GENERAL PURPOSES COMMITTEE

Cambridgeshire County Council

Date:Tuesday, 28 May 2019

Democratic and Members' Services
Fiona McMillan
Monitoring Officer

10:00hr

Shire Hall
Castle Hill
Cambridge
CB3 0AP

Kreis Viersen Room
Shire Hall, Castle Hill, Cambridge, CB3 0AP

AGENDA

Open to Public and Press

KEY DECISIONS

OTHER DECISIONS

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 Peter Hudson Councillor David Jenkins Councillor Elisa Meschini Councillor Lucy Nethsingha Councillor Josh Schumann Councillor Mathew Shuter and Councillor Joan Whitehead

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

Clerk Name: Michelle Rowe

Clerk Telephone: 01223 699180

Clerk Email: michelle.rowe@cambridgeshire.gov.uk

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Agenda Item No.3

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 26th March 2019

Time: 10.00a.m. – 11.00a.m.

Present: Councillors Bailey, Bates, Bywater, Criswell, Cuffley (substituting for Councillor Schumann), Dupre, Hickford (Vice-Chairman), Hudson, Jenkins, McGuire (substituting for Councillor Count), Meschini, Sanderson (substituting for Councillor Giles), Shuter, Whitehead and Wilson (substituting for Councillor Nethsingha)

149. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received from Councillors Count (Chairman), Giles, Nethsingha and Schumann.

No declarations of interest were made.

150. MINUTES – 22ND JANUARY 2019 AND ACTION LOG

The minutes of the meeting held on 22nd January 2019 were agreed as a correct record and signed by the Vice-Chairman subject to the following amendments to Minute 145:

- page 11 of the agenda, fourth bullet point, add <u>considerable</u> before and <u>towards the target</u> after “savings”.

- page 12 of the agenda, fourth bullet point, add after the end of this paragraph *[Note: the Code of Conduct complaint was submitted to another authority]*

In noting the action log, the Vice-Chairman drew attention to the action on page 20 requesting that case studies receive a wider circulation to District Councils, NHS, Voluntary Sector and communities. The Committee was informed that this action had now been completed.

One Member queried whether the workshop involving the Chairs of the relevant committees to identify appropriate indicators which would provide General Purposes Committee (GPC) with a strategic view of the organisation should be extended to include all members and substitutes of GPC and the Lead Members of all the Policy and Services Committees.

The Director: Business Improvement and Development explained that the Chairs and Vice-Chairs were being asked to recommend indicators to GPC. It was noted that some Committees had discussed which indicators should be recommended. A Member expressed concern regarding the disjointed approach to this work. She highlighted the successful session which had been held by Commercial and Investment (C & I) Committee. In response, it was noted that C & I Committee had been considering new key performance indicators (KPIs). The role of the workshop set out in the action log was to identify indicators to enable GPC to take a holistic view of the organisation. The Vice-Chairman added that he hoped Policy and Service Committees reviewed their KPIs on a regular basis and that all Members should be able to feed information back to GPC via their relevant Committee Chair.

151. PETITIONS

No petitions were received.

152. FINANCE AND PERFORMANCE REPORT – JANUARY 2019

The Committee was presented with the January 2019 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was showing a forecast underspend of £1,639k. It was noted that there had been a modest improvement due to staff vacancies in Customer Services. In response to a query regarding the virement from Children's Services to fund additional resources in the contact centre, it was noted that this resource would still be focussed on Children's Services.

It was resolved unanimously to review, note and comment upon the report.

153. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST JANUARY 2019

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. The overall revenue budget position was showing a forecast year-end pressure of £3.4m, which was a reduction of £0.084m on the previous month. Members were reminded that there had been an improvement in the Commercial and Investment budget due to an over achievement of the Eastern Shires Purchasing Organisation dividend. Attention was drawn to the pressures in the Special Educational Needs and Disability Specialist Services budget.

Individual Members raised the following issues in relation to the report:

- queried in relation to recommendation b) whether it was the Council's policy to pay up front before receiving services. The Head of Finance acknowledged that it was a variation to normal practice. However, it was noted that the company had refused to sustain the placement without payment in advance, which had been successful in 2017/18. Members were advised that all such requests had to be signed off by the Chief Finance Officer.

- thanked the Looked After Children Transport Team on reducing costs to achieve a balanced budget.

- highlighted the need to undertake a review of where street lights had been erected. There was concern that the Council had received a number of requests for additional street lights via the Local Highway Improvement (LHI) Scheme to address dark areas. Members were reminded of the consultation which had taken place as part of the Street Light replacement programme. The Chairman of Highways and Community Infrastructure Committee (H&CIC) acknowledged the need for a review to establish whether the LHI approved street lights were replacing columns which had previously been in place or addressing dark spots where there had been no lighting in the past. He agreed to liaise with Councillor Whitehead who had raised this concern. **Action Required.**

- queried the need to involve the Police in any review of Street Lighting particularly given the County Lines situation in Cambridge. Members were informed that work had been carried out with the Constabulary which had identified no evidence that poor street lighting contributed to crime. It was also important to note that there was often not an energy source available to light some places.

- expressed concern that it was proposed the funding allocated by Government to help local authorities make preparations for Brexit would be held in the corporate grants accounts to offset pressures across the Council, reducing the transfer from the general fund reserve at year-end. The same Member highlighted the work being undertaken by the Brexit Taskforce, which was being reported to Audit and Accounts Committee, and which was likely to involve the need for funding. She suggested pooling the funding with other local authorities in order to achieve shared objectives. The Head of Finance reported that the Council had received this unringfenced funding at short notice. However, this did not preclude the Committee from allocating the funding in the new financial year once there was greater clarity regarding Brexit. The Vice-Chairman added that any expense due to Brexit would be a pressure on the Council's budget.

- highlighted recommendation c) and the need for this additional funding to not subsidise existing spend. The Head of Finance reported that this funding had been allocated by Government at a very late stage. The Chairman of H&CIC explained that every Highway Authority in the Eastern Region had been allocated this funding with less than six months to spend it. Many of the authorities used the same contractor which meant there was insufficient capacity to spend it within the timeframe. Members commented that they hoped the £2m would be considered as extra funding in the next financial year.

It was resolved unanimously to:

a) Approve the allocation of the Brexit Funding for Local Government grant (£87,500) to the corporate grants account within Funding Items as set out in section 5.2;

b) Approve accounting for a write-off of £85k: Thoughts of Others Ltd overpayment invoice following the liquidation of that company as set out in section 6.2;

c) Approve -£2.0m revised phasing of prudential borrowing from 2018/19 to 2019/20 for the £90m Highways Maintenance schemes as set out in section 7.7;

d) Note the +£1.348m additional Devolved Formula Capital funding to be received by People and Communities (P&C) from the Education and Skills Funding Agency (ESFA) as set out in section 7.7;

e) Note the reduction in total required prudential borrowing of £3m in relation to the EastNet scheme as set out in section 7.8.1;

f) Approve prudential borrowing of £620,000 in 2019/20 for the Mosaic IT Infrastructure scheme, as set out in section 7.8.2;

g) Approve prudential borrowing of £150,000 in 2019/20 and a further £150k for each of the next 2 financial years for the Essential Cambridgeshire County Council (CCC) Business Systems Upgrades project, as set out in section 7.8.3;

h) Approve additional prudential borrowing of £95,700 in 2019/20 for the Swaffham Prior Community Heat Scheme as set out in section 7.9;

i) Approve additional prudential borrowing of £150,000 in 2019/20 for the Cambourne Village College Scheme as set out in section 7.10; and

j) Approve a revision in the agreed level of loan permitted to Viva, to up to £450k, for capital expenditure on the Soham Mill project, delegating agreement of final terms to the Chief Finance Officer in consultation with the Chairman of GPC (see section 8.10).

154. THE CAMBRIDGESHIRE COUNTY COUNCIL PEOPLE STRATEGY

The Committee was asked to consider the approach taken to the development of the People Strategy and to review and comment on the proposed strategy that would be presented to Full Council on 14 May 2019. Attention was drawn to the background and main issues relating to the development of the Strategy. There had been considerable engagement involving Staffing and Appeals Committee, every Leadership Team, employees, Trade Unions, and a workshop involving GPC.

Members thanked officers for an excellent GPC workshop session in February. One Member asked about the gender balance between male/female given that 80% of Council employees were female. He also identified an issue raised at the last meeting of Council regarding the need to build on the pay gap work by considering Black and Minority Ethnic (BME) employees. Finally, he queried whether the Council was confident that staff would manage demand by moving away from expensive care packages to preventative work.

The HR Director reported that the Council operated as an employer which treated and valued everyone the same, irrespective of gender or any other characteristic. As part of equality, opportunities were open to all, not that this had been raised an area to consider and pointed out that an 80:20 gender split characteristic was true for most similar Councils. Another Member reported that it was important to bear in mind that although men were numerically in the minority, they were generally paid more as evidenced by the Gender Pay Gap report. Following this, she highlighted the need to consider salaries earned at a previous employer to see whether this was reinforcing the pay gap.

The HR Director acknowledged the request from Council to consider the BME pay gap. He explained that although this work was not mandatory yet it would be undertaken next financial year. In relation to the need to reflect the change in expectation raised at the GPC workshop regarding moving to preventative work, this would be reflected in the actions that support skills development.

One Member raised the need to track employee engagement surveys on a regular basis in order to monitor issues. Another Member queried what the Strategy would mean in practice. Given the changes in working, he questioned what was being done to address the individual needs of employees. He also highlighted the importance of line management over a dispersed team sometimes with no home base. In relation to the leadership of the organisation, he queried whether senior officers working long hours across councils was setting the right example.

The HR Director explained that the Council faced the same challenges as other employers in relation to changes in working practices. It was therefore important that the Council supported employees from a health, safety and wellbeing perspective, and by providing the necessary technology to support agile working. Such changes had also resulted in changes in how employees were managed and management skills, which meant Line Managers had to be more flexible in how they supported employees and managed by outcomes.

Managing by outcomes also meant more emphasis on regular 1-2-1s, appraisal, engagement and communication, and Members noted a suggestion from the GPC workshop about 30 minute monthly catch ups as a way of doing this well consistently. In response to a question about behaviours the HR Director agreed with a Councillor that objectives/outcomes were critical but also behaviours and how they were achieved was equally important, the latter being a consideration as part of the Council's appraisal process.

It was resolved unanimously to recommend the People Strategy to Full Council for approval.

155. TRANSFORMATION FUND MONITORING REPORT QUARTER 3 2018-19

The Committee received a report detailing progress in delivery of the projects for which transformation funding had been approved at the end of the third quarter of the 2018/19 financial year. Attention was drawn to the financial outcomes, and the thirteen schemes of which two were rated red and one amber. It was noted that these three ratings in the main related to phasing. The Committee was informed that more transformation proposals would be presented to its next meeting. In response to a query, it was noted that one scheme rated blue was over performing.

It was resolved unanimously to note and comment on the report and the impact of transformation fund investment across the Council.

156. TREASURY MANAGEMENT REPORT – QUARTER THREE UPDATE 2018-19

The Committee considered the third quarterly update on the Treasury Management Strategy 2018-19, approved by Council in February 2018. Attention was drawn to the loan to Estover Playing Field, which was now in for repayment.

It was resolved unanimously to note the Treasury Management Report.

157. GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENT TO OUTSIDE BODIES, AND INTERNAL ADVISORY GROUPS AND PANELS

The Committee considered its agenda and training plans. It was noted that the following items had been added to the agenda plan:

- 28 May 2019: Data Centre
- 16 July 2019: Shared Services: IT Strategy for Cambridgeshire and Peterborough

It was resolved unanimously to:

a) review its agenda plan attached at Appendix 1 to the report; and

b) review its training plan attached at Appendix 2 to the report.

Chairman

GENERAL PURPOSES COMMITTEE

Minutes-Action Log

Cambridgeshire County Council

Introduction:
This log captures the actions arising from the General Purposes Committee on 26th March 2019 and updates members on the progress on compliance in delivering the necessary actions. This is the updated action log as at 17th May 2019.

Minutes of 26th March 2019

Item No.	Item	Action to be taken by	Action	Comments	Completed
153.	**Integrated Resources and Performance Report for the period ending 31st January 2019**	G Hughes Cllr Shuter Cllr Whitehead	The Chairman of Highways and Community Infrastructure Committee acknowledged the need for a review to establish whether the LHI approved street lights were replacing columns which had previously been in place or addressing dark spots where there had been no lighting in the past. He agreed to liaise with Councillor Whitehead who had raised this concern.	An update will be provided before the meeting.	

Agenda Item No:5

FINANCE AND PERFORMANCE REPORT – OUTTURN 2018-19

To:	**General Purposes Committee**
Meeting Date:	**28 May 2019**
From:	**Director of Corporate and Customer Services** **Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To present to General Purposes Committee (GPC) the Outturn 2018-19 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 financial and performance outturn position, as at the end of 2018-19.**
Recommendation:	**The Committee is asked to review, note and comment upon the report.**

	Officer contact:		***Member contacts:***
Name:	Tom Kelly	Names:	Councillors Count & Hickford
Post:	Head of Finance	Post:	Chair/Vice-Chair
Email:	Tom.Kelly@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
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 as **Appendix A**, is the Outturn 2018-19 Finance and Performance report.

2.2 **Revenue:**

At the end of 2018-19, the year end position for Corporate Services (including the LGSS Managed, Deputy Chief Executive and Financing Costs) was an underspend of £1,240k. There were five new significant forecast outturn variances (over £100k) to report.

The year end position for the LGSS Cambridge Office was an underspend of £67k and there were no new significant outturn variances (over £100k) to report. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee.

The year end position for Financing Costs was an underspend of £894k. There was one new significant forecast outturn variance (over £100k) to report.

2.3 **Capital:**

The year end position for Corporate Services, Transformation and LGSS Managed was an in-year underspend of £3.3m on capital budgets and a total scheme underspend of £0.2m. There was an in-year overspend of £0.6m on Corporate Services at year end, after utilisation of -£0.3m of the -£0.9m capital programme variations budget. The in-year underspend for LGSS Managed exceeded the LGSS Managed capital programme variations budget of £1.5m, giving a resultant underspend of £3.9m at year end.

The year end position for LGSS Operational was a balanced position on capital budgets. There were no new significant variances (over £500k) to report for LGSS Operational schemes.

2.4 **Performance:**

Corporate Services has 12 performance indicators for which data is available. At the end of 2018-19 8 indicators were at green and 4 were at amber status.

Performance information for LGSS Cambridge Office is not currently available.

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.

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.

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

Source Documents	Location
CS and LGSS Cambridge Office Finance & Performance Report (Outturn 2018-19)	1st Floor, Octagon, Shire Hall, Cambridge

Appendix A

Corporate Services and LGSS Cambridge Office

Finance and Performance Report – Outturn 2018/19

1. SUMMARY

1.1 Finance

Previous Status	Category	Target	Current Status	Section Ref.
N/A	Income and Expenditure	Balanced year end position	Green	2.1 – 2.4
N/A	Capital Programme	Remain within overall resources	Green	3.2

1.2 Performance Indicators – Current status: (see section 4)

Monthly Indicators	Red	Amber	Green	Total
March (Number of indicators)	0	4	8	12

2. INCOME AND EXPENDITURE

2.1 Overall Position

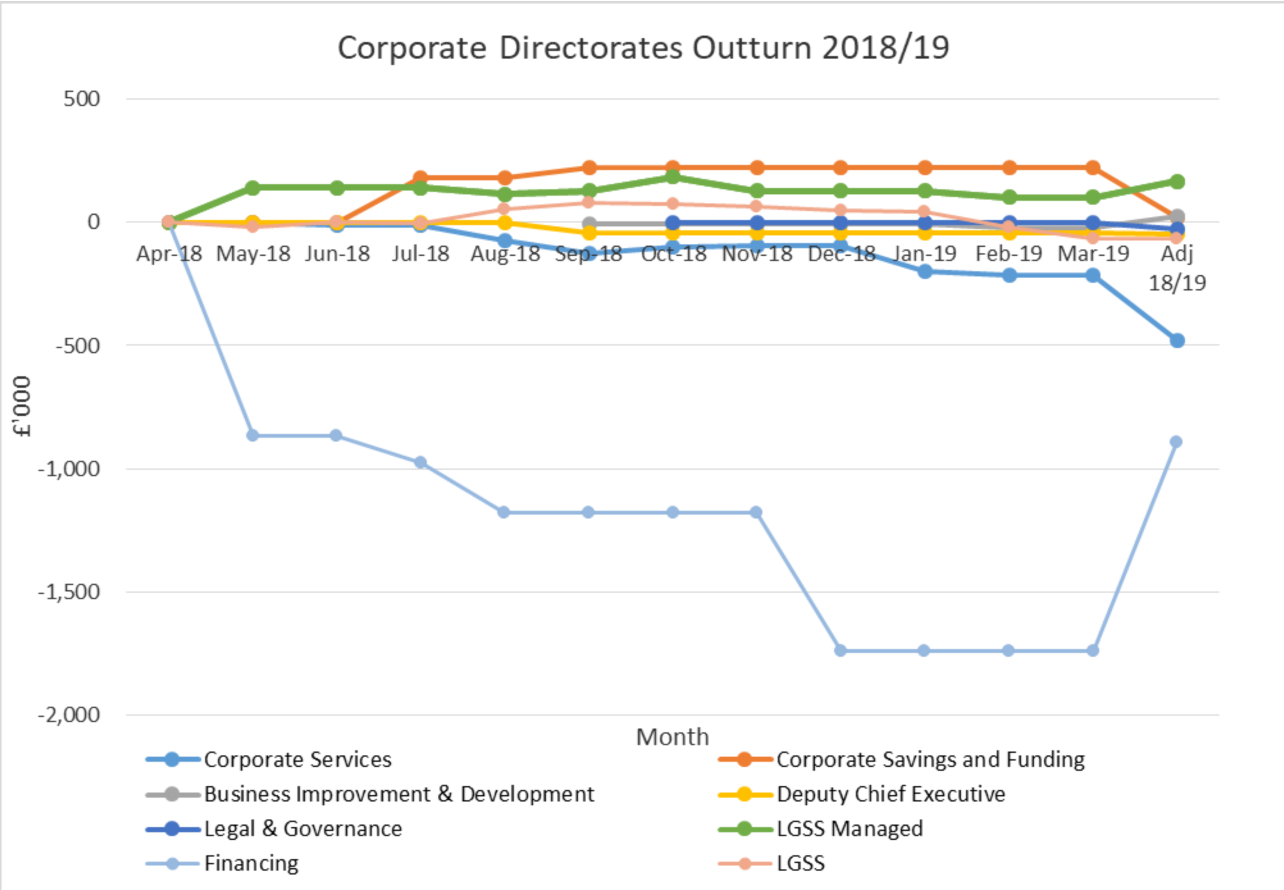
Outturn Variance (Previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	*Outturn Variance %*	Status
-213	Corporate & Customer Services	6,707	6,230	-477	-7.1%	Green
220	Corporate Savings & Funding	-1,039	-1,021	18	1.8%	Amber
-20	Business Improvement & Development	875	898	23	2.6%	Green
-43	Deputy Chief Executive	325	278	-47	-14.5%	Green
0	Legal & Governance	90	62	-28	-31.5%	Green
-1,738	Financing Costs	25,983	25,089	-894	-3.4%	Green
101	LGSS Managed	8,986	9,151	165	1.8%	Amber
-1,693	**Total**	**41,928**	**40,688**	**-1,240**	**-3.0%**	

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for year-end 2018/19 can be found in CS appendix 1.

The service level budgetary control report for LGSS Cambridge Office for year-end 2018/19 can be found in LGSS 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, these do not impact on the service received by Cambridgeshire County Council or impact any overspend to be handled by CCC.

Further analysis of the results can be found in CS appendix 2 and LGSS appendix 2

The appendices are published online only and not printed for Committee.



2.2.1 Significant Issues – Corporate and Customer Services

The overall position for Corporate and Customer Services budgets in 2018/19 was a year-end underspend of £477k, which is an increase of £264k from the figure reported in February. This is mainly due to additional underspends on the Director and IT & Digital budgets.

The final position for the Director, Corporate and Customer Services budget was an underspend of £108k, which is an increase of £68k from the previous forecast. This is mainly due to the budget for staffing changes in the directorate not being required in year as the cost of those changes was net off by underspends in the services.

The final position for the IT & Digital Service budget was an underspend of £203k, which is an increase of £146k from the previous forecast. As new case management systems are being implemented for Adults' and Children's Social Care, the old systems have not been in place for a full year, and therefore the annual licence costs for those systems were lower than budgeted.

2.2.2 Significant Issues – Corporate Savings and Funding

The overall position for Corporate Savings and Funding budgets in 2018/19 was a year-end overspend of £18k, a decrease of £202k from the figure reported in February.

In this category, the demography fund (£322k) was held centrally rather than allocated to a specific service (although the £3.4m smoothing fund had been allocated earlier in year to demand-led pressures). Instead, the remaining central allocation had effectively been held to offset risk of under delivery against the corporately managed savings for workforce, shared services and contract management. At year-end, workforce savings had exceeded target, however there was under delivery against contract management (£64k) and sharing with Peterborough City Counci (£139k).

2.2.3 Significant Issues – Business Improvement & Development

The overall position for Business Improvement & Development budgets in 2018/19 was a year-end overspend of £23k, which is an adverse difference of £43k from the figure reported in February.

There are no new exceptions to report this month.

2.2.4 Significant Issues – Deputy Chief Executive

The overall position for Deputy Chief Executive budgets in 2018/19 was an year-end underspend of £47k, which is an additional underspend of £4k from the figure reported in February.

There are no new exceptions to report this month.

2.2.5 Significance Issues- Legal and Governance

The overall position for Legal and Governance budgets in 2018/19 was an year-end underspend of £28k, which is an additional underspend of £28k from the figure reported in February.

There are no new exceptions to report this month.

2.2.6 Significant Issues – LGSS Managed

The overall position for LGSS Managed budgets in 2018/19 was a year-end overspend of £165k, an increase of £64k from the figure reported in February. This is mainly due to additional overspends on the Insurance and IT Managed budgets.

The final position for the Insurance budget was an overspend of £115k, which is an increase of £115k from the previous forecast. This is because the cost of the internal and external insurance premiums exceeded the amount that could be charged to services in 2018/19.

2.2.7 Significant Issues – Financing Costs

The overall position for the Financing Costs budget is an underspend of £894k, which is a decrease of £844k from the previous forecast. This is almost entirely due to the capitalisation of interest recharge which has been calculated significantly lower than was originally budgeted.

The Council has a policy of capitalising the costs of borrowing for schemes, which is allowable up until the point a project completes. The recharge between capital projects and the Financing Costs budget can therefore only be completed at year end once the final funding position of all capital schemes has been established, and once it has been identified which schemes have completed and which are ongoing as at 31st March 2019. There are several reasons why the final calculation is significantly under budget; the most substantial factor has been the reduction of the average cost of borrowing to the Council over the last year (this has reduced the costs of borrowing to the Council, but has also reduced the value of the recharge). However, there have also been changes to funding sources for projects (we have undertaken less borrowing than originally expected), and some schemes have also completed faster than anticipated in the original estimation and therefore it has only been possible to recharge the interest costs for a proportion of the year.

2.2.8 Significant Issues – LGSS Cambridge Office

LGSS Cambridge Office finished the year with an underspend of £67k, which is an increase of £45k from the previous forecast. This is due to increased underspend on Managing Director & Support.

The year-end deficit / surplus is subject to a sharing arrangement with Northamptonshire County Council and Milton Keynes Council and was therefore split between partner authorities according to an agreed protocol, with an equalisation adjustment processed accordingly at year-end.

There are no new exceptions to report this month.

Additional Income and Grant Budgeted this Period

(De minimis reporting limit = £30,000)

The following item below the de minimis reporting limit were recorded during March 2019.

Corporate & Customer Services:

Grant	Awarding Body	Amount £'000
Non-material grants (+/- £30k)	Improvement & Development Agency for Local Government	13

A full list of additional grant income for Corporate Services and LGSS Managed can be found in CS appendix 3.

A full list of additional grant income for LGSS Cambridge Office can be found in LGSS appendix 3.

2.2 Virements and Transfers to / from Reserves (including Operational Savings Reserve)

(De minimis reporting limit = £30,000)

The following virement was made in March 2019:

LGSS Managed:

	£'000	Notes
Insurance	-2,199	Match budget for insurance premiums charged to services
Non material virements (+/- £30k)	0	

A full list of Virement and Transfer for Corporate Services and LGSS Managed can be found in CS appendix 4

A full list of Virement and Transfers for LGSS Cambridge Office can be found in LGSS appendix 4.

3. BALANCE SHEET

3.1 Reserves

A schedule of the Corporate Services and LGSS Managed reserves can be found in CS appendix 5.

A schedule of the LGSS Cambridge Office Reserves can be found in LGSS appendix 5.

3.2 Capital Expenditure and Funding

Expenditure

- Corporate Services schemes had a capital budget of £4.9m in 2018/19 and there is expenditure of £5.5m at year end. The total scheme forecast (across years) is on budget.

  The Citizen First, Digital First project has recorded an in-year underspend of £468k. This is due to expenditure on IT hardware and software which has been delayed and is expected to take place in 2019/20.

  The Children's Services IT System project recorded an in-year underspend of £895k. This is because much of the staff time and consultants' time on the project will actually take place in 2019/20 rather than 2018/19.

  The Capitalisation of Redundancies project has recorded an in-year overspend of £812k. This is due to more redundancies than expected in the year, in particular relating to the closure of the Catering and Cleaning Service. This has increased the use of Capital Receipts by this amount.

  The Capitalisation of Transformation Team budget has recorded an in-year overspend of £297k. A greater proportion of the cost of the Transformation Team has been funded from capital receipts in 2018/19 due to a change in policy allowing more costs to be capitalised and a decrease in the amount of Transformation Team work being funded from other sources. In addition to this, some staff time in HR has also been funded from capital receipts.

  Two Third Party Loans were issued during 2018/19: £350k to Estover Playing Field CIC and £150k to Wisbech Town Council.

- LGSS Managed had a capital budget of £6.0m in 2018/19 and there is expenditure of £2.1m at year end. The total scheme forecast is an underspend of £184k.

  The Cambridgeshire Public Sector Network Replacement project has recorded an underspend of £3.8m in 2018-19. This is due to a revised timescale for this project; the previous contract was extended, so the process to move buildings across to the new network has started on a revised timescale. As part of the business planning process for 2019/20 this budget has been reviewed and part of the underspend in future years has been reallocated.

This Libraries IT Network Refresh project has recorded an in-year underspend of £443k, which is due to a delay in expenditure on IT hardware which is now expected to take place in 2019/20.

- LGSS Cambridge Office had a capital budget of £0.1m in 2018/19 which has been spent in full. The total scheme forecast is on budget.

  There are no new material variances to report this month.

  Funding

- Corporate Services schemes had capital funding of £5.4m in 2018/19. The final position for the Corporate Services capital programme as a whole was an overspend of £0.6m, as detailed above.

- LGSS Managed had capital funding of £6m in 2018/19. The final position for the LGSS Managed capital programme as a whole was an underspend of £3.9m in 2018/19, as detailed above.

  As reported above, additional in-year underspends of £1.7m have been recorded across the CPSN Replacement and Libraries IT Network Refresh projects. This has reduced the prudential borrowing requirement by that amount.

- LGSS Cambridge Office had capital funding of £0.1m in 2018/19. The final position for the LGSS Cambridge Office capital programme as a whole was a balanced outturn position.

  There are no new material variances to report this month.

- A detailed explanation of the position for Corporate Services and LGSS Managed can be found in CS appendix 6.

  A detailed explanation of the position for LGSS Cambridge Office can be found in LGSS appendix 6.

4. PERFORMANCE

4.1 The key performance indicators for Corporate and Customer Services and LGSS Managed Services are set out in CS Appendix 7. Key performance indicators for LGSS Cambridge Office are not reported here as the information for these is not yet available.

The appendices to this report can be viewed in the online version of the report.

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE YEAR ENDING 31ST MARCH 2019

To:	**General Purposes Committee**
Date:	**28th May 2019**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**2019/003** *Key decision:* **Yes**

Purpose: **This report:**

- **Details the performance of the Council for the 2018/19 financial year.**
- **Is a management report that precedes the production of the Council's formal Statement of Accounts. Although the Outturn Report and Statement of Accounts reconcile to one another, it is the statutory Statement of Accounts on which the audit opinion is formed.**

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

a) Note the Council's year-end resources and performance position for 2018/19.

b) Approve the allocation of the Business Rates Relief Reconciliation of Authorities' 2017/18 Tax Loss Payments grant (£462,063) to the corporate grants account within Funding Items. This will offset pressures across the Council, reducing the transfer from the general fund reserve at year-end, see section 6.2.

c) Approve the use of £27,532k Basic Need Grant, £3,601k Greater Cambridge Partnership funding, and £2,052k Horizons to off-set the additional funding required to repay the use in previous years of £20,901k Growth Deal and £7,654k Growing Places funding, as well as the resulting reduction of £4,630k in the prudential borrowing requirement, see section 13.7.

d) Note the use of £3,693k Section 106 contributions for applicable schemes where expenditure was incurred in prior years, and the resulting reduction of £3,693k in the prudential borrowing requirement for 2018/19, see section 13.7.

e) Note the additional capital contributions as set out in section 13.7.

f) **Approve additional prudential borrowing of £599,000 in 2019/20 for the Abbey Meadows condition works scheme, as set out in section 13.9.**

g) **Note the changes to capital funding requirements as previously recommended in the February report, set out in Appendix 3, amounting to £372k applied to Highways schemes.**

h) **Note a compensation payment in relation to the outcome of a Community Transport investigation, as set out in Appendix 4.**

	Officer contact:		***Member contacts:***
Name:	Tom Kelly	Names:	Councillors Count & Hickford
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1. PURPOSE

1.1 To present financial and performance information for the financial year 2018/19.

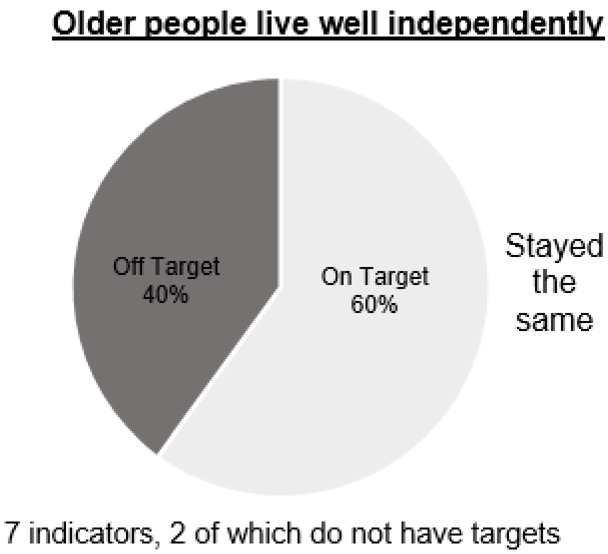
2. OVERVIEW

2.1 The following summary provides a snapshot of the Authority's performance against its indicators around outcomes, its final financial position at year-end and its key activity data for care budgets.

2.2 **Change in indicators:**

Data available as at: 31/03/2019

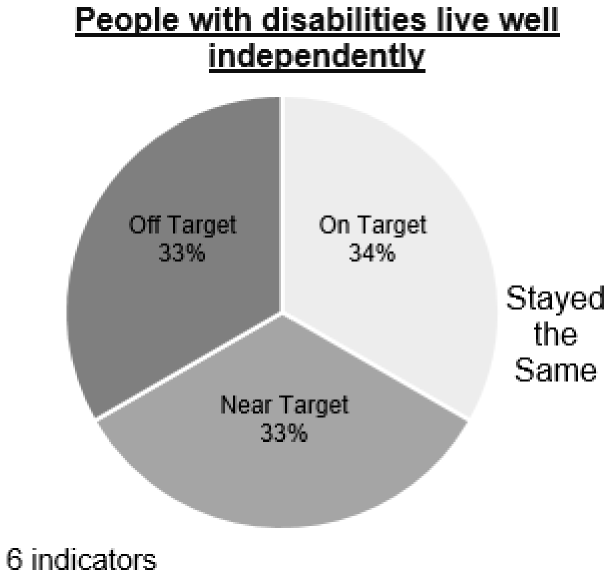
Outcomes: **95 indicators** about outcomes are monitored by service committees. These have been grouped by outcome area and their status is shown below.



Older people live well independently - Stayed the same
There are 7 indicators for this outcome, 5 of which have targets. All 5 indicators have remained the same status since last month, 3 'on target' and 2 'off target'.

Current performance shows the number of new people entering long term care last year compared favourably to the Eastern region as a whole. 9 out of 10 people who were supported by the reablement service (a short term service which supports people to recover after crisis) did not subsequently need a long-term service. This is well above the national average. It is anticipated that performance in signposting to further information or advice only, rather than long term services, will improve also as Adult Early Help and Neighbourhood Cares teams employ community and voluntary resources.

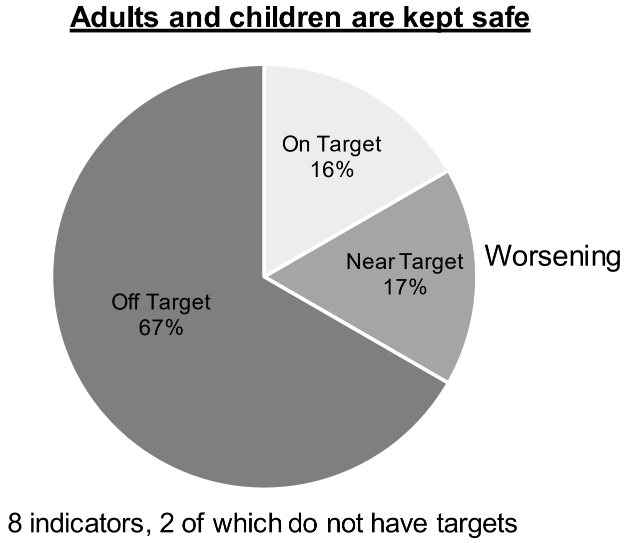
Performance in delayed transfers of care remains off-target. The Council is continuing to invest considerable amounts of staff and management time into improving processes, identifying clear performance targets and clarifying roles & responsibilities. We continue to work in collaboration with health colleagues to ensure correct and timely discharges from hospital. Delays in arranging residential, nursing and domiciliary care for patients being discharged from Addenbrooke's remain the key drivers of ASC bed-day delays.



People with disabilities live well and independently – stayed the same
Current performance figures show that more than 8 out of 10 adults in contact with secondary mental health services are living independently (better than target) and 15% of this client group are in employment (also better than target).

In the last biennial carers' survey, just over a third of carers supported by the local authority said they were satisfied with their support, which is just under target. The next survey is underway now.

The proportion of learning disability service users in paid employment is low and there is an action plan to improve this. The proportion of adults receiving direct payments has been falling recently and investigation around the causes is underway.



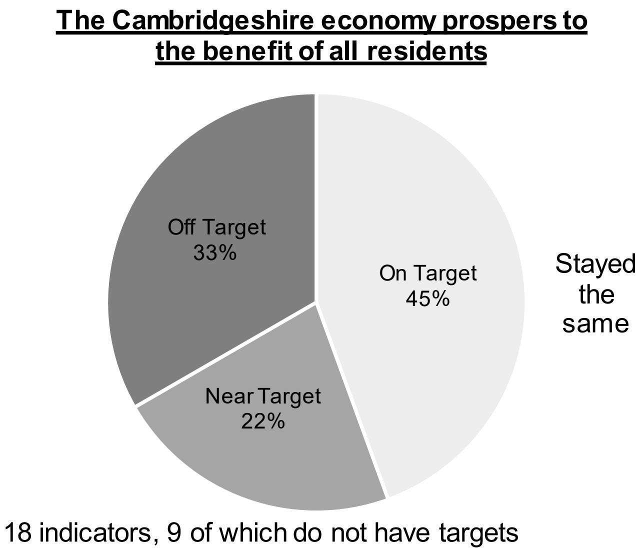
Adult and children are kept safe – worsening
Current performance figures show that in 95% of adult safeguarding enquiries outcomes were at least partially achieved (a nationally defined indicator) and more than 80% of people who have used these services say they have made them feel safer.

In children's services, re-referrals to children's social care within 12 months of a previous referral is at the current appropriate target level. Caseloads are high which is reflected in rate of children with child protection plans and the number of looked after children. Work is underway to address this.

People live in a safe environment – stayed the same

Latest performance information shows that 99.6% of all streetlights are working, and the total energy use is within 3% of target (currently 11.17 million KwH over the most recent 12 month period).

The provisional total for people killed or seriously injured on the roads to the end of December 2018 is lower than the same period of the previous year and the overall trend is downwards. However it is still above target and the Highways and Community Infrastructure Committee is monitoring a Road Safety Action Plan to reduce the number of people killed or seriously injured on the county's roads.

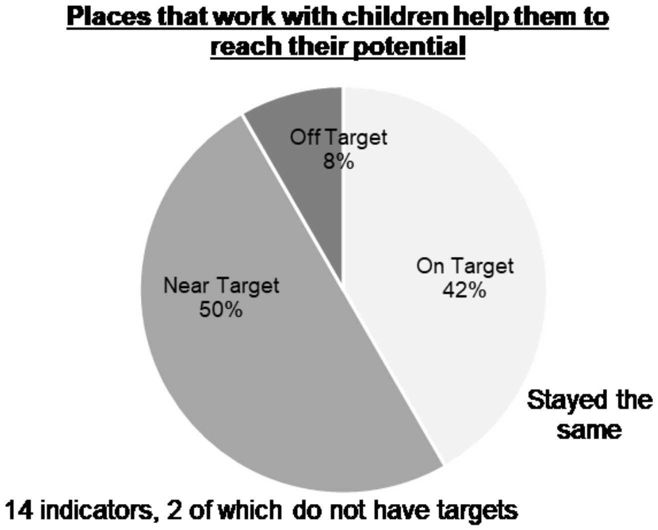


The Cambridgeshire economy prospers to the benefit of all residents – stayed the same

Current performance shows that 96.7% of premises in Cambridgeshire have access to at least superfast broadband, which is better than target.

Annual road condition surveys show that maintenance should be considered on 2.7% of our principal road network and 6% of our non-principal road network; both of these are better than target. More of the classified roads in Fenland require maintenance than in other parts of the county; although significant investment has recently been carried out in the Fenland area associated with the DfT Challenge Fund bid, and the effects of some of these works will not have been included in this year's survey. Inspections of the quality of workmanship of highways defects did not show any repairs as defective in the past month.

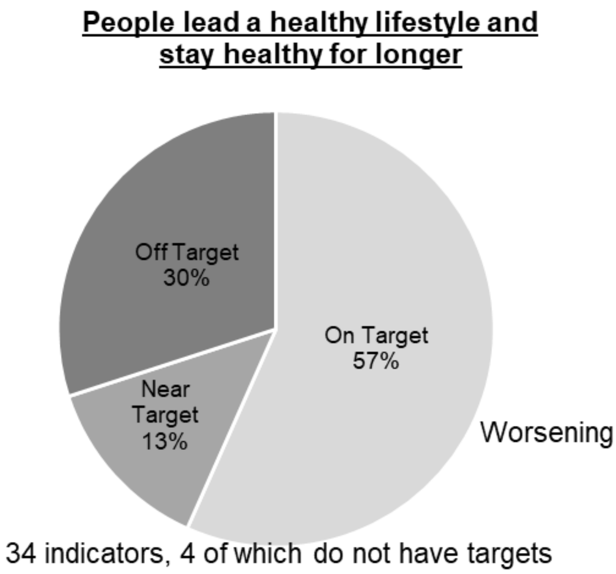
There is a national decline in bus passenger journeys and the 2018 figure for Cambridgeshire is below target. Moving forward the trend may be helped by the removal of parking charges at Park and Ride sites and through the introduction of Greater Cambridge Partnership schemes, although these are not planned until 2019/20 at the earliest.



Places that work with children help them to reach their potential – stayed the same
Current performance shows 8 out of 10 primary-aged children and 9 out of 10 secondary-aged children attend schools judged 'good' or 'outstanding' by Ofsted. All children attending nurseries are attending 'good' or 'outstanding' settings. Nearly 9 out of 10 children attending special schools are attending 'good' or 'outstanding' schools.

In 2018, 61.4% of children taking end of Key Stage 2 tests achieved reading writing and maths combined at the expected standard, this was an improvement compared to previous year but below target and national average. At Key Stage 4, the average Attainment 8 score increased slightly in comparison to the previous year. It is slightly below target but above national average.

Performance in persistent absence from school and fixed term exclusions are both better than statistical neighbour and national averages.



People lead a healthy lifestyle and stay healthy for longer - worsening
Cycle journeys in 2018 showed a growth of 71% compared to a 2004/05 baseline, which is above target.

Performance of sexual health and contraception services is good. Performance of lifestyle services including personal health trainers and weight loss services is good. Health visiting and school nursing performance is generally good.

There was an improvement in 2018 in the percentage of children with excess unhealthy weight to 17.5% of children aged 4-5. However there was a slight increase amongst children aged 10-11 to 28.4%. Both of these figures are better than the national average.

The smoking cessation programme is currently off target but performance is on an upward trajectory.

Health checks programmes are off target in terms of volume. However, GP health checks is comparable to last year and outreach health checks have increased across the county except in Fenland. Further events have been booked and a mobile service has been introduced.

Key Pressures
- Nursing placements for older people are increasing against the April 18 baseline. - The number of children in care has significantly increased this financial year. - The number of children on a child protection plan has increased this financial year. See following page for details.

2.3 The master file of performance indicators and latest Corporate Risk Register are available here, (https://tinyurl.com/yd96a2vw)

Finance and Risk

Revenue budget outturn		Capital programme outturn
+£3.2m (0.9%) variance at end of year RED	This is a £0.119m decrease in the revenue pressure since last month's forecast. This is a -£19.036m decrease in the in-year capital expenditure compared to last month's forecast.	-£33.2m (-11.2%) variance at end of year GREEN

Residual risk score	Green	Amber	Red
Number of risks	0	8	2

*Latest Review: January 2019

Transformation Programme	Transformation Fund
44 Early ideas ↔ 197 Business cases in development ↔ 23 Projects being implemented ↔	13 projects rated Green ↑ 1 rated Amber (reflecting some need to re-phase savings) ↔

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	Jan-19**	Apr-18	Trend since Apr-18
Nursing	448	410	Increasing
Residential	841	847	Stayed the same
Community	2,099	2,023	Increasing

Adults aged 18+ receiving long term services

	Jan-19**	Apr-18	Trend since Apr-18
Nursing	30	26	Increasing
Residential	315	309	Stayed the same
Community	1,924	1,933	Stayed the Same

Children open to social care

	Mar-19	Apr-18	Trend since Apr-18
Looked after children	768	715	Increasing
Child protection	528	483	Increasing
Children in need*	2,203	2,225	Stayed the same

*Number of open cases in Children's Social Care (minus looked after children and child protection)

Public Engagement

	Mar-19	Apr-18	Trend since Apr-18
Contact Centre Engagement	15,251 Phone Calls	12,763	Increasing
	8,056 Other	5,316	Increasing
Website Engagement (cambridgeshire.gov.uk)	204,924 Users	154,319	Increasing
	295,557 Sessions	229,409	Increasing

The number of service users is a key indicator of the demand for care budgets in social care, inforamtion about the contacts with the public across web and phone channels is a key indicator of both service delivery and transformation.
**A more recent update is not available as data for these services is in the process of being migrated onto the new ASC system, Mosaic.

2.4 This report summarises the overall financial position for the 2018/19 financial year, whereas prior reports have focussed on the movements since the previous report. As is the case with every year-end report there are a number of changes that result as balance sheet activities are reviewed. Key movements in operational expenditure are set out below in paragraph 3.2.

2.5 The key issues included in the summary analysis are:

- The overall revenue budget position was a pressure of +£3.2m (+0.9%) at year end. This is a movement of -£0.1m on the forecast reported as at the end of February with the majority of services reporting small favourable movements on their February forecasts with the exception of CS Financing.

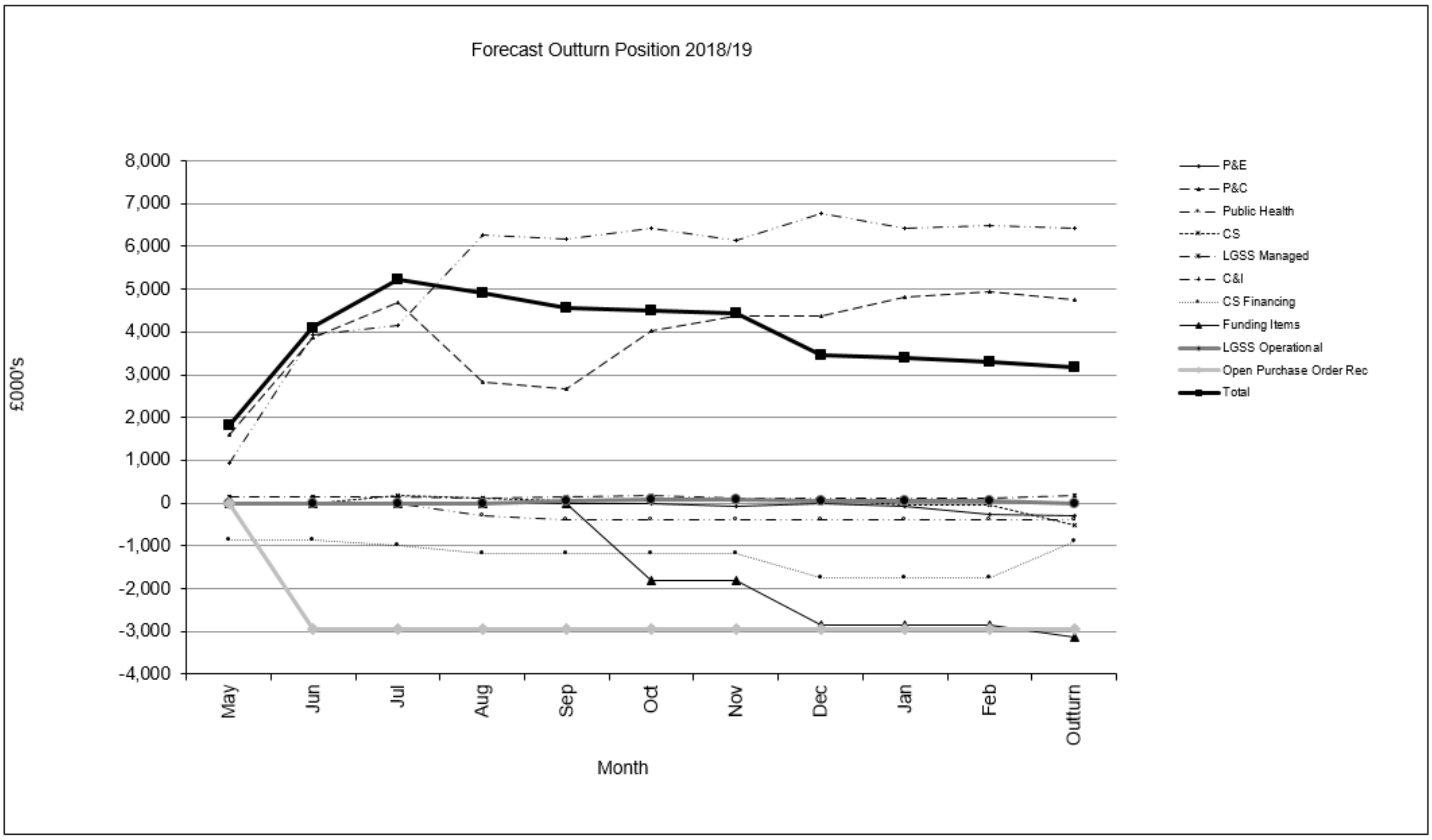
- The Capital Programme is reporting an underspend of -£33.2m compared to the position originally anticipated when the capital programme variations budget was set. This includes full utilisation of the £61.6m capital programme variations budget. See section 14 for details.

3. REVENUE BUDGET

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Original Budget as per BP	Service	Revised Budget	Application of Carry Forwards/ Additional Funding approved from General Reserves	Total Funds (3)+(4)	Actual Spending	Variation		Transfer to (+) / from (-) Reserves
£'000		£'000	£'000	£'000	£'000	£'000	%	£'000
41,428	Place & Economy (P&E)	56,825	295	57,120	56,832	-288	-0.5%	288
239,124	People & Communities (P&C)	239,472	4,098	243,570	248,326	4,756	2.0%	-4,756
629	Public Health (PH)	629	0	629	238	-391	-%	391
7,207	Corporate Services (CS)	6,959	0	6,959	6,447	-511	-7.3%	511
11,126	LGSS Managed	8,986	0	8,986	9,151	165	1.8%	-165
-8,188	Commercial & Investment (C&I)	-8,757	0	-8,757	-2,341	6,416	-%	-6,416
25,983	CS Financing	25,983	0	25,983	25,089	-894	-3.4%	894
317,309	**Service Net Spending**	**330,097**	**4,393**	**334,490**	**343,742**	**9,253**	**2.8%**	**-9,253**
33,685	Funding Items	15,677	0	15,677	12,549	-3,127	-19.9%	3,127
0	Open Purchase Order Reconciliation	0	0	0	-2,950	-2,950	-%	2,950
350,994	**Net Spending**	**345,774**	**4,393**	**350,167**	**353,341**	**3,175**	**0.9%**	**-3,175**
	Memorandum Items:							
8,871	LGSS Operational	8,835	0	8,835	8,723	-112	-1.3%	112
359,865	**Total Net Spending 2018/19**	**354,609**	**4,393**	**359,002**				

[1] The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.
[2] The budget of £629k stated for Public Health consists of £391k cash limit and £238k funded from the carried forward Public Health reserve. In addition to this, Public Health has a budget of £25.4m from ring-fenced public health grant, which makes up its gross budget.
[3] Key to column 7: + signifies overspend or reduced income, - signifies underspend or increased income.
[4] For budget virements between Services throughout the year, please see Appendix 1.



3.2 Key exceptions this month are identified below:

3.2.1 **Place & Economy:** -£0.288m (-0.5%) underspend is being reported at year end

	£m	%
• **Local Infrastructure Maintenance and Improvement** – a +£0.698m pressure is being reported at year end, which relates in full to a change since last month. As a result of additional ringfenced funds generated through Highways enforcement and development control charging, it is sensible for the Council to recognise additional costs in revenue, reducing the need for capital financing. Additional income within the service has been utilised to reduce the borrowing for Highway capital schemes in 2018-19. The variance is the contribution of revenue funding towards this. See also Highways Development Management below.	+0.698	(+11%)
• **Highways Development Management**– a -£0.651m underspend is being reported at year end. This is an increase of -£0.286m on the underspend position previously reported in October, of which -£0.118m relates to a change since last month. Section 106 and section 38 fees have come in higher than expected for new developments, and this has led to an overachievement of income. This partially offsets the pressure on Local Infrastructure Maintenance and Improvement reported above.	-0.651	(-%)

- **Major Infrastructure Delivery**– a £0.372m pressure is being reported at year end, of which £0.161m relates to a change since last month. This is due to legal and maintenance work relating to the Busway defects. +0.372 (+34%)

- **Transport Strategy and Policy**– a £0.288m pressure is being reported at year end, which relates in full to a change since last month. The majority of the work in this area is charged to capital schemes, however there are a number of areas which have been charged to revenue this year:- +0.288 (+279%)
    - Model development and maintenance, including surveys.
    - Strategy development (planned and ad hoc).
    - Engagement in national / regional transport (including rail and trunk road).

- **Street Lighting**– a -£0.360m underspend is being reported at year end, of which -£0.228m relates to a change since last month. This is due to the higher number of deductions for performance failures than expected, which were made in line with the PFI contract and relate to adjustments due under the contract Payment Mechanism regarding performance. -0.360 (-4%)

- A combination of more minor variances, and previously reported exceptions disclosed in individual reports sum with the above to lead to an overall outturn of -£0.288m. For full and previously reported details see the P&E Finance & Performance Report, (https://tinyurl.com/y6msymsu).

3.2.2 **People & Communities:** +£4.756m (+2.0%) pressure is being reported at year end.

	£m	%
• **Special Educational Needs and Disability (SEND) Specialist Services** – a +£9.873m pressure is being reported at year-end. This is an increase of £0.642m on the position previously reported in January, which relates in full to a change since last month. Of the £9.87m pressure, £8.7m of this is Dedicated Schools Grant (DSG) expenditure and will be carried forward as part of the overall DSG deficit balance into 2019/20. £1.2m is a base budget pressure on the Council's bottom line. There was a net increase of 500 Education, Health and Care Plans (EHCPs) over the course of the 2017/18 academic year (13%) and an average of 10 additional EHCPs a week throughout the 2018/19 academic year. This increase in numbers, as well as an increase in complexity of need, has caused pressures across all elements of the SEN budget. The Council is in experiencing growing demand for High Needs Services, which is impacting many other Councils across the country. This issue is under active monitoring by Schools Forum and the local authority will need to submit a recovery plan for this deficit to the Department for Education this summer. A number of management actions, including an increased investment in	+9.873	(+19%)

casework officers to respond to demand are under consideration currently.

The significant changes across the different elements of the SEN budget are outlined below:

- **High Needs Top- Up Funding** – a +£4.877m pressure is being reported at year end. This is an increase of £0.420m on the position previously reported in January (and relates in full to a change since last month). As well as the overall increases in EHCP numbers creating a pressure on the Top-Up budget, the number of young people with EHCPs in Post-16 Further Education is continuing to increase significantly as a result of the provisions laid out in the 2014 Children and Families Act. This element of provision accounted for the majority of the overspend on the High Needs Top-Up budget.

- **Out of School Tuition** – a +£1.026m pressure is being reported at year end. This is an increase of £0.235m on the position previously reported in January (and relates in full to a change since last month). The overall pressure is due to a combination of extended provision and also new tuition packages being put in place due to placement breakdowns. This is a continuation of the theme experienced this financial year, resulting in a higher number of children accessing tuition packages than the budget can accommodate.

• **Financing DSG** – a -£8.682m contribution from DSG has been applied to fund pressures on a number of High Needs budgets. This is a -£0.644m increase in the required contribution previously reported in January, which relates in full to a change since last month. The -£8.68m represents the amount drawn down from the DSG reserve in excess of what was budgeted to cover pressures in DSG-funded areas. These included High Needs Top Up Funding (£4.88m), Funding to Special Schools and Units (£2.68m), Out of School Tuition (£1.03m), SEN Placements (£0.18m), Early Years Specialist Support (£0.04m), 0-19 Organisation & Planning (£0.01m), SEND Specialist Services (-£0.09m) and Early Years Service (-£0.03m).	-8.682	(-15%)
• **Older People's Services** – a +£1.971m pressure is being reported at year end across Older People's and Physical Disabilities Services. This is a £0.697m increase in the pressure previously reported in January, of which £0.607m relates to a change since last month. The tight supply of nursing home beds is leading to growing cost pressures for the Council currently. The Commissioning directorate has a number of workstreams	+1.971	(+3%)

progressing to mitigate this impact as far as possible. Unit costs of care have increased through the year, and the mix of placements has shifted towards more expensive types of care at a higher rate than expected. The increase in costs later in the year was partly expected due to winter, and mitigated through grant funding received from central government, but this started from a position that was already over budgeted activity levels and continued through March. In addition, a number of expected mitigations for this pressure were not as high as expected, particularly the amount of cost to be reimbursed from the NHS where people are assessed as having health needs.

- **Adoption**– a +£0.634m pressure is being reported at year end. This is an increase of +£0.261m on the position previously reported in January, of which +£0.175m relates to an increase since last month. This change is due to a rise in the Adoption/ Special Guardianship Order (SGO) allowances and provision of a further nine external inter agency placements since January. In 2018/19 additional demand was forecast on our need for adoptive placements. During the year the contract with Coram Cambridgeshire Adoption (CCA) has been renegotiated based on an equal share of the extra costs needed to cover those additional placements. The increase in Adoption placements is a reflection of the good practice in making permanency plans for children outside of the looked after system and results in reduced costs in the placement budgets. +0.634 (+12%)

- A combination of more minor variances, and previously reported exceptions disclosed in individual reports sum with the above to lead to an overall outturn of +£4.756m. For full and previously reported details see the P&C Finance & Performance Report, (https://tinyurl.com/y4rql7aa).

3.2.3 **Public Health:** a -£0.391m (-%) underspend is being reported at year-end. There are no exceptions to report this month; for full and previously reported details see the PH Finance & Performance Report, (https://tinyurl.com/y4p86wuw).

3.2.4 **Corporate Services:** -£0.511m (-7.3%) underspend is being reported at year end.

	£m	%
Central allocations- a -£0.322m underspend is being reported at year end, which relates in full to a change since last month. Within the Corporate Savings & Funding category, the demography fund (£322k) was held centrally rather than allocated to a specific service (although the £3.4m smoothing fund had been allocated earlier in year to demand-led pressures). Instead, the remaining central allocation had effectively been held to offset risk of under delivery against the corporately managed savings for workforce, shared services and contract management. At year-end, workforce savings had exceeded target, however there was under delivery against contract management (£64k) and sharing with	-0.322	(-100%)

Peterborough City Council (£139k), which the demography fund underspend has offset.

- A combination of more minor variances, and previously reported exceptions disclosed in individual reports sum with the above to lead to an overall outturn of -£511k. For full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/y4gbsrvk).

3.2.5 **LGSS Managed:** +£0.165m (+1.8%) pressure is being reported at year end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/y4gbsrvk).

3.2.6 **CS Financing:** a -£0.894m (-3.4%) underspend is being reported at year end.

	£m	**%**
• **Debt Charges and Interest**- a -£0.894m overall underspend is being reported at year end. This is a decrease of £0.844m on the underspend position previously reported in December and relates in full to a change since last month. The change is almost entirely due to the capitalisation of interest recharge which has been calculated significantly lower than was originally budgeted. The Council has a policy of capitalising the costs of borrowing for schemes, which is allowable up until the point a project completes. The recharge between capital projects and the Financing Costs budget can therefore only be completed at year end once the final funding position of all capital schemes has been established, and once it has been identified which schemes have completed and which are ongoing as at 31st March 2019. There are several reasons why the final calculation is significantly under budget; the most substantial factor has been the reduction of the average cost of borrowing to the Council over the last year (this has reduced the costs of borrowing to the Council, but has also reduced the value of the recharge). However, there have also been changes to funding sources for projects (we have undertaken less borrowing than originally expected), and some schemes have also completed faster than anticipated in the original estimation and therefore it has only been possible to recharge the interest costs for a proportion of the year.	-0.894	(-3%)

- For full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/y4gbsrvk).

3.2.7 **Commercial & Investment:** a +£6.416m (-%) pressure is being reported at year end. There are no exceptions to report this month; for full and previously reported details see the C&I Finance & Performance Report, (https://tinyurl.com/y62ddoey).

3.2.8 **Funding Items:** a -£3.127m underspend is being reported at year end. The underspend position has increased by -£0.263m since last month. This is primarily due to the inclusion of the additional Business Rates Relief Reconciliation of Authorities' 2017-18 Tax Loss Payments grant of -£0.462m as set out in section 6.2.

3.2.9 **Open Purchase Order Reconciliation:** -£2.950m underspend is being reported at year end. There are no exceptions to report this month.

3.2.10 **LGSS Operational:** -£0.112m (-1.3%) underspend is being reported at year end. There are no exceptions to report; for full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/y4gbsrvk).

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

4. SAVINGS TRACKER

4.1 The "Savings Tracker" report – a tool for summarising delivery of savings. Within the tracker the forecast is shown against the original saving approved as part of the 2018-19 Business Planning process. For 2018/19, the Council has delivered £27.8m of savings against its original plan. Blue rated savings totalled £2.3m, exceeding the target on those initiatives. Green rated savings totalled £18.5m. The year-end Savings Tracker is included as **Appendix 5** to this report.

It is also important to note the relationship with the reported positon within this report. As pressures arose in-year, further mitigation and/or additional savings were required to deliver a balanced positon.

4.2 A summary of Business Plan savings by RAG rating is shown below:

BLUE			GREEN			AMBER			RED			BLACK				
Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Total Original Savings	Total Variance
	£000	£000		£000	£000		£000	£000		£000	£000		£000	£000	£000	£000
1	-1,500	-818	54	-18,506	17	4	-924	335	7	-15,817	9,366	8	-1,570	1,570	-38,317	10,470

The stretched targets for existing savings and additional savings identified within the funnel supported delivery of a further £5,786k in addition to the amounts shown above. For several proposals, due to delays or difficulties in recruiting, the delivery of savings in some cases may re-phased into 2019/20.

5 KEY ACTIVITY DATA

5.1 The latest key activity data for: Looked After Children (LAC); Special Educational Needs (SEN) Placements; Adult Social Care (ASC); Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest P&C Finance & Performance Report, (https://tinyurl.com/y4rql7aa) (section 2.5).

6. FUNDING CHANGES

6.1 Where there has been a material change in 2018/19 grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require Strategic Management Team (SMT) discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the GPC for approval.

6.2 <u>Business Rates Relief Reconciliation of Authorities' 2017/18 Tax Loss Payments Grant</u>

The Council has received an additional £462k in 2018/19 from the Ministry for Housing, Communities and Local Government (MHCLG) for Business Rates Relief; Reconciliation of Authorities' 2017/18 Tax Loss Payments. Local Authorities received interim section 31 grant payments during the year based on 2017/18 NNDR1 forecasts which recompensed authorities for their individual reduction in non-domestic rating income in 2017/18. Following receipt of NNDR3 returns for 2017/18 and a reconciliation process, MHCLG has issued a new grant determination to reimburse local authorities who had previously under forecasted the amount of business rates relief given in 2017/18. As a result Cambridgeshire County Council's additional allocation for 2018/19 is £462,063.

It is proposed that this additional income is held in the corporate grants section of Funding items, and transferred to corporate reserves at year end, subject to General Purposes Committee (GPC) approval.

General Purposes Committee is asked to approve the allocation of the Business Rates Relief Reconciliation of Authorities' 2017/18 Tax Loss Payments grant (£462,063) to the corporate grants account within Funding Items. This will offset pressures across the Council, reducing the transfer from the general fund reserve at year-end.

7. SCHOOLS

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

7.2 Total schools balances as at 31st March 2019 are as follows:

	31st March 2018 £m (original published balances)	31st March 2018 £m (amended for in-year academy conversions)	31st March 2019 £m	Change £m
Nursery Schools	0.6	0.6	0.9	+0.3
Primary Schools	9.9	9.7	11.1	+1.4
Special Schools	0.6	0.6	0.5	-0.1
Pupil Referral Units (PRUs)	0.1	0.1	0.1	0.0
Sub Total	**11.2**	**11.0**	**12.6**	**+1.6**
Other Revenue Balances (e.g. Community Focussed)	1.1	1.1	1.1	0.0
TOTAL	**12.3**	**12.1**	**13.7**	**1.6**

It must be noted that further to the DSG, schools budgets include funding from the Education & Skills Funding Agency (ESFA) for Post 16 funding, in year funding for items such as pupils with statements and additional grant such as the Pupil Premium. Schools that converted to Academy status prior to 31 March are no longer reported by the Local Authority and therefore are not included within the figures.

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

- Some schools will have delayed or cancelled spending decisions due to the uncertainty around future years funding amounts.
- Some schools have chosen to apply balances in 2018/19 to maintain current staffing levels and class structures.
- Pressures on capital funding have led some schools to reconsider and reprioritise revenue resources to allow for the possibility of capitalisation in future years.
- A number of ESFA additional funding allocations were made to schools in the final quarter of 2018/19 (including Devolved Formula Capital & Free School Meals)

7.3 Analysis will be undertaken to look at the individual changes in balances, and appropriate challenge given to both schools in a deficit position, and schools with excessive balances. Further analysis will be carried out throughout the year to ensure that schools are spending in accordance with their submitted budgets and recovery plans.

7.4 If a school is classed as not meeting the minimum floor targets for attainment, any balance in excess of 5% (secondary) or 8% (primary/special/nursery) is considered excessive and will be subject to local authority learning directorate officers determining how some of the excess could be best used to raise attainment levels.

7.5 A fuller report on financial health of individual schools, including surplus and deficit balances and a school-by-school breakdown was submitted to Schools Forum earlier in May and is available for review at: https://tinyurl.com/SchoolFinHealth19 **.**

The balances can be further analysed in the tables below:

Sector	Schools with Reported Deficit Balances as at 31st March 2019
Nursery	0
Primary	3
Secondary	0
Special	1
Total Schools	**4**

Value of revenue deficits at 31st March 2019:

Deficit	Nursery	Primary	Special	Total
£100k+	0	0	0	**0**
£60k - £100k	0	0	0	**0**
£20k - £60k	0	1	1	**2**
£10k - £20k	0	0	0	**0**
£1k - £10k	0	2	0	**2**

Value of surplus revenue balances held by schools at 31st March 2019:

Surplus	Nursery	Primary	Special	Total
£0k - £10k	0	5	0	**5**
£10k - £20k	0	6	0	**6**
£20k - £60k	0	36	0	**36**
£60k - £100k	1	35	1	**37**
£100k - £150k	2	22	0	**24**
£150k - £200k	0	12	1	**13**
£200k - £300k	3	7	0	**10**
£300k - £400k	0	2	1	**3**
£400k+	1	0	0	**1**

Please note: the figures in 8.2 and 8.5 are based on the year end returns from schools. However, following further validation of the Consistent Financial Reporting (CFR) returns the final information on Schools balances published by the Department for Education may differ slightly.

8. GENERAL RESERVE BALANCES

8.1 Balances on the general reserve as at 31st March 2019 are £12.8m as set out below:

General Reserve Balance	2018/19 Final Outturn £m
Balance as at 31st March 2018	13.393
Changes Arising:-	
Planned Business Plan adjustments	3.253
Children's Services and New Duties -Leaving Care additional funding approved at July 2018 GPC	-0.685
Additional pensions contributions net underachievement	-0.436
Surplus Corporate Grants	3.563
Open Purchase Order Reconciliation	2.950
Commercial & Investment	-6.416
People & Communities	-4.756
Debt Charges	0.894
Corporate Services	0.511
Public Health[1]	0.391
Place & Economy	0.288
LGSS Managed	-0.165
Balance as at 31st March 2019	**12.785**

[1] The Public Health transfer to the General Reserve relates to unringfenced funding; this was the -£391k underspend on the County Council core budget allocated to the Public Health Directorate in 2018/19 to supplement the national ringfenced grant.

8.2 As a minimum it is proposed that the General Reserve should be no less than 3% of the gross expenditure of the Council (excluding schools expenditure and Combined Authority Levy). At year end, the General Reserve was 2.2% of budgeted 2019-20 gross non-school expenditure. This deficit has been addressed as part of Business Planning, whereby £4.7m are added to reserves on 1 April 2019, restoring them to the 3% level.

9. REVIEW OF OTHER RESERVES

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

10. TREASURY MANAGEMENT ACTIVITY

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

	Budget £m	**Outturn £m**	**Variance £m**
Interest payable	16.591	15.856	(0.735)
Interest receivable	0.031	(0.670)	(0.701)
Capitalisation of Interest Costs	(2.417)	(1.710)	0.707
Technical & Other	0.429	0.522	0.093
MRP	11.350	11.093	(0.257)
Total	**25.984**	**25.091**	**(0.893)**

10.2 Interest payments were less than budgeted because fewer long term loans were raised during the year than had been budgeted. Short term loans at lower rates of interest were raised instead to meet liquidity needs. Minimum Revenue Provision (MRP) and Capitalisation of Interest Costs were less than budgeted as a consequence of reprofiling and alternative funding of capital expenditure.

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

	1st April 2018 £m	**31st March 2019 £m**	**Difference**
Long Term Debt	362.860	442.257	**79.397**
Short Term Debt	135.000	156.000	**21.000**
	497.860	**598.257**	**100.397**
Less: Investments	26.424	29.601	**3.177**
Less: 3rd Party Loans & Share Capital	32.330	95.392	**63.062**
Net Debt	**439.106**	**473.264**	**34.158**

10.4 Long-term debt consists of loans for periods exceeding one year (at either fixed or variable rates of interest) and the average rate of interest paid on this long-term debt was 4.0%. The average rate paid on short term debt was 1.0%. The overall average rate on total borrowing was 3.2%.

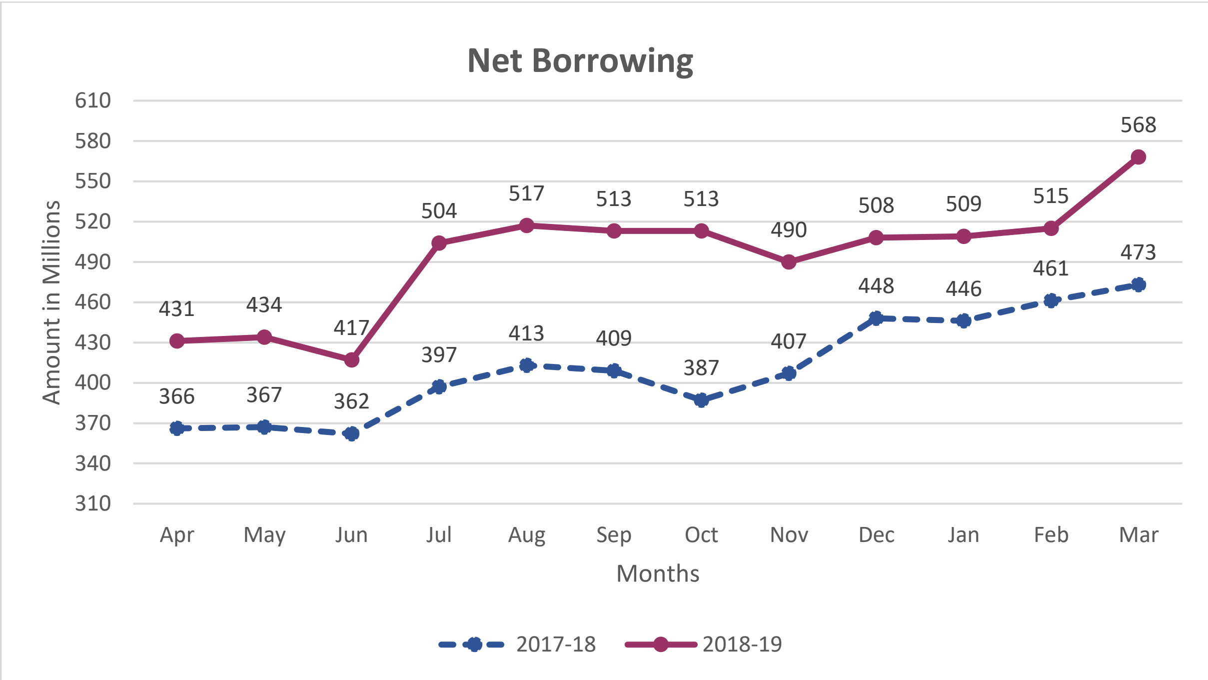
10.5 Each year the Council must approve limits known as Prudential Capital Indicators for the level of its external financing costs and the maximum limits on total debt. The outcome for 2018/19 compares with approved limits as follows:

	Approved	Actual
Financing Costs		
% of Net Revenue Stream	8.3%	7.6%
Authorised Limit for Debt	£1,014.6m	£598.3m
Operational Boundary for Debt	£984.6m	£598.3m
Interest Rates Exposure (as % of total net debt)		
Fixed Rate	150%	72%
Variable Rate	65%	28%
Debt Maturity Range (as % of total debt) *		
Under 1 year	0 to 80%	28%
1 – 2 years	0 to 50%	17%
2 – 5 years	0 to 50%	12%
5 – 10 years	0 to 50%	10%
Over 10 years	0 to 100%	33%

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

11. BALANCE SHEET

11.1 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of March 2019 were £30m (excluding 3rd party loans) and gross borrowing was £598m, equating to a net borrowing position of £568m. Of the gross borrowing, it is estimated that £165m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3rd parties in order to receive a financial return.



11.2 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 2018-19 TMSS was set in February 2018, it was anticipated that net borrowing would reach £683m at the end of this financial year. Based upon later projections of Balance Sheet cash-backed reserves and the Capital Programme borrowing requirements, this forecast was revised lower to £620m. The final outturn position was lower; net borrowing of £568m largely due to slippage in delivery of the capital programme.

11.3 From a strategic perspective, the Council is currently utilising cash backed balances and undertaking shorter term borrowing to generate net interest savings. This approach carries with it interest rate risk, and officers are monitoring options as to the timing of any potential longer term borrowing should underlying rates be forecast to rise in a sustained manner.

11.4 There is a link between the annual capital programme borrowing requirement, the net borrowing position and consequently net interest charges. However, the Debt Charges budget is formulated in the context of additional factors including projected levels of cash backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.

11.5 The Council's cash flow profile varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc) and income streams (grants, Council tax etc). 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.

11.6 Further detail around the Treasury Management activities can be found in the latest Treasury Management Report, (https://tinyurl.com/y4azemdw).

11.7 The Council's reserves include various earmarked reserves (held for specific purposes), as well as provisions (held for potential liabilities) and capital funding. A schedule of the Council's reserves and provisions can be found in Appendix 2.

12. DEBT MANAGEMENT

12.1 An overview of debt management outcomes is shown below:

Measure		**Year End Target**	**Actual as at the end of March 2019**
Level of debt outstanding (owed to the council) 91 days +, £m	Adult Social Care	£3.37m	£4.91m
	Sundry	£1.71m	£3.41m

12.2 Bad Debt Provision

As a result of the levels of debt at year end, assessed for security, the Council has increased the provision it carries on its balance sheet for bad debt by £0.37m.

12.3 Summary Final Position:

Overall debt outstanding has decreased since February. Overdue debt (total less current) has decreased by £13m from £29m to £16m.

91 days + KPI debt balances have decreased by £1.28m since February. The target of £5.08m was not achieved, with the final balance being £8.32m.

The Head of Revenues & Benefits, who is newly responsible for Debt Management activity within LGSS, is reporting to the June 2019 Audit and Accounts Committee on plans for improvement in this area. A number of actions are underway under the new head of service to improve the position:

- Confirming staff into permanent positions (after extensive staff turnover and use of agency); the whole debt management team is now staffed by employees.
- Providing additional management supervision and support; staff have been released from ERP project work (which has now stabilised) and from wider LGSS revenues & benefits functions.

- Appointment of external debt recovery agents for targeted work.
- Appropriate use of legal escalations.
- Preventative measures for Adult Social Care debt including direct debits and deputyship orders.
- Further progress on allocating income received from customers but not applied to individual invoices.
- Overhauled budget holder level debt reporting.

12.4 Adults Social Care

Adult Social Care (ASC) and Older People– 91 days + debt has decreased by £0.99m since February. Final balances are £4.91m against a target of £3.37m.

12.5 Sundry

Overall sundry 91 days + debt has decreased by £286k since February. This consists of debt decreases of £248k in Children’s Services, £37k in Corporate Services and £1k in Place & Economy. This has resulted in the final sundry 91 days + debt balance being £3.41m against a target of £1.71m.

13. CAPITAL PROGRAMME

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

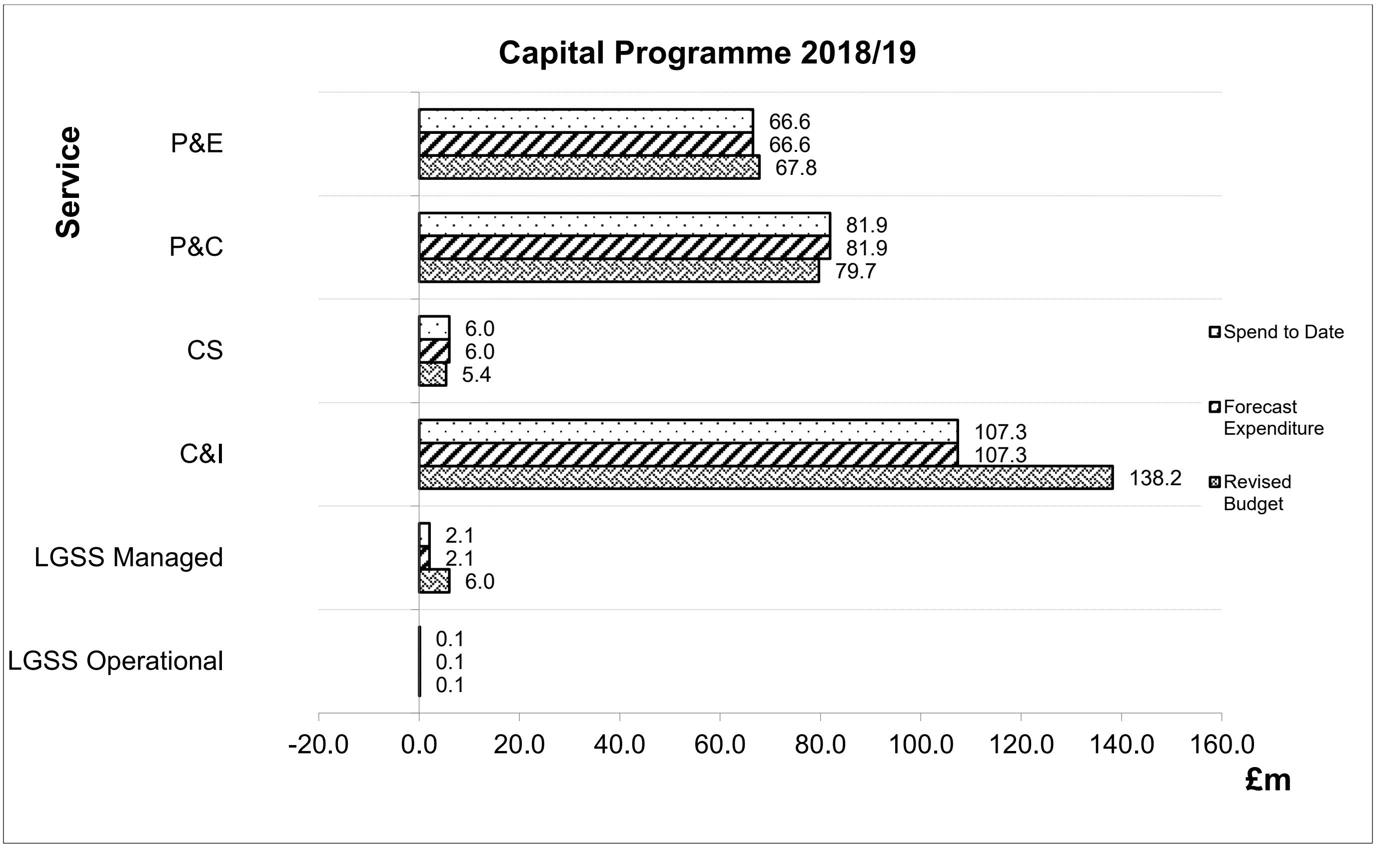
2018-19							TOTAL SCHEME	
Original 2018/19 Budget as per Business Plan £000	Forecast Variance - Outturn (Feb) £000	Service	Revised Budget for 2018/19 £000	Actual-Year to Date (Outturn) £000	Actual Variance - Outturn 2018/19 £000	Actual Variance - Outturn 2018/19 %	Total Scheme Revised Budget (Outturn 1819) £000	Total Scheme Forecast Variance (Outturn 1819) £000
35,956	-	P&E	67,842	66,567	-1,275	-1.9%	444,571	-
87,820	3,937	P&C	79,718	81,891	2,173	2.7%	670,994	15,451
2,038	1,183	CS	5,365	6,017	652	12.2%	19,541	-
6,415	-1,556	LGSS Managed	6,013	2,088	-3,925	-65.3%	6,963	-184
123,274	-17,769	C&I	138,217	107,350	-30,867	-22.3%	266,164	319
-	-	LGSS Operational	134	134	0	0.2%	2,025	-
-	-	Outturn adjustment	-	-	-	-	-	-
255,503	**-14,206**	**Total Spending**	**297,289**	**264,048**	**-33,242**	**-11.2%**	**1,410,258**	**15,585**

Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 13.2.

2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2018/19 of £26.1m and is reporting an underspend of -£8.2m at year-end.

3. The 'Total Scheme Forecast Variance' reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.



Note: The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted.

13.2 In light of the significant slippage experienced in recent years due to deliverability issues with the programme, and the impact this has on the revenue financing of the related debt for the programme, the Capital Programme Board recommended that a 'Capital Programme Variations' line be included for each Service which effectively reduced the programme budget for 2018/19. This was allocated service-wide rather than against individual schemes as it is not possible to identify in advance which particular schemes will be affected by land-purchase issues, environmental factors etc. which create the slippage.

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

2018/19					
Service	Capital Programme Variations Budget £000	Actual Variance - Outturn 2018/19 £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Actual Variance Against Revised Budget - Outturn 2018/19 £000
P&E	-14,931	-16,206	14,931	100.00%	-1,275
P&C	-10,469	-8,296	8,296	79.24%	2,173
CS	-951	-299	299	31.44%	652
LGSS Managed	-1,479	-5,404	1,479	100.00%	-3,925
C&I	-33,805	-64,672	33,805	100.00%	-30,867
LGSS Operational	0	0	0	-	0
Outturn adjustment	-	-	-	-	-
Total Spending	**-61,635**	**-94,877**	**58,810**	**95.42%**	**-33,242**

13.3 As at year-end, People & Communities (P&C) has utilised -£8.3m of the -£10.5m capital programme variations budget originally allocated to P&C, and Corporate Services (CS) has utilised -£0.3m of the -£0.9m capital programme variations budget originally allocated to CS. Taken together with the rephasing on Place & Economy (P&E), LGSS Managed, Commercial & Investment (C&I) which have exceeded the capital programme variations budget allocated to them, this fully utilises the total -£61.6m capital variations budget and exceeds the total by -£33.2m. Therefore, overall expenditure on the 2018/19 capital programme is underspent by -£33.2m compared to the position originally anticipated when the capital variations budget was set.

13.4 A more detailed analysis of current year key exceptions by programme for individual schemes of £0.25m or greater are identified below.

13.4.1 **Place & Economy:** a -£1.3m (-2%) in-year underspend is being reported at year end after the capital programme variations budget has been utilised in full.

	£m	%
• **£90m Highways Maintenance schemes** - an in-year pressure of +£1.5m is being reported at year end. This is a decrease of -£0.5m on pressure reported last month. This is due to the reclassification of two schemes which were transferred to be funded by the £6.653m Additional Highways Maintenance funding, thereby reducing the pressure on this policy line; the schemes were Sutton Rd, Leverington (£250k) and Soham, Great North Fen (£142k).	+1.5	(+50%)
• **Major Scheme Development & Delivery**- a -£0.3m underspend is being reported at year-end, which	-0.3	(-61%)

relates in full to a change since last month. This relates to work on the Northstowe bus link; this work will be carried out in 2019/20. The scheme is in the early design stage; further funding availability is being sought before the scheme proceeds further.		
• **Ely Crossing**- a -£0.5m underspend is being reported at year-end, which is a decrease of +£1.1m on the underspend reported last month. The overall underspend this financial year is largely due to ongoing land compensation claims.	-0.5	(-4%)
• **Guided Busway**- a -£0.5m underspend is being reported for year-end, which relates in full to a change since last month. The overall underspend this financial year is due to land compensation payments in relation to the busway being lower than anticipated.	-0.5	(-96%)
• **Delivering the Transport Strategy Aims** – an in-year underspend of -£1.5m is being reported at year end. This is an increase of -£0.4m on the underspend position reported last month. This is primarily due to rephasing on the following schemes: o Highways Schemes: an in-year underspend of -£1.1m is being reported at year-end, which is an increase of -£0.4m since last month. This is due to further underspends arising on: - B1049 Cottenham, Twentypence Road where construction was removed at short notice at request of the parish (0.183m). - Cambridge, Oxford Rd / Windsor Rd Traffic calming (£0.293m) – this is still at consultation stage, and to be carried forward to 2019/20. - C291/C292 Cambridge Victoria Ave/Maids Causeway - Pedestrian & cycle improvements – delays in design and now at consultation, to be carried forward to 2019/20.	-1.5	(-46%)
• **Challenge Fund-** a -£0.7m underspend is being reported for year-end, which relates in full to a change since last month. This is due to two schemes being rephrased into 2019/20; Stuntney and Mile End schemes are now being delivered in early 19/20, although initially it was expected that they would be completed in March.	-0.7	(-15%)
• **Connecting Cambridgeshire**- a -£5.6m underspend is being reported at year-end. This is an increase of	-5.6	(-94%)

-£0.6m on the underspend previously in October and relates in full to a change since last month. Due to the nature of the contract with BT, the majority of the costs are back-ended and expenditure will not be incurred until 2019/20 and 2020/21. The total scheme cost is still £36.29m.

• **P&E Capital Variation** – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore £14.9m of the net underspend is balanced by full utilisation of the capital variations budget; this is an increase of £2.0m on the use of variations budget reported last month and relates primarily to the increased underspends on Major Scheme Development & Delivery, Delivering the Transport Strategy Aims, Challenge Fund, Guided Busway and Connecting Cambridgeshire, and the decreased pressure on £90m Highways Maintenance schemes, partially offset by the decreased in-year underspend on Ely Crossing as reported above.	+14.9	(+100%)

- For full and previously reported details see the P&E Finance & Performance Report, (https://tinyurl.com/y6msymsu).

13.4.2 **People & Communities:** +£2.2m (+3%) accelerated spend is being reported at year-end after utilising -£8.3m of the -£10.5m capital programme variations budget allocated to P&C.

	£m	**%**
• **Basic Need – Primary –** an in-year underspend of -£3.3m is being reported at year-end. This is an increase of -£1.4m on the underspend reported last month. This is mainly due to rephasing on the following schemes: ○ Chatteris additional primary places has been rephased by £0.4m (an increase of £0.2m since last month), due to the delay in the start of works, this will have no impact on the completion date of summer 2020. ○ Gamlingay Primary School has been rephased by £0.3m in 2018/19. The project works have been completed; the contractors' final account for the construction works has yet to be finalised and agreed.	-3.3	(-10%)

- **Basic Need – Secondary –** an in-year underspend of -£5.0m is forecast. This is a decrease of £1.1m on the underspend reported last month. This is mainly due to rephasing on the following schemes:
    - Northstowe Secondary & Special has experienced reduced rephasing of £0.6m from £3.7m to £3.1m since last month. The overall £3.1m rephasing in 2018/19 is due to a requirement for piling foundations on the site, which will lead to an increase in total scheme cost and also extend the build time; however a further £0.6m of the initial rephasing has been regained due to full works being able to commence on site and progressing well due to unseasonably good weather.
    - Cambourne Village College has experienced reduced rephasing of £0.9m from £1.6m to £0.7m since last month. The overall rephasing is due to the works not starting on site until February 2019 for a September 2019 completion; great crested newts were found on site so works have been delayed.

  -5.0 (-14%)

- **Basic Need – Early Years:** an in-year underspend of -£1.5m is being reported at year end, which relates in full to a change since last month. This is due to works not commencing on a number of early years schemes. These will commence in 2019-20.

  -1.5 (-99%)

- **Adaptations:** +£0.9m accelerated spend is being reported at year end, of which £0.7m relates to a change since last month. This is mainly relates to the following schemes:
    - Morley Memorial Primary Scheme is experiencing accelerated spend of £215k as works are progressing slightly ahead of the original planned timescales and final accounts will be settled in 2018/19.
    - Sawtry Academy Project has experienced £711k accelerated spend in 2018-19 as the project has commenced ahead of the anticipated schedule.

  +0.9 (+39%)

- **Condition & Maintenance:** a +£2.6m pressure is being reported at year end. This is an increase of £1.1m on the position previously reported in December, of which £1.0m relates to a change since last month. This is due to a number of unplanned emergency projects requiring urgent attention to

  +2.6 (+106%)

ensure the schools concerned remained operational and to maintain the schools' condition.

• **Schools Managed Capital:** a -£1.0m underspend is being reported at year end, which relates in full to a change since last month. The revised budget for Devolved Formula Capital (DFC) has increased by £1,225k due to government confirming additional funding for 2018/19 allocations. DFC is a three year rolling balance for which schools control the timing and amount of spend, and includes £717k carry forward from 2017/18. The 2018/19 position relates to schools funded capital of £987k which has matching funding to offset the impact. Devolved Formula Capital has a carry forward into 2019/20 of £1,983k.	-1.0	(-34%)
• **Temporary Accommodation:** -£0.2m underspend is being reported at year-end. This is a decrease of £0.3m on the underspend position previously reported in December, of which £0.2m relates to a change since last month. The overall underspend is due to the level of temporary mobile accommodation being lower than initially anticipated when the Business Plan was approved.	-0.2	(-15%)
• **Capitalisation of Interest Costs:** -£0.4m underspend is being reported at year-end. The capitalisation of interest calculation was carried out with analysis completed at an individual scheme level once the overall 2018/19 capital expenditure was complete, and monthly interest rates for the financial year were known. Following the final expenditure and interest figures the calculated value for P&C came in at £428k lower than the original estimated budget.	-0.4	(-28%)

- For full and previously reported details see the P&C Finance & Performance Report, (https://tinyurl.com/y4rql7aa).

13.4.3 **Corporate Services:** a +£0.7m (+12%) in-year pressure is being reported at year end.

	£m	**%**
• **Citizen First, Digital First** – an in-year underspend of -£0.5m is being reported at year end, which relates in full to a change since last month. This is due to expenditure on IT hardware and software which has been delayed and is expected to take place in 2019/20.	-0.5	(-43%)

- For full and previously reported details see [CS & LGSS Finance & Performance Report](https://tinyurl.com/y4gbsrvk), (https://tinyurl.com/y4gbsrvk).

13.4.4 **LGSS Managed:** a -£3.9m (-65%) in-year underspend is being reported at year end after the capital programme variations budget has been utilised in full.

	£m	%
Cambridgeshire Public Sector Network Replacement– an in-year underspend of -£3.8m is being reported at year end. This is an increase of -£1.3m on the position previously reported in September, and relates in full to a change since last month. This is due to a revised timescale for this project; the previous contract was extended, so the process to move buildings across to the new network has started on a revised timescale.	-3.8	(-70%)
• **Libraries IT Network Refresh**– an in-year underspend of -£0.4m is being reported at year end. This relates in full to a change since last month. This is due to a delay in expenditure on IT hardware which is now expected to take place in 2019/20. Overall the total scheme is now anticipated to underspend by £0.125m due to the size of the project being smaller than initially expected.	-0.4	(-90%)

- For full and previously reported details see [CS & LGSS Finance & Performance Report](https://tinyurl.com/y4gbsrvk), (https://tinyurl.com/y4gbsrvk).

13.4.5 **Commercial & Investment:** a -£30.9m (-22%) in-year underspend is being reported at year end after capital programme variations budget has been utilised in full.

	£m	%
• **Housing Schemes** – an in-year underspend of -£19.7m is being reported at year end. This is an increase of -£10.0m on the underspend previously reported in December, and relates in full to a change since last month. The forecast expenditure on Housing Schemes reflected expected loans to be made to This Land, as well as equity payments associated with the completed sales. There was an expectation that within the loans to be issued during 2018-19, expenditure would be incurred with respect to: o Construction loan on sites sold to This Land (£8m); o Equity in This Land (£2m). This expenditure will now be incurred in 2019-20.	-19.7	(-23%)
• **Shire Hall Campus** – an underspend of -£2.2m is being reported at year end. This is an increase of -£1.8m on the underspend position reported last month. The 2018-19 budget included the purchase of land at Alconbury Weald, which is now expected to take place in 2019-20. It also included a proportion of the budget for risk in the scheme, which is not required in 2018-19 but will be required in future years when the building work is underway.	-2.2	(-88%)

- **Building Maintenance** – an underspend of -£0.7m is being reported at year end, of which -£0.67m relates to a change since last month. A number of essential building maintenance schemes across the portfolio were not completed in 2018-19, and it is expected that these schemes will be completed in 2019-20. -0.7 (-50%)

- For full and previously reported details see the C&I Finance & Performance Report, (https://tinyurl.com/y62ddoey).

13.4.6 **LGSS Operational:** a balanced outturn is being reported at year end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/y4gbsrvk).

13.5 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.25m or greater are identified below:

13.5.1 **Place & Economy:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the P&E Finance & Performance Report, (https://tinyurl.com/y6msymsu).

13.5.2 **People & Communities:** a +£15.5m (+2.3%) total scheme overspend is forecast. There are no exceptions to report this month; for full and previously reported details see the P&C Finance & Performance Report, (https://tinyurl.com/y4rql7aa).

13.5.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/y4gbsrvk).

13.5.4 **LGSS Managed:** a -£0.2m (-3%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/y4gbsrvk).

13.5.5 **Commercial & Investment**: a +£0.3m (+0%) total scheme pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the C&I Finance & Performance Report, (https://tinyurl.com/y62ddoey).

13.5.6 **LGSS Operational:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/y4gbsrvk).

13.6 A breakdown of the changes to funding has been identified in the table below:

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding1 £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	17.5	4.1	-0.4	9.1	**30.3**	30.8	0.6
Basic Need Grant	24.9	-	-	-	**24.9**	24.9	-
Capital Maintenance Grant	4.0	-	0.2	-	**4.2**	4.2	-
Devolved Formula Capital	1.0	0.7	-	1.2	**2.9**	1.0	-2.0
Specific Grants	6.5	4.4	-1.0	-	**9.9**	13.5	3.6
S106 Contributions & Community Infrastructure Levy	11.0	3.0	-0.5	-0.6	**12.9**	16.3	3.5
Capital Receipts	81.1	-	-15.9	0.2	**65.5**	45.6	-19.8
Other Contributions	12.1	-	-3.6	6.7	**15.1**	11.5	-3.6
Revenue Contributions	-	-	-	-	**-**	5.3	5.3
Prudential Borrowing	97.3	92.4	-72.9	14.8	**131.6**	110.8	-20.8
TOTAL	**255.5**	**104.6**	**-94.2**	**31.5**	**297.3**	**264.0**	**-33.2**

1 Reflects the difference between the anticipated 2017/18 year end position used at the time of building the initial Capital Programme budget, as incorporated within the 2018/19 Business Plan, and the actual 2017/18 year end position.

13.7 Key funding changes (of greater than £0.25m) are identified below:

Funding	Service	Amount (£m)	Reason for Change
Additional / Reduction in Funding (Specific Grants and Other Contributions)	All	+£4.6	Funds received for Basic Need Grant (£27.5m), Greater Cambridge Partnership (£3.6m), and Horizons (£2.1m) that have not been needed in 2018/19 in cash flow terms for the specific schemes they relate to have been used in place of borrowing to fund other schemes across the capital programme. This will reduce the MRP charge that will be payable for 2019/20. When these funds are needed in the future for the specific schemes that they relate to, the Council will borrow to repay them. Funds previously received for the Growth Deal (£20.9m) and Growing Places fund (£7.7m) that have already been used in place of borrowing are now required to fund expenditure in 2018/19; this expenditure will therefore be funded by the use of the Basic Need, Greater Cambridge Partnership and Horizons funding as described above. This results in a net funding swap for 2018/19 of £4.6m. **General Purposes Committee is asked to approve the use of £27,532k Basic Need Grant, £3,601k Greater Cambridge Partnership funding, and £2,052k Horizons to off-set the additional funding required to repay the use in previous years of £20,901k Growth Deal and £7,654k Growing Places funding, as well as the resulting reduction of £4,630k in the prudential borrowing requirement.**
Additional / Reduction in Funding (Section 106 contributions)	All	+£3.7	Section 106 contributions applicable to projects which have already completed in prior years (£3.7m) due to a timing issue between expenditure and receipt of funding have therefore been allocated to fund other projects in 2018/19. This has the effect of reducing prudential borrowing in 2018/19 (the completed projects would have been funded by £3.7m prudential borrowing (repayable) in prior years). **General Purposes Committee is asked to note the use of £3,693k Section 106 contributions for applicable schemes where expenditure was incurred in prior years, and the resulting reduction of £3,693k in the prudential borrowing requirement for 2018/19.**

Additional / Reduction in Funding (Prudential Borrowing)	CS	+£0.5	Two third party loans have been issued in 2018/19, funded by prudential borrowing; £0.35m to Estover Playing Field Community Interest Company and £0.15m to Wisbech Town Council. These have been approved by Committee ahead of being advanced. The C&I committee received an annual report on third party loans in April 2019.
Additional / Reduction in Funding (Other Contributions)	P&E	+£0.3	The Strategy & Scheme Development scheme funding has been increased by £286k revenue contributions. This relates to works charged to revenue this year, including: o Model development and maintenance, including surveys. o Strategy development (planned and ad hoc). o Engagement in national / regional transport (including rail and trunk road). **General Purposes Committee is asked to note this additional funding from revenue contributions.**

13.8 For previously reported key funding changes see the respective Service Finance & Performance Report (appendix 6):

P&E Finance & Performance Report
P&C Finance & Performance Report
CS & LGSS Finance & Performance Report
C&I Finance & Performance Report

13.9 Request for additional 2019/20 funding

Additional funding of £599k is requested for 2019/20 for the Abbey Meadows Primary School condition works scheme. This scheme is to undertake building condition and maintenance work as part of due diligence with the school converting to Academy status on 1st April 2019. As part of the incoming Trust and Council's due diligence work, a condition survey was commissioned to assess the overall condition of the Abbey Meadows school site, including all buildings and external areas. The condition survey highlighted numerous areas requiring works, all of which, if not undertaken, could have the potential to close, or partially close the school within the next 12-18 months. These include mechanical and electrical works, windows, doors and internal/external ancillary works (making good defects caused by historic/current condition faults). The total cost of the works has been assessed to the value of £599k. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme will start in 2021/22 at £43.6k and decreases each year thereafter.

General Purposes Committee is asked to approve additional prudential borrowing of £599,000 in 2019/20 for the Abbey Meadows condition works scheme.

14. EXTERNAL AND CONTEXTUAL ISSUES

14.1 As predicted, the financial challenges facing the Council have increased during 2018/19. CCC has continued to face substantial increases in demand for its services, both as a result of population growth and changing demographics, particularly in relation to the ageing population and those with complex care needs. The number of Looked After Children remains high although progress has been made on unit costs. There have been rising costs in Older People's nursing; this area is emerging as a significant pressure after a number of years where demand and price have been managed very effectively following reform of commissioning & social work in Cambridgeshire. Serious pressures have grown and continued on Special Education Needs and High Needs block, leading to the carried forward deficit reported in section 3.2.2. These pressures, coupled with a 3.5% reduction in Government funding led to a savings requirement of £82m from 2018/19 to 2022/23.

14.2 Indicative of the scale of the challenge the Council has faced this year, it has failed to achieve a "break-even" outturn for the third year in succession and ended the year needing to draw down £3.2m from its non-earmarked reserves. Details of the pressures that have led to this position can be found in previous Finance & Performance Reports.

14.3 The financial outlook for 2019/20 remains extremely constrained. The continued reduction in Government grants is increasing reliance on locally generated forms of revenue such as Council tax and fees & charges. In particular, the Revenue Support Grant, worth more than £50m a year as recently as 2015-16, will no longer be received by the Council from 2019-20. The Council will see an overall increase in funding (excluding schools grants) of 10.9% to 2023-24, primarily due to increases in Council tax. Nevertheless, inflationary pressures, population growth and increased demand for services are expected to result in additional budget pressures of 21.6% of gross budget over the same period, resulting in a savings requirement of £61m over the next five years. However, following the 2016/17 change in the way the Council bears the cost of borrowing through its Minimum Revenue Position policy, it has been able to establish a Transformation Fund which will be further utilised during 2019/20. The Transformation Programme is integrated into the Business Planning process with a programme of investments and savings reflecting the transformational changes planned for 2019/20 and beyond. This continues to make resources available for Services to invest in strategies and to overhaul their services in a way that will deliver long-term savings.

14.4 The Council will focus on transforming rather than cutting services in this approach and will continue to seek to shape proposals so that the most vulnerable are the least affected. For further information see the Council's Medium Term Financial Strategy.

15. ALIGNMENT WITH CORPORATE PRIORITIES

15.1 A good quality of life for everyone

There are no significant implications for this priority.

15.2 Thriving places for people to live

There are no significant implications for this priority.

15.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

16. SIGNIFICANT IMPLICATIONS

16.1 Resource Implications

This report provides the year end resources and performance information for the Council and so has a direct impact.

16.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

16.3 Statutory, Risk and Legal Implications

There are no significant implications within this category.

16.4 Equality and Diversity Implications

There are no significant implications within this category.

16.5 Engagement and Consultation Implications

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

16.6 Localism and Local Member Involvement

There are no significant implications within this category.

16.7 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
Have any Public Health implications been cleared by Public Health	No Name of Officer: Not applicable

Source Documents	Location
P&E Finance & Performance Report (Outturn 18/19) P&C Finance & Performance Report (Outturn 18/19) PH Finance & Performance Report (Outturn 18/19) CS and LGSS Cambridge Office Finance & Performance Report (Outturn 18/19 C&I Finance & Performance Report (Outturn 18/19) Performance Management Report & Corporate Scorecard (Outturn 18/19) Capital Monitoring Report (Outturn 18/19) Report on Debt Outstanding (March 19)	1st Floor, Octagon, Shire Hall, Cambridge

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

	P&C £'000	Public Health £'000	P&E £'000	CS Financing £'000	Corporate Services £'000	LGSS Managed £'000	C&I £'000	LGSS Op £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	239,124	629	41,428	25,983	7,207	11,126	-8,188	8,871	33,685
Post BP adjustments	208				203	58	-433	-36	
Greater Cambridge Partnership budgets not reported in CCC budget					-863				
Use of earmarked reserves for Community Transport			84						-84
Cleaning contract savings transfer					36		-36		
Organisational structure review	-70				70				
Use of earmarked reserves for Community Transport			211						-211
Funding from General Reserves for Children's services reduced grant income expectation as approved by GPC	295								-295
Funding from General Reserves for New Duties – Leaving Care as approved by GPC	390								-390
Savings forthcoming from change in LEP governance arrangements applied to corporate savings target			-43		43				
Grand Arcade shop rental income transfer from Libraries to Property Services			50				-50		
Use of Smoothing Fund Reserve for P&C	3,413								-3,413
Transfer of advocacy budget to Corporate Services	-95				95				
Transfer of LGSS Law dividend target to C&I							-90	90	
Transfer of Monitoring Officer budget to Corporate services					90			-90	
Transfer of Bookstart contribution from Children's centres to Library services	-12		12						
Technical adjustment re Combined Authority Levy			13,615						-13,615
Children's Commissioning contribution towards Shared Services savings target	-14				14				
Transfer from Multi-Agency Safeguarding Hub to Contact Centre	-62				62				
Transfer Insurance budgets	394		1,764			-2,199	41		
Current budget	**243,570**	**629**	**57,121**	**25,983**	**6,957**	**8,985**	**-8,756**	**8,835**	**15,677**
Rounding	1	0	1	0	-1	-1	1	0	0

APPENDIX 2 – Reserves and Provisions

Fund Description		Balance at 31 March 2018	2018-19 Movements in 2018-19	2018-19 Balance at 31 March 2019	Notes
		£000s	£000s	£000s	
General Reserves					
- County Fund Balance		13,392	-607	12,785	
- Services					Service reserve balances transferred to General Fund after review
1	P&C	0	0	0	
2	P&E	0	0	0	
3	CS	0	0	0	
4	LGSS Operational	0	112	112	
	subtotal	13,392	-495	12,897	
Earmarked					
- Specific Reserves					
5	Insurance	3,175	885	4,060	
	subtotal	3,175	885	4,060	
- Equipment Reserves					
6	P&C	64	-56	8	
7	P&E	30	-30	0	
8	CS	30	-27	3	
9	C&I	680	-624	56	
	subtotal	804	-737	67	
Other Earmarked Funds					
10	P&C	464	-128	336	
11	PH	2,567	319	2,886	
12	P&E	5,382	900	6,282	Includes liquidated damages in respect of the Guided Busway
13	CS	2,677	462	3,139	
14	LGSS Managed	63	0	63	
15	C&I	552	62	614	
16	Transformation Fund	21,877	2,627	24,504	Savings realised through change in MRP policy.
17	Innovate & Cultivate Fund	844	717	1,561	Includes £1m transfer from Transformation Fund approved by GPC 22nd Jan 2019.
18	Smoothing Fund	0	0	0	This table has been presented on the basis of the £3.413m draw down approved in the August IR&PR section 6.2.
	subtotal	34,426	4,959	39,385	
SUB TOTAL		**51,798**	**4,611**	**56,409**	
Capital Reserves					
- Services					
18	P&C	12,109	17,466	29,575	
19	P&E	10,200	-4,131	6,069	
20	LGSS Managed	0	0	0	
21	C&I	0	20,415	20,415	
22	Corporate	43,561	11,133	54,694	Section 106 and Community Infrastructure Levy balances.
	subtotal	65,870	44,883	110,753	
GRAND TOTAL		**117,668**	**49,494**	**167,162**	

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 2018	2018-19		Notes
			Movements in 2018-19	Balance at 31 March 2019	
		£000s	£000s	£000s	
- Short Term Provisions					
1	P&E	55	-55	0	
2	P&C	200	162	362	
3	CS	0	0	0	
4	LGSS Managed	3,460	-1,367	2,093	
5	C&I	0	0	0	
	subtotal	3,715	-1,261	2,455	
- Long Term Provisions					
6	LGSS Managed	3,613	0	3,613	
	subtotal	3,613	0	3,613	
GRAND TOTAL		**7,328**	**-1,261**	**6,068**	

APPENDIX 3 – RECOMMENDATIONS FROM PREVIOUS REPORTS

The February Integrated Resources and Performance Report included a number of recommendations to General Purposes Committee (GPC) that have not yet received approval, as the last Integrated Resources and Performance Report to be presented at a meeting of GPC was the January report, on 26th March 2019.

GPC is asked to approve the recommendations in the February report, which were circulated to the Committee by email.

February Integrated Resources and Performance Report

One recommendation concerning capital funding found in section 5.7:

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

Funding	Service	Amount (£m)	Reason for Change
Addition/Reduction in Funding – Other Contributions	P&E	+£0.372	The Challenge Fund schemes funding has been increased by £372k from the overachievement of income in the Highways Development Management service. The Challenge Fund programme of work is nearing completion with two schemes remaining. The fund was awarded to the County Council following a successful bid in 2017, to tackle drought damaged roads in the Fen area. The discovery of hazardous material within the road foundations at a number of sites in the delivery programme has resulted in a forecast pressure of £372k. Due to the nature of the waste it cannot be recycled and put back into the carriageway foundations. Instead it has to be removed from site and carefully disposed of, which carries significant cost. In order to complete the remaining two schemes the pressure will be taken from the overachievement of income by Highways Development Management, which will allow the Challenge Fund programme to be completed as per the original bid. **General Purposes Committee is asked to note the +£372k additional funding towards Challenge Fund schemes in P&E.**

APPENDIX 4 - Community transport investigation – compensation payment

Cambridgeshire County Council seeks to be a transparent and responsible council.

Our aim is always to do the best for local people and to spend public money appropriately. If we make mistakes, we apologise, we learn from them and we try to put things right.

The Chief Executive, in consultation with the Leader of the Council set up the independent audit into the council's dealings with community transport providers FACT/HACT and ESACT as a result of a long running campaign by local taxi drivers and in particular Dave Humphrey, the Taxi Driver Association Chairman.

The association believed taxi drivers and private hire companies were being unfairly disadvantaged in bidding for transport contracts from the council – a view confirmed when the results of the independent PKF Littlejohn LLP report was heard by the Council's Audit and Accounts Committee last July.

It did show that Cambridgeshire County Council had made mistakes in the way it procured community transport and in its dealings with FACT/HACT and ESACT which had disadvantaged other local transport providers.

It also outlined a number of failings in the way FACT/HACT and ESACT worked and was managed.

The report also outlined an action plan for improvements aimed at both the council and FACT/HACT and ESACT.

The Council apologised for its own part in this, and outlined how it had already made many of the suggested actions and gave timescales for completing the others. It worked with FACT/HACT and ESACT to ensure immediate changes were made within the community transport operator's organisation.

The Chief Executive, Gillian Beasley, and Cllr Steve Count, Leader of the Council, have also made a personal apology to Dave Humphries and the Taxi Drivers Association for the time it had taken for their concerns to be properly considered and acted upon.

It is appropriate for the Council to make a compensation to Mr Humphries for the time he had lost from his own business while involved in collecting evidence and preparing and pursuing the case which eventually led to the independent audit.

As this work stretches back five years to 2014 – the Council has discussed with Mr Humphries a final settlement of £30,000 to compensate for his lost earnings over this time and in recognition of the adverse effects that his work to bring this issue to a conclusion has caused him.

The compensation payment will be made in accordance with section 92 of the Local Government Act 2000 and has the support of the Monitoring Officer, Section 151 Officer, and the Chairman of the General Purposes and Audit & Accounts Committees. The External Auditor has also been consulted.

General Purposes Committee is invited to note the compensation payment as set out in this appendix.

Savings Tracker 2018-19

Reference	Title	Description	Committee	Investment 18-19 £000	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 18-19	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving	Variance from Plan £000	Saving complete?	% Variance	RAG	Direction of travel	Forecast Commentary	Links with partner organisations
					Planned £000					Forecast £000											
				4,316	-6,837	-5,927	-5,936	-6,444	**-38,317**	-16,451	-2,961	-2,152	-6,285	**-27,847**	**10,470**						
A/R.6.001	P&C Contribution to Organisational Review Mileage Saving	As part of the Organisational Review (C/R.6.102) a cross cutting review of mileage allowances in 2017-18 was undertaken and areas where mileage could be reduced without impacting front line services were identified.	P&C Cross Committee	0	-63	0	0	0	-63	-63	0	0	0	-63	**0**	Yes	**0.00**	Green	↔	Budget reduced in budget prep - but reliant on savings to mileage budgets being ongoing.	0
A/R.6.111	Physical Disabilities - Supporting people with physical disabilities to live more independently and be funded appropriately	In line with the Council's commitment to promote independence, work will be undertaken to establish more creative ways to meet the needs of people with physical disability. This will include making better use of early help, community support and building on community and family support networks. It will also include work with the NHS to ensure health-funding arangements are appropriate.	Adults	0	-110	-110	-110	-110	-440	-110	-110	-110	-110	-440	**0**	0	**0.00**	Green	↔	On track	0
A/R.6.114	Learning Disabilities - Increasing independence and resilience when meeting the needs of people with learning disabilities	Continuing the existing programme of service user care reassessments which requires each person's care needs to be reassessed in line with the Transforming Lives model and with the revised policy framework with a view to identifying ways to meet needs in the most appropriate way	Adults	786	-1,706	-464	-465	-465	-3,100	-1,409	-328	-127	-154	-2,018	**1,082**	0	**34.90**	Red	↑	A refreshed scoping of potential savings was undertaken, and this work took into account previous experiences around the complexity and the level of challenge which impact on the pace at which savings could be delivered. There was also a challenging round of fee uplift negotiations requiring officer input - these two aspects have resulted in the shortfall in savings. Partially mitigated through a new funnel saving (shown separately) - an £858k surplus realised against the 2018/19 budget allocation for provider inflation, further to fee uplift negotiation undertaken by the Project Assessment Team	Savings will be made on health elements of care packages as well, providing savings to the CCG
A/R.6.115	Retendering for domiciliary care for people with learning disabilities	Part-year savings were delivered in 2017/18 through retendering domicilary care contracts, effective from 1 November 2017. The remaining effect of this saving will be delivered in 2018/19.	Adults	0	-100	0	0	0	-100	0	-100	0	0	-100	**0**	Yes	**0.00**	Green	↔	On track	0
A/R.6.122	Transforming Learning Disability In-House & Day Care Services	Developing a model of day opportunities for people with learning disabilities that is focused on enabling progression and skills development, supporting people with LD into employment where appropriate. Most of this saving will be delivered in 19/20 with a small amount in the latter part of 18/19.	Adults	0	0	0	0	-50	-50	-13	-13	-13	-13	-50	**0**	0	**0.00**	Green	↔	On track	0
A/R.6.126	Learning Disability - Converting Residential Provision to Supported Living	This is an opportunity to de-register a number of residential homes for people with learning disabilities and change the service model to supported living. The people in these services will benefit from a more progressive model of care that promotes greater independence.	Adults	0	-400	-394	0	0	-794	-25	0	0	-143	-168	**626**	0	**78.84**	Red	↔	Having better appreciation with level of stakeholder input in the last financial year has resulted in a better forecast in this complex and very volatile area. The process has a set timescale with a number of dependencies that can affect delivery and phasing.	Savings will be made on health elements of care packages as well, providing savings to the CCG.
A/R.6.127	Care in Cambridgeshire for People with Learning Disabilities	Work to enable people with learning disabilities who have been placed 'out of county' to move closer to their family by identifying an alternative placement which is closer to home. To be approached on a case by case basis and will involve close work with the family and the person we support.	Adults	75	-78	-79	-79	-79	-315	-168	-49	-49	-49	-315	**0**	0	**0.00**	Green	↔	On track	Savings will be made on health elements of care packages as well, providing savings to the CCG
A/R.6.128	Use of grant funding to reduce demand and service pressures	Grant funding is provided to Adults services to support investment to reduce demand and mitigate service pressures.	Adults	0	0	0	0	0	-7,200	-7,200	0	0	0	-7,200	**0**	0	**0.00**	Green	↔	On track	Will help meet financial pressures on Adults Services, enabling it to better respond to system-wide challenges
A/R.6.129	Russell Street Learning Disability Provision Re-design	Provide the existing permanent residential provision through an external provider as a supported living project and develop a traded in-house service that can respond to immediate needs for carer and support using the vacated residential provision.	Adults	0	0	0	-70	0	-70	0	0	0	0	0	**70**	0	**100.00**	Black	↓	Changes to Russel St were not possible in 18/19. Due to pressures across the system and the need to use relief staff and agency staff to provide statutory care, mitigations within the service could not be identified and there was a pressure at year end of £70k.	0
A/R.6.132	Mental Health Demand Management	The programme of work to transform the social care offer for adults and older people with mental health needs will deliver savings totalling £400k through a combination of demand management, staffing restructures, strategic commissioning and ensuring people receive appropriate health funding.	Adults	340	-275	-125	0	0	-400	-275	-125	0	0	-400	**0**	Yes	**0.00**	Green	↔	Completed.	Reducing demand versus expected levels should lead to lower than expected health needs
A/R.6.143	Homecare Retendering	The Council has retendered its contract for home care and this will release some efficiencies. The Council is also developing alternative ways of delivering home care support building on innovation and best practice across the country including the expansion of direct payments	Adults	100	-306	0	0	0	-306	-306	0	0	0	-306	**0**	0	**0.00**	Green	↔	On track	0
A/R.6.172	Older People's Demand Management Savings	Building on current work and plans to enable older people to stay living at home and in the community successfully through the provision of assistive technology, early help, community equipment and housing related support. Work will be undertaken to increase effectiveness of Reablement and to prevent falls in collaboration with partners.	Adults	116	-250	-250	-250	-250	-1,000	-250	-250	-225	0	-725	**275**	0	**27.50**	Red	↔	The revised plan for delivery of this saving included a target for Continuing Healthcare. This has not been achieved in full, resulting in under-delivery against the overall saving.	Should reduce demand on health system as fewer older people than expected require interventions. Reablement and Carers work should aid with DTOC.
A/R.6.173	Adult Social Care Service User Financial Reassessments	Continuing the programme of reassessing clients in receipt of adult social care services more regularly to ensure full contributions are being collected.	Adults	280	-180	-129	-77	-26	-412	-180	-129	-77	-26	-412	**0**	0	**0.00**	Green	↔	On track	0
A/R.6.174	Review of Supported Housing Commissioning	The Council is undertaking a review of all existing housing related support commissioned arrangements, with a view to ensuring contracts are efficient and to developing a single housing related support model across Cambridgeshire and Peterborough.	Adults	250	-250	-250	-250	-250	-1,000	-100	0	0	0	-100	**900**	0	**90.00**	Red	↓	The phasing of this saving will now be over several years - a major redesign of some services is needed, and this will need to be done in conjunction with changes in the housing support being provided by district councils. The overall saving delivered will be lower, with the remaining part reversed in the 2019-24 business plan.	0
A/R.6.175	Automation - Mosaic and Adult Business Support Processes	Efficiencies resulting from implementation of Mosaic replacing current processes.	Adults	0	0	0	-150	0	-150	0	0	0	0	0	**150**	0	**100.00**	Black	↔	Realignment of business support ahead of Mosaic implementation is not expected to deliver this saving in year, but the alignment of support funcitons will be reviewed next year once the Mosaic implementation is complete.	0

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				4,316	-6,837	-5,927	-5,936	-6,444	**-38,317**	-16,451	-2,961	-2,152	-6,285	**-27,847**	**10,470**						
A/R.6.177	Further savings required within Adults Services	This is the saving that will be delivered if the proposed changes to service-user care contributions policies are agreed (accounting for all appropriate benefits in contributions for day- and overnight-care, and adopting a preference for direct debits). If these changes are not agreed, additional savings will need to be found with Adults budgets in addition to savings already identified.	Adults	0	0	0	0	-282	-282	-282	0	0	0	-282	**0**	0	**0.00**	Green	⇔	On track	0
A/R.6.178	Local Assistance Scheme	Review the commissioning of the local assistance scheme and resource requirement. The small saving of £21k identified does not reduce the service offer at all	Childrens	0	-21	0	0	0	-21	-21	0	0	0	-21	**0**	0	**0.00**	Green	⇔	On track	0
A/R.6.201	Staffing efficiencies in Commissioning	A previous management restructure in the department has led to efficiencies in our commissioning team. This is the expected full year saving in 2018/19 of the new structure.	Childrens	0	-94	0	0	0	-94	-94	0	0	0	-94	**0**	0	**0.00**	Green	⇔	On track	0
A/R.6.204	Childrens Change Programme (later phases)	Further savings from the Children's Change programme - establishing new structures and ways of working to ensure that our service offer is responsive and timely - targeted to those in greatest need and towards those that we can ensure experience a de-escalation of need and risk as a result of effective, integrated, multi-agency services delivered in a timely manner.	Childrens	0	-507	0	0	-87	-594	-507	0	0	-87	-594	**0**	Yes	**0.00**	Green	⇔	Saving complete.	0
A/R.6.210	Total Transport - Home to School Transport (Special)	Saving to be made through re-tendering contracts, route reviews, looking across client groups and managing demand for children requiring transport provision	Childrens	0	-55	-38	-115	-116	-324	-45	-35	-60	-59	-199	**125**	0	**38.58**	Amber	⇔	199k of savings were made through tender rounds and other route efficiencies, however increasing demand means that this full saving was not achieved in 2018/19	0
A/R.6.214	Total Transport - Home to School Transport (Special) - Moving towards personal budgets	Personal Transport Budgets (PTBs) are discretionary payments to parents/carers of children eligible for home to school transport in exchange for full responsibility for transporting them safely to and from school. By increasing the uptake of PTBs, through targeting high cost journeys, revisiting the payment terms, improving the approval processes, and better engagement with children and parents about PTBs, this project will achieve efficiencies in the transport provided.	Childrens	0	0	0	-50	-50	-100	0	0	0	0	0	**100**	0	**100.00**	Black	⇔	An anticipated move to banded PTBs did not take place in-year so savings were not achieved in 2018/19.	0
A/R.6.224	Children's Centres - Building a new service delivery model for Cambridgeshire Communities	We want every child in Cambridgeshire to thrive and will target our prioritised targeted services for vulnerable children and young people. As an integral part of the Early Help Offer, our redesigned services will provide support to families when they really need them. We will provide a range of flexible services that are not restricted to delivery from children's centre buildings, in order to provide access to services when they are needed. We will also work in a more integrated way with partners across the 0-19 Healthy Child Programme, to provide comprehensive targeted support to vulnerable families. All of this will be supported by an effective on line resource tool as part of an improved on line offer for families. The saving will be achieved by re-purposing some existing children's centre buildings and streamlining both our management infrastructure and back office, associated service running and overhead costs. We intend to maintain the current level of front line delivery. A total saving of £900k is planned, with £249k from Buildings and Infrastructure costs. Of the £249k saving, £128k will be attributable to annual running costs of internally managed buildings. As this element of the budget is held by Corporate and Managed Services, this element of the total saving is therefore shown in Table 3 for Corporate and Managed Services, business plan reference F/R.6.110	Childrens	0	0	0	0	0	-772	-772	0	0	0	-772	**0**	0	**0.00**	Green	↑	On track	0
A/R.6.227	Strategic review of the LA's ongoing statutory role in learning	A programme to transform the role of the local authority in education in response to national developments and the local context, (e.g. the increasing number of academies and a reduction in funding to local authorities) has been started. Savings will be made by focusing on the LA's core roles and functions; by developing joint working with Peterborough's education services, and with other authorities as appropriate.	Childrens	50	-65	0	-129	-130	-324	-65	0	-129	-130	-324	**0**	0	**0.00**	Green	⇔	Saving reliant on wider implementation of Shared and Integrated Services.	0
A/R.6.244	Total Transport - Home to School Transport (Mainstream)	Through the Total Transport transformation programme we are scrutinising contract services to ensure the Council delivers the most efficient mainstream school transport services whilst ensuring all eligible pupils receive free transport in line with the Council's policy on journey times.	Childrens	0	-138	-29	-88	-87	-342	-138	-27	-81	-81	-327	**15**	0	**4.39**	Green	⇔	Largely achieved, although saving from route retender was £15k short of the full savings target	0
A/R.6.250	Grants to Voluntary Organisations	Saving from the Home Start/Community Resilience Grant where the re-commissioning of this service ceased in 16/17.	Childrens	0	-168	0	0	0	-168	-168	0	0	0	-168	**0**	0	**0.00**	Green	⇔	On track	0
A/R.6.251	Automation - Education and Children's Guidance	Reduction in staff costs in Education and Children's services related to more automated models of delivering advice and guidance.	Childrens	0	-25	-25	-25	-25	-100	0	0	0	0	0	**100**	0	**100.00**	Black	⇔	Savings not achieved in 2018/19; addressed through Business Planning going forward.	0

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A/R.6.253	LAC Placement Budget Savings	Savings will be delivered through a number of workstreams as well as working to reduce the number of children in care and improve the placement composition between in house and more expensive external placements. Individual pieces of work that are likely to have a positive impact on the placements budget include: • Significantly increasing the number of in house fostering placements to reduce reliance on the more costly independent fostering placements; • Reduce the length of time in care by ensuring looked after children are matched for permanence or reunified home where possible and increasing the use of Special Guardianship Order; • The new 'Hub Model' which consists of multi-disciplinary integrated teams will focus on supporting young people to remain living at home or in their family network. Where they cannot remain at home the team will continue to support them in appropriate accommodation and where possible work to rehabilitate them home; • Review the accommodation available for young people aged 16+ to ensure that it meets their needs and offers value for money; • Ensure that fees are negotiated on high cost and emergency placements; • The new Enhanced Intervention Service for Disabled Children - helping families stay together; • Earlier and wider use of systemic family meetings to identify family solutions which avoid the need for children to be accommodated in care; • Using link workers in CPFT to reduce the impact of parental mental health in risk to children.	Childrens	705	-333	-333	-417	-417	-1,500	-669	-1,012	-553	-84	-2,318	**-818**	0	**-54.53**	Blue	↔	On track	0
A/R.6.254	Looked After Children Transport	Increasing efficiency in LAC transport provision by identify high cost cohorts, managing demand and integrating routes.	Childrens	50	0	-20	-40	-40	-100	0	-20	-40	-40	-100	**0**	0	**0.00**	Green	↔	Achieved in 2018/19	0
A/R.6.256	Delivering Greater Impact for Troubled Families	Our multi-agency Together for Families programme will deliver and evidence greater impact for more families and so will receive increase 'payment by results' income from central government.	Childrens	45	0	0	0	0	-150	0	0	-75	-75	-150	**0**	No	**0.00**	Green	↑	On track	None
A/R.6.257	Automation - Admissions & Additional Automation Initiatives	Additional automation initiatives currently being explored – although these do relate to service areas (assistive technology, domestic violence, mental health, looked after children, etc) further work needs to be done to see where the automation 'enabler' will release savings and ensure that these are not double counted.	Childrens	0	-25	-25	-25	-25	-100	0	0	0	0	0	**100**	0	**100.00**	Black	↔	Savings not achieved in 2018/19; addressed through Business Planning going forward.	0
B/R.6.001	Automation - Icon System Roll Out	Reduction in staff costs relating to Icon (payment system) roll-out.	H&CI	0	0	0	0	0	-50	0	0	0	0	0	**50**	No	**100.00**	Black	↔	The original business case for introducing this system was to enable online library payments as a means of improving customer experience and to generate more income by making payments / donations easier. Service has underspent through other means.	0
B/R.6.002	P&E Contribution to Mileage Element of Organisational Review Saving	As part of the Organisational Review (C/R.6.102) a cross cutting review of mileage allowances in 2017-18 was undertaken and areas where mileage could be reduced without impacting front line services were identified.	H&CI	0	0	0	0	0	-4	-4	0	0	0	-4	**0**	No	**0.00**	Green	↔	On track	0
B/R.6.104	Partner's Contribution to Removing Park and Ride Charges	We plan to remove charges to the public for parking at park and ride sites. In order to deliver this we have agreed additional contributions from our partners which will replace half the lost income from the charges previously in place	E&E	0	0	0	0	0	-600	-600	0	0	0	-600	**0**	Yes	**0.00**	Green	↔	Contribution for half the lost income has been received from the Greater Cambridgeshire Partnership.	0
B/R.6.105	Ongoing Concessionary Fares Underspend	Due to changes in legislation and the increasing pension age, fewer people are eligible for concessionary bus fares - creating a reduced budget requirement in this area.	E&E	0	0	0	0	0	-400	-400	0	0	0	-400	**0**	No	**0.00**	Green	↔	Results from previous years indicates a good degree of confidence that this saving will be achieved, despite the ageing population.	0
B/R.6.207	Highways Service Transformation	Significant savings will be made by the new Highways contract, which started in July 2017, from further integration with our contractor and new ways of working.	H&CI	0	-125	-125	-125	-125	-500	0	0	0	0	0	**500**	No	**100.00**	Black	↓	This is not yet being achieved and so is being funded from alternative sources whilst work to lock in the savings goes on. It is anticipated the savings will be achieved next year.	0
B/R.6.208	Library Service Transformation	Changes to make the service financially sustainable and allow reinvestment in the book fund, including income generation and service redesign.	H&CI	98	0	0	0	0	-230	-230	0	0	0	-230	**0**	No	**0.00**	Green	↔	The saving will achieved from the generation of additional income, with any initial shortfall being funded by staff vacancy savings.	0
B/R.6.213	Move to full cost recovery for non-statutory highway works	Recharging the cost of officer time, not just the actual cost of work, for privately funded or part privately funded highway works.	H&CI	0	-25	-25	-25	-25	-100	-25	-25	-25	-25	-100	**0**	No	**0.00**	Green	↔	A new process was approved in July 2017 and is now in place. This includes an up front £500 admin fee and the recovery of actual cost upon completion of the work.	0
B/R.6.214	Street Lighting - contract synergies	Annual saving from joint contract drafting with partners. This will not lead to any reduction in street lighting provision.	H&CI	0	0	0	0	0	-98	-98	0	0	0	-98	**0**	Yes	**0.00**	Green	↔	This has now been achieved following completion of the synergies work in 17/18.	0
B/R.6.216	Street Lighting - conversion to LED	Saving on energy costs by introducing more energy efficient LED lights where there is a business case to do so.	H&CI	0	0	0	0	0	-95	0	0	-30	-65	-95	**0**	Yes	**0.00**	Green	↑	The deed of variation was signed and the LED stock delivered, with work commencing in April 2018.	0
B/R.6.217	Redistribution of parking income	Use a greater proportion of on-street parking income to fund highways and transport works as allowed by current legislation.	H&CI	0	0	0	0	0	-500	-500	0	0	0	-500	**0**	Yes	**0.00**	Green	↔	This will take place at the start of the financial year and is a continuation of using the on-street account to fund highway services as per the legislation	0
B/R.6.218	Contract Savings on Signals	Savings from a new contract for signals on the highway, which came into force in 2017, from retendering and energy efficiency.	H&CI	0	0	0	0	0	-100	-25	-25	-25	-25	-100	**0**	No	**0.00**	Green	↔	This will be achived as per the description and profiled across the financial year.	0
B/R.6.219	Consumer information and advice	Trading Standards now have an alternative contract in place for the delivery of consumer information and advice. Previous arrangements are no longer needed.	E&E	0	0	0	0	0	-15	-15	0	0	0	-15	**0**	Yes	**0.00**	Green	↔	On track	0

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B/R.6.302	Renegotiation of the Waste PFI contract.	Major contract re-negotiation to achieve savings.	H&CI	80	0	0	0	0	-1,000	0	0	0	-100	-100	**900**	No	**90.00**	Red	↓	Contract changes that deliver full year savings totalling £1.3m have been identified however delays to reaching formal agreement with the contractor that will allow contract changes will result in a shortfall in delivered savings. £400,000 savings per year have been achieved but agreement to allow the remainder of the savings to commence has been delayed. General Purposes Committee considered in January and subject to agreement of variation with the contractor, it is anticipated now that the full £1.3m annual savings will be available from 1st April 2019 onwards on a recurring basis, resulting in a savings shortfall of approximately £900,000 this financial year.	0
C/R.6.101	Shared Arrangements with Peterborough City Council	We are continuing to explore further opportunities to share activities and costs and learn from one another's best practice with Peterborough City Council	GPC	0	0	0	0	0	-300	-75	-69	-14	-20	-178	**122**	0	**40.67**	Amber	↔	£75k identified from shared Chief Exec £44k from Shared Head of IT&Digital £25k from Shared Head of BI Some other minor savings, but behind target at year end. Under review by Programme Board.	0
C/R.6.102	Organisational Review	Review of organisational arrangements in a range of areas - a number of different streams including reviewing spans of management control in service structures, amendments to terms and conditions for staff and managing expenditure on business mileage.	GPC	0	0	0	0	0	-728	-70	0	0	-658	-728	**0**	0	**0.00**	Green	↔	£-70k redundancy saving in Adults Remainder made from 3 days mandatory unpaid leave - in-year saving	0
C/R.6.105	Automation - Contact Centre, Front Door	Reduction in staff costs in service teams and Contact Centre from review of Customer Front Door across Cambridgeshire and Peterborough.	GPC	0	0	0	0	0	-100	0	-62	0	0	-62	**38**	0	**38.00**	Amber	↔	£62k permanent saving from contact centre. Remaining £38k in-year underspend in 18/19.	0
C/R.6.106	Reduction in costs on Redundancy, Pensions & Injury budget	Reduction in costs on Redundancy, Pensions & Injury budget, held within Corporate Services.	GPC	0	0	0	0	0	-10	0	0	0	-10	-10	**0**	0	**0.00**	Green	↔	On track	0
C/R.6.111	Efficiencies in Procurement Spend under £100k	To review spending below £100,000 in specific areas, with a view to ensuring the best possible contract and commercial terms are in place. This will include whether frameworks, bulk purchasing with other LGSS partners or smarter invoicing should be considered	GPC	0	0	0	0	0	-100	-36	0	-64	0	-100	**0**	0	**0.00**	Green	↔	£36k achieved from cleaning contract savings. Expecting to be able to use some savings from the Insurance contract for the rest. This saving will be made on larger contracts rather than on procurement under £100k.	0
E/R.6.001	PH Contribution to Milage Element of Organisation Review Saving	As part of the Organisational Review (C/R.6.102) a cross cutting review of mileage allowances in 2017-18 was undertaken and areas where mileage could be reduced without impacting front line services were identified.	Health	0	-3	0	0	0	-3	-3	0	0	0	-3	**0**	Yes	**0.00**	Green	↔	Mileage saving. Budget reduced at budget prep.	0
E/R.6.032	Miscellaneous Public Health Efficiencies	Reduction in public mental health budget of £7k, resulting from removal of non-recurrent set up costs spent in 2017/18 for the adult 'Keep Your Head' website and the post suicide bereavement service. This saving will not result in any reductions to services.	Health	0	-7	0	0	0	-7	-7	0	0	0	-7	**0**	Yes	**0.00**	Green	↔	On track	0
E/R.6.033	Recommissioning Drug & Alcohol Treatment Services	Savings will be secured through the re-commissioning of the Cambridgeshire Adult Drug and Alcohol Treatment Services, which will enable transformational changes. The Drug and Alcohol Treatment Services are currently commissioned as separate services but from the same provider, and the integration of drug and alcohol services through a planned formal contractual arrangement will afford efficiency savings. The Drugs and Alcohol Joint Strategic Needs Assessment, (2016) indicated changes in needs requiring a new service model. Notably an aging long-term drug using population that enter and re-enter the Service may have complex health and social problems. These clients do not require intensive acute drug treatment services but more cost effective support services to ensure that they have good mental & physical health and other support needs. There will be a focus on recovery using cost-effective peer support models to avoid readmission	Health	0	0	0	-77	-77	-154	0	0	-77	-77	-154	**0**	Yes	**0.00**	Green	↔	Has been achieved through retendering of Drug & Alcohol contract from 1st October 2018	0
E/R.6.034	Sexual Health Services - Changes to Delivery Model	There are proposals to transform aspects of the model of delivery for sexual health services, firstly through moving to online screening and postal samples for low risk patients who do not have symptoms of infection. Secondly through reviewing the 'hub and spoke' model for sexual health clinics, as many patients prefer to use the 'hubs' and there is low attendance at some 'spoke' clinics. Thirdly through providing oral contraception to low risk patients who are registered with a GP for one year only and then referring back to their GP.	Health	0	-35	-35	-35	-35	-140	-35	-35	-35	-35	-140	**0**	Yes	**0.00**	Green	↔	On track	0
E/R.6.035	Integrated behaviour change services - efficiencies	It is proposed that these savings would be made within the commissioned Integrated Lifestyle and Behaviour Change Services, through efficiencies and transformation following the transfer of the CAMQUIT Stop Smoking Service to Everyone Health earlier this year, which would not affect front line services.	Health	0	-84	0	0	0	-84	-84	0	0	0	-84	**0**	Yes	**0.00**	Green	↔	On track	0
E/R.6.037	Public Health Directorate - In house staff rationalisation	The public health business programmes team is currently undergoing a restructure, to ensure that business management support reflects the integration of the wider public health directorate across Cambridgeshire and Peterborough. This will result in removal of one post with a shared saving across the two authorities. The remainder of the saving will be achieved through a review of pending vacancies and income generation opportunities.	Health	0	-49	0	0	0	-49	-49	0	0	0	-49	**0**	Yes	**0.00**	Green	↔	Achieved through restructure.	0

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E/R.6.038	Decreased demand for Stop Smoking Services	This proposal is for a saving of £28k to be made from stop smoking services. In recent years there have been decreased costs created from a fall in demand for services associated with the use of e-cigarettes and a smaller number of people who smoke in the county. The savings are because GPs and community pharmacists who provide the service are paid for each person they support to stop smoking and in addition an associated reduction in costs of medications which the majority of smokers use when they are making a quit attempt. This funding was originally allocated to an evidence based pilot harm reduction project. This aimed to support smokers from high risk groups in Fenland to quit by extending the period when support was provided for stopping smoking. The pilot however was unable to recruit sufficient numbers of smokers and it was discontinued.	Health	0	-7	-7	-7	-7	-28	-7	-7	-7	-7	-28	**0**	No	**0.00**	Green	↔	Saving reliant on fall in demand continuing.	0
F/R.6.001	C&I Contribution to Mileage Element of Organisational Workforce Saving	As part of the Organisational Review (C/R.6.102) a cross cutting review of mileage allowances in 2017-18 was undertaken and areas where mileage could be reduced without impacting front line services were identified.	C&I	0	0	0	0	-3	-3	0	0	0	-3	-3	**0**	0	**0.00**	Green	↔	On track	0
F/R.6.108	Energy Efficiency Fund - Repayment of Financing Costs	Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal F/C.2.119	C&I	0	-4	-5	-5	-5	-19	-4	-5	-5	-5	-19	**0**	0	**0.00**	Green	↔	Projected savings of £46k are forecast for the year 2018/19.	0
F/R.6.109	Outcome Focussed Review of Property Services Delivery	Savings arising from Outcome Focused Review of property services approaches including: o Generating new income o Sharing teams/function with other partner organisation o Efficiencies within our business processes of the property team o Efficiencies in the annual running cost of our property portfolio	C&I	0	-86	-38	-38	-38	-200	-86	-114	0	0	-200	**0**	Yes	**0.00**	Green	↔	-86k saving funded from increased increased parking charges re Shire Hall car park (est. £126k) exceeding current budget of £40k -114k funded from reduced rates liability for Shire Hall Permanent savings have been made but they are not related to the Outcome Focused Review of Property Services.	0
F/R.6.110	Children's Centres - Building a new service delivery model for Cambridgeshire Communities	We want every child in Cambridgeshire to thrive and will target our prioritised targeted services for vulnerable children and young people. As an integral part of the Early Help Offer, our redesigned services will provide support to families when they really need them. We will provide a range of flexible services that are not restricted to delivery from children's centre buildings, in order to provide access to services when they are needed. We will also work in a more integrated way with partners across the 0-19 Healthy Child Programme, to provide comprehensive targeted support to vulnerable families. All of this will be supported by an effective on line resource tool as part of an improved on line offer for families. The saving will be achieved by re-purposing some existing children's centre buildings and streamlining both our management infrastructure and back office, associated service running and overhead costs. We intend to maintain the current level of front line delivery. A total saving of £900k is planned, with £249k from Buildings and Infrastructure costs. Of the £249k saving, £128k will be attributable to annual running costs of internally managed buildings and this budget is held by Corporate and Managed	C&I	0	-128	0	0	0	-128	-128	0	0	0	-128	**0**	0	**0.00**	Green	↔	Achieved in 2018/19	0
G/R.6.004	Capitalisation of interest on borrowing	Through a change in the Council's accounting policy in 2017-18, the cost of borrowing within all schemes will be capitalised. This will help to better reflect the cost of assets when they actually become operational.	GPC	0	0	0	0	0	-319	0	0	0	-319	-319	**0**	0	**0.00**	Green	↔	On track	0
A/R.7.101	Early Years subscription package	Proposal to develop Early Years subscription package for trading with settings.	Childrens	0	-4	-4	-4	-4	-16	-4	-4	-4	-4	-16	**0**	0	**0.00**	Green	↔	Saving achieved in 2018/19	0
A/R.7.110	Learning Disability - Joint Investment with Health Partners in rising demand	Negotiating with the NHS for additional funding through reviewing funding arrangements, with a focus on ensuring Council investment in demand pressures re matched appropriately by the NHS.	Adults	0	-900	0	0	0	-900	-900	0	0	0	-900	**0**	0	**0.00**	Green	↔	On track	0
B/R.7.118	Increase on-street parking fees	It is proposed to increase on-street parking fees to encourage visitors to Cambridge to use alternatives such as Park and Ride - the projected income will also therefore increase.	H&CI	0	0	0	0	0	-200	-50	-50	-50	-50	-200	**0**	Yes	**0.00**	Green	↑	H&CI committee has approved an increase to the charges for parking. The saving will be realised across the financial year.	0
B/R.7.119	Improved Bus Lane Enforcement	We are installing more cameras to do more bus lane enforcement to keep traffic moving on our roads. Where people are caught driving in bus lanes we will enforce penalties.	H&CI	0	-100	-100	-100	-100	-400	-100	-100	-100	-100	-400	**0**	Yes	**0.00**	Green	↑	Phase two of the rollout is underway, with new site coming online this year. Income generated will be used to cover the cost of the bus lane enforcement provision, with any surplus reinvested into the upkeep of the public highway and associated assets.	0
B/R.7.120	Highways Development Management - increase income forecast	Increased income from charges made to developers making applications. In previous years we have over achieved on our income forecast so this represents a more realistic forecast of financial impact of existing practice	E&E	0	0	0	0	0	-200	-50	-50	-50	-50	-200	**0**	No	**0.00**	Green	↔	Achieved in 2018/19	0
F/R.7.104	County Farms Investment (Viability) - Repayment of Financing Costs	Increase in County Farms rental income resulting from capital investment. Links to capital proposal F/C.2.101.	C&I	0	0	-17	0	-18	-37	0	-17	0	-18	-35	**2**	0	**5.41**	Green	↔	On track	0
F/R.7.105	Renewable Energy Soham - Repayment of Financing Costs	Income generation resulting from capital investment in solar farm at Soham. Element to repay financing costs. Links to capital proposal C/C.2.102 in BP 2016-17.	C&I	0	-1	0	0	0	-1	-1	0	0	0	-1	**0**	0	**0.00**	Green	↔	On track	0
F/R.7.106	Renewable Energy Soham - Surplus to Repayment of Financing Costs	Income generation resulting from capital investment in solar farm at Soham. Element to surplus to repaying financing costs.	C&I	0	-4	0	0	0	-4	-4	0	0	0	-4	**0**	0	**0.00**	Green	↔	On track	0
F/R.7.108	Solar PV - Surplus to Repayment of Financing Costs	Income generation resulting from installation of solar PV at a further 5 CCC non-school sites. Element surplus to repayment of financing costs.	C&I	0	-1	0	0	0	-1	-1	0	0	0	-1	**0**	0	**0.00**	Green	↔	On track	0
F/R.7.109	Additional commercial return on the Farms Estate	We will Invest further in our farms estates to achieve additional income from commercial opportunities	C&I	0	0	-200	0	-300	-500	0	-200	0	-300	-500	**0**	0	**0.00**	Green	↔	This will come from a combination of additional agricultural rent, anticipated solar farm return and cost savings by capitalising farmhouse refurbishments.	0
F/R.7.110	Commercial Investments	Develop a portfolio of strategic investments which able to provide an income return. Will be developed through commercial research into options available, appropriate balanced portfolio and the extent of risk	C&I	0	0	-1,567	-1,567	-1,566	-4,700	0	0	0	-1,300	-1,300	**3,400**	0	**72.34**	Red	↔	Commercial acquisition made during Summer 2018, generating significant additional income. C&I Investment group meeting regularly to consider and progress further investments	0

					Planned £000					Forecast £000										
				4,316	-6,837	-5,927	-5,936	-6,444	**-38,317**	-16,451	-2,961	-2,152	-6,285	**-27,847**	**10,470**					
Reference	**Title**	**Description**	**Committee**	**Investment 18-19 £000**	**Original Phasing - Q1**	**Original Phasing - Q2**	**Original Phasing - Q3**	**Original Phasing - Q4**	**Original Saving 18-19**	**Current Forecast Phasing - Q1**	**Current Forecast Phasing - Q2**	**Current Forecast Phasing - Q3**	**Current Forecast Phasing - Q4**	**Forecast Saving**	**Variance from Plan £000**	**Saving complete?**	**% Variance**	**RAG**	**Direction of travel**	**Forecast Commentary**	**Links with partner organisations**
F/R.7.111	External Funding	Identifying and levering in new external funding to support CCC inititatives. This might come from a range of approaches, e.g. - Advertising - Sponsorship - Lottery - Crowdfunding - Social Finance - Private Investors - Timebanking We also know that our business partners, and especially the Cambridge Ahead group, are keen to invest in Cambridgeshire. They are particularly interested in initiatives which support families (i.e. their staff) or which increase the range of skills in the local workforce, or which have demonstrable social value.	C&I	40	0	0	-80	-120	-200	0	0	-50	-100	-150	**50**	0	**25.00**	Amber	↔	Additional income was not achieved through this scheme in 2018/19 although work continues in 2019/20	0
F/R.7.112	Reviewing and Repositioning Existing Traded Services	Service Reviews have been initiated in a number of existing traded services areas to identify greater profit potential with different operating models. The reviews cover the existing Outdoor Centres, Professional Centre Services, Education ICT and Cambridgeshire Music Services	C&I	0	-125	-125	-125	-125	-500	0	0	0	0	0	**500**	0	**100.00**	Black	↔	Not achieved in 2018/19. Replanned and reduced in Business Planning going forward	0
F/R.7.113	Invest to Save Housing Schemes - Income Generation	The Council is a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This will require CCC to move from being a seller of sites to being a developer of sites, through a Housing Company. In the future, CCC will operate to make best use of sites with development potential in a co-ordinated and planned manner to develop them for a range of development options, generating capital receipts to support site development and significant revenue and capital income to support services and communities.	C&I	1301	0	-1,408	-1,408	-1,407	-4,223	0	0	-77	-1,963	-2,040	**2,183**	0	**51.69**	Red	↔	Although some delays to the timescale of advancing loans, and to the value of land (as externally assessed) at the point of transfer, all planned sites have now been transferred to This Land securing interest receivable funding during 2019-20	0

Agenda Item No:7

MOBILISING LOCAL ENERGY INVESTMENT

FINANCING THE WORK OF THE ENERGY INVESTMENT UNIT - TRANSFORMATION BID

To:	**General Purposes Committee**
Meeting Date:	**28 May 2019**
From:	**Graham Hughes, Executive Director, Place and Economy**
Electoral division(s):	**Not applicable**
Forward Plan ref:	**2019/035** *Key decision:* **Yes**
Purpose:	**To consider a Transformation Fund bid for supporting the work of the Energy Investment Unit until March 2022.**
Recommendation:	**Members are asked to approve Appendix A, the Transformation Bid proposal of £989,000 for financing the Energy Investment Unit up to March 2022.**

	Officer contact:		***Member contacts:***
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1 BACKGROUND

1.1 The County Council led a successful bid in 2012 for European funding to cover the cost over 3 years of the Mobilising Local Energy Investment (MLEI) project. The objectives of the MLEI project were to build capacity of staff and members to develop and invest in energy projects, set up an investment fund and prove the potential for investment in low carbon energy measures.

1.2 The MLEI project started by delivering energy efficiency and renewable generation measures in schools and developing the procurement and contracting mechanisms for the Soham solar farm. By the end of the period of European funding, the MLEI project had successfully met its targets by commissioning roughly £3.5m of energy measures in schools & Council offices and a £10m solar farm at Soham.

1.3 The EU funding finished in August 2015 and both Economy & Environment Committee (21/04/15) and General Purposes Committee (19/05/15) agreed that work done under the MLEI project on the schools and corporate buildings would continue as part of the Energy Investment Unit (EIU) but in addition focus on developing larger projects that would generate revenues for the Council. An initial five year business case to 2020/21 was approved for the EIU based on calculations that showed that the full costs of the EIU delivering the schools programme and initial scoping for larger projects, could be recovered over time from the margin charged on loan costs paid by schools.

2 DEVELOPMENT OF THE ENERGY INVESTMENT UNIT

2.1 Since 2015 the EIU has significantly expanded its scope of work reflecting the ambitions of the Council. It has:

- grown the schools programme from 10 schools in 2015 to over 50 schools in 2019 totalling more than £8.7million investment;
- taken responsibility for the procurement and management of utilities for the Council's buildings, schools and services to help manage our costs;
- taken responsibility for legislative compliance for the Council's energy standards for its buildings;
- managed an investment fund of £1million into energy reduction projects across its corporate buildings which is delivering annual revenue savings;
- scoped a pipeline of major investment projects on Council land that are currently under development to generate revenues for the Council in the medium term and support the Council's budget;
- responded to Cambridgeshire communities to co-develop energy projects that benefit local people such as Swaffham Prior;
- developed the Council's Energy Strategy and Action Plan and collaborating with Peterborough City Council on shared projects;
- influenced the government energy policy agenda and strategies; and
- enhanced the energy infrastructure locally to support growth, working in partnership with local stakeholders.

2.2 The EIU has grown from 2.3 FTE in 2015 to a total of 5.7FTE in 2019 to cover the variety of work detailed in 2.1 above. The Council's Energy Team, formerly hosted in the Council's

Property Service, joined the EIU in 2017 and new staff were recruited during 2018 to help deliver energy investment projects and forecast income for the Council's budget.

3 PRESENT FINANCIAL POSITION OF ENERGY INVESTMENT UNIT

3.1 When the EIU took its current form after the completion of the MLEI project, it was set up to act as a trading unit, i.e. any surpluses or deficits associated with its activity would be carried forward and operate on a full cost recovery basis. Full cost recovery in this case includes not just the salary and social costs but also a £19,500 overhead payment per full time member of staff to cover costs such as IT, bills, management overhead and accommodation. To give context, for 2019/20 the overhead cost for the Unit alone is £111,150.

3.2 A five year business plan was originally approved by Economy and Environment Committee on the basis that the EIU breaks even by 2020/21 through contributions from the schools contracts. The EIU has contracted with fifty one schools to deliver total income of just over £1.7million for the Council which provides an average annual income of £155,000 for the EIU over the next 10-15 years to support ongoing work with schools. At the same time the investment is delivering income/savings for the schools of over £700,000 per annum. This provides a benefit to the value of greater than £10,500,000 for the schools over the next 10-15 years and can be viewed as a success for the schools and transformative in the way we collaborate and deliver change.

3.3 However, the costs of the EIU have risen, mainly in response to the need to develop larger income generating projects for the Council. To date, the additional costs have been offset in 2 ways:

- from 2017 the energy team joined the EIU. A corporate contribution is provided that reflects the work done by this team on legislative compliance and the procurement and management of the Council's energy and water bills; and
- the staffing costs associated with larger projects are now being covered by development cost budgets agreed by Commercial and Investment Committee as part of the authorisation of each individual project.

3.4 However, the above does not cover the EIU's activities in relation to developing community energy projects or strategic interventions to help unlock the challenges with the local grid. It also does not cover strategic influence of energy policy and market shaping required to build a new energy system and market, all of which is required to both open up opportunities for the Council to deliver energy projects but also to support growth ambitions.

3.5 As already acknowledged in paragraph 3.2 above, the initial five year business case for the EIU was scheduled to break even in 2020/21. This was agreed on the basis that building a business requires the upfront development and construction of projects ahead of financial returns. However, the total EIU deficit at the end of 2017/18 was £233,000 and the projected deficit at the end of 2018/19 is £374,000. In addition to the increase in its responsibilities outlined above, there are two specific timing issues which have resulted in the significant expected increase in the deficit this year:

- costs incurred on the St Ives project – if ERDF funding is eventually agreed for this, these costs will be recovered in 2019/20; and

- delays in the final completion of projects at several academy schools. Unlike maintained schools, repayments by academies only start when all project works are completed. This does not affect the total repayments expected over time from each school, but has meant a slippage in income compared to original budget projections.

3.6 It is also important to note that the UK electricity system is going through one of its biggest changes for 100 years. The infrastructure that distributes electricity needs upgrading to be smart and efficient to facilitate growth and to manage the shift from fossil fuels to clean decentralised energy. The electricity system and associated industry, is going through major disruption whilst also ensuring security of electricity supply to existing customers. This disruption is creating uncertainty and risk for developing and growing our energy investments but also bringing opportunity to shape new business models and integrate energy projects developed by the Council into the future smart energy system to create income.

3.7 Key risks moving forward in the short term include policy and regulatory change, identifying revenue streams that do not yet exist but that will emerge as the market develops, accessing government grants to build new business models and more locally securing planning approvals. Government policy has been changeable. In part due to the complexities moving from the current system to a future system, learning how to plan and manage this change and gathering new insights and knowledge of new technologies to help shape an emerging pathway. The implication for the Council is it needs to take a long term view to overcome short term volatility and change currently experienced in the energy market and ensure a strong understanding of what the future electricity system should look like and shape this with government. Developing new business models in partnership with government is a way of informing government thinking and policy whilst learning and building knowledge locally.

4 PROPOSED USE OF TRANSFORMATION FUND

4.1 There are three strategic transformations that the EIU is looking to deliver over time. These include:

- a substantial net income for the Council through income generation from the current large energy projects approved with development budgets. While some of these schemes are still at an early stage and expected returns are subject to significant change, the overall projected net return to the Council over the 25 year expected lives of these projects is over £100m. This is a factor of ten greater than the schools benefit described in paragraph 3.2 above. This only takes account of proposals currently under development and many more projects would be expected to be delivered over this period;
- Shifting rural communities from fossil fuel heating onto low carbon alternatives. This will benefit our communities financially over the lifetime of a heating system, saving households and communities money that can be spent locally in our economy; and
- Supporting the ‘tripling of the local electricity network’ to unlock clean growth and investment opportunities for the Council. This will facilitate further energy projects on

our assets and help shape a future smart energy system for Cambridgeshire, contributing to the doubling of gross value added (GVA) by 2040 identified in the Devolution Deal for Cambridgeshire and Peterborough.

4.2 Noting the EIU's projected break even for March 2020/21 was based on delivering the schools programme, when scaled up to deliver the £100million income and build the strategic transformations described in paragraph 4.1 above, it is acknowledged that this is not deliverable on the original five year business case, supplemented with project specific resources to cover staff costs. There are a number of problems associated with the current funding methodology that need to be taken into account. In particular:

- development cost budgets are tied to individual projects. This makes it harder for the EIU to react and reprioritise if it is necessary to delay a project – as happened with the proposed scheme at Trumpington Park & Ride which became subject to a public consultation;
- developing the future project pipeline beyond 2022 is interlinked with creating a new smart energy system for Cambridgeshire and identifying and shaping the market opportunities. This business development and support for the growth agenda is very important but piecemeal depending on when time permits; and
- all significant capital projects carry risks, e.g. in relation to planning permission, ground conditions, state aid etc. That means there is a possibility that projects may have to be aborted for reasons that are beyond the control of the County Council. The Council recognises this may happen, but balances those risks by undertaking a programme of projects – allowing possible losses from an aborted project to be set against the potential future gains from the programme as a whole. As the EIU does not share in future gains though, it currently has no means to recover any losses within its budget.

4.3 To illustrate the challenge of funding being tied to specific projects, the EIU is projecting a total recovery of £340,000 from the scheme at St Ives Park & Ride. It is expected that costs incurred on the scheme since November 2016 will be recoverable from the ERDF grant being negotiated with the Ministry of Housing, Communities and Local Government (MHCLG). However, while the future of the scheme now looks optimistic, discussions with MHCLG over state aid delayed it by over a year and a half.

4.4 It is proposed that for the period 2019/20 to 2021/22 the EIU seeks funding from the Transformation Fund set out in table 1 below. The funding being sought for the EIU team budget is the same value as that currently provided by the staff costs approved with individual development project budgets but the linkages would not exist. This allows the funding to support other aspects of the EIU work, such as community energy projects and influencing the strategic direction of energy policy, should projects be delayed or changed.

Table 1: Funding for the Energy Investment Unit up to March 2022

Item	**Funding required**
EIU mobilisation for school schemes, energy projects and investment deficit	£374,000
Large Energy investment projects deficit to date	£40,000
Future anticipated revenue costs of project development to March 2022	£300,000
Contingency for aborted capital schemes	£200,000
Developing a programme of community energy projects	£50,000
Shaping the strategic energy agenda for sustainable growth	£25,000
Total funding required	**£989,000**

4.5 If the use of the Transformation Fund is approved, the parts of the existing development cost budgets relating to EIU funding would be cancelled as this would no longer be needed. The financial projections show that the net effect of providing the Transformation funding and cancelling the existing development cost budgets would be to bring the EIU into financial equilibrium in 2021/22, i.e. having repaid the existing deficit, subject to no unexpected events changing the projected costs incurred or income generated.

4.6 As projects proceed towards construction, the internal costs that have been incurred to develop the asset will be capitalized, which means the costs will be transferred out of the EIU's budget.

4.7 Whether funding is provided through individual development cost budgets or through an overall allocation from the Transformation Fund makes no difference to the overall County Council finances. The difference is in the operational flexibility of the EIU to deliver.

4.8 On 26th April 2019, Commercial and Investment Committee unanimously supported the submission of a Transformation Fund bid to GPC for financing the EIU to March 2022 subject to this paper including paragraph 3.5 and 3.6 on future risks.

5 ALIGNMENT WITH CORPORATE PRIORITIES

5.1 A good quality of life for everyone

The successful operation of the EIU should help improve the price and availability of future clean energy for Cambridgeshire businesses and communities.

5.2 Thriving places for people to live

The ambitions of the Council to support the development of clean energy projects will reduce carbon emissions and help mitigate the impact of climate change on our communities.

5.3 The best start for Cambridgeshire's children

The energy investments supported by the Council will provide income to support frontline services for residents, reduce local air pollution and continue to support energy measures in school to reduce bills and limit the increase of school budgets spent on energy.

6 SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

The report sets out that there would be a transfer of costs from development cost budgets (funded by borrowing) to the Transformation Fund. In addition, it is important to note that the transition of the UK's energy infrastructure to low carbon energy brings volatility to projects being developed and the Council's energy projects are working within this challenging environment.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications.

6.3 Statutory, Legal and Risk Implications

See paragraphs 3.5 and 3.6

The energy market is subject to many influences including regulatory change, testing of new business models and trialling new technologies. It is also a changing market with some fragility. For example, BEIS' 'capacity market' mechanism has been suspended due to a legal challenge on state aid. No payments to energy projects contracted under this mechanism are allowable whilst a review is underway. This type of challenge brings uncertainty to investors.

6.4 Equality and Diversity Implications

There are no significant implications.

6.5 Engagement and Communications Implications

There are no significant implications.

6.6 Localism and Local Member Involvement

There are no significant implications.

6.7 Public Health Implications

There are no significant implications of the funding bid but positive benefits will arise from the implementation of energy projects on local air pollution and climate change

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Amy Brown
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Elsa Evans
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Jo Shilton
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Emma Fitch
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Stuart Keeble

Source Documents	Location
1. First EIU Quarterly Monitoring Report March 2019	www.cambridgeshire.gov.uk
2. Budget Build 19_20_ Energy Investment Unit	Internal EIU folders
3. Salary Spreadsheets 19_20	As above
4. Cashflow projections schools programme	As above
5. OFGEM RIIO-2 consultations	https://www.ofgem.gov.uk/network-regulation-riio-model/network-price-controls-2021-riio-2/riio-2-publications-and-consultations
6. Government's Industrial and Clean Growth Strategies	https://www.gov.uk/government/topical-events/the-uks-industrial-strategy

Investment Proposal Supporting Information / Transformation Fund Bid

Bid Title	**Financing the Energy Investment Unit (EIU)**
Service Area / Directorate	**Energy Investment Unit, Environment and Commercial Services, Place and Economy**
Sponsoring Director	**Chris Malyon/Graham Hughes**

Brief Description of Bid

£989,000 is sought to help finance the EIU until March 2022. This funding will provide greater operational flexibility to the Unit and support it to deliver three strategic transformations including:

- **£100,000,000 net income for the Council by 2040 through income generation from the current large energy projects approved with development budgets.**
- **Shifting rural communities from fossil fuel heating onto low carbon alternatives. This will benefit our communities financially over the lifetime of a heating system saving households and communities money that can be spent locally in our economy**
- **Support the 'tripling in capacity of the local electricity network' to unlock growth and shape a smart energy system. This will contribute towards the doubling of gross value added (GVA) by 2040 as identified in the Devolution Deal for Cambridgeshire and Peterborough, whilst supporting businesses and our communities.**

The investment is detailed below.

Item	**Funding required**
EIU mobilisation for school schemes, energy projects and investment deficit	£374,000
Large Energy investment projects deficit to date	£40,000
Future anticipated revenue costs of project development to March 2022	£300,000
Contingency for aborted capital schemes	£200,000
Developing a programme of community energy projects	£50,000
Shaping the strategic energy agenda for sustainable growth	£25,000
Total funding required	**£989,000**

The funding being sought for the EIU budget is the same value as that currently provided by the staff costs approved for individual development project budgets but the linkages would not exist. This allows flexibility to support other aspects of the EIU work,

	such as community projects and influencing the strategic direction of energy policy, should projects be delayed or changed. **If the use of the Transformation Fund is approved, the parts of the existing development cost budgets relating to EIU funding will be cancelled as this would no longer be needed. The financial projections show that the net effect of providing the Transformation funding and cancelling the existing development cost budgets would be to bring the EIU into financial equilibrium in 2021/22, i.e. having repaid the existing deficit.**

Type of Bid	**Request to fund the EIU until March 2022 using the Transformation Fund**

Strategic Links	**Developing the local economy for the benefit of all:** **Through the work of the EIU, a return on investment will generate significant income over time which can support the overall Business Plan and offset annual saving requirements.**

Cash Flow	**19/20 £000**	**20/21 £000**	**21/22 £000**	**22/23 £000**	**23/24 £000**	**24/25 £000**
Revenue Advance	**541**	**224**	**224**			
Capital Advance						
Repayment	**-164**	**-193**	**-1,154**	**-1,109**	**-952**	**-1,209**

Pay Back Period in Years	**2.55 years**
Savings/Investment Ratio over 10 Years	**13 : 1**

Measure of Performance Improvement	**Baseline**	**15/16**	**16/17**	**17/18**	**18/19**	**19/20**
	N/A					

Risks and Contingencies	**The key risk to delivery is the volatility of the energy market.** The energy market is subject to many influences including regulatory change, testing of new business models and trialling new technologies. Battery storage is a key technology for the future smart energy system but recent changes to finance contracts do not reflect its importance. This is creating some uncertainty for investors as it is difficult to estimate revenues at this moment.

	Included in the bid is a £200k contingency. This is to cover development costs on projects which do not proceed to investment but have incurred costs. For example, there was uncertainty as to whether Trumpington Park and Ride could progress as a smart grid project during 2018 and its future was subject to public consultation. If this does not proceed, the costs on project development have been incurred.

Decision and Date	

Agenda Item No:8

MOVE OF IT SYSTEMS FROM SHIRE HALL DATA CENTRE

To:	**General Purposes Committee**
Meeting Date:	**28 May 2019**
From:	**Director of Corporate and Customer Services**
Electoral division(s):	**All**
Forward Plan ref:	**2019/038** *Key decision:* **Yes**

Purpose: **To advise the Committee of:**

- **The preferred option and technical approach currently under consideration for the relocation of Shire Hall data centre and/or the data it houses.**
- **The cost and resource implications of relocation.**

This paper draws on work carried out in November 2017 to inform options and associated indicative costs.

The paper assumes that the data centre in the Octagon will be disposed of at the same time as Shire Hall and therefore that the deadline for migration of data services is December 2020.

This paper details the impact upon Cambridgeshire County Council and LGSS provided services of the sale of the Shire Hall Data Centre.

Recommendation: **General Purposes Committee is requested to:**

a) Endorse the suggested approach to relocation of the data centre outlined in Section 4 of this document.

b) Agree funding for this approach as detailed in Section 5 of this document

	Officer contact:		***Member contacts:***
Name:	Sam Smith	Names:	Councillors Count & Hickford
Post:	Strategic IT Lead for CCC & PCC	Post:	Chair/Vice-Chair
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Tel:	07565 009838	Tel:	01223 706398

1. **BACKGROUND**

1.1 The Council's data centre is housed in the ground floor of the Octagon building. On the assumption that the disposal of Shire Hall will include the data centre it will need to be re-housed, or the facility hosted elsewhere. Alternative options that have been considered are referred to in Section 3 of this paper.

1.2 The data centre is a high-spec, temperature controlled facility comprising multiple servers, cabling and fire-suppressant equipment. More importantly, it holds all the Council's business critical data as well as back-up and live data for LGSS, Northamptonshire County Council, Milton Keynes Council, LGSS Law, 3CS and the Cambridgeshire ICT Services to schools. It is where Cambridgeshire County Council IT users draw their data from on a daily basis and is therefore fundamental to all CCC service delivery.

1.3 The overall value of the data centre in terms of hardware, power etc. is approximately £3 million. In terms of information held and services delivered its value is immeasurable.

1.4 Volumes of equipment hosted in the data centre

1.5 In total the datacentre contains 22 racks worth of equipment plus various circuits for external systems such as traffic lights. The ownership of racks breakdowns are as below.

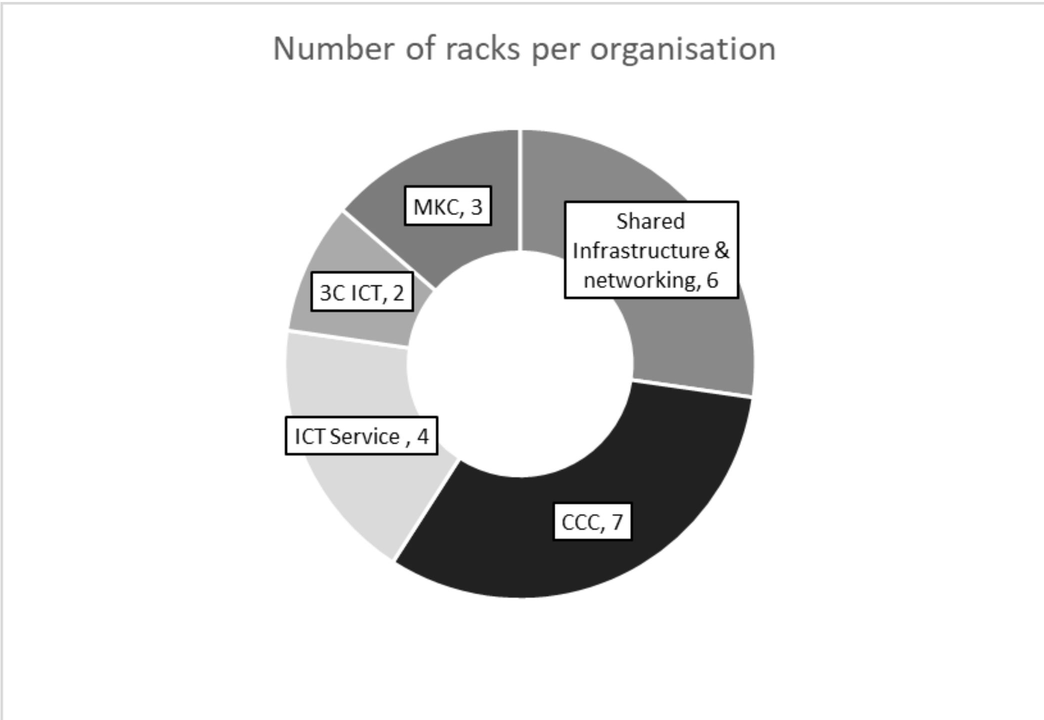

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Figure 1.2 – Volumes of equipment hosted in the data centre

1.6 As a facility the data centre presents both an ongoing revenue cost (power and maintenance contracts) as well as periodic requirements for capital funding (refresh or replacement of equipment that is end of life).

2. STRATEGIC CONTEXT

2.1 Cambridgeshire County Council /Peterborough City Council strategy

2.2 IT services are fundamental to the successful sharing of services between **Cambridgeshire County Council (CCC) Peterborough City Council (PCC)** and the IT strategy to achieve this is currently being defined. The vision is shown below.

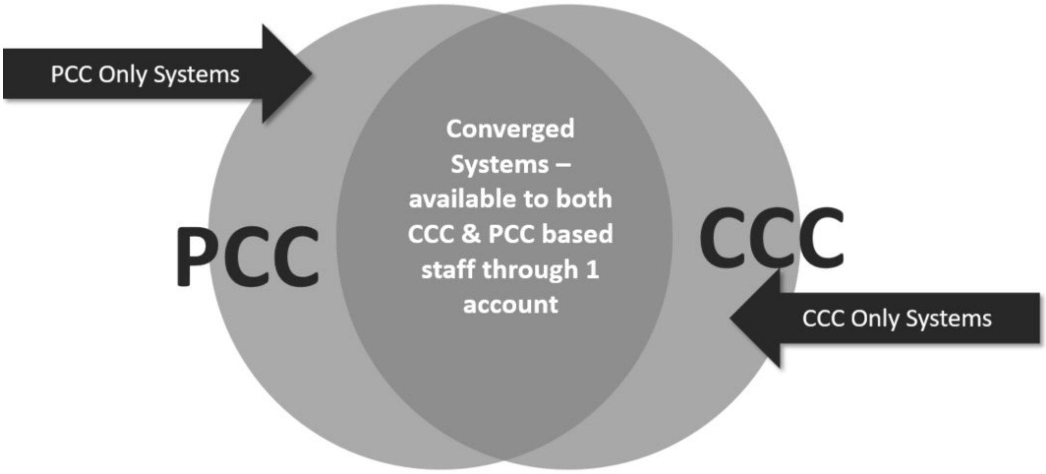

Figure 2.1 - Vision of shared IT Services for PCC & CCC

2.3 Key to delivery of this vision is a move to cloud services (Office 365) for existing Microsoft Office productivity software such as email, Word, Excel plus other new tools and functionality available in the suite. Equally fundamental to the strategy is the convergence of business systems (e.g. Mosaic & Liquid Logic) and a shared infrastructure.

2.4 LGSS IT Strategy; why choose Cloud first?

2.5 LGSS IT has produced a comprehensive strategy which has been reviewed and approved by Gartner[1] and can be applied to CCC. This strategy sets out a Cloud first converged approach for both traditional IT services and for digital services. But, why choose a Cloud first strategy at all?

2.6 One reason is the ‘push and pull’ effect; there is both a technical push from suppliers to host their systems in the Cloud and a pull resulting from the multiple benefits that Cloud hosting realises, such as:

- Innovation
- Security and governance
- Citizen self-service
- Flexible and collaborative working
- Access to a far greater range of digital services
- Automation of services where possible

[1] Global research and advisory firm providing insights, advice and tools for leaders in IT.

- Rationalisation of business systems
- Integration of IT systems

2.7 An extract from the LGSS IT strategy states:

"As local government authorities seek to do more with less, hybrid clouds seem like a natural fit. They allow IT to shift workloads between internal datacentres and a public cloud provider during peak periods. Cloud computing can reduce costs while boosting project flexibility. Digital transformation is a key driver for Local Authorities to allow citizens to interact and complete tasks effortlessly. Cloud technologies are more than often enablers of Digital Services"

2.8 It goes on to describe how a well-developed, centralised cloud strategy which is informed by business strategy, provides strong foundations for governing the use of cloud services and that there are tangible service and cost benefits if it is carried out correctly.

2.9 Conversely, where a centralised cloud/cloud first approach is not adopted, organisations risk a piecemeal cloud migration resulting in issues around compliance and security, and significantly higher costs.

2.10 Cloud adoption strategy

2.11 Transformation to digital services offers great opportunities to interact with citizens in a more effective and efficient way. Cloud hosting enables IT teams to support the fast delivery of these digital services instead of using their resources to maintain a data centre.

2.12 The long-term plan is to move CCC IT systems to full cloud hosting of its data and therefore it might seem reasonable to assume that this is the approach to take for the 2020 data centre move. However, moving to the Cloud by the 2020 deadline will only allow for the minimum level of services to be fully cloud ready and would still be a major undertaking due to the multiple software updates required and because many applications are interlinked, making partial migrations very difficult.

2.13 In order to realise the full transformational and financial benefits of cloud hosting, there needs to be a strategic approach to the data centre move and the associated move to the cloud. The LGSS IT Strategy for cloud hosting assumes that the majority of business applications could be transformed into the Cloud over a period of 3 to 4 years. This would gradually reduce the use of a data centre and make the migration of any remaining applications a relatively simple task. In addition, it would allow each system to be migrated at the optimum possible level thus avoiding retrospective transformation of applications. In the case of the CCC data centre this 3 to 4 year period would begin in earnest once the data centre move had taken place. A data centre typically has a life cycle of 4 to 5 years and a data centre will continue to be an on-going requirement for the organisation, and any partners it hosts, for legacy/historic data even when the Cloud first strategy has been fully implemented.

2.14 The transformation of IT service delivery will involve both cultural change and the adoption of new skill sets which implies extensive communications, training and change management. This in turn relies on commitment from the leadership in the form of funding, advocacy and time.

2.15 Figure 2.1 illustrates the process of evaluating and determining how each system should be hosted, the inputs that inform this decision and the ideal outcome with the minimum number of services being hosted on premise.

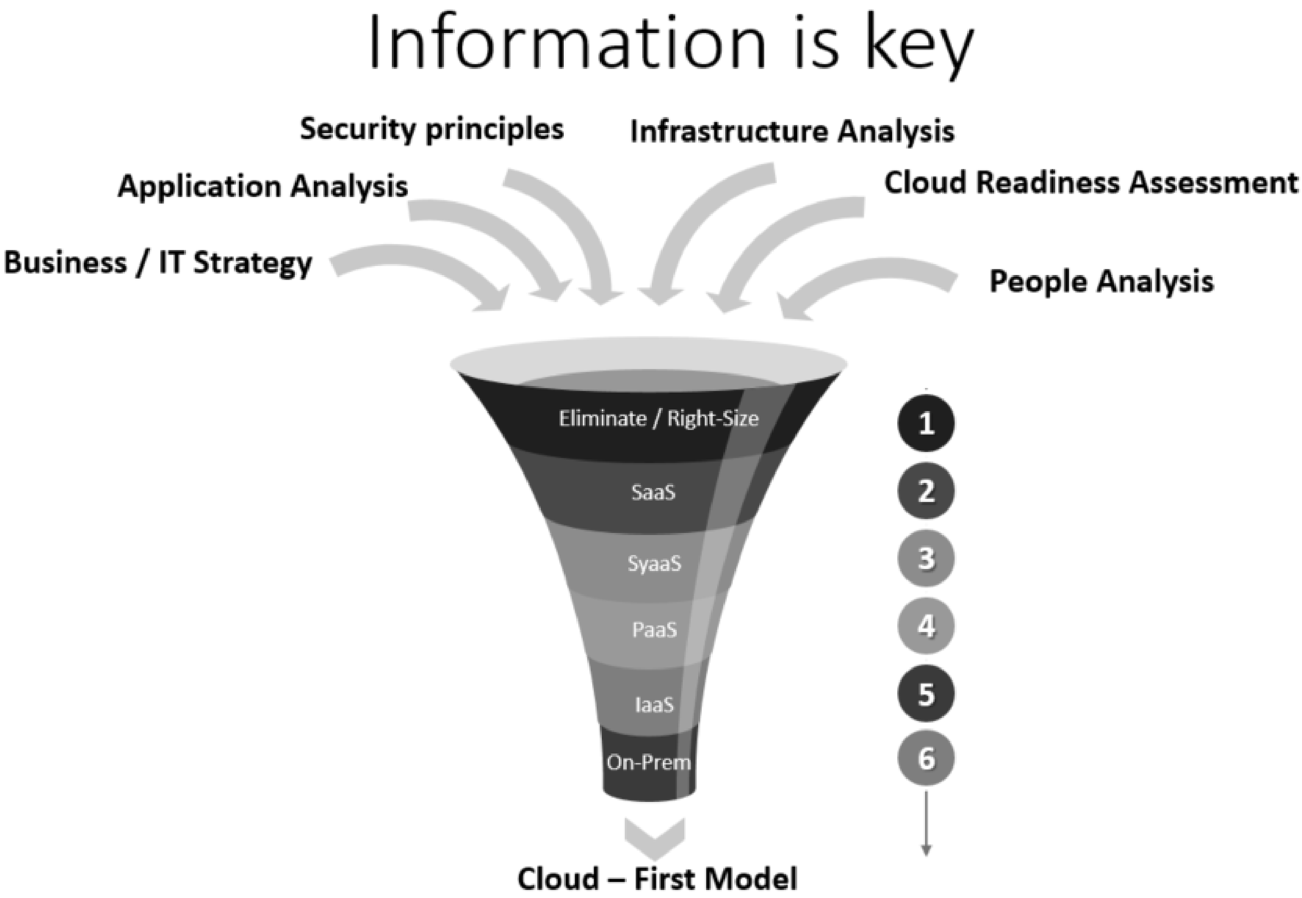

Figure 2.1 – Best practice approach to migrating to cloud based services

2.16 Terms and concepts:

1. **Eliminate/Right size** – Rationalise applications to reduce duplication and overall number.
2. **Software as a Service (SaaS)** - we 'consume' products that have been developed by the cloud providers (e.g. Microsoft Office).
3. **System as a Service (SyaaS)** – Typically large Line of Business systems (e.g. Liquid Logic for Children's) hosted with providers but where we are responsible for the system configuration to ensure it conforms to and supports our business processes.
4. **Platform as a Service (PaaS)** – these are a variety of software 'tools' or building blocks used to create other (typically Digital) products used in services such as the Blue Badge application process.
5. **Infrastructure as a Service (IaaS)** – Servers and other infrastructure that works the same and is configured in the same way as servers in the Shire Hall but which are

hosted by Microsoft (Azure), Amazon (AWS) or other providers. Best used for services that can be switched off when not needed or that need to be scaled up or down quickly.

6. **On Premise (On Prem)** – Physical servers, storage (SAN) and networking located on a site such as the Shire Hall data centre providing IT systems and services.

3. OPTIONS

3.1 Six options have been considered for housing the systems and data currently based in the Shire Hall data centre:

Option 1: Defer the Shire Hall data move and carry out a phased migration to the cloud in line with the LGSS IT Strategy and the sharing of services with PCC.
This is an attractive option from a strategic, financial and service delivery perspective but it is unrealistic given the indicative value of the current offers for Shire Hall and the associated timeline for disposal of December 2020. Should there be scope to negotiate an extended timeline for a departure from the area where the data centre is housed on the Shire Hall site this will be used to mitigate the risks of the recommended option – see below.

Option 2: Build new data centre housed in the Council's new building at Alconbury.
This option has been ruled out as the new building at Alconbury will not contain a data centre.

Option 3: Move entirely to the Cloud by 2020.
Unlike Option 1, moving entirely to the cloud by 2020 would necessitate extensive use of the most expensive cloud services (IaaS) making this is one of the higher cost options. This would be a 'lift & shift' rather than a systemic transformation of services. It would add no value strategically or operationally and comes with higher running costs of £117,618 per month for Cambridgeshire systems and data.

Although expensive, this option would be perhaps be the most expedient for Cambridgeshire as it could mitigate any effects of the move overrunning.

Note - Partners with systems in the data centre would also need an equivalent service, at this point costs estimates for partners are not available but are likely to be equivalent for each partner.

Option 4: Colocation (CoLo – a type of commercially hosted data centre where equipment, space, and bandwidth are available for rental to retail customers).
Although this can be implemented quickly and does fit a cloud first strategic approach, it is prohibitively expensive.

Option 5: Host the majority of the systems and data from Peterborough (Sand Martin House the main office for Peterborough City Council).
Although this option comes with considerable operational and technical risks, with appropriate capital investment it is achievable without impacting upon

other priorities for the delivery, or transformation, of critical IT services during the same timescale as the data centre move. Whilst this option is costly it is less expensive than options 3 & 4

Option 6: Hybrid option - Migrate selected critical systems to the Cloud with remaining systems and data hosted from Peterborough (Sand Martin House).

This reduces some of the risks highlighted in option 5 by ensuring the most critical systems are cloud hosted (and sharable with PCC) prior to the move of the data centre. Should there be scope to negotiate an extended timeline for a departure from Shire Hall (Option 1) this will be used to further mitigate these risks.

The capital costs of this option are significant but it is less expensive than options 3 and 4.

The revenue costs of option 3 have been included into this option to provide contingency.

4. RECOMMENDED APPROACH

4.1 The recommended approach would migrate selected systems and data to the cloud and relocate the remaining systems to Peterborough as per Option 6. This entails migrating email, calendar and SharePoint data into Office 365, a cloud based system, and migrating key Line of Business systems that will be shared with PCC (e.g. Mosaic) into to a shared, cloud based infrastructure. This infrastructure can then be expanded over time to host other shared business systems in line with the emerging CCC/PCC IT Strategy. This work supports the strategic direction but it is an iterative process.

4.2 The rationale for this option is to:

Minimise risk

- By looking at the best technical approach to minimise risk e.g. balancing off moving some systems to the Cloud whilst moving the remainder to Peterborough, migrating e the systems/data to new equipment in Peterborough rather than moving the existing equipment from the current data centre
- By looking to negotiate an appropriate timeline with preferred bidder for a phased departure from this area of Shire Hall

Deliver at lowest cost:

- By using an existing building, Sand martin House, with the physical capacity & environmental controls to house our Data Centre rather than build new
- Through ensuring we are not driven into the most expensive Cloud solutions, with associated exit costs, by maintaining an On Premise capability in Peterborough whilst managing our migration to the most appropriate, cost-effective Cloud solution

4.3 The IT systems in scope for this project are complex in nature and span multiple local authorities which means that there are a number of unknown areas and associated risks, summarised in Appendix A. The emerging IT Strategy to support sharing of services with

PCC will be presented to GPC in July and the approach to this project is informed by and in turn influences that strategy, in particular in the shared infrastructure.

4.4 Within the recommended option (Option 6), several viable technical approaches are under consideration and the detail of these will be refined and amended as other decisions are made, for example sign off of the IT Strategy and the results of formal engagement with partners. As the technical, information and business risks around the actual move of the systems and data are high, preference has been given to the option of purchasing new equipment and moving services to that new equipment one at a time. This 'de-risks' the move by avoiding the need for a 'big bang' move of systems, ensuring continuity of service for Cambridgeshire. This new equipment could be purchased in partnership with and shared by PCC and therefore facilitate further sharing of systems between the two organisations. It is noted that this option does come with a higher up front cost than the alternative (moving the existing CCC equipment from Shire Hall to Sand Martin House) but significantly mitigates the risk of this move to critical operational IT services.

5. COSTS AND GOVERNANCE

5.1 This is a transformational project supporting Cambs 2020 (Office 365 capability) and the shared service with PCC (data centre/shared infrastructure).

5.2 The options and the overall approach outlined in this paper have been reviewed and approved by the Cambs 2020 Project Board and the initial financial bid reviewed and approved by the Capital Board.

5.3 The indicative costs of this work are summarised in the table below, including a considerable contingency budget to cover the risks raised by currently unknown elements and variable factors, which will be resolved in the coming weeks and months as decisions around the detail of the disposal of the Shire Hall site and the technical issues related to the move are resolved. The rationale for the contingency is detailed in **Appendix B** and the risks in **Appendix A**. It should be noted that these are indicative costs and will be refined through the next stages of work.

Capital expenditure (£000s)	**2019-2020**	**2020-21**	**2021-22**	**Total**
IT	100	3126		3226
Staff time (internal)	200	488		688
Other Hired Contract Services	100	500		600
Contingency	0	650	244	894
Total Project budget	400	4764	244	5408

Table 5.1 Summary of capital costs

Revenue impact (£000s)	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
Net revenue cost	£705,784	£705,784	£76	£76	£1,411,720

Table 5.1 Summary of revenue costs

5.4 The complexity of this work necessitates an iterative approach and requires a dedicated project team to work dynamically to achieve the required outcomes. Therefore, project governance would be through a separate project board which would continue to feed into the Cambs 2020 & Capital Programme Boards. Any subsequent impact upon partner organisations will be dealt with through this project governance structure. The Chairman of GPC will receive periodic updates to ensure there is oversight of the work as it develops and any short/longer term revenue options would be signed off by the Section 151 Officer.

5.5 The costs above are significant but as noted in 1.3 running (and therefore retaining) the data centre also comes with both revenue and capital costs. This option effectively brings forward investment that would have been required anyway to maintain the data centre in its current location whilst supporting the overall move to cloud and sharing with PCC.

6. IMPACT ASSESSMENT AND RISK

6.1 A move of the CCC data centre from the Shire Hall site in 2020 will have a significant operational, financial and strategic impact upon the Council; this needs to be considered as part of any decision making related to the sale of Shire Hall. This section identifies the consequences on CCC and LGSS provided services of the sale of the Shire Hall Data Centre.

6.2 The areas that need to be addressed that are associated with a 2020 deadline comprise:

- The technical move of multiple complex and interdependent systems within a short timeframe with the potential high risk of numerous system failures.
- The operational risk that business-as-usual support and the implementation of business critical IT projects will be affected or delayed by IT analysts being redeployed to work on a data centre move.
- The reimbursement costs associated with moving partner organisations' data and systems before the expiration of their current agreements with CCC (see list below).
    - LGSS (e.g. ERP Gold)
    - LGSS Law
    - Milton Keynes Council
    - Education ICT Service
    - NCC
    - 3C ICT
- The potential that the Council's strategic transformation of digital services could be delayed.

6.3 Business Impact

6.4 Putting aside the technical considerations, the move of the data centre will add to the multiple, concurrent business and system changes taking place over the next two years; these include:

- The physical moves of staff from Shire Hall (relocation of staff, equipment, desktop hardware)
- Any consequent changes in how staff and teams work and in some cases, how services are delivered.
- The move to O365 which will require additional skills and therefore training for the workforce.

- Children’s services adapting to the new Liquid Logic system.
- The continued sharing of services with PCC which require different ways of working.

All the above will be within the same timeframe as a data centre move, when there is a higher than normal risk of IT services becoming unavailable.

6.5 Technical Impact

6.6 The move of the data centre by 2020 will have a significant impact upon existing IT services and ongoing and planned business critical IT projects. It is vital that all this work is not competing for the same resources. These projects (currently) comprise:

- Office 365 rollout
- Liquid Logic implementation
- PCC cross-working
- EastNet migration
- The technical support for the Cambs 2020 project including Shire Hall move of staff/equipment

6.7 Risks

6.8 All of the options that have been considered for a move of the Shire Hall Data Centre will have a cost implication and each will carry identifiable technical risks. However, our systems are large, complex and highly integrated, and it is not possible at this stage to predict all the potential consequences of moving them. Therefore, a change of approach may be required, should an issue become insurmountable.

6.9 There is a high risk that multiple elements of our data services could fail concurrently as a result of the move. The process of identifying where failures have occurred would be significantly impeded by many interdependent systems being moved at the same time. Whilst relocation is in progress, DR systems may not be immediately available, reducing the ability to restore systems quickly. A technical change freeze will need to be in place which spans relocation; if this is not agreed by all parties this could further result in technical issues and lack of availability.

6.10 These risks can be mitigated by employing the relevant expertise required to support the move, ensuring that any technical solutions procured contain the sufficient level of detail and by maximising any opportunity to extend the timescale for departure from the Shire Hall data centre. In order to ensure the feasibility and affordability of any structural changes at Sand Martin House, early quotations will be sought.

6.11 Other areas of risk include the possibility that an approach for dealing with hosted services cannot be mutually agreed with partners and that partners may not be able to allocate staff resources. To mitigate these risks it is vital that there is full engagement with partners through the project team and through governance.

Specific risks are listed at Appendix A.

6.12 Opportunities

6.13 Whilst the DC move is complex and presents many risks, it also facilitates the disposal of the Shire Hall site, thus enabling the longer term sustainability of the Council. If undertaken correctly, the move presents opportunities by strengthening the partnership with Peterborough City Council and allowing much more efficient use of valuable technical resources and greater resilience of services.

7. ALIGNMENT WITH CORPORATE PRIORITIES

7.1 A good quality of life for everyone

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

- Frontline services will inevitably be impacted by any extended downtime of IT systems, every effort will be made to mitigate any effect of the move on the delivery of services to the citizens of Cambridgeshire.

7.3 Thriving places for people to live

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

- Frontline services will inevitably be impacted by any extended downtime of IT systems, every effort will be made to mitigate any effect of the move on the delivery of services to the citizens of Cambridgeshire.

7.5 The best start for Cambridgeshire's children

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

7.7 The move of the Shire Hall data centre services will require significant resource. This is why the request for investment includes dedicated resource to support the data centre move to ensure staff have the ability to continue to support critical services and projects such as:

- Children's and Adult Services social care systems.
- The implementation of the new, cross-organisational Children's social care system, LiquidLogic.

8. SIGNIFICANT IMPLICATIONS

8.1 Resource Implications

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

- The proposal outlined in this report responds to the requirement for the Shire Hall data centre to be vacated in line with the disposal of Shire Hall whilst maintaining the availability and integrity of the Council's core data which is vital to delivery of services. The proposal adopts industry best practice as its starting position.

- The costs detailed in Section 5 include the staff resource implications of the proposal for which additional funding is being requested.

8.3 Procurement/Contractual/Council Contract Procedure Rules Implications

8.4 The suggested approach will require the procurement of a number of items including software, hardware and professional services. The Council Contract Procedure Rules and Public Contract Regulations 2014 will be adhered to in all instances.

8.5 Statutory, Legal and Risk Implications

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

- The relocation of large volumes of valuable data and equipment inevitably carries a high level of risk to service delivery and to the Council's reputation. Therefore risk mitigation will be paramount to reduce the likelihood of any impact on the provision of services and reporting but also on other time sensitive areas such as responses to subject access and Freedom of Information requests within statutory timescales. All require timely access to systems and for data to have a high level of integrity.

- The Impact Assessment (Section 6) details the hosting arrangements which are currently in place with partner organisations and which would be impacted by the proposal. These arrangements include a legal contract with 3Cs Shared Services and Partnership Delegation Agreements with LGSS partners.

8.7 Equality and Diversity Implications
There are no significant implications within this category.

8.8 Engagement and Communications Implications
The relocation of large volumes of valuable data and equipment carries a high level of risk to communication systems both internally to employees and externally to citizens. Systems potentially affected include email, the Council's internal and public facing web presence and the telephony system.

8.9 Localism and Local Member Involvement
There are no significant implications within this category.

8.10 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 the LGSS Head of Procurement?	Yes Name of Procurement Officer: Gus de Silva
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not applicable
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	Location
Documents relating to the sale/disposal of the Shire Hall site **Council – 15 May 2018 and 14 May 2019**	https://cambridgeshire.cmis.uk.com/ccc_live/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/20/Default.aspx

Appendix A
Summary of Risks

1. One of more of the external organisations with services hosted in the Shire Hall data centre will not agree to the approach that has been proposed and will require either an alternative technical approach or a financial alternative.

   Mitigation: Engagement with partners through project team and governance

2. PCC may not allow the structural and technical changes to the data centre in Sand Martin House necessary for this approach to succeed or there might be issues with the lease that PCC have on Sand Martin House.

   Mitigation: Initial engagement with officers and assurance regarding the lease.

3. The structural changes at Sand Martin House may be too expensive, structurally or technically not feasible.

   Mitigation: Early quotations requested

4. The next stages of work may identify technical issues which necessitate a change of approach.

   Mitigation: Previous analysis and recent cloud readiness assessment

5. The Disaster Recovery systems, or the place they are hosted, may not be available during relocation.

   Mitigation: tbc through the project process

6. The change freeze is not agreed and either new systems need to be implemented or changes to existing systems are required prior to or during the relocation - causing technical issues and potential lack of availability.

   Mitigation: Strong support for change freeze from senior management

7. Other organisations are not able to allocate people to this project.

   Mitigation: Engagement with partners through project team and governance

8. There may be unforeseen and unavoidable delays in moving the IT systems from the data centre and no scope to delay the sale/disposal of the building leading to a critical point and potential impact on services.

   Mitigation: Allocation of sufficient revenue budget to move CCC systems and data to Cloud (Infrastructure as a Service) should this be required.

Appendix B
Summary of rationale for contingency within Section 5

Contingency – this is significant so it is available to be drawn down if any of the issues identified below occur.

1. Quotes - As the proposed approach and associated funding for this work has yet to be approved by GPC the planning is at an early stage with quotes being indicative only.

2. Partners - There has not yet been formal engagement with the other organisations impacted by the disposal of the Shire Hall data centre and therefore involved in the project, (to commence after GPC 28th May). The intention is to set up a project team including representatives from those organisations to ensure collaboration and align decision making, until this is done it is not possible to predict reactions in key areas. Some of these organisations are part of LGSS and the LGSS review process and subsequent implementation will need to be taken into account in the data centre move decision making process.

3. Northamptonshire County Council - The move to replace NCC with two unitaries is an additional area of complexity around decision making. Currently the Disaster Recovery systems for CCC are hosted from the Northamptonshire Data Centre (Angel Street). It is a fundamental part of the approach to this work that those Disaster Recovery systems are available during the actual relocation of equipment from one location to another to ensure as little impact on service availability as possible. It is possible that NCC may sell their data centre or take some other decision that makes this approach unfeasible.

4. Disaster Recovery - LGSS Law is a separate legal entity but the IT Services it uses are wholly part of the Cambridgeshire County Council infrastructure including email, file storage and most critically their case management system (DPS). There is no Disaster Recovery for this system so alternative arrangements will need to be made so it will be available during the move of services.

5. Realistically as a significant amount of the decision making is outside the direct control of the accountable officers within CCC the ability to predict & control associated costs is low. This is why partnership governance is a critical part of the implementation.

6. Additionally although an assessment of work was done in 2017 which produced some detailed costing, this needs to be revisited to ensure these are accurate and there is significant scope for change in terms of deliverables and cost.

7. There may be unforeseen and unavoidable delays in moving the IT systems from the data centre and no scope to delay the sale/disposal of the building leading to a critical point and potential impact on services.

8. Lastly the proposed approach is based on sharing of facilities with PCC which has yet to be formally agreed (post GPC).

Agenda Item No:9

CAMBRIDGESHIRE COUNTY COUNCIL DRAFT PLASTICS STRATEGY

To:	**General Purposes Committee**		
Meeting Date:	**28th May 2019**		
From:	**Gillian Beasley, Chief Executive**		
Electoral division(s):	**All**		
Forward Plan ref:	**Not applicable**	*Key decision:*	**No**
Purpose:	**To share a draft of the Council's Plastics Strategy for review.**		
Recommendation:	**General Purposes Committee is asked to comment on the draft Plastics Strategy and recommend it for approval to the next Full Council meeting.**		

	Officer contact:		*Member contacts:*
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Email:	emily.bolton@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 728552	Tel:	01223 706398

1. BACKGROUND

1.1. There is increasing public concern around the environmental impact of plastic waste in our water systems. This concern, and mounting calls for action, has been reflected in various legislations and policies brought forward by central Government, including "A Green Future: Our 25 Year Plan to Improve the Environment", a plan already endorsed by the Council which includes a commitment to achieve zero avoidable plastic waste by the end of 2042.

1.2. Councillor Anna Bailey proposed a motion to Full Council on 15th May 2018 to reduce the Council's reliance on single-use plastics which was supported by Full Council. Subsequently, Full Council on 19th March 2019 approved the future governance of an approved Plastics Strategy and Action Plan to sit under the remit of General Purposes Committee (GPC) with the Chief Executive reporting progress to GPC. In addition, Public Health was to be consulted on the Strategy and Action Plan.

2. MAIN ISSUES

2.1. *Our approach.* To deliver a sustained improvement to our use of and disposal of plastics across the Council and beyond, the expertise and enthusiasm of a number of services was needed to agree and guide the changes. A number of quick wins were actioned, such as the removal of plastic cutlery, but to deliver longer term change a more comprehensive response is required. A cross-service working group was established in October 2018, comprising staff from Waste, Facilities Management, Procurement, Communications, Flood and Water and led by the Energy Investment Unit. Drawing on the skills, knowledge and enthusiasm of the group, a strategy and action plan has been developed. In addition, Public Health has reviewed the draft Strategy and Action Plan and is supportive of its contents.

2.2 *The Strategy.* Plastics are used across the Council both in service delivery and the provision of wellbeing and housekeeping services for staff and Members. To systematically reduce single use plastics a draft Strategy and Action Plan has been developed (see **Appendix 1**) which describes why and how the Council will play its part in reducing its own use of single use plastics and influence others to do the same. The strategy looks to tackle the impacts of plastic products procured as part of its wide range of services and seek to influence our supply chain and the broader community.

2.3 The draft Strategy includes four strategic themes covering:

- **Getting our own house in order**
  Actions to address the Council's internal use of single-use plastic.

- **Working with suppliers and contractors**
  As a Council, we can influence the supply chain provision of goods and services through setting standards on plastics via procurement.

- **Helping raise awareness across Cambridgeshire**
  The Council is a member of various partnerships, putting us in a unique

position to use these relationships to influence and encourage action on plastic waste.

- **Enabling Cambridgeshire to take action**
  As a Waste Disposal Authority, the Council works closely with Waste Collection Authorities to enable households to manage their waste sustainably.

2.4 *The Action Plan.* There are number of quick wins in the Plan that are already underway or delivered. These include removing plastic bottles from vending machines in Shire Hall, the removal of plastic straws, cups and utensils, and the establishment of Shire Hall as a TerraCycle Crisp packet recycling point. A waste-bin audit has also been undertaken by Amey (our waste contractor) to identify if Council staff and Members know which recycling bins to dispose of their waste plastics. This will help inform communications to staff and Members on plastics disposal as we move forward. Also included in the Plan are deeper actions that require procurement and legal inputs to design out single use plastics (where appropriate) from delivery of services.

2.5 *Monitoring and measurement.* The action plan is a dynamic document. Five performance indicators have been identified to provide a proxy position on progress across the four main themes. A baseline position has been set on these indicators to monitor and report progress.

2.6 Resources to deliver the action plan will come from the Transformation team supported by the working group of plastics free champions. The working group is keen to oversee/guide the delivery of the action plan as many of the actions can be delivered from within existing budgets. Some of the actions entail reviewing what we do and how we do it, or build on work that is already planned. Where additional resources are required these will need to be found from within existing budgets across the Council, private sector sponsorship or seeking grant support.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

Plastics pollution is negatively impacting our environment. It is littering our local rivers and water ways and disrupting the habitats and food health of water based animals.

3.2 Thriving places for people to live

Minimising plastic consumption across all our services will show leadership to our communities and businesses of the importance we place on environmental quality of life.

3.3 The best start for Cambridgeshire’s children

Embedding a culture of minimal plastic consumption into Cambridgeshire’s schools, both through procurement and education packages, will encourage Cambridgeshire's children to understand the positive impact they can have on their environment and the difference they can make.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

Paragraph 2.6 above highlights the resource requirements to deliver the strategy and action plan.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Changes to our standard terms and conditions will be required through the inclusion of a clause that refers to the Council's Plastics Strategy. Where practical, the elimination of single-use plastics will be expected and alternatives found.

4.3 Statutory, Legal and Risk Implications

The Strategy future-proofs the Council, particularly regarding procurement requirements, ahead of anticipated changes to legislation regarding single-use plastics.

4.4 Equality and Diversity Implications

Members of the Equality and Diversity Action Group were consulted on the draft Strategy. Certain actions proposed in the Action Plan such as the removal of plastic bottles from vending machines may disproportionately impact those with disabilities (cans sometimes being hard to handle and open). To mitigate this impact various types of "opening aids" are provided in the Food Hub in Shire Hall.

4.5 Engagement and Communications Implications

Staff consultation on the Draft Strategy and Action Plan took place at the end of January 2019. Ongoing engagement, both internal and external is required to bring about the systematic change needed.

4.6 Localism and Local Member Involvement

There are no significant implications within this category, and all Members should be aware of the Plastics Strategy following its consideration at Full Council.

4.7 Public Health Implications

Public Health has reviewed the draft Strategy and Action Plan and no significant implications have been reported.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	**Yes** **Name of Financial Officer: Sarah Heywood**
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	**Yes** **Name of Officer: Gus De Silva**
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	**Yes** **Name of Legal Officer: Fiona McMillan**
Have the equality and diversity implications been cleared by your Service Contact?	**Yes** **Name of Officer: Elsa Evans**
Have any engagement and communication implications been cleared by Communications?	**Yes** **Name of Officer: Joanna Shilton**
Have any localism and Local Member involvement issues been cleared by your Service Contact?	**Yes** **Name of Officer: Emma Fitch**
Have any Public Health implications been cleared by Public Health	**Yes** **Name of Officer: Stuart Keeble**

SOURCE DOCUMENTS

Source Documents	Location
A European Strategy for Plastics in a Circular Economy	http://ec.europa.eu/environment/circular-economy/pdf/plastics-strategy-brochure.pdf
Plastic waste inputs from land into the ocean.	http://science.sciencemag.org/content/347/6223/768
Marine Litter Report. Surfers Against Sewage.	https://www.sas.org.uk/wp-content/uploads/SAS-Marine-Litter-Report-Med.pdf
Environmental Impact of Microplastics	https://publications.parliament.uk/pa/cm201617/cmselect/cmenvaud/179/179.pdf
Components of plastic: experimental studies in animals and relevance for human health	https://www.ncbi.nlm.nih.gov/pubmed/19528057
Economic valuation of marine litter and microplastic pollution in the marine environment: An initial assessment of the case of the United Kingdom.	https://www.researchgate.net/publication/283680054_Economic_valuation_of_marine_litter_and_microplastic_pollution_in_the_marine_environment_An_initial_assessment_of_the_case_of_the_United_Kingdom
Valuing Plastics: The business Case for Measuring, Managing and Disclosing Plastic Use in the consumer Goods Industry	http://wedocs.unep.org/handle/20.500.11822/9238
Plastics Market Situation Report Spring 2016.	http://www.wrap.org.uk/sites/files/wrap/Plastics_Market_Situation_Report.pdf
Pollution and Litter Problems	https://www.mcsuk.org/news/global_litter_blame
UK Statistics on Waste- October 2018 Update	http://www.gov.uk/government/statistics/uk-waste-data
Harm caused by Marine Litter, MSFD GES TG Marine Litter - Thematic Report	http://publications.jrc.ec.europa.eu/repository/bitstream/JRC104308/lbna28317enn.pdf
Devon County Council Plastic Strategy	Link to strategy available at: https://www.devonnewscentre.info/county-council-unwraps-new-strategy-to-reduce-plastic-waste/
Minutes of Full Council from 15th May 2018	Minutes of Full Council from 15th May 2018

DRAFT

Cambridgeshire County Council

Plastics Strategy 2019

Cambridgeshire County Council

Forward

Since Sir David Attenborough highlighted the devastating effect plastic is having on our environment there has been increasing awareness that we must reduce our reliance on plastic and take responsibility for our own actions.

We know there is an urgent need for new thinking to tackle avoidable waste, particularly plastic. An estimated eight million tonnes of plastic waste enter the sea each year with shocking outcomes.

This Strategy is our response to this challenge.

Our Strategy focuses on the key areas we can influence to bring about positive change in the way we as a Council acquire, use and dispose of plastic – both corporately and as individuals.

By setting out our ambitions for acknowledging and changing our corporate use of single-use plastics we hope to provide a clear statement of political leadership and commitment to delivering a greener and healthier Cambridgeshire.

Cllr Steve Count,

Leader of Cambridgeshire County Council

Contents

1. Background

Over the past 50 years, the role and importance of plastics in our economy has consistently grown. Global production of plastics has increased twentyfold since the 1960s, reaching 322 million tonnes in 2015. It is expected to double again over the next 20 years (1).

Plastic is an incredibly useful material because of its versatility, but with it come issues that need addressing. One such issue is litter, with an estimated 79% of all plastic waste ever created still in our environment (2). The worst hit being the marine environment: an estimated 13 million tonnes of plastic leak into the global marine environment every year (3) through deliberate littering, unintentional escape from a waste management process, or raw plastic granules (called nurdles) being washed down drains and falling overboard from ships. This has adverse implications for wildlife, the economy and human health.

For Cambridgeshire, rivers are also a contributor to plastic pollution. This is due to waste flowing into urban waterways and transporting microplastics into river channels and onto the oceans.

There are approximately 4995km of watercourses in Cambridgeshire. These range from small ditches draining residential areas and local farmland, to large, manmade watercourses used for draining the Fens. All discharge into the main rivers in the county before ultimately entering the sea.

Many of these watercourses flow through towns and villages as open drains. This allows plastic to be blown into watercourses and carried out to sea. Adding to the problem is illegal fly tipping and waste spills – these contribute large volumes of plastic into our open watercourses.

Many of our Cambridgeshire developments discharge surface water (water from our roads and pavements) into open watercourses. Cambridge alone has approximately 309.2km of surface water sewers. Large storm events can cause overland flooding which washes pollutants into watercourses and into the sea.

We engage with almost 5,000 residents a year through our Waste Education Centre at Waterbeach.

Through our 28 year Waste Management contract with Amey, we have a purpose built education centre that delivers tailored waste and environmental education to schools and communities across Cambridgeshire, with the aim of reducing waste and increase recycling. The Centre offers visits to the Waste Management Park at Waterbeach enabling residents to see first-hand what happens to their waste and recycling. It also provides outreach work and attends local events.

Last year:

- Over 1700 Cambridgeshire residents had a tour of the Waste Management Park,
- Almost 2000 primary school children either visited the Education Centre or had an outreach visit.
- We attended over 25 local events

1. Background Cont.

Microplastics - pieces of plastic debris smaller than 5mm long - including microbeads, microfibres and plastic fragments, enter river systems from multiple sources including industrial effluent, storm water drains and domestic wastewater. Due to the size of microplastics, they can pass through pollution control measures in watercourses such as trash screens.

These particles pollute the environment and pose a threat to ecosystem health. Although around 90% of microplastic contamination in the oceans is thought to originate from land, not much is known about their storage and movements in river basins. Entanglement and suffocation are responsible for the death of over 1m sea birds and mammals annually (4) but the unseen effects are equally concerning: once in the environment larger plastics break down into very small particles over hundreds of years, becoming microplastics which do not biodegrade but instead accumulate in the environment (5). Moreover, they are attractive to zooplankton, which in turn are eaten by wildlife higher in the food chain and ultimately arriving on our dinner table. Whilst not yet fully understood, the components used in plastics could harm human health (6)

The direct economic cost of this marine litter to maritime industries, UK tourism and the cost of clean - up is estimated at £103 million per year (6). Globally, this figure rises to over £10 billion (7).Plastic is a non-renewable material, made largely from fossil fuels. Discarding it is now viewed as a waste of extremely valuable material. The problem is growing worldwide. The versatility, along with material innovations over the past two decades, has seen plastics used in a rapidly expanding range and volume of products. This has led to a significant increase in the amount and type of plastics in the waste stream.

The most recent data for the UK (from 2016) sees plastic waste estimated at around 3.7 million tonnes, with single use packaging contributing approximately 2.2 million tonnes (60%) (8).

Despite significant efforts to reduce plastic waste, plastic recycling in the UK remains at less than 50% (9).

This strategy describes how Cambridgeshire County Council will play its part in **reducing** its use of **single use plastics**, consider the cradle to grave **impacts** of plastic products procured as part of its wide range of services, and lead its supply chain and the broader community to find **new solutions** and **innovations** to help solve this problem.

2. Policy Context

In December 2017, 193 members of the UN signed a resolution committing to prevent and significantly reduce marine pollution of all kinds by 2025, and to prioritise policies and measures to avoid marine litter and microplastics entering the marine environment.

The 2017 Litter Strategy for England aims to change our culture, through education, enforcement and infrastructure provision, to achieve a substantial reduction in littering behaviour.

The EU Strategy for Plastics in a Circular Economy was adopted in January 2018. It intends to transform the way plastic products are designed, used, produced and recycled in order to reduce the value of plastic that is lost from the economy each year after a very short use.

Also published in January 2018 is the UK's 25 Year Plan to Improve the Environment. The Plan outlines ways to reduce the use of plastics that contribute to pollution, and broader steps to encourage recycling and the more thoughtful use of resources. The aim is to eliminate all avoidable plastic waste by 2042.

As part of this Plan, The Environmental Protection (Microbeads) Regulations 2017 was introduced in June 2018. This placed a ban on the manufacture and sale of rinse-off personal care products containing microbeads in England. Government is currently consulting on similar legislation for plastic straws, cotton buds and stirrers, which given increasing international pressure will likely be brought forward.

Further discussion to develop British and European standards for the shedding behaviour of synthetic textiles, particularly clothing, when washed is currently underway.

Government is increasingly aware of the impact plastic has on human and environmental health.

This is reflected in the number and variety of legislative measures coming forward to manage, reduce and eliminate plastic in our society.

2. Policy Context

DEFRA is due to launch its Resources and Waste Strategy, following the Chancellor's budget statement in November. It is expected to include significant reform of packaging regulations and the announcement of a "plastics tax". The strategy will have five 'pillars':

1. How we will become a zero avoidable waste economy by 2050
2. Phase out avoidable plastic waste by 2042
3. New targets for waste and recycling, which after Brexit will be the same as the EU's circular economy package
4. Stopping food waste going to landfill by 2030
5. Reforming the Packaging Recovery Note (PRN) scheme

The Council, as a Waste Disposal Authority, is responsible for dealing with Local Authority Collected Waste, that including domestic and bulky household waste, waste collected by District and City Councils from some commercial sources, litter, and fly tipping. The Council has had a successful partnership with the five District and City Councils and Peterborough City Council since 1999, and a Joint Municipal Waste Management Strategy that sets out the ambitions of the Cambridgeshire and Peterborough Waste Partnership to help protect, maintain and enhance the environment through sustainable waste management for our communities. We are also working with the Cambridgeshire and Peterborough Waste Partnership (RECAP) to reduce fly tipping and litter and will be employing an officer in 2019 to carry out a campaign to tackle the issue within Cambridgeshire and Peterborough by adopting the award winning Hertfordshire SCRAP campaign.

Politicians and the public are certainly becoming more aware of the issues with plastic and that it is no longer sustainable to continue on the path we are currently on. Policy measures along with local action will drive change and the Council intends that this Plastic Strategy will enable the authority to lead by example to prove to the local community and business that these actions are deliverable, will move waste up the waste hierarchy and will lead to change.

3. Where do marine plastics come from?

We are creating a toxic legacy of plastic waste that will blight future generations for centuries to come.

The disposable plastic products we use every day are anything but disposable in environmental terms, and can take over 400 years to biodegrade. The most durable plastic items, such as bottles, disposable nappies and beer holders, can take up to 450 years to biodegrade - over five times the average life expectancy of a British person. In the UK we throw away an estimated 35 million plastic bottles every year.

Other commonplace items such as straws can take up to 200 years to biodegrade and foam plastic cups can take 50 years.

Source: NOAA, USA/ Wood Holes Sea Grant, USA

Plastic items are prolific in our society. All plastic that enters our environment ultimately end up in our oceans. Plastic litter on beaches has increased 140% since 1994 (10) with over 50% of plastics found on EU beaches being 'single-use' (11) .

The most significant contributor to marine plastic litter is single-use beverage packaging, which makes up a third of all marine plastic (Fig.1) (12).

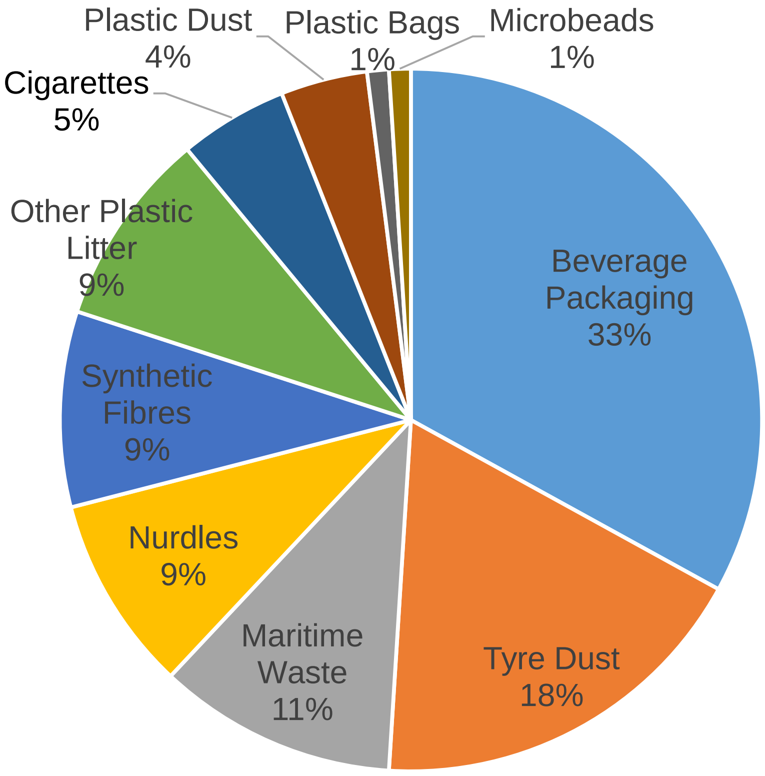


Figure 1. Constituents of marine plastic litter.

4. Scope of the Strategy

Our efforts will focus on the items that will make the most difference to reducing plastics in the environment. Therefore, this strategy will concentrate on addressing the consumption and disposal of single-use plastic bottles and packaging as part of its procurement and delivery of Council's services. We will also work with our partners and communities to help scale up the impact of the Plastic Strategy to bring about the transformational change that is needed to make a difference on this very important issue.

Our Strategy will require leadership in our policy making and at times difficult resource and service decisions. But we must look to reduce the demand for single-use plastics as this will bring new innovations to the market and alternative ways of delivering goods and services with lower environmental impact.

The Council's sphere of influence includes:

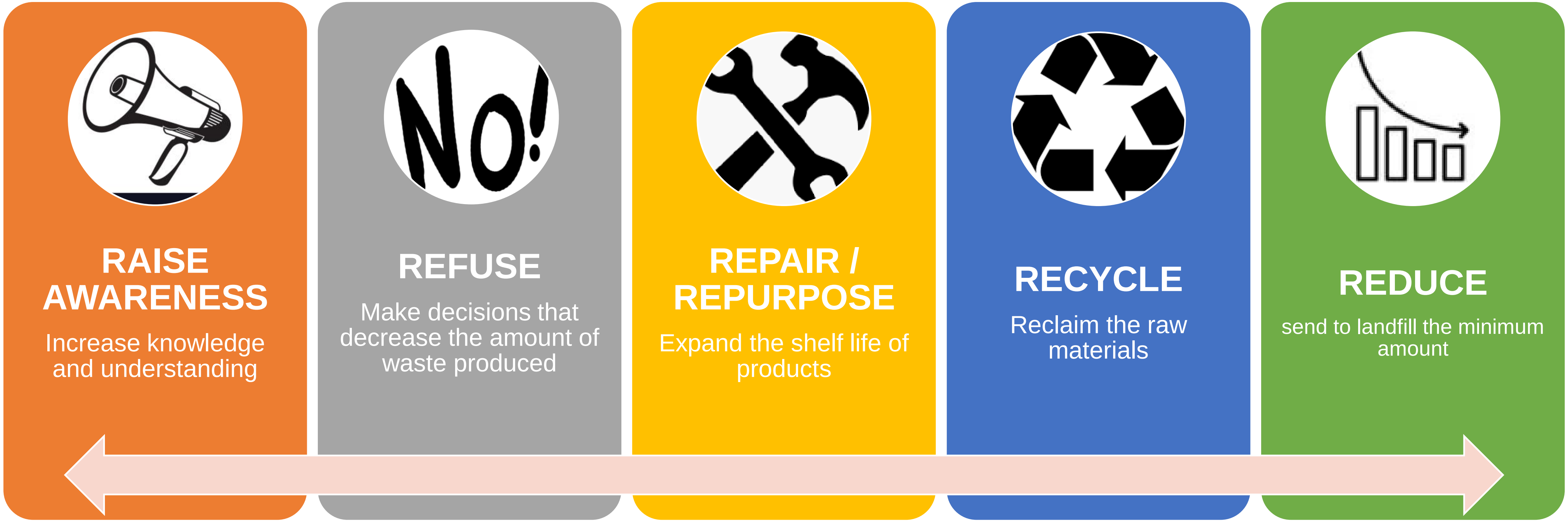
1. Using mechanisms such as transformation, policy making, procurement and contracting to influence service specifications and changes
2. Supporting suppliers and contractors to bring forward new ideas and opportunities
3. Educating staff and politicians on plastic pollution to seek behavioural change
4. Helping raise awareness with communities across Cambridgeshire
5. Enabling the communities of Cambridgeshire to take action

Local Authority Maintained Schools make local purchasing and waste management decisions and therefore the Council will look to provide leadership and encouragement to these establishments.

5. What are we already doing?

The Council and its partners have a strong record of taking action on single-use plastic items; here are some highlights.

Our approach follows the 5 R’s Strategy:



5.1 Raising Awareness

We provide an Education Centre as part of the long term Waste Contract with Amey so that residents can see first-hand what happens to their waste. Through the work of the Education Centre, our contractor Amey works closely with the Council and RECAP to improve the reduction, reuse and recycling of waste in Cambridgeshire through community education, coordinating communication activity and supporting Council waste-related campaigns. The Education Centre strives to embed long term behavioural change in Cambridgeshire residents.

The Education Centre delivers its messages to schools and the wider community through visits to the Education Centre, providing outreach work, or taking part in wider awareness raising activities. This service supports Cambridgeshire County Council's and RECAP's core messages, education and community activities which complement the waste hierarchy. The Education Centre is run by a qualified teacher who delivers curriculum based lesson plans around reducing and recycling waste.

We are also a member of the RECAP Marketing Group who share and coordinate communication campaigns and messages to residents across the County. We actively share joint messages on social media and adopt the national Recycle Now campaigns. The districts also coordinate litter picks across the County providing litter grabbers, gloves and bags for community clear ups. The Districts will come and collect the litter after the event and we encourage them to separate out the recycling and waste so that we can reduce the amount of waste sent to landfill.

We have also recently been involved in a joint campaign with Anglian Water during Recycle Week in September 2018 where we promoted the Refill scheme, encouraging residents to go to water refill stations with their own reusable bottle and if they need to use single use plastic make sure they recycle it afterwards.

The District and City Councils enforcement teams' activity investigate fly tipping incidents around Cambridgeshire. In 2019, RECAP will be investing in tackling fly-tipping through an awareness campaign, ensuring residents dispose of their waste property through a licenced contractor, and to encourage them to report fly-tipping if they see it.

Education is key to embedding change for the future.

Many of Cambridgeshire's school teach their pupils about the importance of recycling and we hope plastic pollution awareness will form part of this learning.

recycle
for Cambridgeshire and Peterborough

Often the ways to reduce are simple yet effective.

These approaches mobilise Council officers and members to easily and cheaply reduce or eliminate their usage of single-use plastic both within and outside of the Council.

5.2 Refuse and Reduce

Since the closure of the Shire Hall Servery in August 2018, the Council's use of single use disposable cutlery and plates has been eliminated. Plastic cups that were previously available for use in meeting rooms are now no longer available. Compostable cups have been made available for use in meetings, however the use of reusable drinkware is preferred and encouraged as the merits of compostable cups are still unclear in terms of decomposition in the waste stream.

The hot drinks machine in the Member's Lounge at Shire Hall has had its plastic cups removed and replaced with a compostable alternative However, the Council currently do not have a collection or treatment facility in place that can treat biodegradable and compostable packaging. Biodegradable and compostable packaging does not break down fast enough for the In-vessel Composting Treatment Facility we have through our contract with Amey. These are also not suitable for recycling so should not be placed in the recycling bins. This type of packaging must be placed in the waste bin so we encourage staff and members to reusable cups instead.

5.3 Re-use

The Council could look to adopt a policy to sign up to the 'Refill' Cambridgeshire campaign. Refill is encouraging businesses with public access to enable people to re-fill water bottles for free and avoid the need to buy still water in plastic bottles. All of the Council's main office/administrative buildings could make water available to visitors provided they bring reusable cups or bottles. Schools are also being encouraged to join the related Refill Schools initiative.

5.4 Recycling

The Cambridgeshire and Peterborough Waste Partnership (RECAP), established in 1999, works to: continuously improve household waste service; increase recycling and reduce waste; and find cost effective and environmentally responsible ways to meet the needs of local communities. RECAP brings together Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, South Cambridgeshire District Council and Peterborough City Council.

The partnership works together in a number of ways, including:

- working with local communities and providing information to increase recycling and reduce waste
- joint procurement of items such as wheeled bins and waste vehicles to reduce purchasing costs
- managing joint waste contracts
- working to achieve consistent service delivery across the Partnership area (Table 1)

We have nine Household Recycling Centres across the County that accept household waste from residents and take a variety of rigid plastics for recycling, such as storage boxes, tubs, plant pots, coat hangers and waster buts. In addition, five of these sites also accept plastic bottles.

Table 1. Comparison of the current types of plastic collected by different Councils across the RECAP area.

	Bottles	Pots	Tubs	Trays	Film	Bags
Cambridge City	✓	✓	✓	✓ (no black)	✓	✓
East Cambridgeshire	✓	✓	✓	✓		
Fenland	✓	✓	✓	✓		
Huntingdonshire	✓	✓	✓	✓ (no black)	✓	✓
South Cambridgeshire	✓	✓	✓	✓ (no black)	✓	✓

5.5 How we get there

The vision set out within this strategy will be achieved through several step change improvements (Fig. 2) that will allow the Council and its sphere of influence to:

- Reduce and reuse before recycling
- Eliminate single use plastic
- Zero plastic packaging sent to landfill or escapes into the natural environment.
- Influence and inspire partners, employees and wider community to significantly shift their behaviour

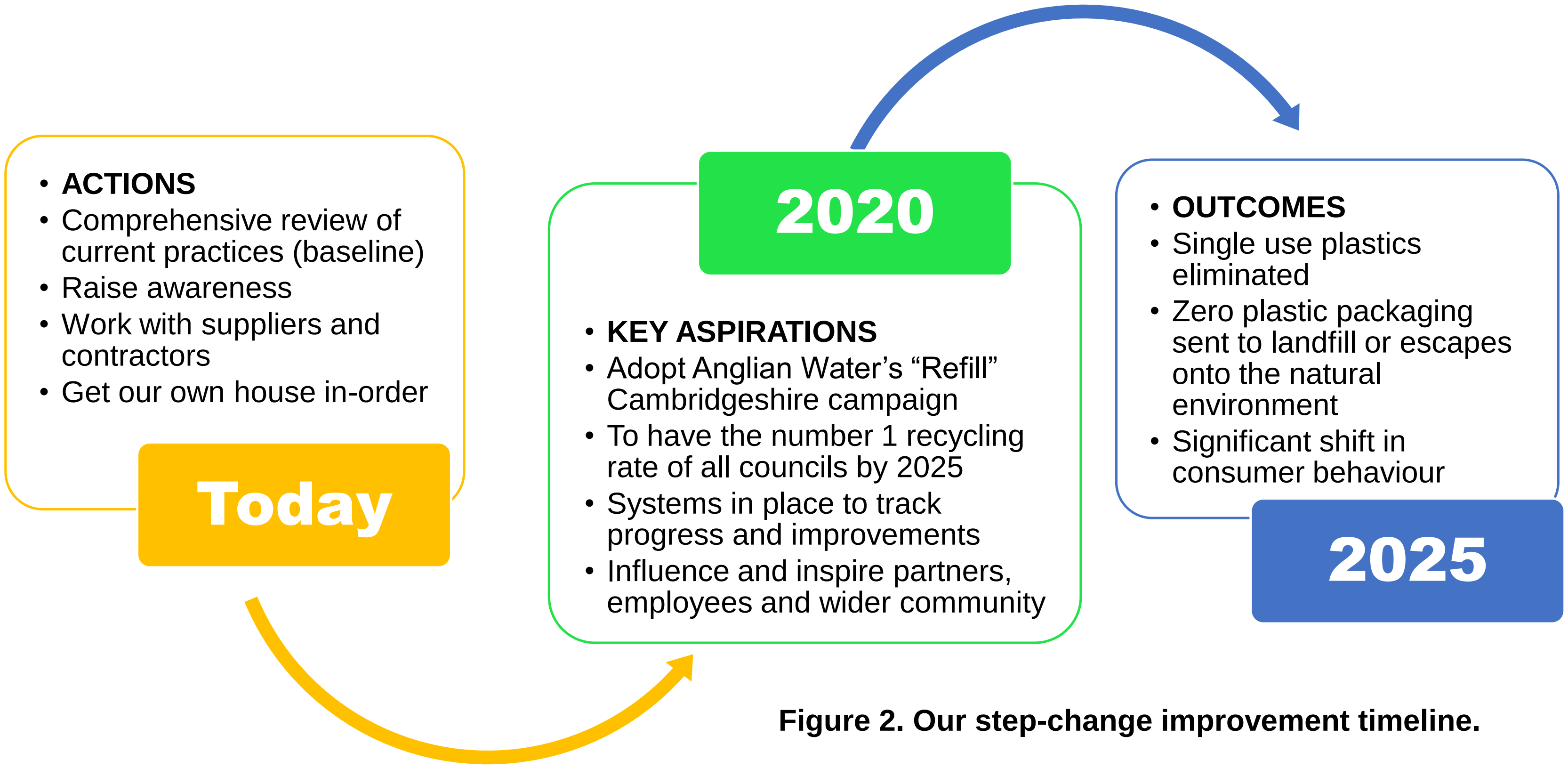


Figure 2. Our step-change improvement timeline.

6. Strategic Objectives

The strategy has four strategic themes based on the Council's sphere of influence on the plastics agenda. For each theme we have identified a set of objectives:

Getting our own house in order

The Council is a large, diverse organisation that undoubtedly makes use of a variety of single-use plastic items. In Council work locations we will, where practicable and economically viable:

Objective 1
Through procurement, eliminate where possible the purchasing of services and goods that use single use plastics and look for appropriate alternatives

Objective 2
Replace single-use plastic consumption with re-usable products

Objective 3
Provide plastic recycling options for staff and visitors to our buildings

Objective 4
Work with staff and members to encourage more sustainable packaging choices and to build their understanding of plastics pollution and its impact

Working with suppliers and contractors

The Council procures goods and services, many of which will come into contact with single-use plastics at some point in their delivery. In procuring goods and services, we will:

Objective 5
Share our plastics strategy with our suppliers and collaborate with suppliers to find suitable alternatives to single use plastic

Objective 6
Ensure procurement specifications and contractors' activities consider, and where practical minimise, the environmental risks associated with plastics

Helping raise awareness across Cambridgeshire

The Council is a member of various partnerships and is in a unique position to use its extensive relationships to help raise awareness of the issues surrounding single-use plastics and encourage action. We will:

Objective 7
Work with schools to educate their pupils and to engage with their local communities about plastics waste

Objective 8
Work with Cambridgeshire's communications teams and social media to get plastic pollution messages to different segments of our communities.

Enabling Cambridgeshire to take action

As a Waste Disposal Authority, the Council works closely with the Waste Collection Authorities to provide households with sustainable options for waste and resource management. We will:

Objective 9
Coordinating the collections and disposal of plastics across the relevant organisations to provide residents to make good choices about their plastic disposal recycling

Objective10
Continue to work in partnership to ensure that littering and fly-tipping is discouraged and that litter is collected and disposed of appropriately

Objective 11
Using our regulatory and planning powers to support businesses and the community to make better disposal decisions for plastics waste

7. Reporting and Review

7.1 Governance of the Strategy

The Strategy will be endorsed by Full Council and General Purposes Committee will assume responsibility for monitoring progress on the action plan delivery. The intention will be to provide six monthly progress reports on the action plan and targets to General Purposed Committee with a full review and update to the strategy taking place in 3-5 years.

The Chief Executive will report progress to committee and lead the implementation of the Strategy supported by a small project team of environmental/plastic free champions drawn from across the Council.

7.2 Monitoring and Measurement

A baseline position from 2017/18 will be set for the action plan and targets developed to measure progress on its delivery. The intention is that the action plan will be a dynamic document with new actions added as appropriate.

7.3 Resources

Most of the action plan can be delivered from within existing budgets as it entails reviewing what we do and how we do it or builds on work that we intend to deliver. Where additional resources are required, discussions with private sector sponsors can be developed or applications for grant support considered.

The intention is that a member of the Transformation Team will support and coordinate the delivery of the action plan reporting to the Chief Executive and project team lead.

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Appendix 1 – Action Plan

Getting our own house in order

The Council is a large, diverse organisation that undoubtedly makes use of a variety of single-use plastic items. In Council work locations we will, where economically and practically viable:

Objective	Action	When	Who	Resources	Monitoring	Baseline	KPI
1	Through procurement, eliminate where possible the purchasing of services and goods that use single use plastics and look for appropriate alternatives						
1.1	Undertake an audit of a sample of the Council's waste and recycling bins to identify how much single-use packaging is disposed of in the correct bin.	Completed December 2018	Facilities Management, Waste Management and Amey	Within existing	Report provides analysis of the bins to inform the baseline position.	25%	Percentage weight of plastic items found in a sample of non-recyclable waste bins
1.2	Create standard environmental outcomes that can be incorporated into future contract specifications. Promote and link these via the Social Value toolkit which has been developed by LGSS Procurement in partnership with the CCC Transformation team.	Implementing from Jan 2019	Commissioning Managers, Procurement and transformation team	Within Transformation Budget	All new contracts from Jan 2019 reflect the environmental outcomes from the Social Value Act.	0	Delivered Y/N
1.3	Include plastics awareness training into all procurement and induction training courses	Implementing from March 2019	Organisational Development, Procurement	Within budget	All procurement and induction training courses from April 2019 to include plastics awareness training.	0	Delivered Y/N

Objective	Action	When	Who	Resources	Monitoring	Baseline	KPI
2	**Replace single-use plastic consumption with re-usable products where possible**						
2.1	The Council formally signs up corporately to the Refill campaign	August 2019	Chief Executive, Executive Assistant	NA	-	-	Delivered Y/**N**
2.2	As part of Re-Fill Cambridgeshire, scope which of the Council's buildings and other assets, can provide free water refills for visitors and the public	August 2019	Facilities Management	NA	No. of Council buildings with re-fill points	-	Delivered Y/ **N**
2.3	Identify funding to install Refill points at libraries and community hubs.	End of Sep 2019	Facilities Management, Libraries	Budget to be identified	100% of publicly-accessible Council buildings offering free water refills	-	Delivered Y/ **N**
2.4	Identify partners to help promote the Refill campaign and use our website and social media channels to engage local businesses and retailers.	Ongoing	Waste Management and Communications Teams	Identify sponsorship monies from businesses to fund reusable products	No. of media campaigns to promote Re-Fill	0	4
3	**Provide plastic recycling options for staff and visitors to our buildings**						
3.1	Provide plastics recycling bins for staff across all Council buildings.	Ongoing	Facilities Management	Within existing	Percentage of Council staff with access to mixed plastic recycling	39 sites	Number of additional sites with plastic recycling provision

Objective	Action	When	Who	Resources	Monitoring	Baseline	KPI
4	**Work with staff and members to encourage more sustainable packaging choices and to build their understanding of plastics pollution and its impact**						
4.1	Provide hints and tips for plastic-free packed lunches	Ongoing	Waste and Communications Teams	Within existing	-	0	Delivered Y/ **N**
4.2	Site specific e-mails and occasional articles in the Council's newsletters to remind & encourage staff to use the recycling systems correctly and to purchase items that are recyclable.	Ongoing	Facilities Management, Waste and Communications	Within existing	-	0	10
4.3	Develop a local guide for Shire Hall and other sites directing staff to places where they can buy their lunch and snacks with no single use plastics	September 2019	Energy Investment Unit	Within existing	-	0	1
4.4	Determine how to encourage staff to select a litter pick as part of the 'Team One-Day Challenge' scheme	September 2019	ALL Teams	Within existing	Number of litter picks delivered	0	5
4.5	Promote the Council's Plastic Strategy in the Team Meetings, P&E Roadshows, etc	Ongoing	All Council departments	Within existing	Number of times the strategy has been discussed in team meetings and roadshows.	0	10

Working with suppliers and contractors

The Council procures goods and services, many of which will come into contact with single-use plastics at some point in their delivery. We will:

Objective	Action	When	Who	Resources	Monitoring	Baseline	KPI
5	**Share our plastics strategy with our suppliers and collaborate with suppliers to find suitable alternatives to single use plastic**						
5.1	LGSS Law to amend terms and conditions to contracts to include a statement on use of plastics. This will be supplied with Invitations to tender.	September 2019	LGSS Law	LGSS Law costs for implementing this change	-	0	Delivered Y/N
5.2	Update the procurement best practice guidance to reference the plastics strategy	September 2019	Procurement and Transformation	Within existing	-	0	Delivered Y/N
6	**Ensure procurement specifications and contractors' activities consider, and where practical minimise, the environmental risks associated with plastics**						
6.1	Commissioning managers to be responsible for incorporating environmental and single use plastic requirements and restrictions in all relevant contracts in accordance with the social value toolkit. Contract managers are responsible for ensuring that contractors actually deliver the social value they have agreed to in their tender submissions.	Ongoing	Commissioning managers	Within existing	Work with Transformation on the Social Value toolkit to understand how this can be monitored.	0	Number of procurements for contracts over £100,000 including at least one weighted question on single use plastic reduction
6.2	Continue to monitor the work of contractors operating the Council's Local Authority Collected Waste management facilities and haulage to ensure procedures are in place to minimise plastic escape	Ongoing	Waste Management Team in partnership with the district councils	Within existing	TBC	TBC	

Helping raise awareness across Cambridgeshire

The Council is in a unique position to be able to use its extensive relationships and partnerships to help raise awareness of the issues surrounding single-use plastics and encourage action. We will:

Objective	Action	When	Who	Resources	Monitoring	Baseline	KPI
7	**Work with schools to educate their pupils and to engage with their local communities about plastics waste**						
7.1	Encourage schools and District Councils to support the Refill Campaign for their pupils, parents and parishioners.	Ongoing	Waste Management/ Amey/ Education	Within existing	Further work required on how this can be safely implemented	-	-
7.2	Produce resources for schools to enable them to deliver their own plastic free lunch days or litter campaigns that schools can download.	July 2019	Waste Management/ Amey, Schools	Within existing Waste Education Contract	Number of schools that download resources.	0	Number of schools requesting plastics resource pack
7.3	Develop a lesson plan and school project on reducing plastic and Ocean pollution to be delivered by the Waste Education Centre	June 2019	Waste Management/ Amey/ Schools curriculum advisors	Within existing Waste Education Contract	Develop lesson plan for schools to use. Waste education to monitor Number of schools that have used lesson plan	0	Delivered Y/N
7.4	Run a competition for schools to develop posters or other materials about the plastic problem and ways they can help.	Autumn 2019	Plastic Strategy Champions/ schools curriculum advisors/ Communications Team	Within existing	Number of schools taking part – aim for at least 30	0	Delivered Y/N

Objective	Action	When	Who	Resources	Monitoring	Baseline	KPI
8	**Work with Cambridgeshire's communications teams and social media to get plastic pollution messages to different members of our community**						
8.1	Sign up to become a member of the Plastic Pollution Coalition to show support for plastic-free campaigns and communities in Cambridgeshire	July 2019	Health and Well Being Group- Members	Within existing	n/a	0	Delivered Y/N
8.2	Encourage Cambridgeshire retailers to sign up to the WRAP Plastic Pact and take action http://www.wrap.org.uk/content/the-uk-plastics-pact	Ongoing	Waste team and Communication teams	Within existing	No of Cambridgeshire retailers and Producers signed up to the Plastic Pact .	Research on no. of retailers already signed up to Plastic Pact	TBC
8.3	Identify the environmental networks operating across Cambridgeshire and work with them to promote plastic campaigns.	Ongoing	Communications team working with Cambridge Carbon Footprint, CCORRN and Cambridgeshire and Peterborough Waste , Student environment groups at Cambridge University and Anglia Ruskin	Within existing	Number of articles/blogs/posts published	0	5

Enabling Cambridgeshire to take action

As a Waste Disposal Authority, the Council works closely with the Waste Collection Authorities to provide households with sustainable options for waste and resource management. We will:

Objective	Action	When	Who	Resources	Monitoring	Baseline	KPI
9	**Share our plastics strategy with our suppliers and collaborate with suppliers to find suitable alternatives to single use plastic**						
9.1	Continue to support Cambridgeshire's Waste Collection Authorities to provide consistent messages on plastic material and their collection., including encouraging consistently in materials collected.	Ongoing	Waste Management Team and District Councils	Within existing	Number of Waste Collection Authorities collecting the same materials	-	-
9.2	Identify the most common type of plastics that are not currently recycled, discourage their use and provide alternatives for the residents.	September 2019	Waste Management Team	Within existing	Number of communications to the residents	0	No. of CCC sites providing crisp packet recycling facilities
10	**Ensure procurement specifications and contractors' activities consider, and where practical minimise, the environmental risks associated with plastics**						
10.1	Adopt the Hertfordshire Partnership award winning anti-litter and fly-tipping campaign	August 2019	Cambridgeshire Environmental Managers Group RECAP Member and Senior Officer Groups/ Waste Management Team and District Councils	Funds allocated for 2018/19 RECAP Funding ?	Number of partners using the template materials	0	5
10.2	Work with partners to promote litter picking campaigns through Cambridgeshire and Peterborough Waste Partnership. Encourage litter picks to separate materials for recycling.	By January 2020	Waste Management Team and District Councils	RECAP funds allocated for 2018/19	Number of local litter picks and tonnages/percentage sent for recycling	TBC	-

Objective	Action	When	Who	Resources	Monitoring	Baseline	KPI
11	**Using our regulatory and planning powers to support businesses and the community to make better disposal decisions for plastics waste.**						
11.1	Work with district authorities to support communities that undertake their own community clean- ups	ongoing	Waste Management Team	Within existing	Number of litter picks carried by local communities.	TBC	-
11.2	Work with district authorities to identify how their powers under the Litter Act and Environmental Protection Act can prevent plastic pollution	Ongoing	Waste management and Flood and Water teams	TBC	No. of Fixed penalty notices issued by Districts	TBC	Report Number of notices provided by District partner

Agenda Item No:10

TREASURY MANAGEMENT REPORT – QUARTER FOUR UPDATE 2018-19

To:	**General Purposes Committee**
Meeting Date:	**28 May 2019**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To provide the fourth quarterly update on the Treasury Management Strategy 2018-19, approved by Council in February 2018.**
Recommendation:	**The General Purposes Committee is recommended to note the Treasury Management Quarter Four Report for 2018-19 and forward to full Council to note.**

	Officer contact:		***Member contacts:***
Name:	Carl Oliver / Tom Kelly	Names:	Councillors Count & Hickford
Post:	Group Accountant / Head of Finance	Post:	Chair/Vice-Chair
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Tel:	01908 252414 / 01223 703599	Tel:	01223 706398

1. BACKGROUND

1.1 Treasury Management is governed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code). The Code has been developed to meet the needs of Local Authorities and its recommendations provide a basis to form clear treasury management objectives and to structure and maintain sound treasury management policies and practices.

1.2 The Code was adopted via the Treasury Management Strategy Statement (TMSS), which was approved for the 2018-19 financial year by Council in February 2018. It requires the Council to produce an annual treasury report and a half yearly report. Alongside these, General Purposes Committee is also provided with quarterly updates on progress against the Strategy.

1.3 This report has been developed in consultation with the Council's external investment manager and treasury adviser, Link Asset Services (LAS) and provides an update for the fourth quarter to 31st March 2019 as well as reporting the financial outturn on the debt financing budgets.

2. KEY HEADLINES

2.1 The main highlights for the quarter are that:

a) Investment returns received on treasury management cash balances compare to benchmarks. A return of 0.96% was achieved compared to the 7 day and 3 month London Interbank Bid Rate (LIBID) benchmark (0.57%, 0.75% respectively). See section 6.

b) Third party loans have increased since 31st March 2018 by £63.1m primarily due to loans advanced to This Land Finance Limited at commercial rates, with the total outstanding at 31st March 2019 standing at £95.4m. This increase has been reflected throughout the report, where appropriate. See Section 6.

c) An underspend of £0.893m was delivered for the debt charges budget this year. Net payments were less than budgeted because fewer long term loans were raised during the year than had been budgeted. Short term loans at lower rates of interest were raised instead to meet liquidity needs. Minimum Revenue Provision (MRP) and Capitalisation of Interest Costs were less than budgeted as a consequence of reprofiling and alternative funding of capital expenditure. See Section 8.

3. THE ECONOMIC ENVIRONMENT

3.1 A current economic commentary is provided in **Appendix 1**, which has been provided by Link Asset Services, the Council's treasury management advisers.

3.2 During the quarter ended 31st March 2019, the significant UK headlines of this analysis were that:

- Brexit uncertainty continues to dominate;
- Bank Rate remained unchanged at 0.75% with no changes to the quantitative easing programme;
- There has been a rise in wage inflation and fall in CPI inflation. An increase in household spending power is likely to feed through into overall economic growth in the coming months.

4. SUMMARY PORTFOLIO POSITION

4.1 Net debt at 31st March 2019 stood at £473.257m, which is lower than originally set out in the Treasury Management Strategy Statement in February 2018. This is driven by changes to the capital programme and loans to This Land Finance Limited, offset by the cash balances and reserves used for internal borrowing purposes. A balance sheet review will be carried out once draft financial statements become available which will provide useful detailed analysis of the Councils loans, investments, Capital Financing Requirement and reserves.

4.2 Further analysis on borrowing and investments is set out in the next two sections. A snapshot of the Council's debt and investment position is shown in the table below:

	TMSS 2018-19 31 Mar 2019 Forecast (Council Feb 2018)		Actual as at 31 March 2018		Actual as at 31 March 2019		Change from Mar 2018 to Mar 2019
	£m	Rate %	£m	Rate %	£m	Rate %	£m
Borrowing							
Long term borrowing (>12m)	471.7	4.3	362.9	4.0	442.3	4.0	79.4
Short term borrowing (<12m)	220.0	0.8	135.0	0.8	156.0	1.0	21.0
Total borrowing	**691.7**	**3.2**	**497.9**	**3.0**	**598.3**	**3.2**	**100.4**
Treasury Investments	**9.1**	**0.5**	**26.4**	**0.3**	**29.6**	**0.7**	**3.2**
3rd Party Loans & Share Capital	**-**	**-**	**32.3**	**2.5**	**95.4**	**3.0**	**63.1**
Total Net Debt / Borrowing	**682.6**	**-**	**439.2**	**-**	**473.3**	**-**	**34.1**

5. BORROWING

5.1 The Council can raise loan finance in order to primarily fund its Capital spending plans and also for short term cashflow purposes. The actual amount of new borrowing required each year is determined by capital expenditure plans, capital funding available, the actual Capital Financing Requirement (CFR), forecast reserves, cashflow analysis, and current and projected economic conditions.

New loans and repayment of loans:

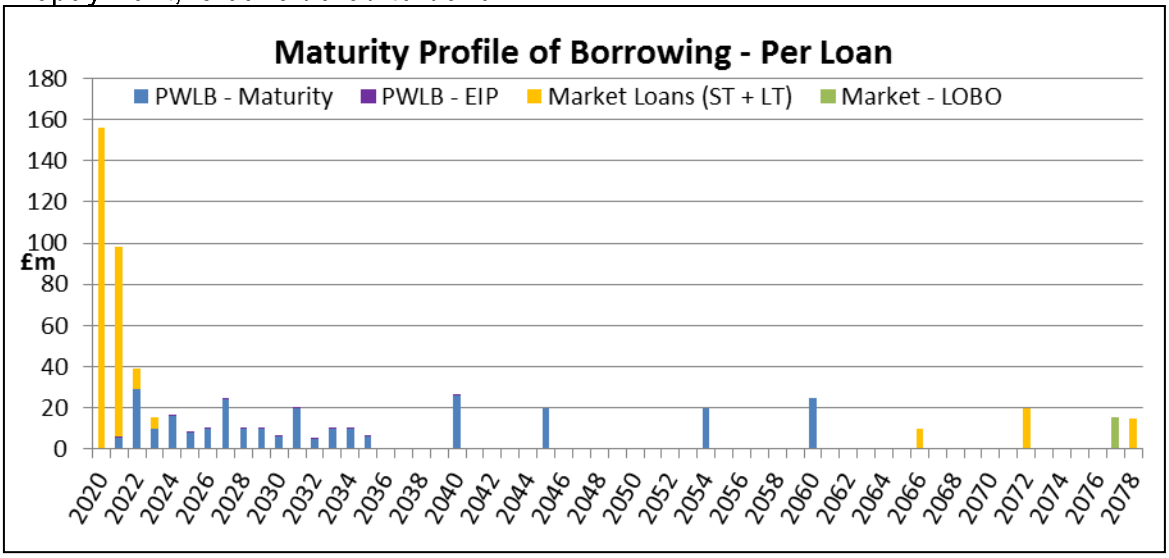
5.2 This section details new long term loans raised (i.e. loans that are for greater than one year) and loans repaid during this quarter. During quarter four, one long term loan from PWLB of £7.443m was repaid. Seven loans were drawn down from other local authorities totalling £42m each for a term of 2 years at an average of 1.44%, which compares to the PWLB certainty rate for 2 year loans average for the quarter of 1.55%.

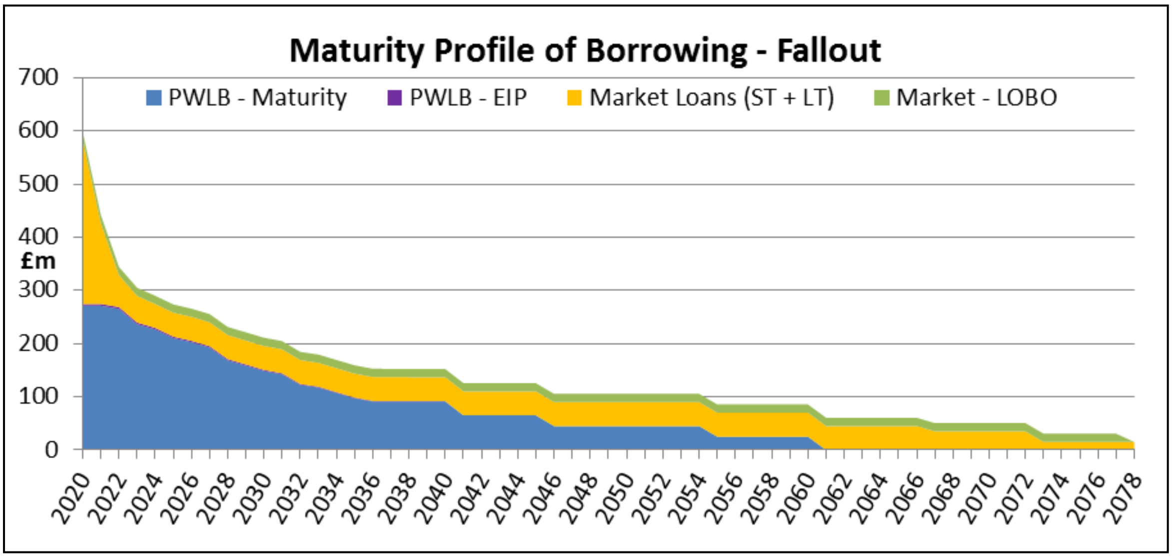
5.3 Short term loans (i.e. loans that are for one year or less) are typically drawn from other local authorities. During quarter four, seven such loans were repaid upon maturity totalling £50m. Six new loans totalling £28m were raised at 1.15%.

Maturity profile of borrowing:

5.4 The graphs below show the maturity profile of the Council's loan portfolio, per loan and on a cumulative fallout basis. The majority of long-term loans have fixed interest rates, which gives balance against short-dated loans and partly protects the Council from exposure to interest rate fluctuation. The weighted average years to maturity of the overall portfolio (assuming LOBO loan runs to maturity) is 13 years.

5.5 The presentation of the graphs below differs from that in the Treasury Indicator for maturity structure of borrowing in **Appendix 2** as the graph below includes a LOBO loan at its final maturity date, rather than next call option date. In the current low interest rate environment the likelihood of the interest rate on the LOBO loan being raised, so triggering the Council option to make a penalty free repayment, is considered to be low.





Municipal Bond Agency:

5.6 The Council holds seed capital shares of £0.4m in the UK Municipal Bonds Agency (MBA). The strategic aim of the MBA, which is wholly owned by the Local Government Association and 56 local authorities, is to provide an alternative to funding from the PWLB and market loans. The Council has held discussions with the MBA to join a new group aimed at reshaping the offer and operational model of the Agency. At this time, a bond issuance is not expected in the near future. There continues to be strong support to the MBA from the Local Government Association.

Loan restructuring:

5.7 When market conditions are favourable, long term loans may be restructured in order to:

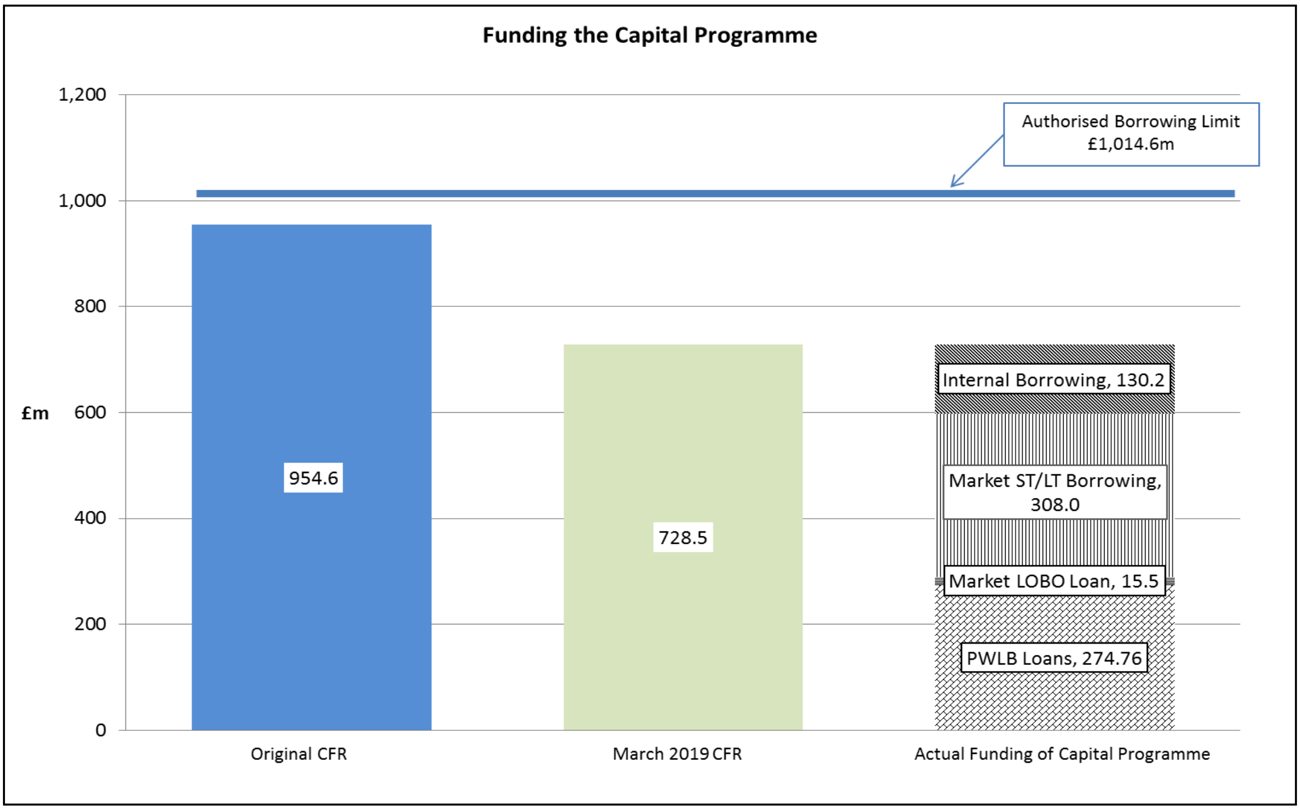
- generate cash savings;
- reduce the average interest rate; and / or
- enhance the balance of the portfolio by amending the maturity profile and/or the level of volatility (volatility is determined by the fixed/variable interest rate mix).

5.8 During the quarter, there were no opportunities for the Council to restructure its borrowing due to the composition of the Council's borrowing portfolio compared to prevailing market conditions and redemption rates. Debt rescheduling in 2019-20 will continue to be kept under review and considered subject to conditions being favourable. If and when opportunities for savings do arise, debt rescheduling will be undertaken to meet business needs.

Funding the Capital Programme:

5.9 The Treasury Management Strategy Statement (TMSS) set out the plan for treasury management activities over the year. It identified the expected level of borrowing and investment levels. When the 2018-19 TMSS was set, it was anticipated that the Capital Financing Requirement (CFR) – the Council's liability for financing the agreed Capital Programme – would be £954.6m. This calculated amount is naturally subject to change as a result of any changes to the approved capital programme financing or MRP policy.

5.10 The chart below compares the maximum the Council could have borrowed in 2018-19 (£1,014.6m), against the forecast outturn CFR at 31st March 2019 (£728.5m) and an analysis of how that CFR is currently being financed. The CFR has decreased from the value set out in the TMSS due to the reprofiling of the capital programme.



5.11 The chart above demonstrates that:

- the Council's projected outturn CFR is £286.1m below the statutory Authorised Borrowing Limit set by Council;
- Internal borrowing – the temporary use of the Council's surplus cash to finance the borrowing liability instead of borrowing externally – stood at £130.2m.

5.12 The Council continues to utilise internal borrowing in order to minimise the cost of carrying investments earning a return lower than the cost of borrowing, reduce credit risk associated with holding investing, and generate budget savings. Therefore new loans, which have been budgeted for, will be required in 2019-20 to maintain sufficient operational cash resources.

6. INVESTMENTS

6.1 Investment activity is carried out using the framework of the Council's counterparty policies and criteria, with a clear strategy of risk management. This ensures that the principle of considering security, liquidity and yield (in that order) is consistently applied. The Council therefore aims to achieve the optimum return on investments commensurate with proper levels of security and liquidity. Any variations to agreed policies and practices are reported to GPC and Council.

6.2 In Quarter One, the Council reported a technical breach of its counterparty policy when surplus cash balances were allowed to remain in the Council's main group of bank accounts over the period in question, in addition to amounts already placed on deposit with the same counterpart up to the counterparty limit. Operational procedures have been strengthened to prevent reoccurrences and no technical breaches have occurred since.

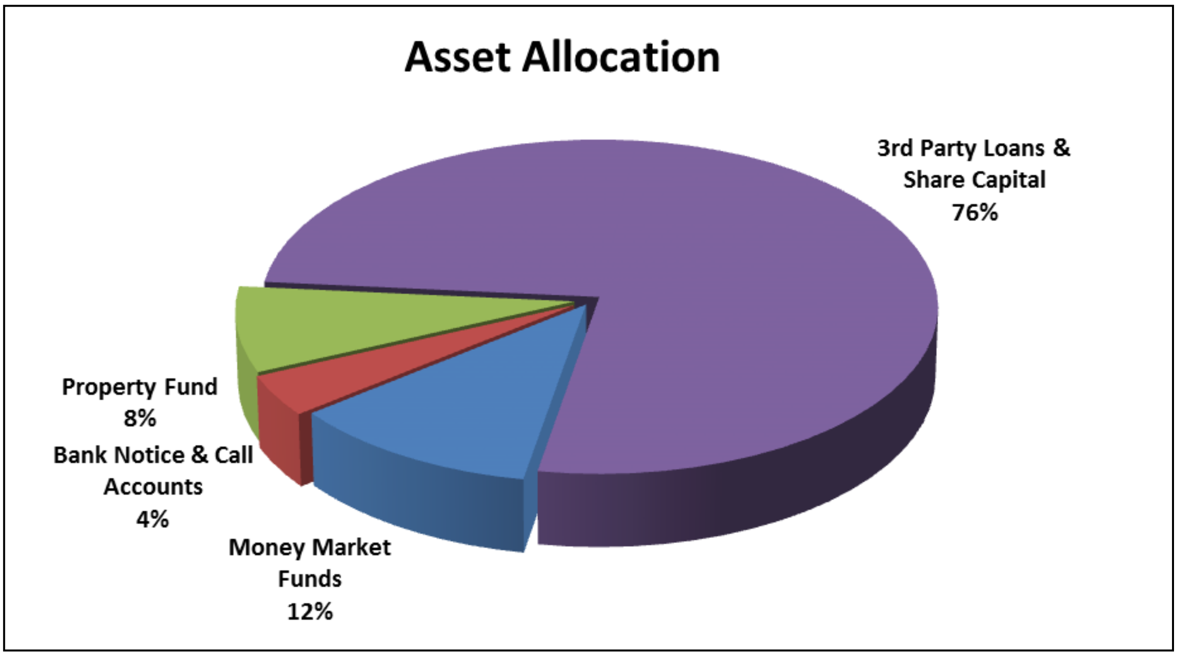
6.3 As described in paragraph 5.12, the strategy currently employed by the Council of internal borrowing also has the affect of limiting the Council's investment exposure to the financial markets, thereby reducing credit risk.

6.4 The level of cash available for investment is made up of reserves, balances and working capital that the Council holds. As at 31st March 2019 investments totalled £125.0m.

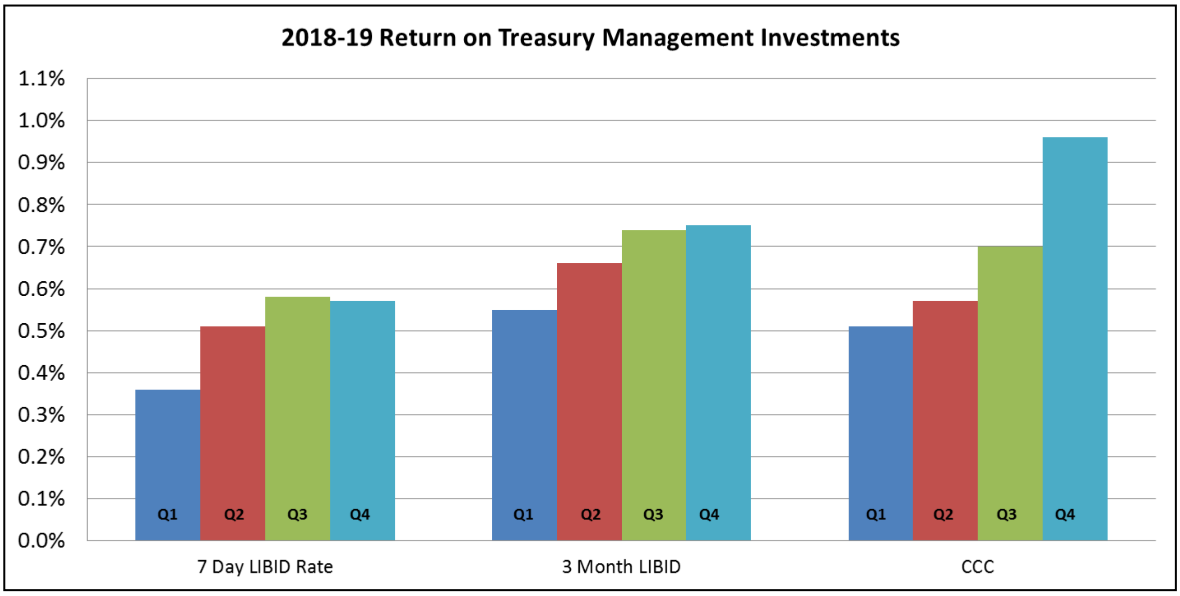
6.5 This includes total third party loans and share/equity capital (classed as capital expenditure) of £95.4m as listed below:

- £90.51m third party loans (including compound interest) and equity capital in This Land;
- £3.68m loan to the Arthur Rank Hospice Charity;
- £0.400m equity share in the Municipal Bonds Agency;
- £0.332m loan to Estover CIC;
- £0.325m loan call facility to LGSS Law;
- £0.150m loan to Wisbech Town Council.

6.6 The balance of £29.6m is held in treasury management investments; notice & call accounts and money market funds in order to meet the liquidity demands, and units in the pooled CCLA Property Fund. The graph below shows the investment portfolio composition by asset allocation.



6.7 The graph below compares the return performance on the Council's treasury management investment against relevant benchmarks for each quarter during the 2018-19 financial year.



6.8 It can be seen from the graph above that treasury management investments returned 0.96% during quarter 4, which is 39bps more than the 7 day LIBID and 21bps more than the 3 month LIBID benchmarks. Returns were boosted significantly in March as the Council invested funds into the CCLA Property Fund.

6.9 Leaving market conditions to one side, the Council's return on investment is influenced by a number of factors, the largest contributors being the duration of investments and the credit quality of the institution or instrument. Credit risk is a measure of the likelihood of default and is controlled through the creditworthiness policy approved by Council. The duration of an investment introduces liquidity risk; the risk that funds can't be accessed when required, and interest rate risk; the risk that arises from fluctuating market interest rates. These factors and associated risks are actively managed by the LGSS Integrated Treasury team together with the Council's treasury advisers.

7. INTEREST RATE OUTLOOK

7.1 The latest (May 2019) interest rate forecasts from the Council's treasury advisers are shown in the table below:

Link Asset Services Interest Rate View												
	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%	1.75%
3 Month LIBID	0.70%	0.70%	0.70%	1.00%	1.00%	1.20%	1.20%	1.20%	1.50%	1.50%	1.50%	1.70%
6 Month LIBID	0.80%	0.80%	0.90%	1.10%	1.20%	1.30%	1.30%	1.40%	1.60%	1.60%	1.70%	1.80%
12 Month LIBID	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%
5yr PWLB Rate	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%	2.20%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.10%	2.20%	2.30%	2.40%	2.50%	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

- *PWLB rates based on Certainty Rate (minus 20 bps) discount.*

7.2 It is not currently expected that Bank Rate will increase before there is clarity on the mode of Brexit. Financial markets are now expecting a first increase in February 2020 and the next one in November 2021.

7.3 The general situation is for volatility in bond yields to endure as investor fears ebb and flow between favouring relatively more “risky” assets i.e. equities, or the “safe haven” of government bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently, although there are likely to also be periods of sharp volatility from time to time.

7.4 The forecasts above are predicated on an assumption that:

- there is no break-up of the Eurozone or EU (apart from the departure of the UK) within the forecasting time period despite the major challenges that are looming;
- that there are no major ructions in international relations, which has a major impact on international trade and world GDP growth.

7.5 From a strategic perspective, the Council is continually reviewing options as to the timing of potential borrowing, especially given just how unpredictable PWLB rates and bond yields are at present. Cash flows over the past couple of years have been sufficiently robust for the Council to use its balance sheet strength to limit the amount of new long term borrowing undertaken.

8. DEBT FINANCING BUDGET

8.1 This section summarises the 2018-19 debt financing budget, which is held as a central budget within Corporate Services, and complies with the reporting requirements in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management. The overall outturn position is an underspend of £0.893m, which is explained below.

	Budget	**Outturn**	**Variance**
	£m	**£m**	**£m**
Interest payable	16.591	15.856	(0.735)
Interest receivable	0.031	(0.670)	(0.701)
Capitalisation of Interest Costs	(2.417)	(1.710)	0.707
Technical & Other	0 .429	0.522	0.093
MRP	11.350	11.093	(0.257)
Total	**25.984**	**25.091**	**(0.893)**

8.2 Interest payable was less than budgeted as fewer long term loans were raised during the year with short term loans raised instead to meet liquidity needs. Minimum Revenue Provision (MRP) and Capitalisation of Interest Costs were less than budgeted as a consequence of reprofiling and alternative funding of capital expenditure.

9. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

9.1 With effect from 1st April 2004, the Prudential Code (as amended) became statute as part of the Local Government Act 2003.

9.2 The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable. To ensure compliance with this the Council is required to set and monitor a number of Prudential Indicators.

9.3 During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement (TMSS) and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators for the 2018-19 year are reported in Appendix 2.

10. ALIGNMENT WITH CORPORATE PRIORITIES

10.1 A good quality of life for everyone

There are no significant implications for this priority.

10.2 Thriving places for people to live

There are no significant implications for this priority.

10.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

11. SIGNIFICANT IMPLICATIONS

11.1 Resource Implications

This report provides information on performance against the Treasury Management Strategy. Section 8 shows the impact of treasury decisions on the Debt Charges Budget, which are driven by the capital programme and the Council's overall financial position.

11.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for this category.

11.3 Statutory, Risk and Legal Implications

The Council continues to operate within the statutory requirements for borrowing and investments. Further details can be found within the Prudential Indicators in Appendix 2.

11.4 Equality and Diversity Implications

There are no significant implications in this category.

11.5 Engagement and Communications Implications

There are no significant implications in this category.

11.6 Localism and Local Member Involvement

There are no significant implications in this category

11.7 **Public Health Implications**

There are no significant implications in this category

List of Appendices
Appendix 1: Economic Update

Appendix 2: Capital and Treasury Prudential Indicators

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Not applicable
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not applicable
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	Location
None	Not applicable

Appendix 1

Economic Update
Quarter Ended 31 March 2019

The economic commentary below has been provided by Link Asset Services, the Council's treasury management advisers. This is not a representation of the Council's view on the economic outlook.

UK: After weak economic growth of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Q4 came in at 1.4% y/y confirming that the UK was the third fastest growing country in the G7 in quarter 4.

After the Monetary Policy Committee (MPC) raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. Under certain exit circumstances, there is potential that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5% (excluding bonuses) in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

As for CPI inflation itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

US: The massive US easing of fiscal policy in 2018 fuelled a (temporary) boost in consumption in 2018 which generated an upturn in the strong rate of growth; this rose from 2.2%, (annualised rate) in quarter 1 of 2018 to 4.2% in quarter 2, 3.5% in quarter 3 and then back to 2.2% in quarter 4. The annual rate came in at 2.9% for 2018, just below the aim for 3% growth. The strong growth in employment numbers has fed through to an upturn in wage inflation which hit 3.4% in February, a decade high point. However, CPI inflation overall fell to 1.5% in February, a two and a half year low, and looks to be likely to stay around that number in 2019 i.e. below the Fed's target of 2%. The Fed increased rates another 0.25% in December to between 2.25% and 2.50%, this being the fourth increase in 2018 and the ninth in the upward swing cycle. However, the Fed now appears to be edging towards a change of direction and admitting there may be a need to switch to taking action to cut rates over the next two years. Financial markets are now predicting two cuts of 25bps by the end of 2020.

EUROZONE: The European Central Bank (ECB) provided massive monetary stimulus in 2016 and 2017 to encourage growth in the EZ and that produced strong annual growth in 2017 of 2.3%. However, since then the ECB has been reducing its monetary stimulus measures and growth has been weakening - to 0.4% in quarters 1 and 2 of 2018, and then slowed further to 0.2% in quarters 3 and 4; it is likely to be only 0.1 - 0.2% in quarter 1 of 2019. The annual rate of growth for 2018 was 1.8% but is expected to fall to possibly around half that rate in 2019. The ECB completely ended its programme of quantitative easing purchases of debt in December 2018, which means that the central banks in the US, UK and EU have all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in growth, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), prompted the ECB to take new measures to stimulate growth. With its refinancing rate already at 0.0% and the deposit rate at -0.4%, it has probably reached the limit of cutting rates. At its March 2019 meeting it said that it expects to leave interest rates at their present levels "at least through the end of 2019", but that is of little help to boosting growth in the near term. Consequently, it also announced a third round of cheap borrowing to banks every three months from September 2019 until March 2021 which means that, although they will have only a two-year maturity, the Bank is making funds available until 2023, two years later than under its previous policy. As with the last round, this will include an incentive to encourage bank lending, and they will be capped at 30% of a bank's eligible loans.

ASIA: In China, economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

WORLD GROWTH: Equity markets are currently concerned about the synchronised general weakening of growth in the major economies of the world: they fear there could even be a recession looming up in the US, though this fear is probably overdone.

Appendix 2

Prudential and Treasury Indicators at 31st March 2019

Monitoring of Prudential and Treasury Indicators: approved by Council in February 2018.

1. **Has the Council adopted CIPFA Code of Practice for Treasury Management in the Public Services?**

   The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes. This is a key element of the Treasury Strategy 2018-19 which was approved by Council in February 2018.

2. **Limits for exposure to fixed and variable rate net borrowing (Borrowing less investments)**

	Limits	Actual
Fixed rate	150%	72.4%
Variable rate	65%	27.6%
Total		100.0%

The Interest rate exposure is calculated as a percentage of net debt. Due to the mathematical calculation exposures could be greater than 100% or even a negative depending upon the component parts of the formula. The formula is shown below:

$$\frac{\textit{Total Fixed (or Variable) rate exposure}}{\textit{Total borrowing* – total investments*}}$$

** Defined as greater than 1 year to run*

*** Defined as less than 1 year to run or in the case of LOBO loan, the call date falling within the next 12 months.*

3. **Total principal sums invested for periods longer than 364 days**

	2018-19 Limit £m	Actual £m
Investment longer than 364 days to run *	0.0	0.0

** Treasury Management investment only*

4. **Limits for maturity structure of borrowing**

	Upper Limit	Actual
under 12 months	80%	28%
12 months and within 24 months	50%	17%
24 months and within 5 years	50%	12%
5 years and within 10 years	50%	10%
10 years and above	100%	33%

Note: The guidance for calculation of this indicator requires that **LOBO loans are shown as maturing at the next possible call date rather than at final maturity.**

Affordability

5. **Ratio of financing costs to net revenue stream**

2018-19 Original Estimate %	2018-19 Outturn %	Difference %
8.3	7.6	-0.7

6. **Estimated incremental impact of capital investment decisions on band D council tax**

2018-19 Original Estimate %	2018-19 Outturn %	Difference %
16.0	15.6	-0.4

Prudence:

7. **Gross borrowing and the Capital Financing Requirement (estimated borrowing liability excluding PFI)**

Original 2018-19 Capital Financing Requirement (CFR - as at 31 March 2019) £m	2018-19 CFR (as at 31 March 2019) £m	Actual Gross Borrowing (as at 31 March 2019) £m	Difference between actual borrowing and March 2019 CFR £m
954.6	728.5	598.3	130.2

Capital Expenditure

8. **Estimates of capital expenditure**

For details of capital expenditure and funding please refer to the capital outturn report.

External Debt

9. **Authorised limit for external debt**

2018-19 Authorised Limit per TMSS £m	Actual Borrowing £m	Headroom compared to Authorised Limit £m
1,014.6	598.3	416.3

The Authorised limit is the statutory limit on the Council's level of debt and must not be breached. This is the absolute maximum amount of debt the Council may have in the year.

10. **Operational boundary for external debt**

2018-19 Operational Boundary per TMSS £m	Actual Borrowing £m	Headroom compared to Operational Boundary £m
984.6	598.3	386.3

The operational boundary is set as a warning signal that debt has reached a level nearing the Authorised limit and must be monitored carefully.

GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENTS TO OUTSIDE BODIES AND INTERNAL ADVISORY GROUPS AND PANELS

To:	**General Purposes Committee**
Meeting Date:	**28 May 2019**
From:	**Chief Executive**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To review the Committee's agenda plan and training plan, and to consider appointments to outside bodies and internal advisory groups and panels.**
Recommendation:	**It is recommended that the General Purposes Committee:**

(i) review its agenda plan attached at Appendix 1;

(ii) review its training plan attached at Appendix 2;

(iii) agree the appointments to outside bodies as detailed in Appendix 3; and

(iv) agree the appointments to Internal Advisory Groups and Panels as detailed in Appendix 4.

	Officer contact:		*Member contacts:*
Name:	Michelle Rowe	Names:	Councillors Count & Hickford
Post:	Democratic Services Manager	Post:	Chair/Vice-Chair
Email:	michelle.rowe@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 699180	Tel:	01223 706398

1. BACKGROUND

1.1 The General Purposes Committee reviews its agenda plan and training plan at every meeting.

1.2 The County Council's Constitution states that the General Purposes Committee has

- Authority to nominate representatives to Outside Bodies other than the Combined Authority, Greater Cambridge Partnership, Cambridgeshire and Peterborough Fire Authority, the County Councils Network Council and the Local Government Association

- Authority to determine the Council's involvement in and representation on County Advisory Groups. The Committee may add to, delete or vary any of these advisory groups, or change their composition or terms of reference.

1.3 Appointments to Internal Advisory Groups and Panels are agreed by the relevant Policy and Service Committee.

1.4 On 13 June 2017, the Committee agreed to delegate, on a permanent basis between meetings, the appointment of representatives to any outstanding outside bodies, groups, panels and partnership liaison and advisory groups, within the remit of the General Purposes Committee, to the Chief Executive in consultation with the Chairman of General Purposes Committee.

2. APPOINTMENTS

2.1 The outside bodies where appointments are required are set out in **Appendix 3** to this report. The current representative(s) is indicated. It is proposed that the Committee should agree the appointments to these bodies.

2.2 The internal advisory groups and panels where appointments are required are set out in **Appendix 4** to this report. The current representative(s) is indicated. It is proposed that the Committee should agree the appointments to these bodies.

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.

4. SIGNIFICANT IMPLICATIONS

4.1 There are no significant implications within these categories:

- Resource Implications
- Procurement/Contractual/Council Contract Procedure Rules Implications
- Statutory, Legal and Risk Implications
- Equality and Diversity Implications
- Engagement and Communications Implications
- Localism and Local Member Involvement
- Public Health Implications

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Not applicable
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	Not applicable
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not applicable
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	Location
General Purposes Agenda and Minutes – 29 May 2018	https://cambridgeshire.cmis.uk.com/ccc_live/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/2/Default.aspx

Appendix 1

GENERAL PURPOSES COMMITTEE AGENDA PLAN		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
28/05/19	1. Minutes – 26/03/19	M Rowe		**14/05/19**	**17/05/19**
	2. Resources and Performance Report (March) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (March)	R Barnes	2019/003		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	C Oliver/ J Lee	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	5. Transformation Funding - Future Financing of the Energy Investment Unit	S Howarth/ J Turner	2019/035		
	6. Plastics Strategy*	S French/ E Bolton	Not applicable		
	7. Data Centre	C Stromberg S Smith	2019/038		
[26/06/19] Provisional Meeting					
16/07/19	1. Minutes – 26/03/19	M Rowe		**03/07/19**	**08/07/19**
	2. Resources and Performance Report (May) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (May)	R Barnes	2019/010		
	4. Transformation Fund Monitoring Report Quarter 4 2018/19	A Askham	Not applicable		
	5. Shared Services: IT Strategy for Cambridgeshire and Peterborough	C Stromberg S Smith	Not applicable		
	6. Updated Corporate Energy Strategy and Action Plan	S French	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	7. Transformation Funding - Post Room and Records - Domiciliary care – review of used capacity - Resilience and Independence in SEND Environment	S Howarth/ J Turner	2019/044		
	8. Laptop Refresh procurement	K Halls	2019/045		
	9. The Commercial Team	A Askham C Sutton	2019/046		
	10. Nearly zero energy buildings Policy: Implications for new Public Sector Buildings	S French	2019/039		
[20/08/19] Provisional Meeting					
26/09/19	1. Minutes – 16/07/19	M Rowe		**13/09/19**	**18/09/19**
	2. Resources and Performance Report (July) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (July)	R Barnes	2019/011		
	4. Medium Term Financial Strategy	C Malyon	Not applicable		
	5. Capital Strategy	C Malyon	Not applicable		
	6. Transformation Fund Monitoring Report Quarter 1 2019/20	A Askham	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	7. Treasury Management Report – Quarter 1 2019-20	C Oliver/ J Lee	Not applicable		
22/10/19	1. Minutes – 26/09/19	M Rowe		**09/10/19**	**14/10/19**
	2. Resources and Performance Report (July) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (August)	R Barnes	2019/012		
26/11/19	1. Minutes – 22/10/19	M Rowe		**13/11/19**	**18/11/19**
	2. Resources and Performance Report (September) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (September)	R Barnes	2019/013		
	4. Treasury Management Report – Quarter 2*	C Oliver/ J Lee	Not applicable		
	5. Draft 2019/20 Capital Programme and Capital Prioritisation	C Malyon	Not applicable		
	6. Business Planning 2019-20 to 2023-24 – update	C Malyon	Not applicable		
	7. Transformation Fund Monitoring Report Quarter 2 2019-20	A Askham	Not applicable		
17/12/19	1. Minutes – 26/11/19	M Rowe		**04/12/19**	**09/12/19**
	2. Resources and Performance Report (October) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	3. Integrated Resources and Performance Report – (October)	R Barnes	2019/014		
	4. Amendments to Business Plan Tables (if required)	C Malyon	Not applicable		
	5. Draft Revenue and Capital Business Planning Proposals for 2020-21 to 2024-2025 (whole Council)	C Malyon	Not applicable		
	6. Treasury Management Strategy	C Oliver/ J Lee	Not applicable		
28/01/20	1. Minutes – 17/12/19	M Rowe		**15/01/20**	**20/01/20**
	2. Resources and Performance Report (November) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report – (November)	R Barnes	2020/001		
	4. Local Government Finance Settlement	C Malyon	Not applicable		
	5. Business Plan*	C Malyon	Not applicable		
	6. Consultation Report	S Grace	Not applicable		
[25/02/20] Provisional Meeting					
24/03/20	1. Minutes – 28/01/20	M Rowe		**11/03/20**	**16/03/20**

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	2. Resources and Performance Report (January) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (January)	R Barnes	2020/002		
	4. Transformation Fund Monitoring Report Quarter 3 2019/20	A Askham	Not applicable		
	5. Treasury Management Report – Quarter 3	C Oliver/ J Lee	Not applicable		
[28/04/20] Provisional Meeting					
02/06/20	1. Minutes – 24/03/20	M Rowe		**19/05/20**	**22/05/20**
	2. Resources and Performance Report (March) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (March)	R Barnes	2020/003		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	C Oliver/ J Lee	Not applicable		

GENERAL PURPOSES COMMITTEE TRAINING PLAN			The Training Plan below includes topic areas for GPC approval. Following sign-off by GPC the details for training and development sessions will be worked up.						**Appendix 2**
Ref	**Subject**	**Desired Learning Outcome/Success Measures**	**Priority**	**Date**	**Responsibility**	**Nature of training**	**Attendance by:**	**Cllrs Attending**	**Percentage of total**
1.	Emergency planning	The Council's roles and responsibilities, how do we respond in an emergency		25th July 2017	Stuart Thomas / Sue Grace		GPC	Bailey Bates Bywater Count Criswell Dupre Hickford Hudson Jenkins Nethsingha Schumann Shuter	80%
2.	Business Intelligence	Data / system integration Date sharing with other authorities. The importance of good		28th November 2017	Tom Barden/ Sue Grace		GPC	Bailey Bywater Criswell Dupre	80%

		governance and information management. *(pre reading material required)*						Hickford Hudson Jenkins Kavanagh McGuire Nethsingha Shuter Wotherspoon	

Appendix 3

CAMBRIDGESHIRE COUNTY COUNCIL
APPOINTMENTS TO OUTSIDE BODIES: GENERAL PURPOSES COMMITTEE

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS	GUIDANCE CLASSIFICATION	COMMITTEE TO APPROVE
Cambridgeshire Police and Crime Panel The role of the panel is to scrutinise the Police and Crime Commissioner.	7 approx.	3	1. Cllr D Connor (Con) or Cllr S Tierney (Con) 2. Cllr M Shellens (LD) 3. Cllr T Sanderson (Ind.) Subs: 1. Cllr M Howell (Con) 2. Cllr L Nethsingha (LD) Proportionality advised by Peterborough City Council	Jane Webb Senior Democratic Services Officer Legal and Governance Democratic Services Team Chief Executive's Department Peterborough City Council Town Hall Bridge Street PETERBOROUGH PE1 1HQ 01733 452281 07983 322628 jane.webb@peterborough.gov.uk	Other Public Body representative	General Purposes
East of England Local Government Association Resource Portfolio Holders Board Non-executive networking group of Resources Portfolio Holders.	4	1	Councillor R Hickford (Con)	Cinar Altun 01284 758321 Cinar.altun@eelga.gov.uk	Unincorporated Association Member [Information sharing meeting]	General Purposes

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS	GUIDANCE CLASSIFICATION	COMMITTEE TO APPROVE
ESPO Management Committee Purchasing and contracting service for 10 member Authorities.	4	2	1.Councillor I Bates (Con) 2. Councillor M Howell (Con) Substitute. Councillor R Hickford (Con)	Sara Brennan Leicestershire County Council County Hall Glenfield Leicester LE3 8RA 0116 305 7453 sara.brennan@leics.gov.uk	Other Public Body Representative	General Purposes
ESPO Finance and Audit Sub Committee	2	1	Councillor M Howell (Con)	Sara Brennan Leicestershire County Council County Hall Glenfield Leicester LE3 8RA 0116 305 7453 sara.brennan@leics.gov.uk	Other Public Body Representative	General Purposes

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS	GUIDANCE CLASSIFICATION	COMMITTEE TO APPROVE
ESPO Shareholder representative Representing Cambridgeshire's interests with respect to ESPO Trading Limited	-	1	Councillor M Howell (Con) Substitute. Councillor I Bates (Con)	Sara Brennan Leicestershire County Council County Hall Glenfield Leicester LE3 8RA 0116 305 7453 sara.brennan@leics.gov.uk	Other Public Body Representative (The Council partly owns ESPO Trading Limited (less than 20%) so Cllr Howell is the shareholder rep)	General Purposes
LGSS Joint Overview and Scrutiny Working Group The role of the Joint Working Group (JWG) is to hold the LGSS Joint Committee to account for the discharge of its functions and to investigate issues associated with LGSS and make recommendations that seek to improve the quality of services delivered through LGSS.	3	3	Councillor M Howell (Con) Councillor D Jenkins (LD) Vacancy (Lab)	James Edmunds Democratic Services Assistant Manager and Statutory Scrutiny Officer Northamptonshire County Council Room 144 County Hall Northampton NN1 1DN 01604 366053 jedmunds@northamptonshire.gov.uk	Unincorporated Association Member	General Purposes

Appendix 4

APPOINTMENTS TO INTERNAL ADVISORY GROUPS AND PANELS

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS	COMMITTEE TO APPROVE
Member Development Panel Oversees training and development for Members.	As required	6	Councillor I Bates (Con) Councillor S Criswell (Con) Councillor D Giles (Ind) Councillor L Nethsingha (LD) Councillor M Smith (Con) Councillor J Whitehead (Lab)	Michelle Rowe Democratic Services Manager 01223 699180 michelle.rowe@cambridgeshire.gov.uk	General Purposes
Members' Equality Group To develop and oversee the Equalities Strategy.	As required	5	Councillor Lorna Dupre Councillor Samantha Hoy Councillor Jocelynne Scutt Councillor Amanda Taylor Councillor Joan Whitehead	Sue Grace Director: Corporate & Customer Services 01223 715680 sue.grace@cambridgeshire.gov.uk	General Purposes

NAME OF BODY	MEETINGS PER ANNUM	REPS APPOINTED	REPRESENTATIVE(S)	CONTACT DETAILS	COMMITTEE TO APPROVE
Outcome Focused Reviews These reviews are an opportunity for the Council to have a deep look at what it does, why it does it, and how it does it. 1. Adult Early Help 2. Cambridgeshire Catering and Cleaning Service (CCS) 3. Cambridgeshire Music 4. Contact Centre 5. County Farms 6. Education ICT 7. The Learning directorate 8. Outdoor Education 9. Professional Centre Services (PCS) 10. Property Services 11. School Admissions and Education Transport 12. Total Transport			1.Councillor A Bailey (Con) 2.Councillor T Wotherspoon (Con) 3.Councillor P Hudson (Con) 4.Councillor S Criswell (Con) 5.Councillor R Hickford (Con) 6.Councillor J Gowing (Con) 7.Councillor S Hoy (Con) 8.Councillor S Bywater (Con) 9.Councillor A Hay (Con) 10.Councillor J Schumann (Con) 11.Councillor L Every (Con) 12. Councillor I Bates (Con)	Owen Garling Transformation Manager 01223 699235 07963 775645 owen.garling@cambridgeshire.gov.uk	Relevant Committee