), (<https://tinyurl.com/ybacyogm>).
- 7.9 The Council's reserves include various earmarked reserves (held for specific purposes), as well as provisions (held for potential liabilities) and capital funding. A schedule of the Council's reserves and provisions can be found in [Appendix 2](#).

## **8. ALIGNMENT WITH CORPORATE PRIORITIES**

### **8.1 A good quality of life for everyone**

There are no significant implications for this priority.

### **8.2 Thriving places for people to live**

There are no significant implications for this priority.

### **8.3 The best start for Cambridgeshire's children**

There are no significant implications for this priority.

### **8.4 Net zero carbon emissions for Cambridgeshire by 2050**

There are no significant implications for this priority.

## 9 SIGNIFICANT IMPLICATIONS

### 9.1 Resource Implications

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

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

There are no significant implications within this category.

### 9.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

### 9.4 Equality and Diversity Implications

There are no significant implications within this category.

### 9.5 Engagement and Consultation Implications

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

### 9.6 Localism and Local Member Involvement

There are no significant implications within this category.

### 9.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/Council Contract Procedure Rules implications been cleared by Finance?	No Name of Legal Officer: Not applicable
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	No Name of Legal Officer: Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	No Name of Officer: Not applicable
Have any engagement and communication implications been cleared by Communications?	No Name of Officer: Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	No Name of Officer: Not applicable

<b>Have any Public Health implications been cleared by Public Health</b>	No Name of Officer: Not applicable

<b>Source Documents</b>	<b>Location</b>
P&E Finance Monitoring Report (May 20) P&C Finance Monitoring Report (May 20) PH Finance Monitoring Report (May 20) CS and LGSS Cambridge Office Finance Monitoring Report (May 20) C&I Finance Monitoring Report (May 20) Capital Monitoring Report (May 20) Report on Debt Outstanding (May 20)	1 <sup>st</sup> Floor, Octagon, Shire Hall, Cambridge

**APPENDIX 1 – transfers between Services throughout the year** (only virements of £1k and above (total value) are shown below)

	<b>P&amp;C</b>	<b>Public Health</b>	<b>P&amp;E</b>	<b>CS Financing</b>	<b>Corporate Services</b>	<b>Corporately Managed</b>	<b>C&amp;I</b>	<b>LGSS Op</b>	<b>Financing Items</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Opening Cash Limits as per Business Plan	275,096	0	56,470	29,570	17,215	12,226	-9,277	6,286	16,844
Greater Cambridge Partnership budgets not reported in CCC budget					-649				
Cambridgeshire Music and Outdoor Education - moving from C&I to P&C	-72						72		
Integrated Finance- moving from LGSS to Corporate Services					6			-6	
Transfer re Social Work recruitment	31				-31				
Transfer for temporary relocation of Babbage House staff					-15		15		
Transfer from Democratic Services to School Organisation and Planning Service	29				-29				
Transfer from Fostering to Communications	-34				34				
Transfer of IT trainer budgets from LGSS to Corporate Services IT & Digital Service					262			-262	
Transfer of IT CCC SLA, Customer Services, Desktop and laptop charges to LGSS to replace annual recharging	-20				-400	-255		675	
Transfer of Ely Archives property costs from P&C to County Offices	-78						78		
County Offices and Early Help District Delivery Service adjustments	-5						5		
<b>Current budget</b>	<b>274,947</b>	<b>0</b>	<b>56,470</b>	<b>29,570</b>	<b>16,394</b>	<b>11,971</b>	<b>-9,107</b>	<b>6,692</b>	<b>16,844</b>
Rounding	0	0	0	0	0	0	0	1	0

## APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2020	2020-21		Forecast Balance 31 March 2021	Notes
		Movements in 2020-21	Balance at 31 May 2020		
	£000s	£000s	£000s	£000s	
<b><u>General Reserves</u></b>					
- County Fund Balance	17,658	1,830	19,488	18,174	
- Services					
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	0	0	0	0	
4 LGSS Operational	825	-228	597	597	
subtotal	18,483	1,602	20,085	18,771	
<b><u>Earmarked</u></b>					
- Specific Reserves					
5 Insurance	4,165	-59	4,106	4,106	
subtotal	4,165	-59	4,106	4,106	
- Equipment Reserves					
6 P&C	0	0	0	0	
7 P&E	0	0	0	0	
8 CS	3	-3	0	0	
9 C&I	0	0	0	0	
subtotal	3	-3	0	0	
<b><u>Other Earmarked Funds</u></b>					
10 P&C	1,097	0	1,097	1,097	
11 PH	2,728	0	2,728	2,469	
12 P&E	4,669	-83	4,586	1,312	Includes liquidated damages in respect of the Guided Busway
13 CS	5,370	0	5,370	5,178	
14 Corporately Managed	63	0	63	63	
15 C&I	705	0	705	705	
16 Transformation Fund	24,593	8,645	33,238	26,517	Savings realised through change in MRP policy.
17 Innovate & Cultivate Fund	972	0	972	536	
18 Corporate	14,612	0	14,612	0	Includes COVID-19 Support Grant
subtotal	54,809	8,562	63,371	37,878	
<b>SUB TOTAL</b>	<b>77,460</b>	<b>10,102</b>	<b>87,561</b>	<b>60,754</b>	
<b><u>Capital Reserves</u></b>					
- Services					
19 P&C	2,518	0	2,518	2,518	
20 P&E	5,024	7	5,031	0	
21 Corporately Managed	0	0	0	0	
22 C&I	11,632	0	11,632	2,849	
23 Corporate	60,761	1,184	61,945	49,717	Section 106 and Community Infrastructure Levy balances.
subtotal	79,935	1,191	81,126	55,084	
<b>GRAND TOTAL</b>	<b>157,395</b>	<b>11,293</b>	<b>168,688</b>	<b>115,839</b>	

In addition to the above reserves, specific provisions have been made that set aside sums to meet both current and long term liabilities that are likely or certain to be incurred, but where the amount or timing of the payments are not known. These are:

Fund Description	Balance at 31 March 2020	2020-21		Forecast Balance 31 March 2021	Notes
		Movements in 2020-21	Balance at 31 May 2020		
	£000s	£000s	£000s	£000s	
<b>- Short Term Provisions</b>					
1 P&E	0	0	0	0	
2 P&C	224	0	224	224	
3 CS	0	0	0	0	
4 Corporately Managed	2,093	0	2,093	2,093	
5 C&I	0	0	0	0	
subtotal	2,317	0	2,317	2,317	
<b>- Long Term Provisions</b>					
6 Corporately Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
<b>GRAND TOTAL</b>	<b>5,930</b>	<b>0</b>	<b>5,930</b>	<b>5,930</b>	

**CHANGE IN FIGURES**
**COMPLETE WHITE FIELDS - COLUMNS P AND Q**

COMPLETE WHITE FIELDS - COLUMNS P AND Q		EXPENDITURE								FUNDING						Reason for Change in Spend / Rephasing	Is there a detailed plan for spend in place? Y/N
Scheme Ref.	Scheme Name	Up to 2019-20 (£k)	2020-21 (£k)	2021-22 (£k)	2022-23 (£k)	2023-24 (£k)	2024-25 (£k)	Later Yrs (£k)	TOTAL (£k)	Grants (£k)	Dvp Cont. (£k)	Other Cont. (£k)	Capital Receipts (£k)	Borrowing (£k)			
A/C.01.021	North West Cambridge (NIAB site) primary	2	100	-2	-100	-	-	-	-	-	-	-	-	-	Rephased from 2023 as current capacity in the area and no basic need requirement	Y	
A/C.01.028	Fulbourn Primary Phase 2	-10	10	-	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.029	Sawtry New Primary	-50	-300	350	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.034	St Neots, Winttringham Park primary	21	-	-21	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.037	Chatteris New School	-2,929	-3,950	-99	-	-	-	-	-6,978	-3,800	-	-	-	-3,178	Project amalgamated with Cromwell Secondary as not possible to split all costs.		
A/C.01.039	Wyton Primary	109	-52	-	-	-	-	-	57	-	-	-	-	57	Increased spend		
A/C.01.040	Confidential Scheme	-1	1	-	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.041	Barrington Primary	-41	-	41	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.043	Confidential Scheme	-	-189	-3,381	1,890	1,554	126	-	-	-	-	-	-	-	Rephasing		
A/C.01.046	Sawston Primary	-19	19	-	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.048	Histon Additional Places	-471	265	206	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.062	Waterbeach Primary School	-45	-	45	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.065	New Road Primary	10	-250	240	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.066	Bassingbourn Primary School	-126	60	66	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.067	WING Development - Cambridge (new primary)	121	-6,400	3,379	2,646	254	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.068	St Philips Primary School	-61	-790	851	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.01.069	Confidential Scheme	-	-	-	-	-	-	-	-	-	-	-	-	-			
A/C.01.070	St Ives, Eastfield / Westfield / Wheatfields primary	64	-4,100	-2,200	-274	-	-	-	-6,510	-1,680	-	-	-1,000	-3,830	Scheme for new build not continuing. Member agreement to spend £1m on conditions		
A/C.01.071	Confidential Scheme	-	-180	-3,820	2,200	1,740	60	-	-	-	-	-	-	-	Rephasing		
A/C.02.003	Littleport secondary and special	-87	87	-	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.02.006	Northstowe secondary	2,029	-2,400	371	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.02.008	Cambridge City secondary	-90	-50	-	-	-	-	-	-140	-	-	-	-	-140	Underspend on St Bedes Element		
A/C.02.009	Confidential Scheme	-20	-750	770	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.02.010	Cambourne Village College	-1,300	-43	-	-	-	-	-	-1,343	-	-	-	-	-1,343	Phase 3b original scheduled within this phase - no longer happening		
A/C.02.011	New secondary capacity to serve	-492	-2,850	3,342	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.02.012	Cromwell Community College	1,881	4,250	847	-	-	-	-	6,978	3,800	-	-	-	3,178	Project amalgamated with Chatteris New School as not possible to split all costs and its an extension of age range of the secondary		
A/C.02.013	Confidential Scheme	-	20	-	-	-20	-	-	-	-	-	-	-	-	Rephasing		
A/C.03.003	LA Early Years Provision	-1,946	900	1,046	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.03.004	Cottenham Early Years	-128	128	-	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.04.007	William Westley Primary	-1	1	-	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.05.001	School Condition, Maintenance & Suitability	-582	1,332	-	-	-	-	-	750	750	-	-	-	-	Virement as per CPB paper and C/F of additional budget agreed 19/20 for Galfrid		
A/C.07.001	School Devolved Formula Capital	-1,400	1,381	-	-	-	-	-	-19	-19	-	-	-	-	Reduction to reflect change in grant & 19/20 c/f		
A/C.08.005	Spring Common Special School	68	-	-68	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.08.006	Highfields Special School Phase 2	170	-200	30	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.08.007	Confidential Scheme	-22	-1,300	1,322	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.10.001	Temporary Accommodation	-	-750	-	-	-	-	-	-750	-1,168	-	-	-	418	Change of funding to reflect reduction in Schools Condition. Virement as per CPB paper		
A/C.13.002	Library Service - Card payments in Libraries	-74	74	-	-	-	-	-	-	-	-	-	-	-	Rephasing		
A/C.13.003	Community Hubs - Sawston	-436	436	-	-	-	-	-	-	-	-	-	-	-	Rephasing		
C/C.1.001	Essential CCC Business Systems Upgrade	-34	34	-	-	-	-	-	-	-	-	-	-	-	requesting underspend to move to 20-21		
C/C.1.006	Data Centre Relocation	-196	440	-244	-	-	-	-	-	-	-	-	-	-	programme requires spend in 20-21		
C/C.1.007	IT Strategy	-1,554	-	1,554	-	-	-	-	-	-	-	-	-	-	programme requires spend in 20-21/22		
C/C.2.010	IT Infrastructure Refresh	76	25	25	14	-140	-	-	-	-	-	-	-	-	Revised phasing		
B/C.1.009	Major Scheme Development & Delivery	-221	221	-	-	-	-	-	-	-	-	-	-	-	Stutney cycleway and Northstowe bus link delayed in 19/20	Y	
B/C.1.011	Local Infrastructure improvements	-116	157	-	-	-	-	-	41	-	-	41	-	-	Delays with schemes taking place in 19/20, schemes to be completed in 20/21 - more details available	Y	
B/C.1.012	Safety Schemes	-328	328	-	-	-	-	-	-	-	-	-	-	-	Delays with schemes taking place in 19/20, schemes to be completed in 20/21 - more details available	Y	
B/C.1.019	Delivering the Transport Strategy Aims	-1,892	3,389	75	-	-	-	-	1,572	1,472	100	-	-	-	Delays with schemes taking place in 19/20, schemes to be completed in 20/21 - more details available. New HE funded schemes	Y	
B/C.1.020	A14	-	-	-	-	-	-	-	-	-1,000	-	-	-	1,000	Borrowing for 20/21 agreed by GPC Apr 2020		
B/C.2.001	Carriageway & Footway Maintenance including Cycle Paths	-1,412	1,412	-	-	-	-	-	-	-	-	-	-	-	Delays with schemes taking place in 19/20, schemes to be completed in 20/21 - more details available	Y	
B/C.2.004	Bridge strengthening	-642	642	-	-	-	-	-	-	-	-	-	-	-	Delays with schemes taking place in 19/20, schemes to be completed in 20/21 - more details available	Y	
B/C.2.005	Traffic Signal Replacement	-886	886	-	-	-	-	-	-	-575	575	-	-	-	Delays with schemes taking place in 19/20, schemes to be completed in 20/21 - more details available	Y	
B/C.3.001	Highways Maintenance (carriageways only from 2015/16 onwards)	-386	602	-	-	-	-	-	216	-	-	216	-	-	A number of schemes carried over from 19/20. LTP grant used instead of borrowing in 19/20 due to delays in work, adjustment for that funding in 20/21.	Y	
B/C.4.023	Confidential Scheme	84	7,380	-3,121	-825	-	-	-	3,518	-	-	-	-	3,518	Confidential scheme	Y	
B/C.5.012	Confidential Scheme	-180	-2,613	2,793	-	-	-	-	-	-	-	-	-	-	Confidential scheme	Y	
B/C.5.029	Energy Efficiency Fund	-276	276	-	-	-	-	-	-	-	-	-	-	-	Schemes not completed in 19/20 due to decisions around situation of spokes for Cams 2020	Y	
B/C.6.001	Confidential Scheme	-13,649	5,790	11,441	-	-	-	-	3,582	-	-	4,730	-	-1,148	Confidential scheme	Y	

**COMPLETE WHITE FIELDS - COLUMNS P AND Q**

**Members can request the unredacted version from [finance@cambridgeshire.gov.uk](mailto:finance@cambridgeshire.gov.uk)**



**CONNECTING CAMBRIDGESHIRE SUPERFAST BROADBAND  
CONTRACT EXTENSION**

*To:* **General Purposes Committee**

*Meeting Date:* **14 July 2020**

*From:* **Executive Director: Place & Economy**

*Electoral division(s):* **All**

*Forward Plan ref:* **2020/041** *Key decision:* **Yes**

*Outcome:* **The increasing importance of digital connectivity for almost all aspects of 21<sup>st</sup> century living from economic activity through to community well-being has been both highlighted and accelerated by the Covid-19 pandemic. This has required many Cambridgeshire and Peterborough businesses and communities to work, communicate and live in very different ways almost overnight, with digital connectivity underpinning many of these changes.**

**Extending the existing Superfast Broadband contract with an additional phase of full fibre rollout and undertaking a business support programme on behalf of the Cambridgeshire and Peterborough Combined Authority will ensure more homes and businesses in Cambridgeshire have access to leading edge technology and digital connectivity.**

*Recommendation:*      **The General Purposes Committee is recommended to:**

- a) Approve the proposed extension to the Superfast Broadband (SFBB) contract with further expenditure of up to £2.6m subject to the funding mechanisms described.**
- b) Approve the proposal to submit a full application to the European Regional Development Fund (ERDF) for which the County Council is the accountable body. This includes provision for £725k funding to support the SFBB contract extension and £500k towards the delivery of a business support project on behalf of the Cambridgeshire and Peterborough Combined Authority.**
- c) Approve the use of £1.875m from the Superfast Broadband “clawback” investment fund to support the proposed contract extension, subject to confirmation of approval to proceed from the Department for Digital, Culture, Media and Sport (DCMS).**
- d) In the event of a successful ERDF bid and confirmation of approval for the use of clawback funding from DCMS, approve the use of prudential borrowing, if required, to provide interim funding for the SFBB contract extension in advance of the clawback investment fund maturing in 2023.**
- e) Delegate to the Executive Director for Place and Economy, in consultation with the Chairman of General Purposes Committee, contract negotiations and final sign-off for a change control agreement to the existing SFBB contract to incorporate a further phase of rollout.**

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
Name:	Noelle Godfrey	Names:	Councillors Count & Hickford
Post:	Connecting Cambridgeshire Programme Director	Post:	Chair/Vice-Chair
Email:	Noelle.godfrey@cambridgeshire.gov.uk	Email:	<a href="mailto:Steve.Count@cambridgeshire.gov.uk">Steve.Count@cambridgeshire.gov.uk</a> <a href="mailto:Roger.Hickford@cambridgeshire.gov.uk">Roger.Hickford@cambridgeshire.gov.uk</a>
Tel:	01223 699011	Tel:	01223 706398

## **1. BACKGROUND**

- 1.1. The Connecting Cambridgeshire programme was set up by the County Council in 2011, with an initial remit to extend the superfast broadband coverage for homes and businesses, which rapidly broadened to encompass other aspects of digital connectivity.
- 1.2. The Connecting Cambridgeshire programme has multiple strands, however the focus of this report is on the superfast broadband (SFBB) rollout. To date the SFBB rollout has extended access to superfast broadband to around 120,000 homes and businesses across Cambridgeshire and Peterborough that would not have been able to get it otherwise. Combined with commercial coverage, the SFBB rollout has brought high speed Internet access of at least 24Mbps to just under 98% of premises across the county.
- 1.3. From being well behind the national average at the start of the programme, the area is now just above the national average, and currently remains ahead of Government targets. Cambridgeshire and Peterborough have some of the highest take-up of SFBB services in the country - at over 70% for Superfast (FTTC) and over 30% for Fibre to the Premises (FTTP) services.
- 1.4. A fourth phase of the SFBB rollout is currently underway, mainly targeting hard to reach rural premises, aiming to achieve 99% superfast coverage by the end of 2020 (subject to the impact of the Covid-19 outbreak).
- 1.5. The initial SFBB rollout incorporated a mix of fibre and copper based technology, however with the increasing reliance on full fibre services, all delivery in the last and any future phases of the contract is solely based on full fibre technology, known as Fibre to the Premise (FTTP).
- 1.6. Following a full procurement process, the Council first signed a gap funding contract with BT/Openreach in 2013. This has been extended over multiple phases and after a further procurement a second contract was signed with BT/Openreach to deliver the fourth phase of deployment. This proposal involves executing a change control to extend the SFBB Phase 4 contract.

## **2. MAIN ISSUES**

### **2.1. “Clawback” investment pot**

The 2013 Superfast broadband (SFBB) contract has a clawback clause which means BT/Openreach are required to pay into a joint investment pot where profits are higher than contractually anticipated. The investment pot is ring-fenced for supporting digital infrastructure roll-out until a certain period after completion of the contract, currently anticipated during the financial year 2023/4.

- 2.1.1. As Government contributed funding to the original contract, they also have a 38% share of the investment pot, which is due to mature in the financial year 2023/4. Take-up of Superfast services has been consistently high and continues to increase, so the investment pot has continued to grow and has already provided significant funding for Phases 3 and 4 of the rollout which has also been supplemented by EU and other Government funding sources.
- 2.1.2. It is estimated that when it matures the total investment pot could reach £14m, of which £8.9m has already been committed to support Phases 3 and 4. This proposal for an extension to Phase 4 will commit a further £1.87m of the investment pot. The proposed extension to the Phase 4 contract is capped at a total of £2.6m because that is the headroom available for contractual variation, based on the contract sum specified during the procurement and it is consistent with the available state aid exemption headroom as part of the Government's operation of the state aid notification from 2016.
- 2.1.3. As the homes and businesses which will be included in this phase include some of the hardest to reach premises the level of public funding could reach the current de facto threshold of up to £7000, but in some cases it is expected to be lower. Exact numbers will not be known until modelling is undertaken as part of a formal change request, however it is anticipated that this additional phase could deploy full fibre to around 350-500 of the hardest to reach premises which would otherwise not covered by commercial deployment.
- 2.1.4. Cambridgeshire County Council is the accountable body for the BT/Openreach contract and the investment pot, acting on behalf of Peterborough City Council in the management and execution of all aspects of SFBB delivery. In line with previous phases of the contract, the geographic scope for the proposed extension will cover both Cambridgeshire and Peterborough. Following confirmation from DCMS regarding use of clawback, a successful ERDF bid and confirmation of continuing joint investment from BT/Openreach, any prudential borrowing required to forward fund the contract extension in advance of the investment pot maturing will be undertaken by Cambridgeshire County Council on behalf of both Councils. Any interest or charges with respect to the prudential borrowing will be repaid in full to the County Council on maturity of the investment pot, in advance of any onward distribution of the remaining balances. Although the scope of the programme has been broadened and supplemented with additional funding sources in addition to the clawback investment pot, the Council's net investment of up to £20m funding for Connecting Cambridgeshire remains as it was set in 2011, when the programme was initially established.

## **2.2. European Regional Development Fund (ERDF) application**

Following submission of an outline application for the proposed SFBB Phase 4 extension, the Ministry of Housing, Communities and Local Government (MHCLG), the body with UK oversight of the ERDF fund, have issued an invitation for the Council to complete a full application. This application must be submitted by the end of July 2020 at the latest to comply with funding cut-off dates.

- 2.2.1. The full application will include two elements: a contribution of £725,000 to support the proposed SFBB Phase 4 extension; and a contribution of £500,000 to a business support programme which will be matched with Cambridgeshire and Peterborough Combined Authority (CPCA) funds. The County Council will act as the accountable body for the total

funding request (£1.25m) but will not be required to make any direct financial contribution to the CPCA project. However as the accountable body and in line with the existing partnership agreement between the County Council and CPCA for the digital infrastructure programme delivery, the County Council will be responsible for the financial and delivery management risk in relation ERDF element of the project.

2.2.2. The aim of the CPCA business support project is to deliver a business grants scheme for small and medium sized businesses to help them transition to increased reliance on digital technology, to support increased productivity and help increase the resilience of the local economy to the economic consequences of the Covid-19 crisis.

2.2.3. This forms part of the “Keeping Everyone Connected” work stream which was approved by the CPCA’s Housing and Communities Committee on 22nd June. Link to report: [CPCA June Housing & Communities Committee Connecting Cambridgeshire Report](#)

## **2.3 Timescales and contract amendment**

The ERDF application has a cut-off date of end July 2020 and the state aid exemption requires any further contractual changes to be completed by December 2020. These timescales mean that there is some urgency in proceeding with a change control request.

BT/Openreach are not contractually bound to agree to a contract extension and the gap funded nature of the arrangement means that any extension will require them to make further investment too, however they have confirmed that they are willing to participate in at least the initial stages of contract negotiation for a further phase. It is likely that any follow on phase will result in the overall SFBB delivery completion being pushed out to at least the latter half of 2022.

## **2.4 Government’s Full Fibre policy**

The UK Government has an existing target of reaching 100% of premises with “gigabit capable” digital infrastructure by 2025 and it has confirmed that around 20% of premises (known as the “F20”) are unlikely to be covered by commercial deployment and will therefore require some form of public subsidy. The Department for Digital, Culture, Media and Sport (DCMS) are currently working on proposals for an “Outside In” programme to support full fibre rollout to the F20, however detailed plans are not expected before autumn this year. As it is currently not clear when the F20 deployments will start, DCMS have indicated that they are supportive of extensions for SFBB contracts to be undertaken where possible in order to maintain the pace of full fibre deployments across the country. DCMS have confirmed that the proposed Phase 4 extension is consistent with their full fibre strategy.

## **3. ALIGNMENT WITH CORPORATE PRIORITIES**

### **3.1 A good quality of life for everyone**

The report above outlines the implications for this priority in the Outcomes paragraph above.

### **3.2 Thriving places for people to live**

The report above outlines the implications for this priority in the Outcomes paragraph above.

### **3.3 The best start for Cambridgeshire's children**

Digital connectivity is a necessary precondition for digital inclusion and is vital to children's education.

### **3.4 Net zero carbon emissions for Cambridgeshire by 2050**

Digital connectivity supports home and remote working and aids the reduction of carbon emissions from travelling for work.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

The report above sets out details of significant implications in Section 2.1 above.

### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

The report above sets out details of significant implications in Section 2.3 above

### **4.3 Statutory, Legal and Risk Implications**

The risk management implications are set out in paragraph 2.21 above.

The SFBB contract extension must conform to the UK's state aid regulations and will be subject to sign off from DCMS as overseeing body for the UK Broadband scheme for 2016-2020.

### **4.4 Equality and Diversity Implications**

There are no significant implications within this category.

### **4.5 Engagement and Communications Implications**

There are no significant implications within this category.

### **4.6 Localism and Local Member Involvement**

There are no significant implications within this category.

### **4.7 Public Health Implications**

There are no significant implications within this category.

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	Yes Sarah Heywood
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?</b>	Yes Gus de Silva
<b>Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?</b>	Yes Fiona McMillan
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	No
<b>Have any engagement and communication implications been cleared by Communications?</b>	No
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	No
<b>Have any Public Health implications been cleared by Public Health</b>	No

<b>Source Documents</b>	<b>Location</b>
Cambridgeshire and Peterborough Combined Authority Housing Committee report June 2020: Connecting Cambridgeshire UP Update	<a href="#">CPCA Housing Committee June 2020 reports</a>





# GENERAL PURPOSES COMMITTEE AGENDA PLAN

## Agenda Item No.8



Cambridgeshire  
County Council

### Notes

Committee dates shown in bold are confirmed.

Committee dates shown in brackets and italics are reserve dates.

The definition of a key decision is set out in the Council's Constitution in Part 2, Article 12.

\* indicates items expected to be recommended for determination by full Council.

+ indicates items expected to be confidential, which would exclude the press and public.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.

The agenda dispatch date is six clear working days before the meeting.

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
<b>14/07/20</b>	1. Minutes – 02/06/20	M Rowe	Not applicable	<b>01/07/20</b>	<b>06/07/20</b>
	2. Finance and Performance Report (May)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st May 2020	R Barnes	2020/016		
	4. Transformation Fund Monitoring Report Quarter 4 2019/20 <i>(to be circulated electronically)</i>	K Allen	Not applicable		
	5. Performance Report – Quarter 4 <i>(to be circulated electronically)</i>	A Mailer	Not applicable		
	6. Covid-19 Issues Report	G Beasley	Not applicable		
	7. Application to Government and European Regional Development Fund to fund an extension to the existing contract for superfast broadband with full fibre	N Godfrey	2020/041		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
<i>[18/08/20] Provisional Meeting</i>	1. Covid-19 Issues Report <i>[to be circulated electronically if meeting does not go ahead]</i>	G Beasley	Not applicable		
<b>22/09/20</b>	1. Minutes – 14/07/20	M Rowe		<b>09/09/20</b>	<b>14/09/20</b>
	2. Finance and Performance Report (July)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st July 2020	R Barnes	2020/017		
	4. Treasury Management Report – Quarter One Update 2020-21	Kim Kent-Augustin	Not applicable		
	5. Transformation Fund Monitoring Report Quarter 1 2020-21	K Allen	Not applicable		
	6. Implementation of software defined networking solution as part of shire hall data centre move	S Smith	2020/040		
	7. Transformation Fund Bid – Community Vehicle	J Stone	Not applicable		
<b>20/10/20</b>	1. Minutes – 22/09/20	M Rowe		<b>07/10/20</b>	<b>12/10/20</b>
	2. Finance and Performance Report (August)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st August 2020	R Barnes	2020/018		
<b>24/11/20</b>	1. Minutes – 20/10/20	M Rowe		<b>11/11/20</b>	<b>16/11/20</b>
	2. Finance and Performance Report (September)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 30th September 2020	R Barnes	2020/019		
	4. Treasury Management Report – Quarter 2*	Kim Kent-Augustin	Not applicable		
	5. Draft 2020/21 Capital Programme and Capital Prioritisation	C Malyon	Not applicable		
	6. Transformation Fund Monitoring Report Quarter 2 2020-21	K Allen	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	7. Corporate Directorates' Risk Register	T Barden	Not applicable		
	8. Performance Report – Quarter 1	A Mailer	Not applicable		
<b>22/12/20</b>	1. Minutes – 24/11/20	M Rowe		<b>09/12/20</b>	<b>14/12/20</b>
	2. Finance and Performance Report (October)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st October 2020	R Barnes	2020/020		
	4. Amendments to Business Plan Tables (if required)	C Malyon	Not applicable		
	5. Draft Revenue and Capital Business Planning Proposals for 2021-22 to 2025-2026 (whole Council)	C Malyon	Not applicable		
	6. Treasury Management Strategy	Kim Kent-Augustin	Not applicable		
<b>26/01/21</b>	1. Minutes – 22/12/20	M Rowe		<b>13/01/21</b>	<b>18/01/21</b>
	2. Finance and Performance Report (November)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st November 2021	R Barnes	2021/001		
	4. Local Government Finance Settlement	C Malyon	Not applicable		
	5. Business Plan*	C Malyon	Not applicable		
	6. Consultation Report	S Grace	Not applicable		
	7. Transformation Fund Investments for Business Planning 2020-21 to 2024-25	A Askham	Not applicable		
	8. Performance Report – Quarter 2	A Mailer	Not applicable		

<b>Committee date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Reference if key decision</b>	<b>Deadline for draft reports</b>	<b>Agenda despatch date</b>
[23/02/21] Provisional Meeting					
<b>23/03/21</b>	1. Minutes – 26/01/21	M Rowe		<b>10/03/20</b>	<b>15/03/20</b>
	2. Finance and Performance Report (January)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st January 2021	R Barnes	2021/002		
	4. Transformation Fund Monitoring Report Quarter 3 2019/20	K Allen	Not applicable		
	5. Treasury Management Report – Quarter 3	Kim Kent-Augustin	Not applicable		
[20/04/21] Provisional Meeting					
<b>15/06/21</b>	1. Minutes – 23/03/21	M Rowe		<b>02/06/21</b>	<b>07/06/21</b>
	2. Finance and Performance Report – Outturn 2020-21	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st March 2021	R Barnes	2021/003		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	Kim Kent-Augustin	Not applicable		
	5. Performance Report – Quarter 3	A Mailer	Not applicable		