GENERAL PURPOSES COMMITTEE

Cambridgeshire County Council

Tuesday, 26 January 2021

10:00

Democratic and Members' Services
Fiona McMillan
Monitoring Officer

Shire Hall
Castle Hill
Cambridge
CB3 0AP

COVID-19

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

AGENDA

Open to Public and Press

CONSTITUTIONAL MATTERS

1.	**Apologies for absence and declarations of interest** *Guidance on declaring interests is available at* *http://tinyurl.com/ccc-conduct-code*	
2.	**Minutes – 22nd December 2020 and Action Log**	**3 - 4**
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3.	**Petitions and Public Questions**	

OTHER DECISION

4.	**Performance report – Quarter 2 2020-21 financial year** **KEY DECISION**	**5 - 76**
5.	**Integrated Finance Monitoring Report for the period ending 30 November 2020** **OTHER DECISIONS**	**77 - 102**
6.	**Covid-19 Update Report (to follow)**	
7.	**Business Plan 2021-22 to 2025-26**	**103 - 516**
8.	**Development of Asset-Based Area (ABA) Approach to Commissioning and Delivery**	**517 - 542**
9.	**General Purposes Committee Agenda Plan, Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels**	**543 - 550**

The General Purposes Committee comprises the following members:

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

Councillor Steve Count (Chairman) Councillor Roger Hickford (Vice-Chairman) Councillor Anna Bailey Councillor Ian Bates Councillor Simon Bywater Councillor Steve Criswell Councillor Lorna Dupre Councillor Derek Giles Councillor Mark Goldsack Councillor Peter Hudson Councillor David Jenkins Councillor Noel Kavanagh Councillor Peter McDonald Councillor Elisa Meschini Councillor Lucy Nethsingha Councillor Tom Sanderson and Councillor Josh Schumann

Clerk Name:	Michelle Rowe
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GENERAL PURPOSES COMMITTEE MINUTES-ACTION LOG

This is the updated action log as at 18th January 2021 and captures the actions arising from the most recent General Purposes Committee meeting and updates Members on the progress on compliance in delivering the necessary actions.

Minutes of 22nd December 2020					
Minute number	Item title	Responsible officer(s)	Action	Comments	Completed
294.	Integrated Finance Monitoring Report for the period ending 31st October 2020	Service Director: Children and Safeguarding	To provide a note, in relation to Children in Care Transport, on whether there had been a change in the quality of contacts given the reduced spending on contact visits over the summer term due to the majority of these taking place remotely.	E-mail sent to Committee on 6 January 2021	Complete
		Service Director: Children and Safeguarding	To provide a response on the impact on the quality of service of the deferred service restructure in Strategic Management – Children and Safeguarding and the recruitment to vacancies taking longer than anticipated in the current climate.	E-mail sent to Committee on 6 January 2021	Complete
		Tom Kelly	To provide the Local Member for Duxford with a copy of the Business Case for the Duxford Primary School rebuild submitted to the Capital Programme Board.	E-mail sent to Councillor McDonald on 18 January 2021	Complete

Minute number	Item title	Responsible officer(s)	Action	Comments	Completed
295.	Covid-19 Update Report	Director of Public Health	To action via the CCG a request for an updated list of vaccination centres.	This updated information has been provided through a briefing to all Members from the Cambridgeshire and Peterborough Clinical Commissioning Group.	Complete
		C Birchall	A link to 'Frequently Asked Questions' on the NHS website to be placed on the Council's website.	Action carried out straight away - but it was to the Frequently asked questions about the Vaccine on the CCG website. Lots of proactive media pointing to this site has been carried out.	Complete
		A Chapman L Robin C Birchall	The need to reach out to extremely vulnerable people in Cambridgeshire with a reminder of the support arrangements available and to advise them to keep abreast of any future announcements.	On 26 December, Cambridgeshire entered Tier 4 of the national COVID tiering system of local restrictions, and, as such, Clinically Extremely Vulnerable (CEV) residents are asked to follow the national shielding guidance. Members can find this guidance at the following link: National Shielding Guidance. The Countywide Coordination Hub has now contacted all Cambridgeshire CEV residents with a summary of the guidance and a reminder of our contact details should any support be necessary. Contact will also be maintained for as long as guidance remains in place.	Complete

Agenda Item No: 4

Performance report – Quarter 2 2020-21 financial year

To:	General Purposes Committee
Meeting Date:	26th January 2021
From:	Director – Business Improvement and Development
Electoral division(s):	All
Forward Plan ref:	Not applicable
Key decision:	No
Outcome:	To present a summary of performance information relating to the second quarter of the 2020/21 financial year.
Recommendations:	To note and comment on performance information and take remedial action as necessary.

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1. Background

1.1 This report provides an update on the overall performance of the Council. Following Members' feedback, the report now summarises performance by Priority Outcome, with specific focus on those indicators that are 'Red' or 'Blue'. It also contains a summary of the Corporate Services performance indicators.

1.2 The report covers the period of Quarter 2 2020/21, activity taking place up to the end of September 2020.

1.3 Full details of the 'Red' and 'Blue' indicators by Priority Outcome detailed in Appendix 1. The full Corporate Services performance report is detailed in Appendix 2. Both appendices contain information on;

- Current and previous performance and projected linear trend
- Current and previous targets (not all indicators have targets, this may be because they are being developed or because the indicator is being monitored for context)
- Red / Amber / Green ("RAG") status
- Direction for improvement (this shows whether an increase or decrease is good)
- Change in performance (this shows whether performance is improving or deteriorating
- Statistical neighbour performance (only available where a standard national definition of indicator is being used)
- Indicator description
- Commentary on the indicator
- An "actions" box has been added to the report to capture interventions being taken to address under-performance. It is intended that this new box will be populated when for 'red' indicators only.

1.4 The following RAG statuses are being used:

- Red – current performance is 10% or more from target
- Amber – current performance is off target by less than 10%
- Green – current performance is on target or better by up to 5%
- Blue – current performance is better than target by more than 5%
- Baseline – indicates performance is currently being tracked in order to inform the target setting process
- Contextual – these measures track key activity being undertaken, but where a target has not been deemed pertinent by the relevant service lead
- Suspended (C-19) – the calculation of these measures have been temporarily suspended due to Covid, either because the service is not currently operational, or because the data is not being collected to enable resource to be deployed elsewhere

1.5 Information about all performance indicators monitored by the Council Committees will be published on the internet at [Performance Indicators monitored by Policy and Service Committees] following the General Purposes Committee meeting in each quarterly cycle.

1.6 This report will now be produced a month after the quarterly service committee reports to allow for early feedback and commentary updates to be incorporated into the exception report as it being finalised.

1.7 An ‘actions’ box has been incorporated into the indicator template to capture actions being undertaken to address under-performance, and will be populated for ‘red’ indicators only. Service leads are encouraged to use this section to explain remedial actions.

2. Current Performance

2.1 There are currently 93 corporate performance indicators reported to service committees, which are mapped to the Priority Outcomes as identified in the Council’s Strategic Framework. There are another 17 indicators used to measure the performance of the Council’s Corporate Services. A number are of these indicators are calculated on an annual basis and are currently unaffected by Covid, and we are showing good performance against target on many of these. Some services which have historically been above target are also doing well on measures which show more recent activity. However, there is no doubt that Covid has had a significant impact on our performance, both in terms of services to the public and our internal administrative processes (e.g. corporate services indicators). This is visible in many indicators which report activity during the last 9 months in the following sections which summarise performance against each Priority Outcome area.

3. Priority Outcome 1 - A good quality of life for everyone

3.1 There are currently 20 indicators mapped to this Priority Outcome. 7 are reported to the Adults Committee, 12 to the Health Committee and one to the Environment and Sustainability Committee. The following table summarises performance against these indicators.

Status	Number of indicators	Percentage of total indicators
Blue	8	40%
Green	3	15%
Amber	1	5%
Red	4	20%
Contextual	0	0%
Baseline	1	5%
Suspended (C-19)	3	5%
Total	20	100%

3.2 Overall, the Council is performing well against this Priority Outcome, with 11 of the 20 indicators (55%) meeting or exceeding target. Although there is also a relatively high proportion of ‘Red’ indicators (20%) all four indicators that are off-target have been significantly impacted by Covid. In addition, 3 indicators have been formally suspended due to Covid, either because the national data collection has paused, or because the relevant service has been suspended.

3.3 The 8 indicators that are currently rated ‘Blue’ and are performing better than the target by more than 5% are;

- **Indicator 105: Percentage of adult safeguarding enquiries where outcomes were at least partially achieved.** This is an annual indicator reported to the Adults Committee. In the 2019/20 financial year 96% of safeguarding enquires where an agreed outcome was identified were at least partially achieved. This is in line with

England and statistical neighbour averages, and above the 87% target. 84% of safeguarding enquiries during the year identified an agreed outcome during the enquiry process, in line with practice requirements. Work has been undertaken to further imbed this within the safeguarding process.

- **Indicator 140: Percentage of new clients where the sequel to Reablement was not a long-term service.** This is an annual indicator reported to the Adults Committee. In the 2019/20 financial year 83% of reablement episodes given to new clients did not result in a long-term service. The data used to calculate the 2019/20 performance figure is the first to come from the new social care records system (Mosaic) which provides a more robust dataset and more accurate reporting of reablement outcomes. Performance is above target and is in line with England and statistical neighbour averages.

- **Indicator 162: Number of carers receiving Council funded support per 100,000 of the population.** This is a quarterly indicator reported to the Adults Committee. At the end of September 2020 performance was significantly better than target at a rate of 15 per 100,000 people aged 18+ against a year end ceiling of 271 per 100,000. A number of improvements to the way carers are supported have been introduced through the Adult Positive Challenge Programme (APCP). The Council offers flexible support to carers through our carer support service, and enables them to contribute the care and support plans of the people they support. The introduction of this more flexible service has reduced the volume of low value, one-off direct payments provided to carers (which is mainly what is counted under this measure). Direct Payments are now used more rarely, where appropriate, and they meet a carer's assessed need. As a result, we were expecting to see a reduction in the number of carers supported on this measure.

- **Indicator 32: Growth in cycling from a 2004/05 average baseline.** This is an annual measure reported to the Environment and Sustainability Committee. In 2019, there were approximately 70,415 cycle journeys measured in the annual traffic survey samples against a baseline of 40,246 cycle journeys measured in 2019, showing an overall growth of 75%, against a target of 70% for the year.

- **Indicator 50: Genito-Urinary Medicine (GUM) Access - Percentage seen within 48 hours (Percentage of those offered an appointment).** This is a quarterly measure reported to the Health Committee. As of the end of June 2020 performance was 98% against a target of 80%. Despite a dip in performance in March and April 2020 associated with the beginning of the initial Covid lockdown, performance has been on an upward trajectory across the reporting period starting April 2018.

- **Indicator 82: Percentage of Tier 2 clients recruited who complete the course and achieve 5% weight loss**. This is a quarterly measure reported to the Health Committee. As of the end of June 2020 performance was 49% against a target of 30%. Performance has been on an upward trajectory across the reporting period starting April 2018 and remains above target despite a dip in performance in April and May associated with the early part of the initial Covid lockdown.

- **Indicator 173: Number clients completing their Personal Health Plan (PHP).** This is a quarterly measure reported to the Health Committee. As of the end of June 2020 performance was at 90 against a target of 70. This reflects the considerable amount of virtual support that was provided to clients during this period. Clients were familiar with the exercises and confident to progress with virtual Health Trainer support. Face to face assessments were not undertaken.

3.4 4 indicators are currently rated ‘Red’ and current performance is 10% or more from target. These are all reported to the Health Committee and have been significantly impacted by work to address the Covid pandemic;

- **Indicator 56: Smoking Cessation - four week quitters.** This is a quarterly measure reported to the Health Committee. As of the end of June 2020 performance was at 217 against a target of 360. As with many of the Health Committee indicators, this indicator has been impacted by the current pandemic. Lifestyle Service staff continue to support GP practices to ensure patients can have easy access to services, both in "safe" face to face contact and also virtually. There have been number of promotional campaigns during Quarter One that focused on the poorer outcomes from Covid that are associated with smoking.

- **Indicator 69: Personal Health Trainer Service - number of Personal Health Plans completed (Pre-existing GP based service).** This is a quarterly measure reported to the Health Committee. As of the end of June 2020 performance was at 134 against a target of 260. The impact of Covid is reflected in the fall in performance. Previously, performance was consistently above target. As face to face contact was stopped earlier in the year, it took several weeks to establish virtual consultations and it was difficult to recruit new clients. However, this has started to improve as services resume and new approaches to service delivery are being introduced.

- **Indicator 76: Personal Health Trainer Service - Personal Health Plans completed (Extended Service).** This is a quarterly measure reported to the Health Committee. As of the end of June 2020 performance was at 53 against a target of 136. Previously, the service has consistently performed well. This fall in performance is due to the inability to have face to face contact and the reluctance of many clients to complete their interventions due to the current pandemic.

- **Indicator 201: Percentage of clients who successfully complete treatment - Adults (All Substances).** This is a quarterly measure reported to the Health Committee. As of the end of June 2020 performance was at 15.4% against a target of 21.1%. The Adult Drug and Alcohol Treatment Service is provided by Change Grow Live. The Service provides data to the national reporting tool, the National Drug Treatment Monitoring System. However, this is only available for public viewing up to quarter 4 2018/19. Locally collected data is available, but there are variations between these and the national figures. Work is being undertaken to fully understand these variations. We aim be able to present more real time data in the next reporting period.

3.5 Further details of the ‘Blue’ and ‘Red’ indicators can be found in Appendix 1.

3.6 The indicators that have been suspended due to Covid are;

- Indicator 20: Average monthly number of bed day delays (social care attributable) per 100,000 18+
- Indicator 53: Number of NHS Health Checks completed
- Indicator 83: Percentage of Tier 3 clients recruited completing the course and achieve 10% weight loss

4. Priority Outcome 2 - Thriving places for people to live

4.1 There are currently 44 indicators mapped to this Priority Outcome. 3 are reported to the Adults Committee, 6 to the Commercial and Investment Committee, 9 to the Environment and Sustainability Committee, 11 to the Highways and Transport Committee and 13 to the Communities and Partnerships Committee. There are also two administrative indicators that are reported jointly to both the Environment and Sustainability and Highways and Transport Committees, which are currently marked for review in early 2021. The following table summarises performance against these indicators.

Status	Number of indicators	Percentage of total indicators
Blue	6	14%
Green	3	7%
Amber	6	14%
Red	7	16%
Contextual	20	45%
Baseline	2	5%
Suspended (C-19)	0	0%
Total	44	100%

4.2 Overall, the Council is performing satisfactorily against this Priority Outcome, with 9 of the 44 indicators (21%) being on or above target Although there is also a relatively high proportion of ‘Red’ indicators (16%) many of these have been significantly impacted by Covid. There are also a large number of ‘contextual’ indicators currently being monitored against this Priority Outcome. The majority of these indicators are owned by the Communities and Partnerships directorate. Targets would likely have been set against these indicators over the last 12 months had the focus not been on the coordinating much of the Council’s Covid response.

4.3 The 6 ‘blue’ indicators are;

- **Indicator 39: Principal roads where maintenance should be considered.** This is an annual indicator reported to the Highways and Transport Committee. Performance is achieved via maintenance schemes which are identified and delivered through the authority’s asset management approach to maintaining the highway network. Performance is currently at 2.5% against a 3% target.

- **Indicator 40a: Classified A-road condition - narrowing the gap between Fenland and other areas of the County.** This is an annual indicator reported to the Highways and Transport Committee. The A-class roads in Fenland are in better condition than those in the remainder of the county and this gap has remained reasonably steady since 2014/15. There will be occasions where the indicator is above, at and below target as roads deteriorate through their lifecycle across the County, and currently performance is at -0.5% against a 0% target.

- **Indicator 40b: Classified B-road condition - narrowing the gap between Fenland and other areas of the County.** This is an annual indicator reported to the Highways and Transport Committee. Given that a significant proportion of B class roads will have evolved and will not have been designed to address issues with underlying soil conditions, some difference in the overall condition of B roads in Fenland soil areas when compared to those in other areas is inevitable. Performance is currently at 3.3% against a 4% ceiling target.

- **Indicator 40c: Classified C road condition - narrowing the gap between Fenland and other areas of the County.** This is an annual indicator reported to the Highways and Transport Committee. Given that most (if not all) C class roads will have evolved and will not have been designed to address issues with underlying soil conditions, some difference in the overall condition of C roads in Fenland soil areas when compared to those in other areas is inevitable. Many of the C roads in Fenland are similar in character and usage to unclassified roads elsewhere in the county, thus rendering the comparison not being of like-for-like roads. This might serve to exacerbate the reported gap. Performance is currently at 5.6% against a 7% ceiling target.

- **Indicator 41: Non-principal roads where maintenance should be considered.** This is an annual indicator reported to the Highways and Transport Committee. Performance as measured by this indicator is achieved via maintenance schemes being identified and delivered through the authority's asset management approach detailed in the Highway Asset Management Policy, Strategy and the Highway Operational Standards as approved by H&I Committee on 10 March 2020. Performance is currently at 7% against an 8% ceiling target.

- **Indicator 148: Number of Defect Certificates as percent of total number of orders** - This is a quarterly indicator reported to the Highways and Transport Committee. There were two failed inspections during August, therefore the monthly percentage of defect certificates is 0.2% of the total number of orders, significantly below the target which is set at 2%, although it should also be noted that this initial lockdown response to the pandemic has impacted on the resource available to deliver the inspections.

4.4 The 7 'Red' indicators are;

- **Indicator 164: Annual forecast of the gross income from our commercial property as a percentage of initial investment.** This is a quarterly indicator reported to the Commercial and Investment Committee. Current performance is forecast to be 4.7% against a 6% target. A number of key investments have been impacted by the Covid pandemic. At Brunswick house a number of students left early due to the UK lockdown and were given refunds from April 2020, while the anticipated summer income from conference visitors staying at Brunswick is also unlikely to be achieved. At Cromwell Leisure Park units were closed because of the lockdown restrictions impacting on rent payment in Q1 of 2020/21. The Cinema and Prezzo restaurant have reopened however a reduction in income is expected to continue due to social distancing measures and rental holidays and payment plans are being put in place where necessary to support tenants.

- **Indicator 204: Indicator: Annual forecast of the gross income from our total commercial investment as a percentage of initial investment**. This is a quarterly indicator reported to the Commercial and Investment Committee. Current performance is forecast to be 4.5% against a 6% target. A number of key investments have been impacted by the Covid pandemic. The Covid pandemic has had an adverse impact on some property income, with a loss of income of £970k expected (as detailed in the commentary for Indicator 164). The pandemic has also affected the forecast dividend from the CCLA property funds due to increased market uncertainty and the suspension of transactions in the fund during the quarter.

- **Indicator 37: Number of visitors to libraries/community hubs per 1,000 - year-to-date**. This is a quarterly indicator reported to the Communities and Partnerships Committee. Performance is 70 against a target of 1,842. All libraries were closed during quarter 1 due to the Coronavirus pandemic and many library workers were redeployed to support the hub focused on meeting needs of vulnerable people. Central Library and hub libraries re-opened in early July while the remaining libraries re-opened in August, all offering a socially distanced "Select and Collect" service. Whilst libraries were closed the library service stayed open expanding and diversifying its online offer i.e. virtual events via YouTube such as Rhymetime, Storytime, craft and Lego Club but it is unlikely that the visit volumes will return until Covid restrictions are lifted.

- **Indicator 30: Local bus passenger journeys originating in the authority area**. This is an annual indicator reported to the Environment and Sustainability Committee. There were 16.9m local journeys against a target of 19m. The number of local bus passenger journeys in England fell by 5.5% to in the year ending March 2020. The fall can largely be attributed to the effects of passenger journeys from Covid in the last quarter of 2019/20. While the national lockdown only began on 23rd March and covered a small proportion of the year, bus companies reported that they started seeing declines in journeys in the preceding weeks. The fall in Cambridgeshire of 3.11% is therefore lower than the national trend and reflects pre-covid growth in the area, in particular on the busway and Park and Ride services.

- **Indicator 43: Killed or seriously injured (KSI) casualties - 12-month rolling total.** This is a quarterly indicator reported to the Highways and Transport Committee. Current performance is at 324 against a ceiling target of 251. The latest provisional data shows a fall in killed or seriously injured casualties, in part attributable to the decrease in traffic on the roads during the Covid pandemic. During peak lock-down in April 2020, there were 9 killed or seriously injured casualties, compared with 35 in April 2019. The 12 month rolling total of people killed or seriously injured to the end of July 2020 is now 324, compared with 385 for the same period of the previous year.

- **Indicator 180: Percentage of Freedom of Information requests answered within 20 days.** This indicator is reported quarterly basis to both the Environment and Sustainability and Highways and Transport Committees, to provide oversight over the responses administered via the Place and Economy Directorate. Performance is currently 55.3% against a target of 90%. Performance dropped over the lockdown period as staff involved in administering and responding to FOI requests have been redeployed to support with the Council’s Covid response.

- **Indicator 181: Percentage of complaints responded to within 10 days** - This indicator is reported quarterly basis to both the Environment and Sustainability and Highways and Transport Committees, to provide oversight over the responses administered via the Place and Economy Directorate. Performance is currently 79.2% against a target of 90%. Performance dropped over the lockdown period as staff involved in administering and responding to FOI requests have been redeployed to support with the Council's Covid response.

4.5 Further details of the 'Blue' and 'Red' indicators can be found in Appendix 1

5. Priority Outcome 3 - The best start for Cambridgeshire's children

5.1 There are currently 29 indicators mapped to this Priority Outcome. 20 are reported to the Children and Young People Committee, 6 to the Health Committee and 3 to the Communities and Partnership Committee. The following table summarises performance against these indicators.

Status	**Number of indicators**	**Percentage of total indicators**
Blue	2	7%
Green	6	21%
Amber	7	31%
Red	5	17%
Contextual	7	24%
Baseline	0	0%
Suspended (C-19)	2	0%
Total	29	100%

5.2 Overall, the Council is performing satisfactorily against this Priority Outcome, with 8 of the 29 indicators (28%) being on or above target, with 5 (17%) currently showing as 'Red', with several of these indicators being significantly impacted by Covid. Two indicators have been suspended due to Covid because the national data collection has paused.

5.3 The two 'Blue' indicators are;

- **Indicator 2: Number of children with a Child Protection Plan per 10,000 population under 18.** This is a quarterly indicator reported to the Children and Young People Committee. Performance is 28.7 against a ceiling target of 41.6. Action is being taken to review all children subject to Child Protection Plans. As a result, the rate was reducing until the earlier part of the current financial year and is below the statistical neighbour average, showing a good level of performance. Child Protection Plans should only be in place for children at risk of significant harm, and where parents are not engaging or making progress in addressing issues. However, the rate has started to increase again, starting from the earlier part of the initial lockdown in May 2020.

- **Indicator 117: Proportion of children subject to a Child Protection Plan for the second or subsequent time (within 2 years).** This is a quarterly indicator reported to the Children and Young People Committee. Performance is 18% against a ceiling target of 21%. The target for this indicator has been reviewed. It is now in line with the statistical neighbours and England average. The rate of second or subsequent Child Protection Plans is now below target and lower than the statistical neighbour and England averages.

5.4 The 5 'red' indicators are;

- **Indicator 1: Percentage children whose referral to social care occurred within 12 months of a previous referral**. This is a quarterly indicator reported to the Children and Young People Committee. Performance is 24.8% against a ceiling target of 20%. Work is ongoing to understand the volume of appropriate re-referrals. Low re-referral rates can indicate that cases are being kept open for too long while high rates may indicate that cases have been closed too early. Where there have been changes in the way the service works with children, it can also take time for these to be understood by partner agencies. This can sometimes result in re-referrals of children that do not reach social care thresholds. That being said, this indicator should not continue to increase. We are reviewing children re-referred to ensure that this is not an area of concern.

- **Indicator 3: The number children in care per 10,000 population under 18.** This is a quarterly indicator reported to the Children and Young People Committee. Performance is 50.9 against a ceiling target of 40. The numbers of children in care remain higher than they should be. The restructure of children's services is addressing this, along with the implementation of Family Safeguarding in the county. The overall number of Children in Care has started to decrease and while the rate is above the statistical neighbour average it is now below the England average. While there was a small increase in numbers in June, the trend has been downwards since July 2019. We expect there to a continued reduction over the longer term. However, there is a potential impact from the Covid pandemic. As a result of the lockdown, completing the work needed for children to leave care has been taking longer. There are also concerns that increased difficulties faced by families may increase the risk of children coming into care. It is too early to assess the full implication of Covid 19. However, our current expectation is that numbers will continue to decline, but potentially at a slower rate.

- **Indicator 57: Percentage of infants being breastfed (fully or partially) at 6 - 8 weeks.** This is a quarterly indicator reported to the Health Committee. Current performance is at 47% against a target of 56%. Countywide performance breastfeeding statistics have seen a large reduction this quarter. The Provider states that a reduction in 6 to 8 week contacts during the early part of lockdown has had a negative effect on the ability to record breastfeeding. Therefore, these figures need to be treated with caution as the decrease is attributed to status not being recorded, rather than an increase in women reporting not to be breastfeeding. Breastfeeding rates, which include both exclusive breastfeeding and mixed feeding, vary greatly across the county. Broken down by districts, breastfeeding for quarter 1 stand at 59% in South Cambridgeshire, 60% in Cambridge City, 47% in Huntingdonshire, 41% in East Cambridgeshire, and 33% in Fenland. To address the lower rates in Fenland, two new weekly infant feeding clinics have been set up in Wisbech and March. They help better support families experiencing difficulties. Along with support offered through Health Visitors, a new community breastfeeding peer support service has been commissioned. It is hoped this will improve breastfeeding initiation and duration rates across both Fenland and Peterborough to address inequalities. This came into effect from 1st April 2020.

- **Indicator 60: Health visiting mandated check - Percentage of children who received a 6-8 week review by 8 weeks**. This is a quarterly indicator reported to the Health Committee. Performance is currently 76% against a target of 95%. Performance has decreased substantially compared to quarter 4. This decrease is attributed to the Covid 19 response. The national guidance does not prioritise this contact as an essential service. Whilst the Provider continued to complete this contact where possible, a combination of uncertainty of redeployment in the early days of the outbreak and lack of admin processes, resulted in a large decrease in performance. However, activity for June is an early sign that performance is improving. There is an understanding that this is a challenging target to meet. Therefore, it has been agreed that if the provider can show the ability to provide a 95% 6 to 8 week Breastfeeding Coverage target, this could be scaled back to 90%, in line with the national target.

- **Indicator 62: Health visiting mandated check - Percentage of children who received a 2-2.5 year review.** This is a quarterly indicator reported to the Health Committee. Performance is currently 73% against a target of 90%. Performance has been improving since September 2019. Broken down to a district level, 59% of contacts were completed in Cambridge City, 69% in South Cambridgeshire, 71% in East Cambridgeshire, 78% in Fenland and 80% in Huntingdonshire. If exception reporting is accounted for, performance would increase to 93% meaning most families were offered a contact. This quarter it was reported that 198 reviews were not wanted and 336 were not attended which significantly impacts on performance against this indicator.

5.5 Further details of the ‘Blue’ and ‘Red’ indicators can be found in Appendix 1.

5.6 The indicators that have been suspended due to Covid are;

- Indicator 130: Key Stage 2 Reading, writing and maths combined to the expected standard (All children)
- Indicator 131: Key Stage 4 Attainment 8 (All children)

6. Priority Outcome 4 - Net zero carbon emissions for Cambridgeshire by 2050

6.1 Indicators to support this Priority Outcome are being developed in conjunction with the relevant Council officers and the Environment and Sustainability Committee.

7. Corporate Services

7.1 There are currently 17 indicators covering Corporate Services, which are reported to General Purposes Committee on a quarterly basis. The following table summarises performance against these indicators.

Status	Number of indicators	Percentage of total indicators
Blue	3	18%
Green	4	24%
Amber	4	24%
Red	2	12%
Contextual	3	18%
Baseline	1	6%
Suspended (C-19)	0	0%
Total	17	100%

7.2 Overall performance is good, with 7 out of the 17 indicators (42%) being on or above target. Two indicators are significantly below target, and both of these indicators have been significantly impacted by the Council's Covid response.

7.3 The 3 'Blue' indicators are;

- **Indicator 190: Proportion of information enquiries resolved at first point of contact.** This indicator is updated on a quarterly basis. Performance is 85.9% against an 80% target. Performance remains strong as a result of a close working relationship between Customer Services and the Communication and Information Team. Customer Services data is analysed to identify where digital content is missing or needs amendment. This is to make sure chances for customers to self-serve are maximised. It also makes sure call handlers can access relevant service information on request.

- **Indicator 192: Percentage of total contact that is deemed avoidable.** This indicator is updated on a quarterly basis. Performance is 10.4% against a ceiling target of 15%. This target has been met consistently for the last 3 years. This is a result of the way in which data is being analysed within customer services and fed back to service areas in review meetings. This enables a focus on areas in which service improvements and the customer journey/experience can be improved. The messaging on the contact centre lines has been changed in line with our data findings. This ensures that requests for services, which fall outside of the remit of the county council, are quickly directed elsewhere.

- **Indicator 196: Availability of Universal Business System IT Availability (ref: IT02).** This indicator is updated on a quarterly basis. Performance is 99.7% against a target of 90%. Performance has remained significantly above target with minimal unplanned outages.

7.4 The 2 'Red' indicators are;

- **Indicator 182: Proportions of Freedom Of Information requests responded to within timescale.** This indicator is updated on a quarterly basis. Performance is 71% against a target of 90%. The performance of the responsible team has been significantly impacted by the COVID 19 pandemic. The decision taken in March that services should not work in buildings unless it was critical has impacted on the FOI team being able to access or scan paper files and, following guidance from The Information

Commissioner's Office, freedom of information requests are being held back and internal timescales extended to help enable critical services focus the Council’s Covid response.

- **Indicator 183: Subject Access Requests - % completed within 40 working days.** This indicator is updated on a quarterly basis. Performance is 63% against a target of 80%. The performance of the responsible team has been significantly impacted by the COVID 19 pandemic. The decision taken in March that services should not work in buildings unless it was critical has impacted on the FOI team being able to access or scan paper files and, following guidance from The Information Commissioner's Office, requests are being held back and internal timescales extended to help enable critical services focus the Council’s Covid response.

7.5 Further details of the full corporate services indicator set can be found in Appendix 2

8. Alignment with corporate priorities

8.1 A good quality of life for everyone

There are no significant implications for this priority.

8.2 Thriving places for people to live

There are no significant implications for this priority.

8.3 The best start for Cambridgeshire’s children

There are no significant implications for this priority.

8.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

9. Significant Implications

9.1 Resource Implications

There are no significant implications within this category.

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

9.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

9.4 Equality and Diversity Implications

There are no significant implications within this category.

9.5 Engagement and Communications Implications

There are no significant implications within this category.

9.6 Localism and Local Member Involvement

There are no significant implications within this category.

9.7 Public Health Implications

There are no significant implications within this category.

10. Source documents

10.1 None.

Produced on: 16 December 2020

Corporate Performance Report

Quarter 2

2020/21 financial year

General Purposes Committee

Business Intelligence
Cambridgeshire County Council
business.intelligence@cambridgeshire.gov.uk

Key

Cambridgeshire County Council

Data Item	Explanation
Target / Pro Rata Target	The target that has been set for the indicator, relevant for the reporting period
Current Month / Current Period	The latest performance figure relevant to the reporting period
Previous Month / previous period	The previously reported performance figure
Direction for Improvement	Indicates whether 'good' performance is a higher or a lower figure
Change in Performance	Indicates whether performance is 'improving' or 'declining' by comparing the latest performance figure with that of the previous reporting period
Statistical Neighbours Mean	Provided as a point of comparison, based on the most recently available data from identified statistical neighbours.
England Mean	Provided as a point of comparison, based on the most recent nationally available data
RAG Rating	• **Red** – current performance is off target by more than 10% • **Amber** – current performance is off target by 10% or less • **Green** – current performance is on target by up to 5% over target • **Blue** – current performance exceeds target by more than 5% • **Baseline** – indicates performance is currently being tracked in order to inform the target setting process • **Contextual** – these measures track key activity being undertaken, but where a target has not been deemed pertinent by the relevant service lead
Indicator Description	Provides an overview of how a measure is calculated. Where possible, this is based on a nationally agreed definition to assist benchmarking with statistically comparable authorities
Commentary	Provides a narrative to explain the changes in performance within the reporting period
Actions	Actions undertaken to address under-performance. Populated for ‘red’ indicators only
Useful Links	Provides links to relevant documentation, such as nationally available data and definitions

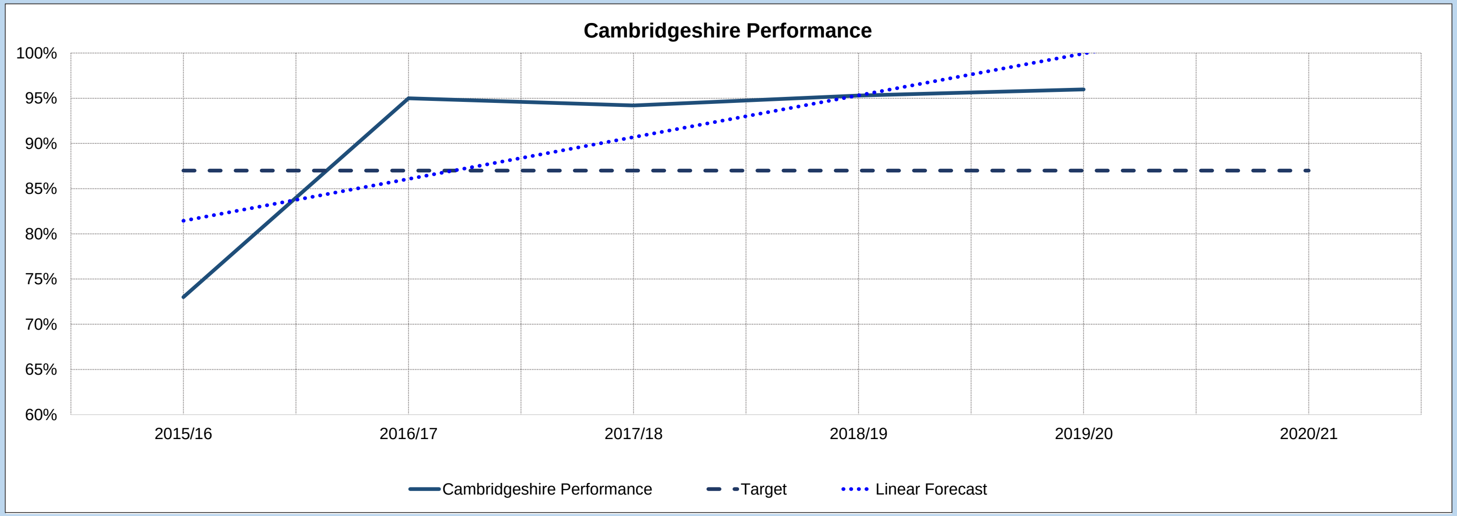
Indicator 105: Percentage of adult safeguarding enquiries where outcomes were at least partially achieved

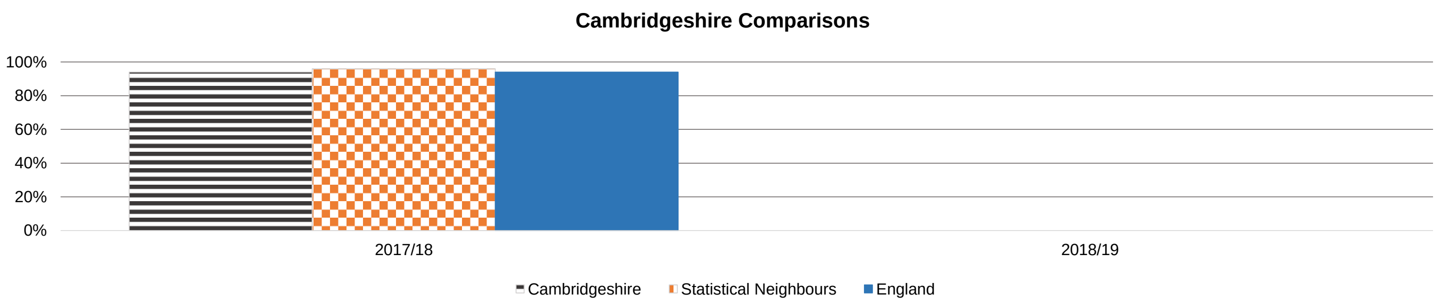
Return to Index

December 2020

Target	Direction for Improvement	Current Year (to date)	Previous Year	Change in Performance
87.0%	↑	96.0%	95.3%	Improving

Statistical Neighbour Mean	England Mean	RAG Rating
96.0%	94.0%	Blue





Indicator Description

The Care Act 2014 (Section 42) requires that each local authority must make enquiries, or cause others to do so, if it believes an adult is experiencing, or is at risk of, abuse or neglect. An enquiry should establish whether any action needs to be taken to prevent or stop abuse or neglect, and if so, by whom.

As part of the statutory reporting of safeguarding cases, those adults at risk may be asked what their desired outcomes of a safeguarding enquiry are. Where desired outcomes have been expressed, after completion of the safeguarding enquiry, the achievement of these outcomes is reported. This data is collected as part of the statutory Safeguarding Adults Collection.

Calculation:

(X/Y)*100

Where:

X = The number of concluded enquiries where outcomes were either achieved or partially achieved.

Y = The number of concluded enquiries where the adult(s) expressed desired outcomes.

Commentary

Performance at this indicator is strong. It remains consistent with national performance and that of our statistical neighbours.

There is still room for improvement in how we make safeguarding personal. In 2019/20, approximately 16% of adults subject to a S42 enquiry were not asked for their desired outcomes.

Useful Links

Measures from the Adult Social Care Outcomes Framework from NHS Digital

The local area benchmarking tool from the Local Government Association

The Adult Social Care Outcomes Framework 2018/19 Handbook of Definitions:

Actions

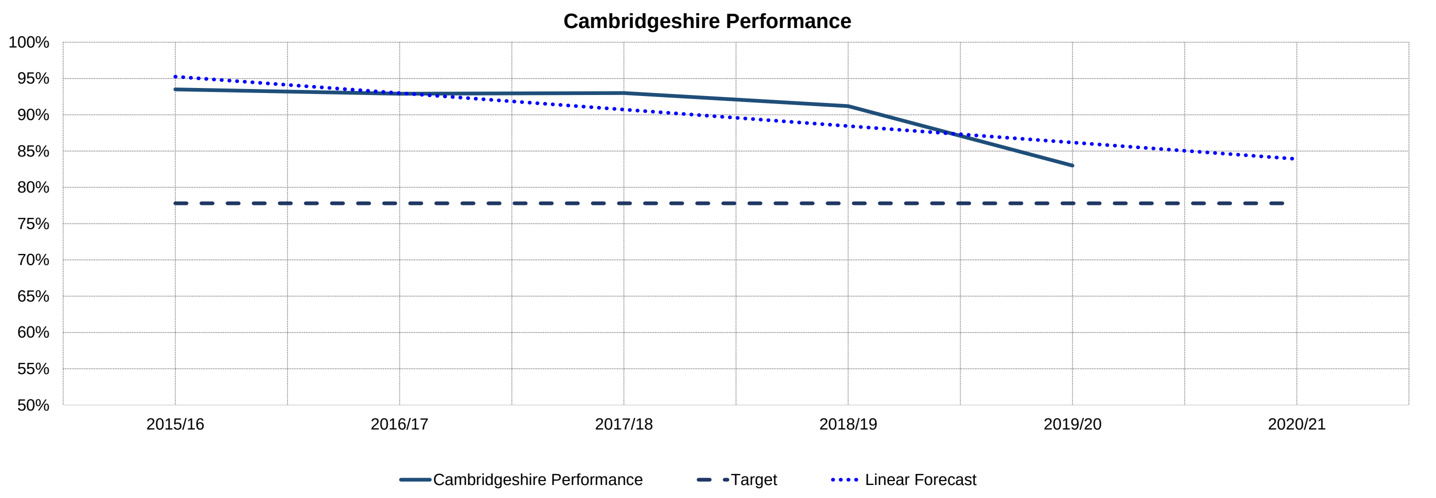
Indicator 140: Percentage of new clients where the sequel to reablement was not a long term service

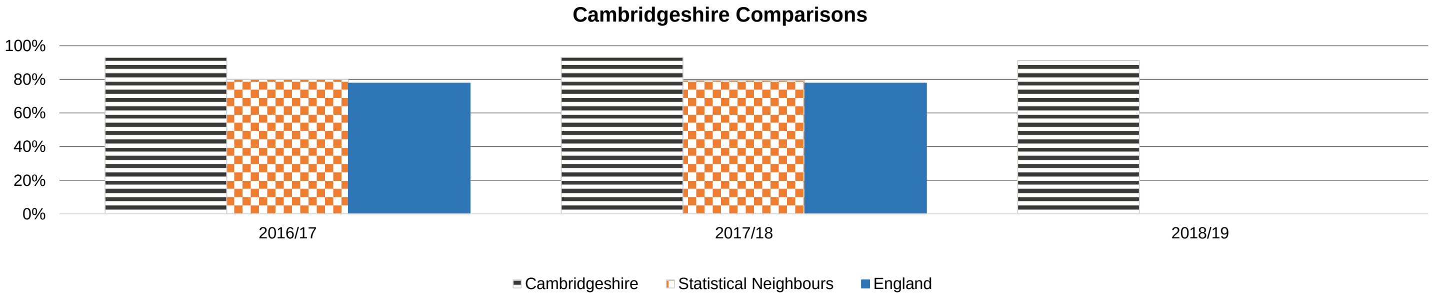
Return to Index

December 2020

Target	Direction for Improvement	Current Year	Previous Year	Change in Performance
77.8%	↑	83.0%	91.2%	Declining

Statistical Neighbour Mean	England Mean	RAG Rating
79.5%	77.8%	Blue





Indicator Description

This indicator shows the proportion of new clients who received short term services during the year, where no further request was made for ongoing support. Since short term services aim to reable people and promote their independence, this measure will provide evidence of a good outcome in delaying dependency or supporting recovery. That is, short term support that results in no further need for services.

Short term support is designed to maximise independence. Therefore, it will exclude carer contingency and emergency support. This stops the inclusion of short term support services which are not reablement services.

Calculation:

(X/Y)*100

Where:

X = Number of new clients where the sequel to "Short Term Support to maximise independence" was "Ongoing Low Level Support", "Short Term Support (Other)", "No Services Provided - Universal Services/Signposted to Other Services", or "No Services Provided - No identified needs".

Y = Number of new clients who had short term support to maximise independence. Clients with a sequel of either early cessation due to a life event, or who have had needs identified but have either declined support or are self funding should are not included in this total.

Commentary

Performance fell between 2018/19 and 2019/20 but is still above target. It is also above the national and statistical neighbour averages.

The score for 2019/20 is the first to come from the new social care records system. This system has allowed us to better record outcomes of requests for support. We can identify, with more certainty, requests resulting in a long-term service . This has resulted in a perceived fall in performance at this indicator.

This brings the Council's performance closer to that of comparator organisations. For the past few years we have been a positive outlier. We are confident that this is more accurate reflection of the situation.

Useful Links

Measures from the Adult Social Care Outcomes Framework from NHS Digital

The local area benchmarking tool from the Local Government Association

The Adult Social Care Outcomes Framework 2018/19 Handbook of Definitions:

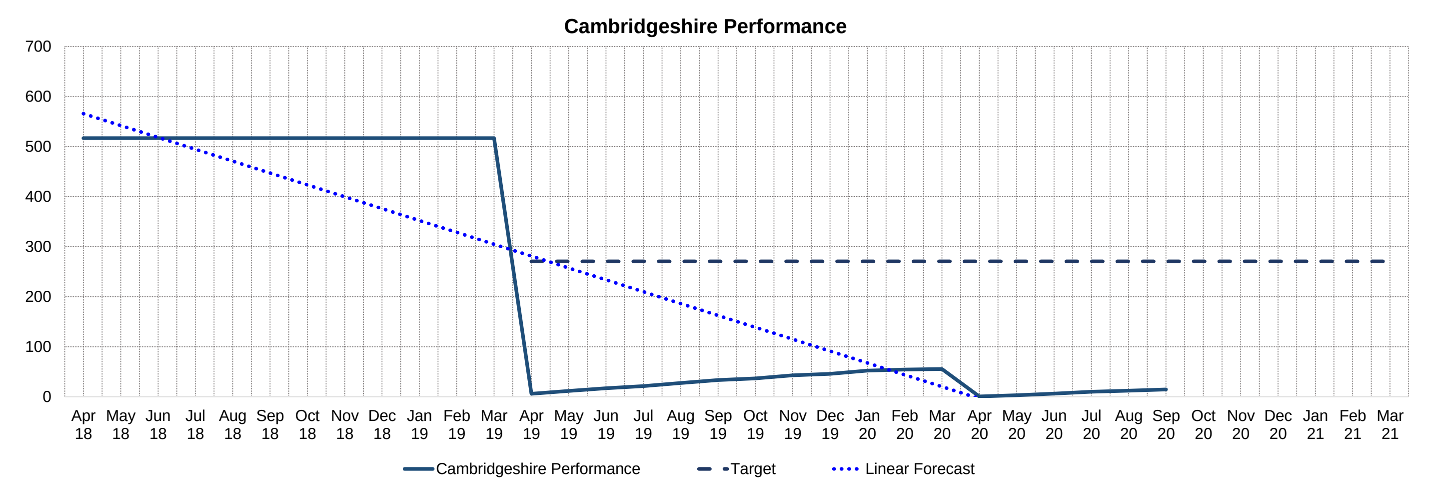
Actions

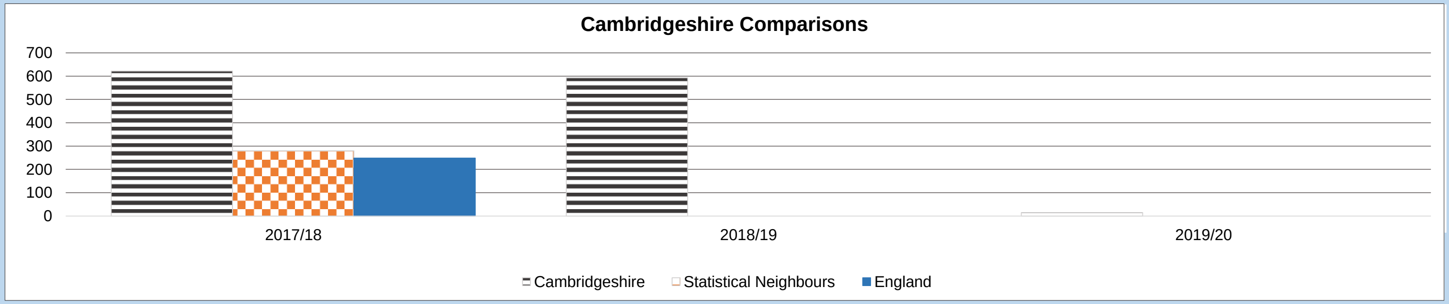
Indicator 162: Number of carers receiving council funded support for every 100,000 of the population

Return to Index   December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
271	↓	12	15	n/a

Statistical Neighbour Mean	England Mean	RAG rating
280	249	Blue





Indicator Description

Carer's assessment and targeted support can enable carers to continue caring for family members in their own homes and prevent carer breakdown.

The method used for calculating this measure is as follows:

R= X/Y*100000

Where R is the rate every 100 000 members of the population. X is the sum of all carers supported by the following delivery mechanisms. These are as defined by the Social Care Short and Long Term Care Return as; "Direct Payment only", "Part Direct Payment", "Councils with Adult Social Services Responsibilities Managed Personal Budget", and "Councils with Adult Social Services Responsibilities Commissioned Support only".
Y is the adult population of the county based on the relevant mid year estimate from the Office for National Statistics.

Source: Short and Long Term Care, LTS003, Table 1

Useful Links

Measures from the Adult Social Care Outcomes Framework from NHS Digital

The local area benchmarking tool from the Local Government Association

Commentary

The number of carers supported with one off direct payment has increased, but at a slower rate than in 2019/20. In the last year, the number of carers supported with conversations has increased. We recorded 638 carer conversations in quarter 2 of 2020-21. In the previous comparable period before Covid-19 lockdown, we recorded 511 carer conversations.

Note
The values for 2017/18 and 2018/19 use the accepted national definition of the indicator. The definitions are specified in national data returns. This allows for local and national comparisons.

In October 2018, the Council introduced a new social care records system. There were also changes in practice as detailed in the Actions box below.

As a result, the values reported for 2019/20 use data about one-off direct payments only. These made up 95% of the services provided in 2018/19. The values for this indicator will accumulate through the year. This is why 'change in performance' is not applicable from month to month using this indicator.

Actions

The Adult Positive Challenge Programme (APCP) showed how we could improve carer support . Too often our approach to supporting carers was with a lengthy assessment. These often led to a fixed-value direct payment. APCP identified that this approach was not meeting the support needs of carers.

Our new approach offers flexible support to carers. It provides carers with access to our carer support service. It also allows them to contribute the care and support plans of the people they support.

As a result we have seen a reduction in one-off direct payments provided to carers. This represents a more appropriate use of direct payment to meet a carer's assessed need. As a result, we were expecting to see a reduction in the number of carers supported on this measure.

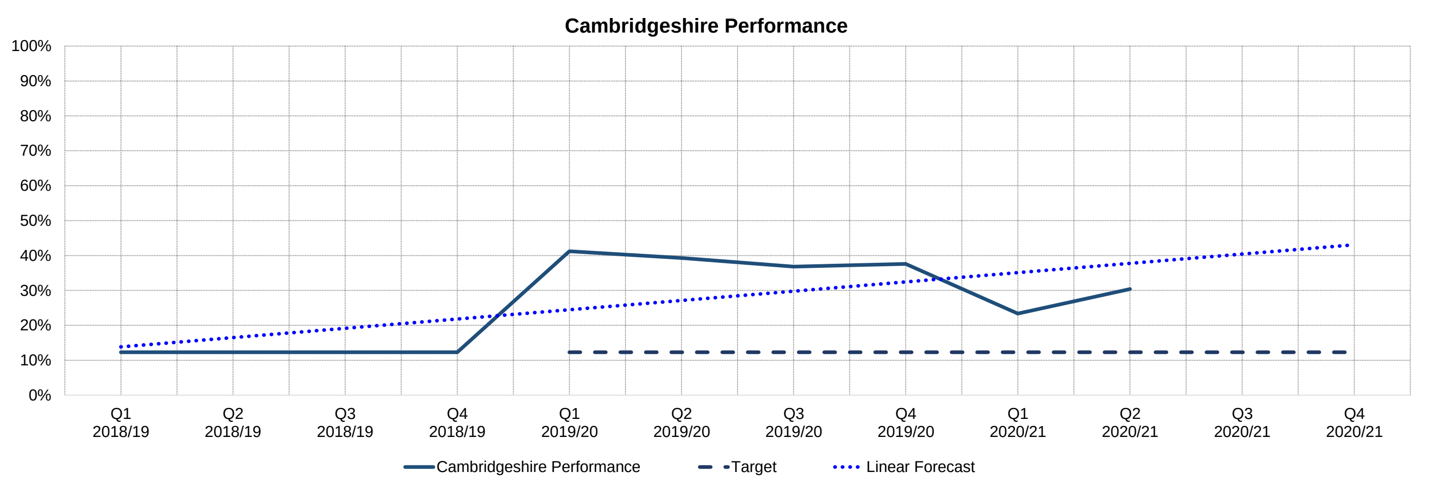
Indicator 163: Percentage of requests from new clients that ended in ongoing low level support (technology enabled care and equipment)

Return to Index

December 2020

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
12.3%	↑	37.6%	36.8%	Improving

Statistical Neighbour Mean	England Mean	RAG Rating
11.2%	16.8%	Blue



Indicator Description

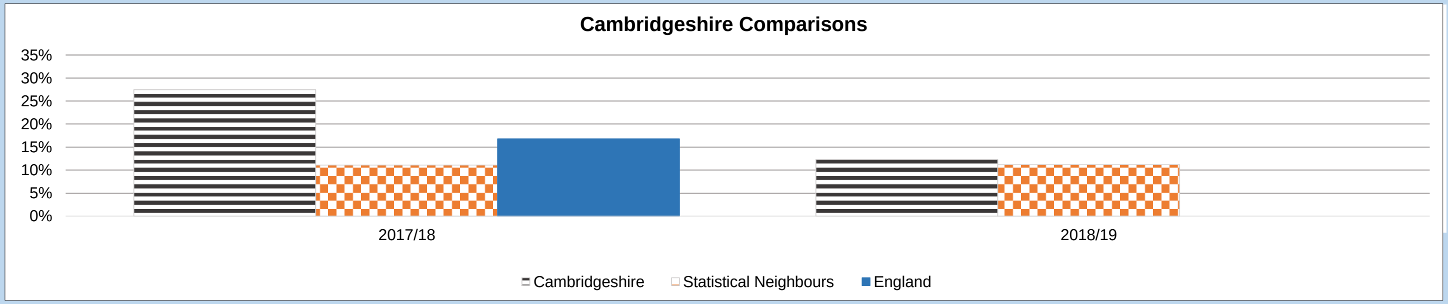
This indicator shows the promotion of Technology Enabled Care in preventing people's health deteriorating and requiring long term care and support.

The method used in the calculation of this measure is as follows:

% = X/Y

Where X is the number of requests for support received in the period where the sequel to that request was “Ongoing Low Level Support”. This is defined by the social care short and long term support Return. Y is the total number of requests for support received by the county during the period.

Source: Short and Long Term Care, STS001, Tables 1a and 1b



Commentary

We received fewer referrals from our partner organisations in quarter one. COVID-19 has reduced contact between our partners and service users. Some service users were reluctant and declined support due to the transmission risk. This may have resulted in lower numbers, as needs are not seen by those who usually make referrals. Hospital discharge pathways have also changed in response to COVID-19. This too could be contributing to the reduction. Yet, quarter two appears to show a recovery for this indicator. Referrals for existing long-term clients are not included in this indicator.

Ongoing low-level support includes Technology Enabled Care and Occupational Therapy equipment. The percentage of requests ending in ongoing low-level support was higher in 2019/20 than previous years. This increase demonstrates that we are supporting more people to maintain their independence.

Improved recording due to the Mosaic system, has also contributed. It has improved our ability to show the work we do to help people maintain their independence.

Note: In 2018/19, information from two systems populated this indicator. This affected data quality. This was due to the implementation of a new social care records system part way through the year. Performance data collected in 2017/18 was not affected by the same data quality issues. Comparing performance in 2019/20 to 2017/18 shows an improvement of around 10%.

Useful Links

Actions

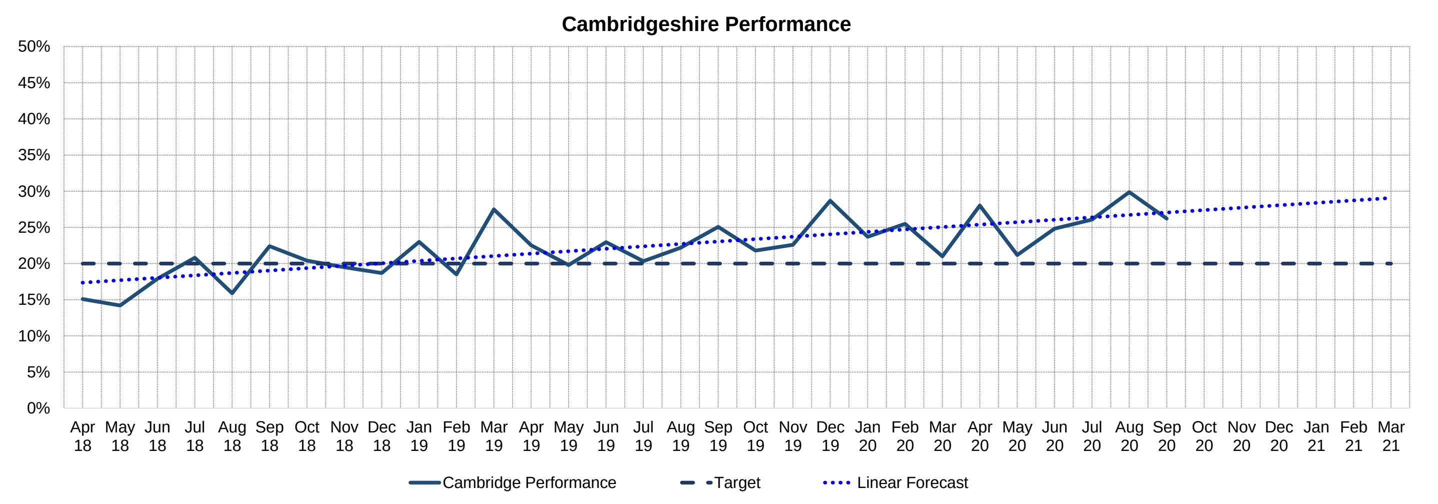
Indicator 1: Percentage children whose referral to social care occurred within 12 months of a previous referral

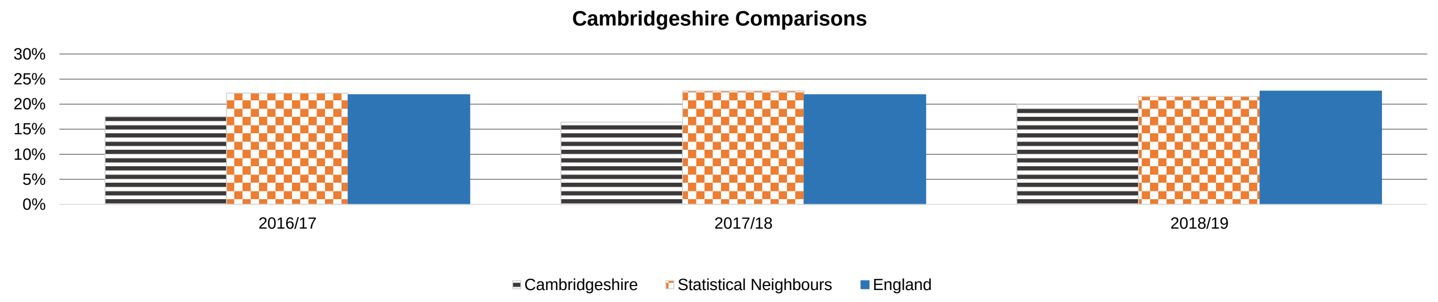
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
20.0%	↓	24.8%	21.2%	Declining

Statistical Neighbour Mean	England Mean	RAG Rating
21.5%	22.6%	Red





Indicator Description

This indicator shows the level of re-referrals into children's social care. A re-referral could mean that the child's needs were not previously fully met, or a significant incident has occurred to change their circumstances.

This measure is expressed as a percentage of children, with a referral to social care, within the reporting month, who have had a previous referral to social care which opened within the last year.

A referral is defined as a request for services to be provide by children's social care. It is in respect of a child who is currently not assessed to be in need. New information relating to children who are already assessed to be a child in need is not counted as a referral.

Calculation:

(X/Y)*100

Where:

X = The number of children with a referral who also have a previous referral starting within the last 12 months.

Y = The number of children with a referral this month.

Sources: Department for Education; Local Authority Interactive Tool (LAIT); Cambridgeshire County Council Business Intelligence Team.

Commentary

There has been a trend of increasing numbers of re-referrals since the beginning of 2018. While they are above target, the indicator is only just above statistical neighbour averages. Cambridgeshire re-referral rates have actually been too low in recent years.

There is a balance where when a re-referral rate is too low, this indicates that cases are being kept open for too long. A re-referral rate that is too high, may indicate that cases have been closed too early. Where there have been changes in the way the service works with children, it can also take time for these to be understood by partner agencies. This can sometimes result in re-referrals of children that do not reach social care thresholds. That being said, this indicator should not continue to increase. We are reviewing children re-referred to ensure that this is not an area of concern.

Useful Links

Local Authority Interactive Tool (LAIT)

The local area benchmarking tool from the Local Government Association

Department of Education - Children in Need Statistics

Actions

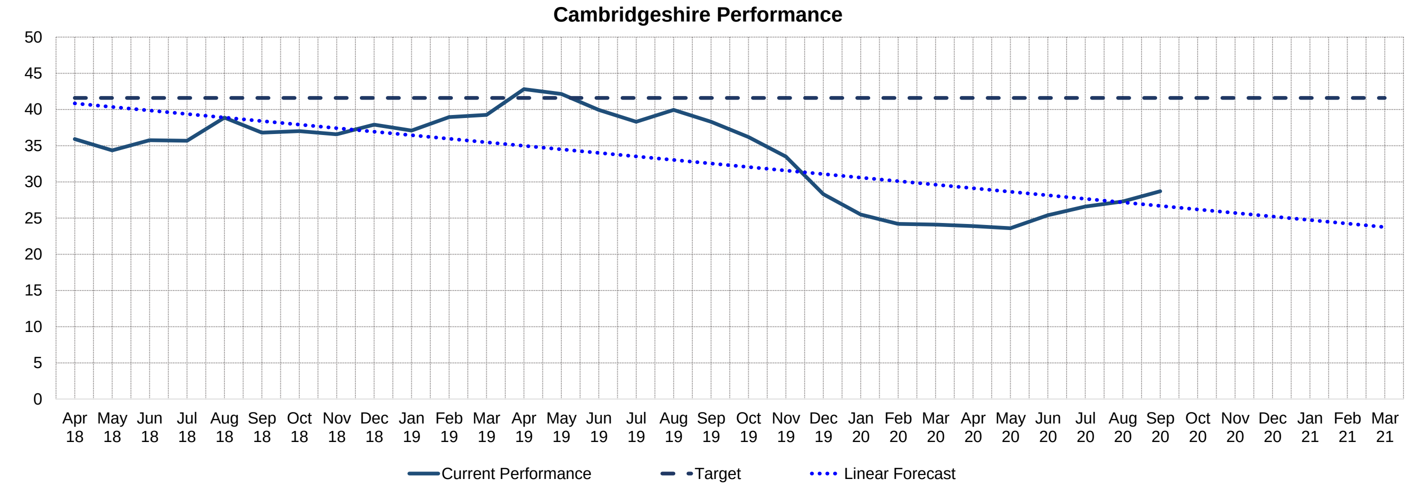
Indicator 2: Number of children with a Child Protection Plan every 10,000 population under 18

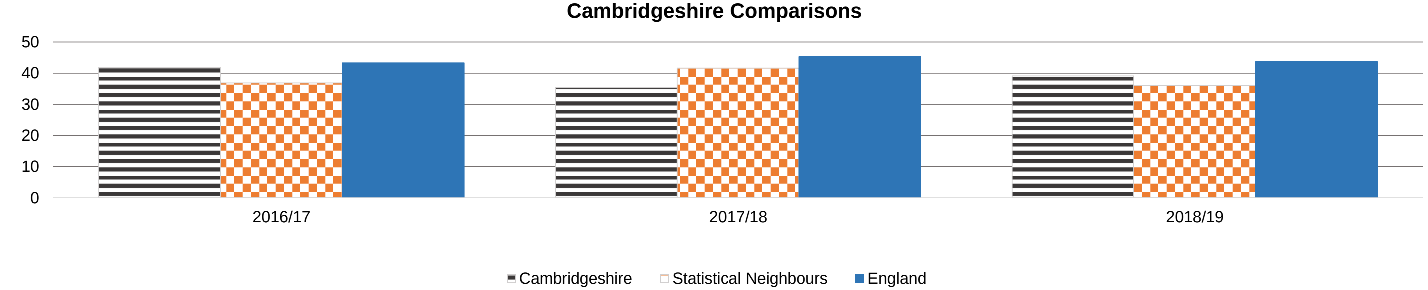
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
41.6	↓	28.7	27.3	Declining

Statistical Neighbour Mean	England Mean	RAG Rating
36.0	43.7	Blue





Indicator Description

This indicator shows the number of children at risk of significant harm within the county.

A Child Protection Plan is put in place where a child is at risk of significant harm. This plan sets out the action needed to keep the child safe and to promote their welfare.

This measure is expressed as the rate of children with a Child Protection Plan, at month end, for every 10,000 population (0-17).

Calculation:

(X/Y)*10,000

Where:

X: The number of children with a Child Protection Plan at month end.

Y: The population of 0 to 17 year old children.

Source: Cambridgeshire County Council Business Intelligence: Childrens Team.

Commentary

NOTE:
The target for this indicator was reviewed and is now in line with the statistical neighbour average.

We are taking action to review all children subject to Child Protection Plans. As a result, the rate is reducing and is now already below the statistical neighbour average. This shows good performance. Child Protection Plans should only be in place for children at risk of significant harm, and where parents are not engaging or making progress in addressing issues. We should see this rate further decrease in Cambridgeshire as Family Safeguarding becomes established.

Useful Links

Local Authority Interactive Tool (LAIT)

The local area benchmarking tool from the Local Government Association

Department of Education - Children in Need Statistics

Actions

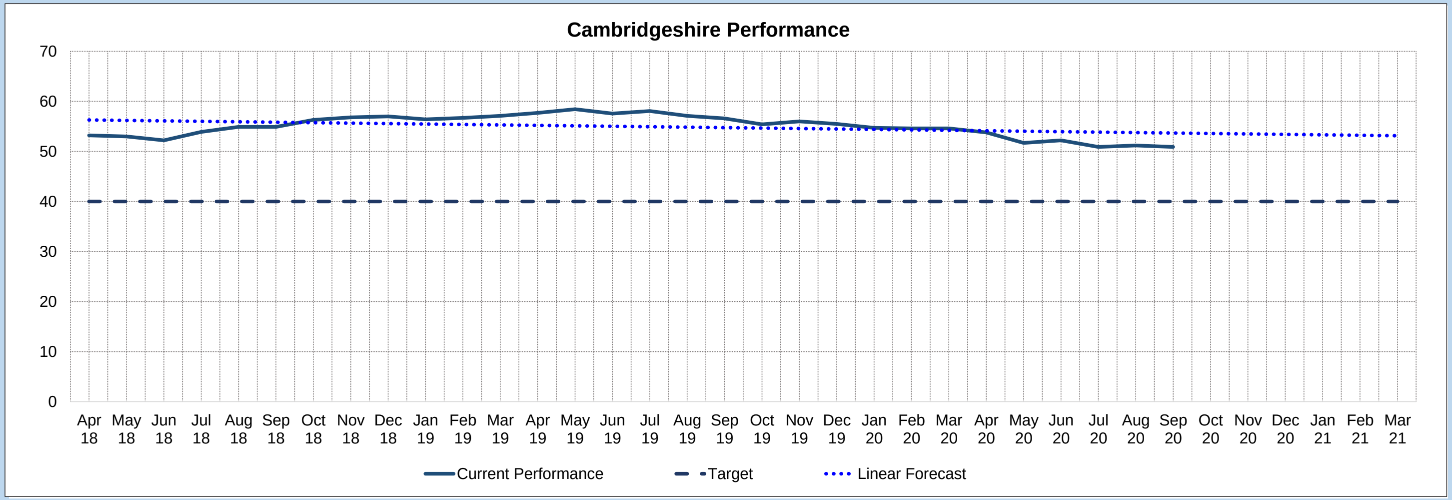
Indicator 3: The number children in care every 10,000 population under 18

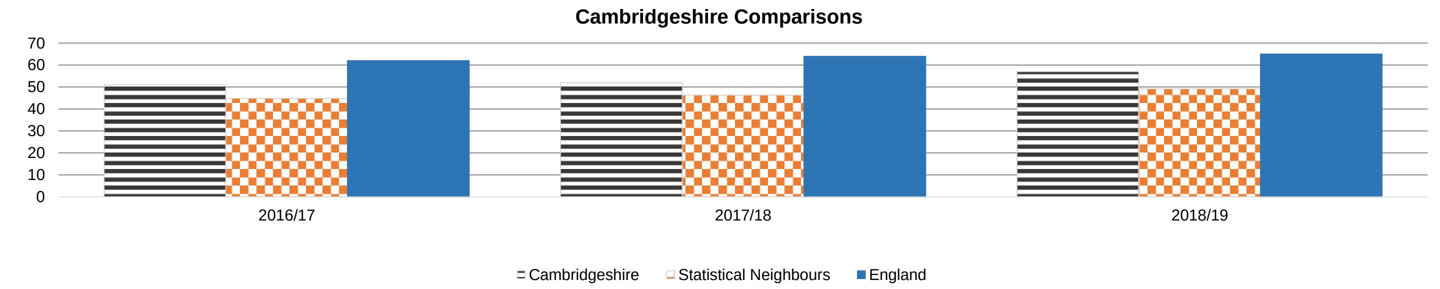
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
40.0	↓	50.9	51.2	Improving

Statistical Neighbour Mean	England Mean	RAG Rating
49.2	65.0	Red





Indicator Description

This indicator shows the number of children who are in the care of the local authority. This measure is expressed as the number of children in care as a rate for every 10,000 children aged 0 to 17. Children in care include all children being looked after by a local authority:

1. Children subject to a care order under section 31 of the Children Act 1989.

2. Children looked after on a voluntary basis through an agreement with their parents under section 20 of the Children Act 1989.

Calculation:

(X/Y)*10,000

Where:

X = The number of children in care at month end.

Y = The population of 0 to 17 year old children.

Sources: Department for Education; LG Inform; Cambridgeshire County Council Business Intelligence: Children's Team

Commentary

Numbers of children in care remain higher than they should be. The restructure of children's services is addressing this, along with the implementation of Family Safeguarding in the county.

The number of Children in Care has started on a downward trend. The rate is above the statistical neighbours, but below the England average. While there was a small increase in numbers in June, the trend has been downwards since July 2019. We expect there to a continued reduction over the longer term. However, there is a potential impact from the Covid-19 pandemic. As a result of the lockdown, completing the work needed for children to leave care has been taking longer. There are also concerns that increased difficulties faced by families may increase the risk of children coming into care. It is too early to assess the full implication of Covid 19. However, our current expectation is that numbers will continue to decline, but potentially at a slower rate.

Useful Links

Local Authority Interactive Tool (LAIT)

The local area benchmarking tool from the Local Government Association

Department of Education - Children in Need Statistics

Actions

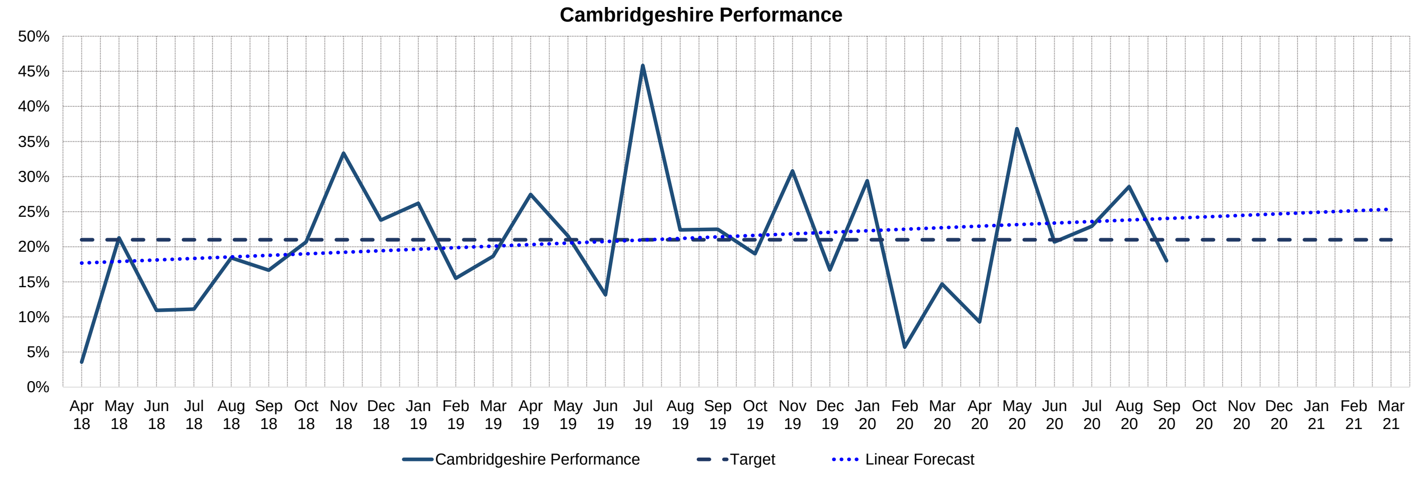
Indicator 117: Proportion of children subject to a Child Protection Plan for the second or subsequent time

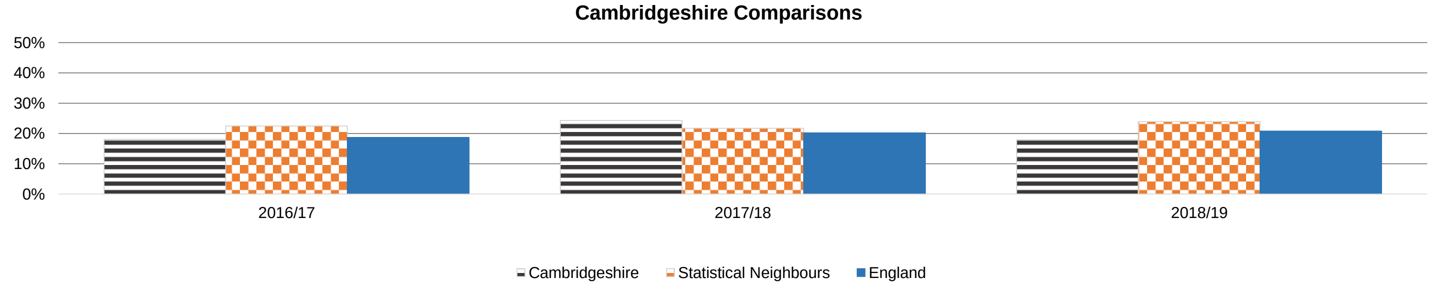
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
21.0%	↓	18.0%	28.6%	Improving

Statistical Neighbour Mean	England Mean	RAG Rating
23.9%	20.8%	Blue





Indicator Description

This indicator shows the number of children at risk of significant harm for a second or more times. Re-registration of a child indicates that the actions to reduce the risk of harm were not successful or significant event has occurred to change their circumstances.

This measure is expressed as a percentage of children who became subject to a Child Protection Plan at any time during the year, who had previously been the subject of a Child Protection Plan, or on the Child Protection Register of that council.

Calculation:

(X/Y)*100

Where:

X = The number of children with a Child Protection Plan at month end, who have had a previous child protection plan.

Y = The number of children with a Child Protection Plan, at month end.

Sources: Department for Education; LG Inform; Cambridgeshire County Council Business Intelligence: Children's Team

Commentary

NOTE:
The target for this indicator has been reviewed. It is now in line with the statistical neighbours and England average.

In quarter 4 2019/20, 12 of the 86 Child Protection Plan registrations were re-registrations within 2 years. The rate of second or subsequent Child Protection Plans is below target. It is also below the statistical neighbours and England Average.

Useful Links

Local Authority Interactive Tool (LAIT)

The local area benchmarking tool from the Local Government Association

Department of Education - Children in Need Statistics

Actions

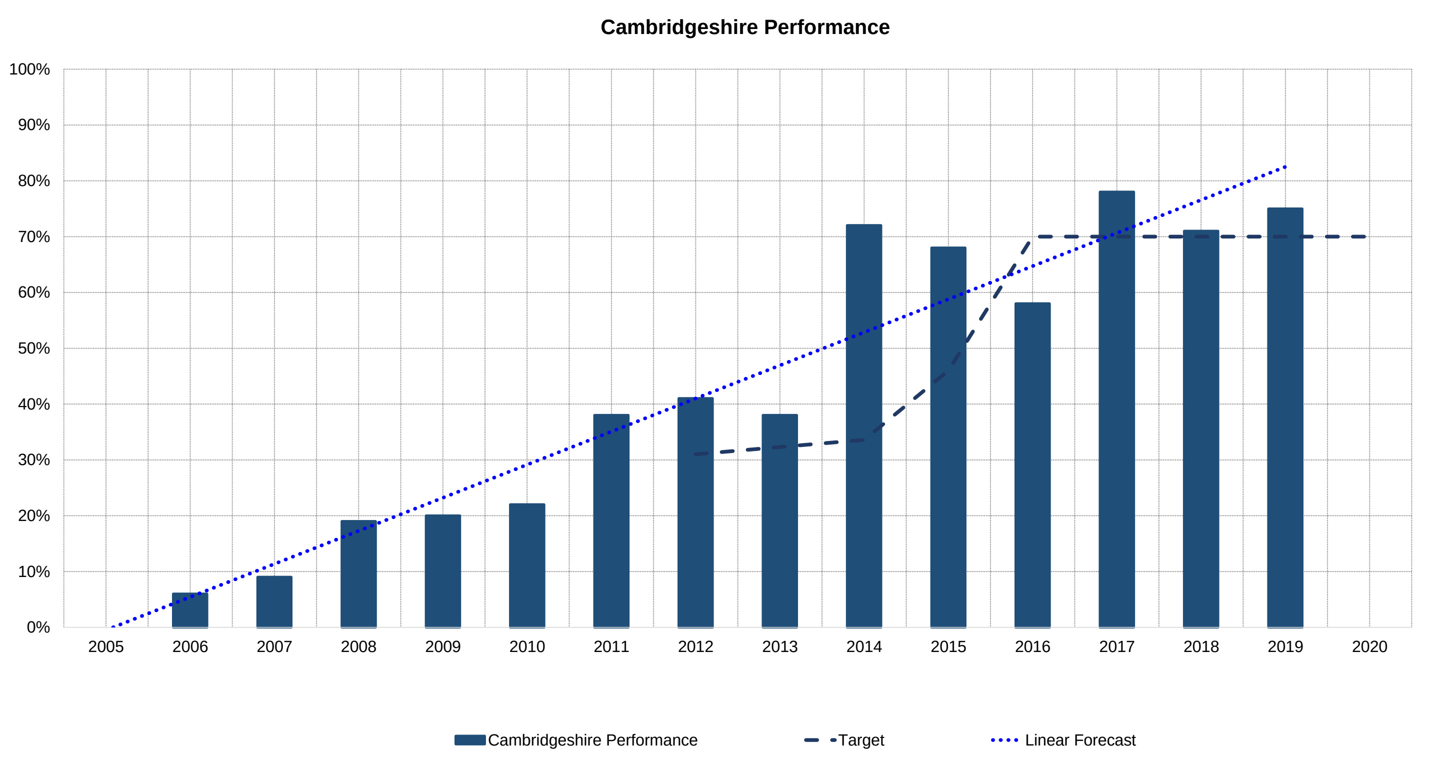
Indicator 32: Growth in cycling from a 2004/2005 average baseline

Return to Index December 2020

Target	Direction for Improvement	Current Year	Previous Year	Change in Performance
70.0%	↑	75.0%	71.0%	Improving

RAG Rating

Blue



Indicator Description

This indicator shows the level of growth in cycling. It changes from a baseline number rather than showing what proportion of the population cycle.

Data is sourced from annual traffic surveys that are carried out at key points across the county.

Commentary

The overall growth from the 2004-05 average baseline is 71%. This is better than the Council's target. There was a 2% decrease in cycle trips in 2018 compared with 2017.

Cycling growth is measured by the overall increase across a number of automatic and manual count points located throughout Cambridgeshire. This gives a large, robust sample.

In 2004/05, there were 40,246 cycle journeys measured in the sample. In 2019, there were approximately 70,415 cycle journeys measured in the sample. This shows an overall growth of 75%.

As this is an annual indicator, there has been no change in the data since quarter 3 of the 2019-20 performance report presented to the committee. An update for 2020 will be available for the quarter 3 2020-21 committee.

Useful Links

Actions

Indicator 39: Principal roads where maintenance should be considered

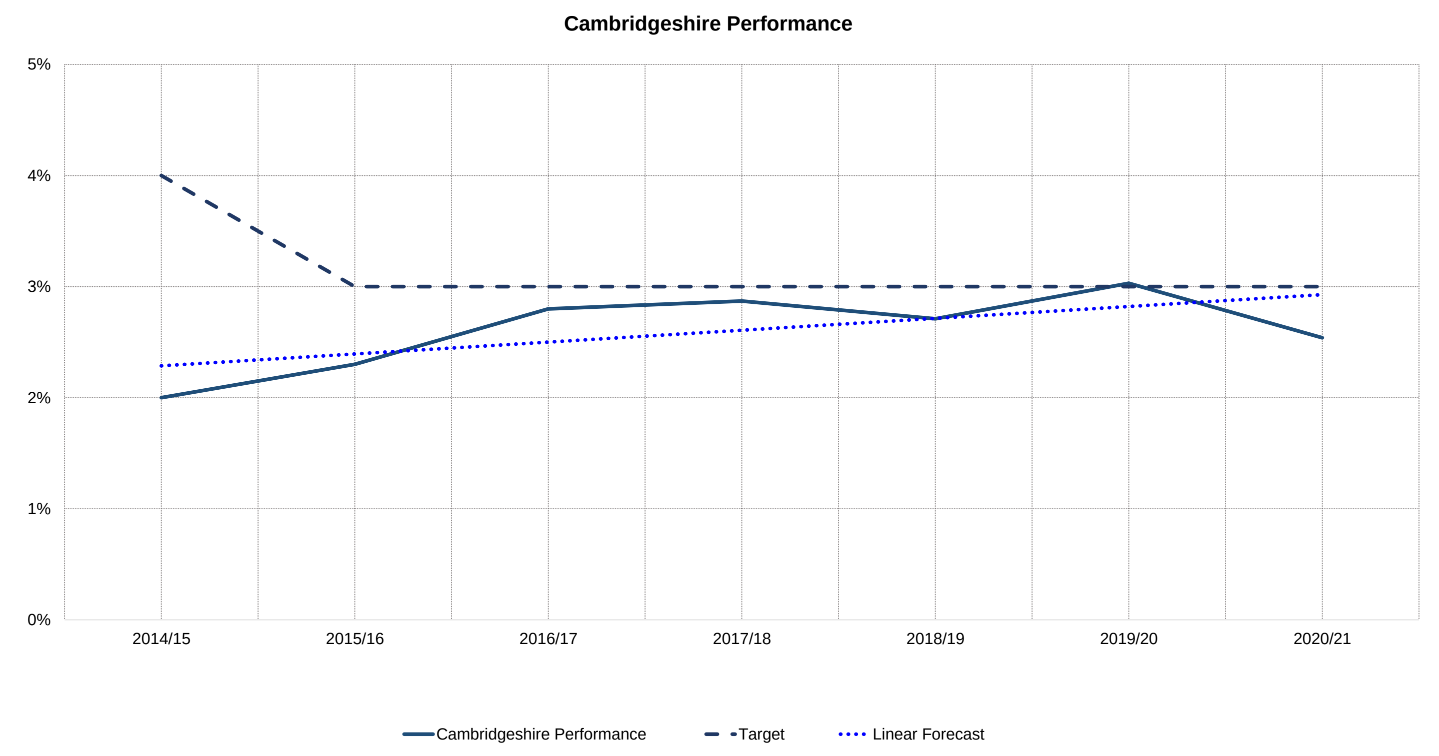
Return to Index

December 2020

Target	Direction for Improvement	Current Year	Previous Year	Change in Performance
3.0%	↓	2.5%	3.0%	Improving

RAG Rating

Blue



Indicator Description

This indicator shows the principal roads where maintenance should be considered.

It is measured as a percentage of the local authority's A roads (principal roads) carriageways, where maintenance should be considered. This indicator was reported as national indicator 168, and is an updated version of the previous Best Value Performance Indicator 223 (previously the Best Value Performance Indicator 96). Note that there are some differences from how this data was collected as a Best Value Performance Indicator, which may hide/increase differences in performance.

Source name: Department for Transport

Collection name: Road conditions

Polarity: Low is good

Commentary

The actual figure has improved from last year's figure of 3.03% to 2.54%. This is a slight improvement but not a material change.

This indicator is reported nationally as a round figure, so would be reported as 3% for each year. The indicator remains on target.

Performance as measured by this indicator is achieved via maintenance schemes which are identified and delivered through the authority's asset management approach to maintaining the highway network. This approach is detailed in the Highway Asset Management Policy, Strategy and the Highway Operational Standards as approved by H&I Committee on 10 March 2020.

Useful Links

The local area benchmarking tool from the Local Government Association

Department for Transport National Indicator 168

Actions

Indicator 40a: Classified A road condition. Narrowing the gap between Fenland and other areas of the County

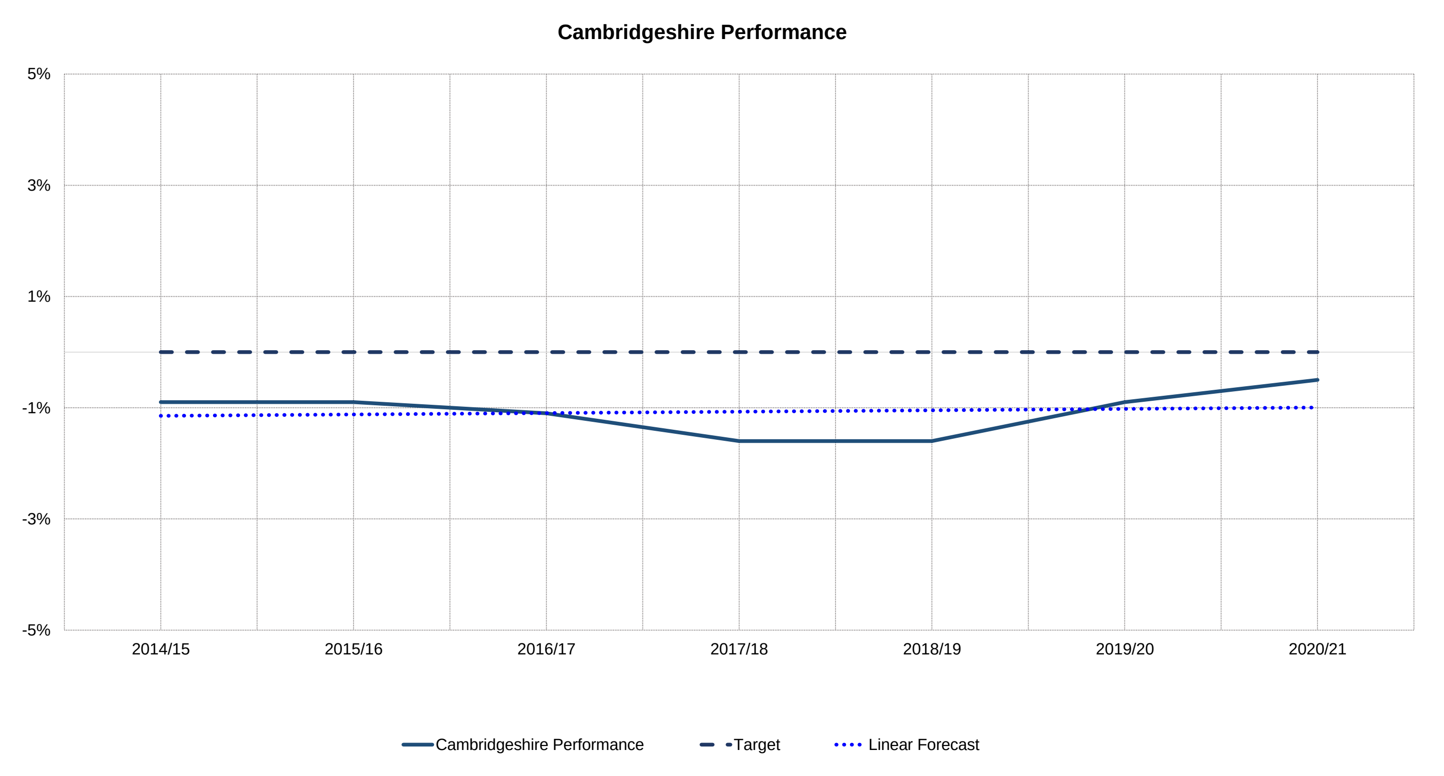
Return to Index

December 2020

Target	Direction for Improvement	Current Year	Previous Year	Change in Performance
0.0%	↓	-0.5%	-0.9%	Declining

RAG Rating

Blue



Indicator Description

This key performance indicator is based on a national data collection methodology.

Target: No formally agreed target in place. Proposed target used for the graph to the right.
Proposed target: 0%

The proposed target recognises both the importance of the A road network, and that such roads are more likely to have been designed in accordance with underlying soil conditions.

Commentary

The A class roads in Fenland are in better condition than those in the remainder of the county and this gap has remained reasonably steady since 2014/15.

The target is currently being achieved.

The identification of maintenance schemes is based upon the principles as set down in the Highway Asset Management Policy, Strategy and the Highway Operational Standards as approved by H&I Committee on 10 March 2020. There will be occasions where the indicator is above, at and below target as roads deteriorate through their lifecycle across the County. However, a long term view of this indicator should result in performance at or around the target level.

Useful Links

The local area benchmarking tool from the Local Government Association

Cambridgeshire County Council Highway Operational Standards Policy April 2020

Actions

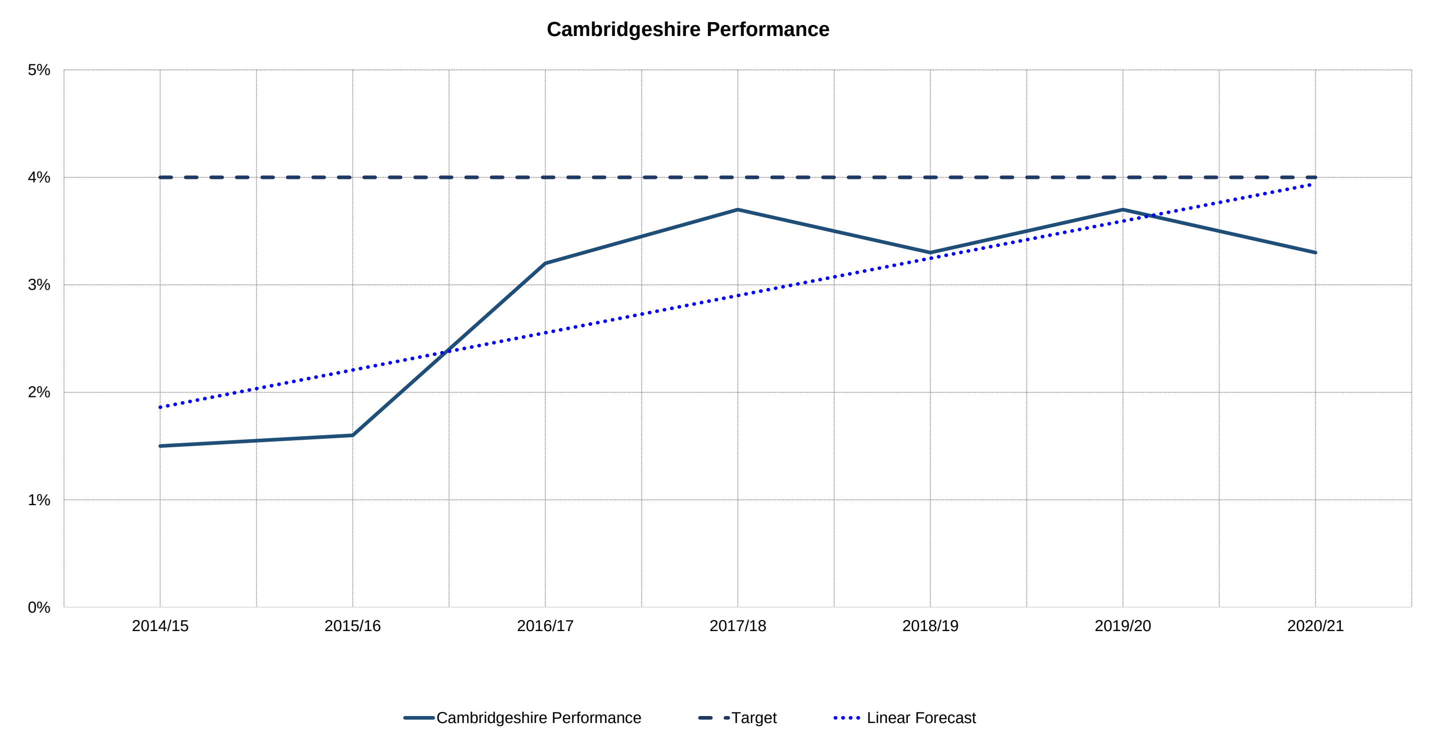
Indicator 40b: Classified B road condition. Narrowing the gap between Fenland and other areas of the County

Return to Index December 2020

Target	Direction for Improvement	Current Year	Previous Year	Change in Performance
4.0%	↓	3.3%	3.7%	Improving

RAG Rating

Blue



Indicator Description

This key performance indicator is based on a national data collection methodology.

Target: No formally agreed target in place. Proposed target used for the graph to the right.
Proposed target: 4%

The proposed target recognises that B class roads are less likely to have been designed with the underlying soil conditions in mind.

Commentary

Given that a significant proportion of B class roads will have evolved and will not have been designed to address issues with underlying soil conditions, some difference in the overall condition of B roads in Fenland soil areas when compared to those in other areas is inevitable. This is reflected in the target of 4%.

The target is currently being achieved.

The prioritisation of maintenance schemes in accordance with the Authority's approved asset management policies is likely to achieve performance at or near the target level. To significantly exceed the target would require large scale investment, beyond that which is currently available to the Authority.

Useful Links

The local area benchmarking tool from the Local Government Association

Cambridgeshire County Council Highway Operational Standards Policy April 2020

Actions

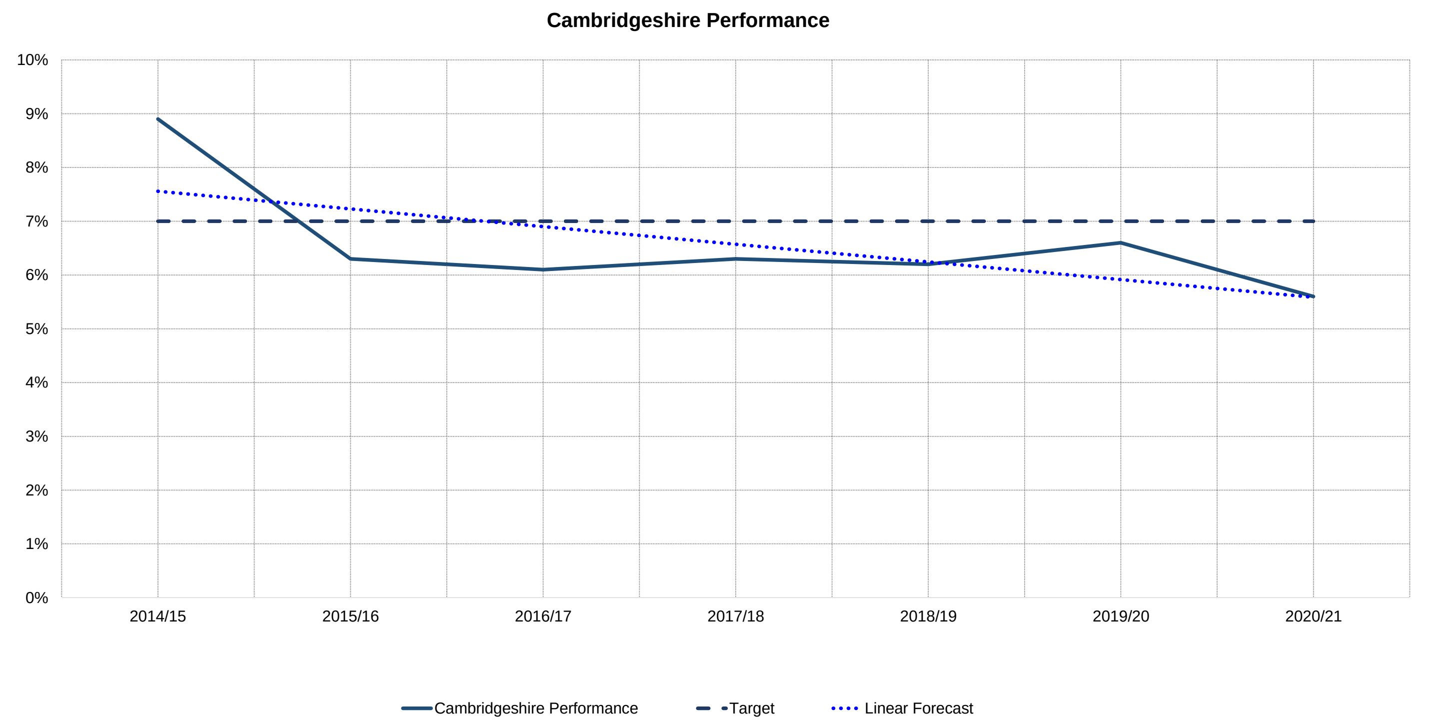
Indicator 40c: Classified C road condition. Narrowing the gap between Fenland and other areas of the County

[Return to Index](#) December 2020

Target	Direction for Improvement	Current Year	Previous Year	Change in Performance
7.0%	↓	5.6%	6.6%	Improving

RAG Rating

Blue



Indicator Description

Based on a national data collection methodology

Target: No formally agreed target in place. Proposed target used for the graph to the right.
Proposed target: 7%

The proposed target recognises that C class roads are less likely to have been designed with the underlying soil conditions in mind.

Commentary

Given that most (if not all) C class roads will have evolved and will not have been designed to address issues with underlying soil conditions, some difference in the overall condition of C roads in Fenland soil areas when compared to those in other areas is inevitable. This is reflected in the target of 7%.

The target is currently being achieved.

The prioritisation of maintenance schemes in accordance with the Authority's approved asset management policies is likely to achieve performance at or near the target level. To significantly exceed the target would require large scale investment, beyond that which is currently available to the Authority.

Many of the C roads in Fenland are similar in character and usage to unclassified roads elsewhere in the county, thus rendering the comparison not being of like-for-like roads. This might serve to exacerbate the reported gap

Useful Links

[The local area benchmarking tool from the Local Government Association](#)

[Cambridgeshire County Council Highway Operational Standards Policy April 2020](#)

Actions

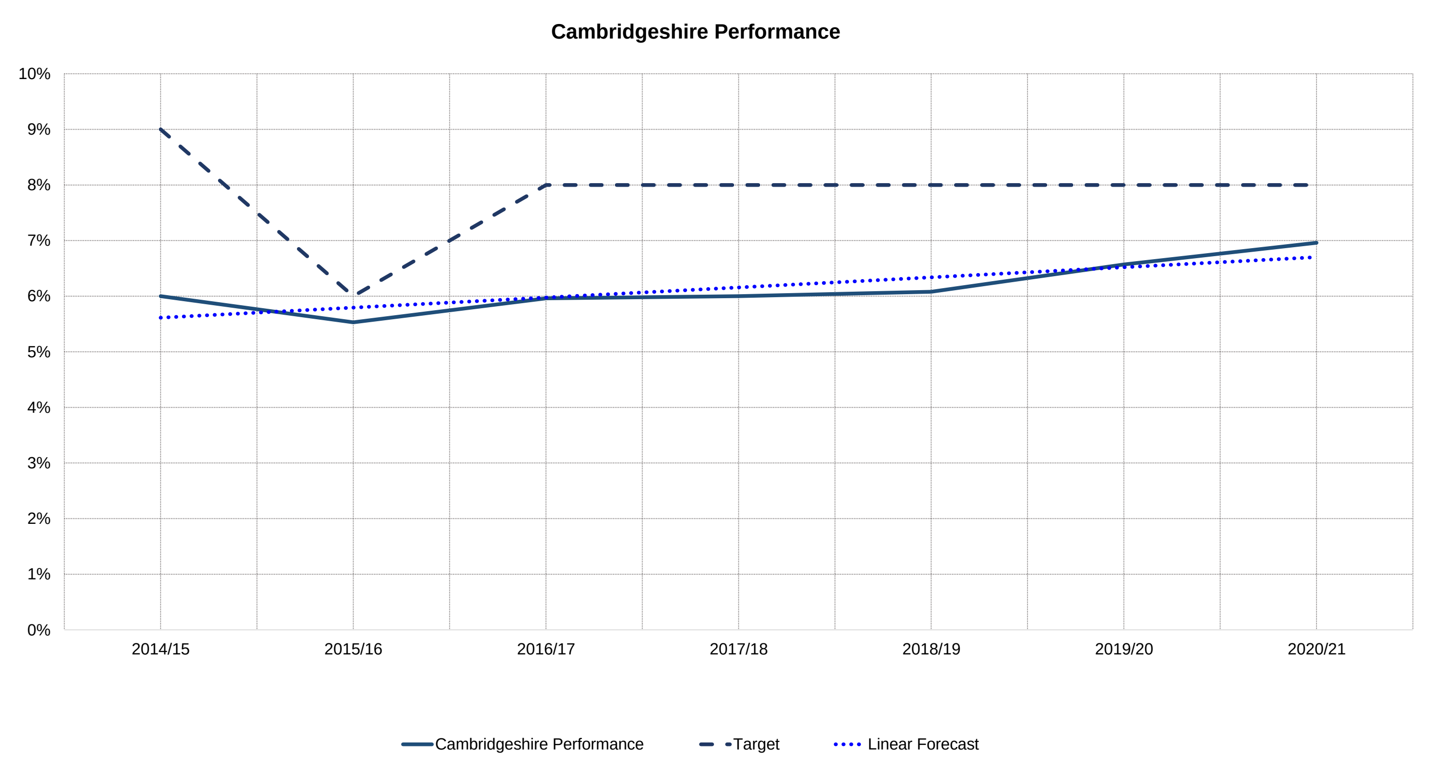
Indicator 41: Non principal roads where maintenance should be considered

Return to Index December 2020

Target	Direction for Improvement	Current Year	Previous Year	Change in Performance
8.0%	↓	7.0%	6.6%	Declining

RAG Rating

Blue



Indicator Description

This is the percentage of the local authority's B road and C road carriageways where maintenance should be considered. This indicator was previously reported as NI 169, and is an updated version of the former Best Value Performance Indicator 24a (formerly Best Value Performance Indicator 97a). Note that there are some differences from how this data was collected as a Best Value Performance Indicator which may hide / increase differences in performance.

Source: Department for Transport

Polarity: Low value is good

Commentary

The actual figure has changed from last year's figure of 6.57% to 6.96% but remains below the target of 8% for B and C class roads.

Performance as measured by this indicator is achieved via maintenance schemes being identified and delivered through the authority's asset management approach to maintaining the highway network. This approach is detailed in the Highway Asset Management Policy, Strategy and the Highway Operational Standards as approved by H&I Committee on 10 March 2020.

Information about road classifications can be found in the Council's Highway Operational Standards document, appendix L, which is updated annually - see link in 'Useful Links'.

Useful Links

The local area benchmarking tool from the Local Government Association

Cambridgeshire County Council Highway Operational Standards Policy April 2020

Actions

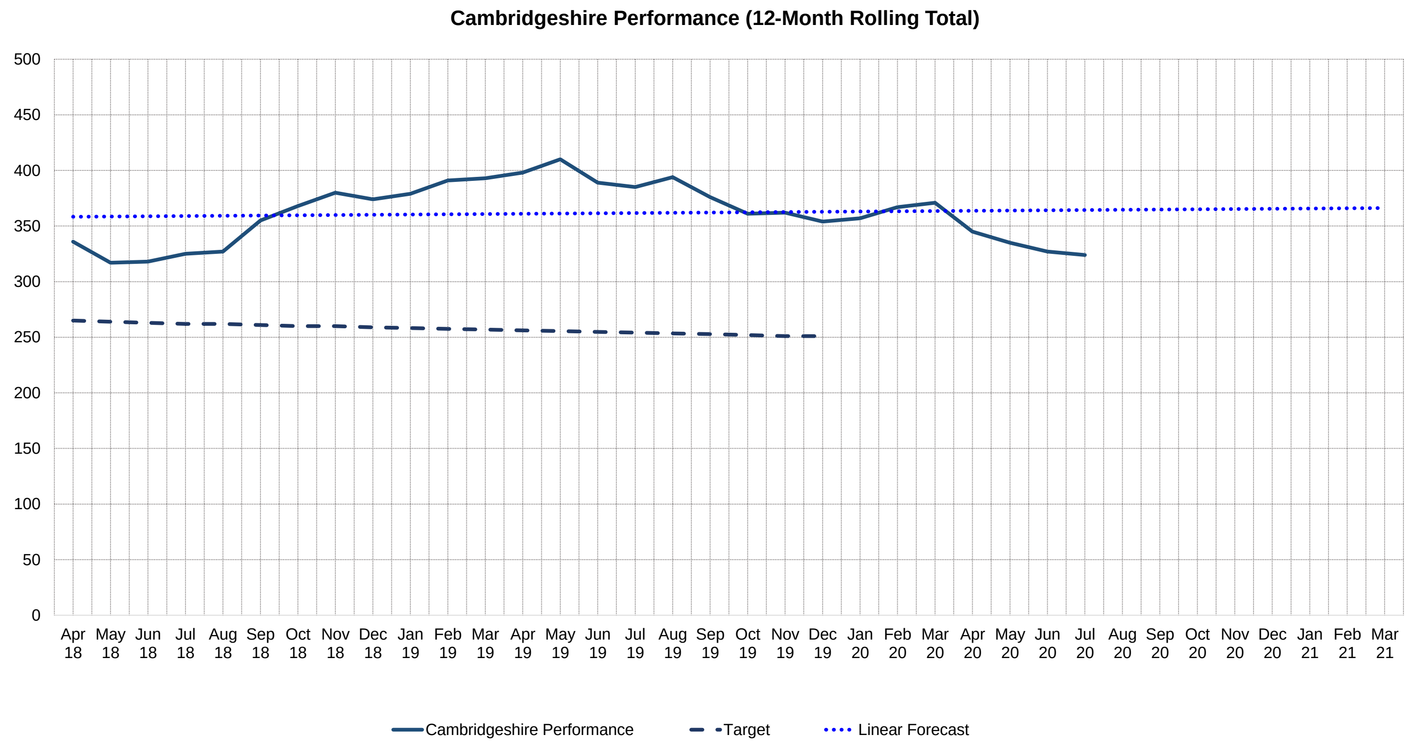
Indicator 43: Killed or seriously injured casualties (12 month rolling total)

Return to Index December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
251	↓	324	327	Improving

RAG Rating

Red



Indicator Description

Killed and seriously injured casualties is derived from Stats19 data.

It is measured by the number of all people of all ages reported killed or seriously injured on Cambridgeshire roads over a 12 month rolling total.

This indicator includes casualties who were fatally or seriously injured only. These include:

1. Fatal casualties who sustained injuries that caused death less than 30 days after the accident. Confirmed suicides are excluded.

2. Seriously injured casualties who suffered an injury that led to hospitalisation as an inpatient, or any of the following injuries, whether or not they are admitted to hospital. Fractures, concussion, internal injuries, crushing, burns (excluding friction burns), severe cuts and lacerations, severe general shock requiring medical treatment and injuries causing death 30 or more days after the accident.

3. Casualties recorded as seriously or slightly injured by the police based on information available a short time after the accident. This generally will not reflect the results of a medical examination, but may be influenced according to whether the casualty is hospitalised or not. Hospitalisation procedures will vary regionally.

Commentary

New provisional data for May and June 2020 shows a fall in killed or seriously injured casualties. This has been affected by the decrease in traffic on the roads during the Covid-19 pandemic. During peak lock-down in April 2020, there were only 9 killed or seriously injured casualties, compared with 35 in April 2019.

The 12 month rolling total of people killed or seriously injured to the end of July 2020 is now 324, compared with 385 for the same period of the previous year.

Provisional data shows that in July 2020 there were 2 fatalities and 29 serious casualties.

Useful Links

The local area benchmarking tool from the Local Government Association

Actions

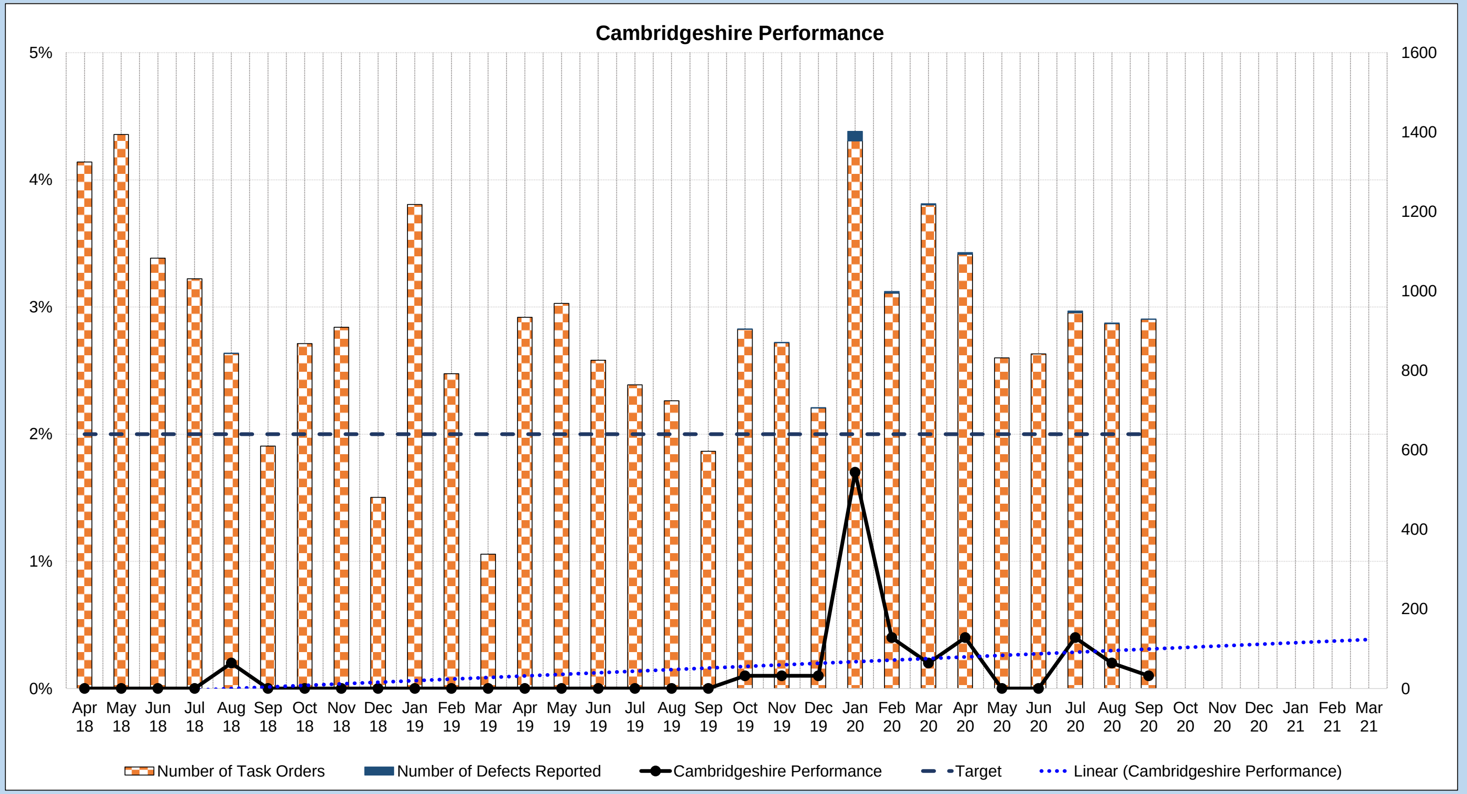
Indicator 148: Number of defect certificates as % of total number of orders

Return to Index December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
2.0%	↓	0.1%	0.2%	Improving

RAG Rating

Blue



Indicator Description

This is a key indicator of the quality of highway repairs.

After any order completed by Skanska, the Cambridgeshire County Council officer who ordered it can inspect its quality. If the quality is not consistent with the specified standard, a defect certificate is raised. This key performance indicator measures the number of defect certificates raised. It is reported as a proportion of the total number of orders completed in a given month.

This is a local indicator and there are no statistical neighbour or England data to compare to.

Commentary

As a result of system training, the reporting of defects increased. This can be seen over the period from January 2020 through to March 2020 when Covid 19 affected services.

There were two failed inspections during August, therefore the monthly percentage of defect certificates is 0.2% of the total number of orders, significantly below the target which is set at 2%.

Useful Links

Actions

Indicator 180: Percentage of freedom of information requests answered within 20 days

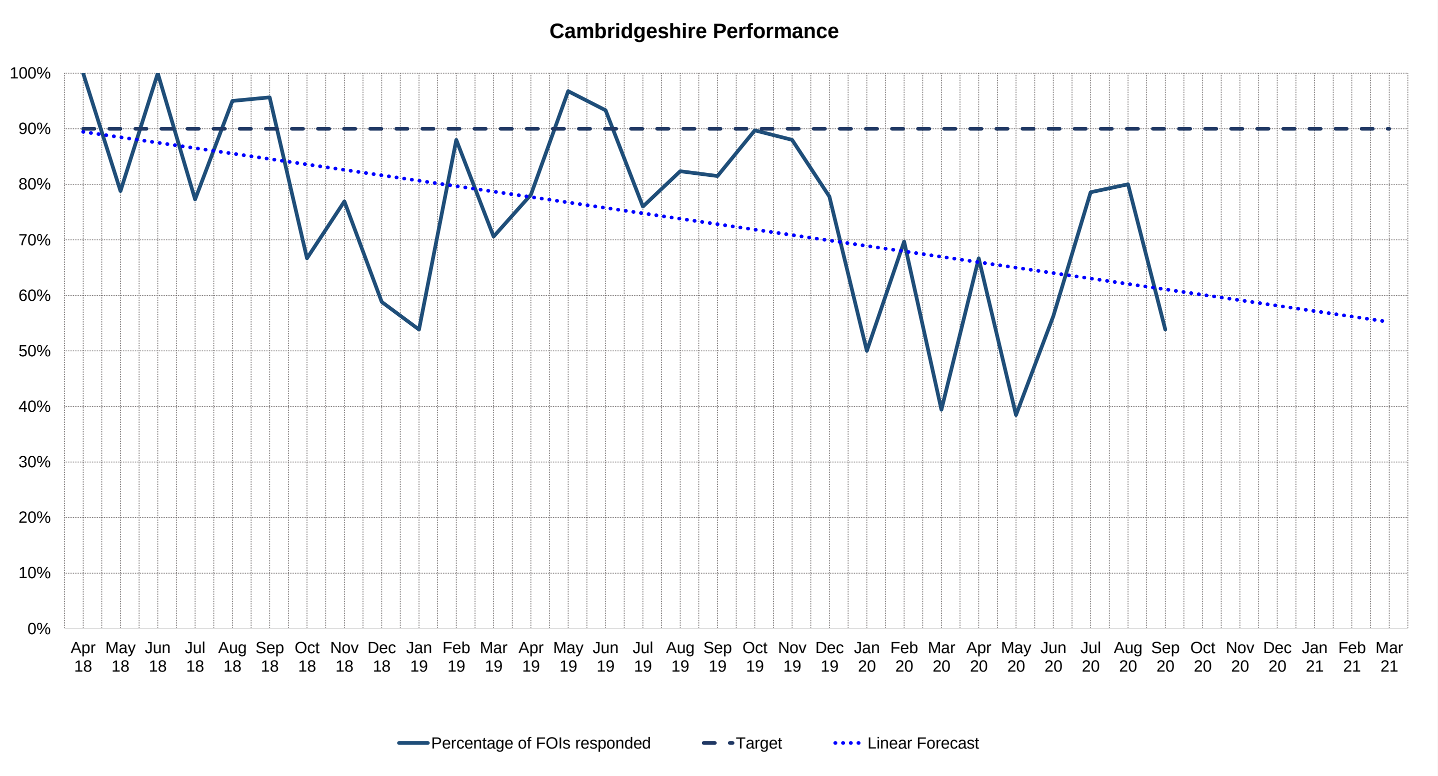
Return to Index

December 2020

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
90%	↑	55.3%	53.6%	Improving

RAG Rating

Red



Indicator Description

This indicator shows the proportion of freedom of information requests received that are answered within 20 days each month.

Anyone has a right to request information from a public authority. The council has two separate duties when responding to these requests:

1. to tell the applicant whether the Council holds any information falling within the scope of their request;

2. and to provide that information

The Council normally has 20 working days to respond to a request.

For a request to be valid under the Freedom of Information Act it must be in writing. However, requesters do not have to mention the Act or direct their request to a designated member of staff. Any letter or email to a public authority asking for information is a request for recorded information under the Act.

Commentary

A total of 26 freedom of information requests were received during September 2020. Of these, 14 were responded to within the 20 working day deadline. The response rate to freedom of information requests for the financial year to date is 62.6%, whish is below the 90% target. Performance dipped during lockdown where staff were redeployed.

Useful Links

Actions

The directorate now tracks freedom of information requests. Freedom of Informaton requests have been reported into the Place & Economy Directorate Management Team since September in order to monitor progress. Performance since September 2020 has improved.

Indicator 181: Percentage of complaints responded to within 10 days

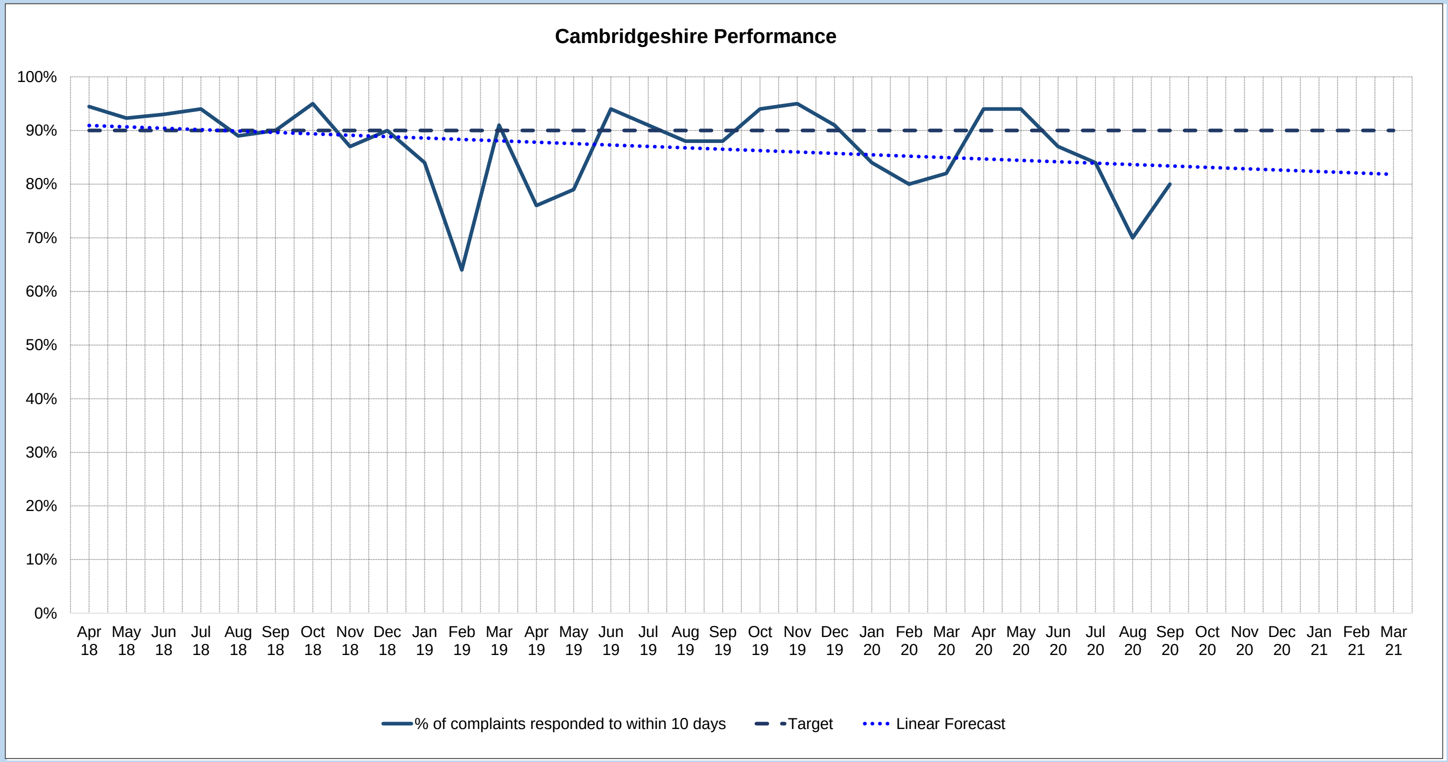
Return to Index

December 2020

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
90%	↑	79.2%	89.6%	Declining

RAG Rating

Red



Indicator Description

This indicator shows the proportion of complaints received that are answered within 10 days by the Place and Economy Service each month.

Commentary

Of the 63 complaints received for July, 53 were responded to within the 10 working days, giving an 84% pass rate. Of the 37 complaints received for August, 26 were responded to within the 10 working days, giving a 70% pass rate. Of the 49 complaints received for September, 39 were responded to within the 10 working days, giving an 80% pass rate. Performance dipped during lockdown where staff were redeployed.

Useful Links

Actions

The directorate now tracks complaints. Complaints have been reported into the Place & Economy Directorate Management Team since September in order to monitor progress. Performance since September 2020 has improved.

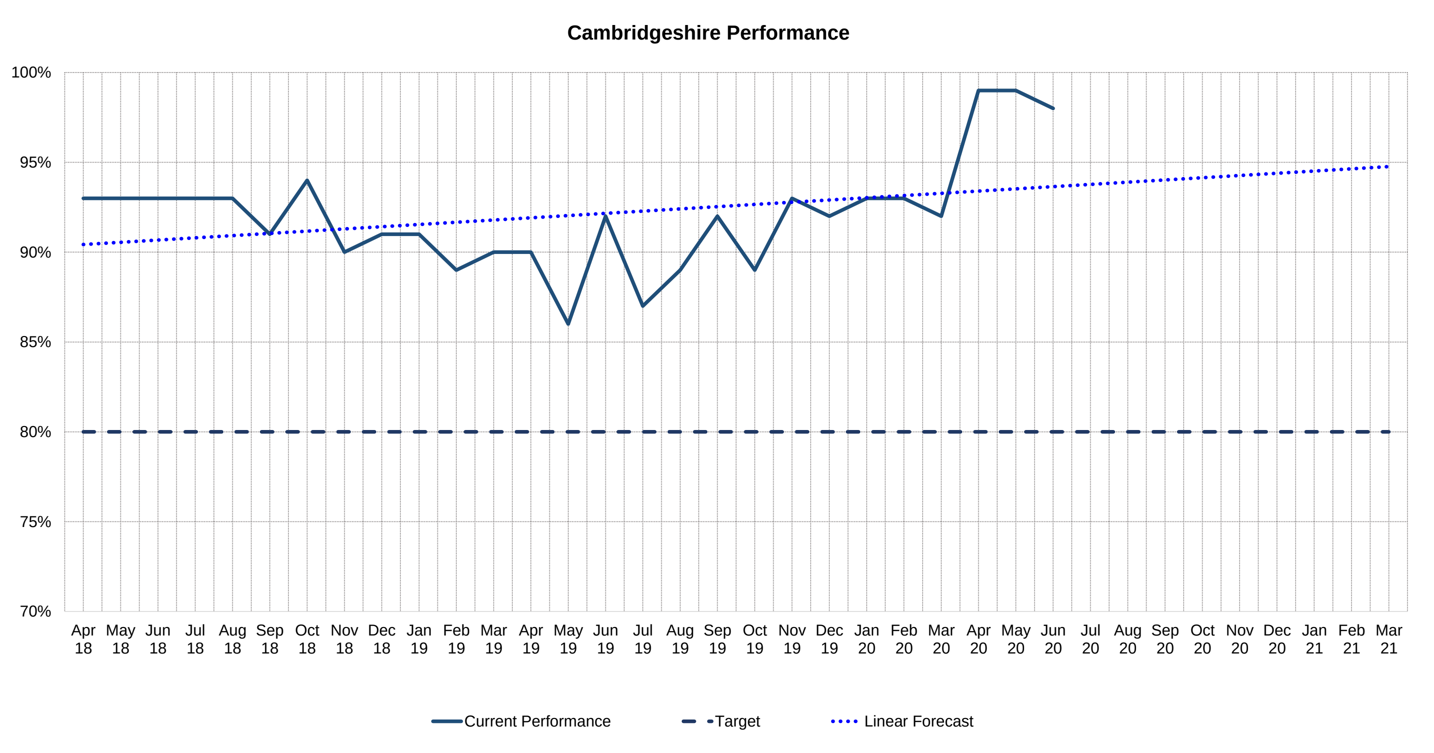
Indicator 50: Genitourinary Medicine (GUM) Access. Percentage seen within 48 hours (Percentage of those offered an appointment)

Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
80.0%	↑	98.0%	99.0%	Declining

Statistical Neighbour Mean	England Mean	RAG rating
N/A	N/A	Blue



Indicator Description

This is an indicator for access to Sexual Health Services.

Fast access to sexual health services promotes good sexual health. This can help to reduce the chance of spreading sexually transmitted infections and reduce sexual health inequalities.

This measure is the percentage of those offered an appointment who then go on to be seen within 48 hours of contacting the service.

This is a British Association for Sexual health and HIV standard. It is also a recommended outcome within the Integrated Sexual Health Service National Specification template.

Calculation:

(X/Y)*100

Where:

X: The number of people offered an appointment with a sexual health service seen within 48 hours.

Y: The number of people offered an appointment with a sexual health service.

Source: Integrated Sexual Health National Specification

Commentary

This target has consistently been met over the year. The dip in performance in March/April reflects the impact of COVID 19. However, since then the performance has recovered back to its former level.

Useful Links

The local area benchmarking tool from the Local Government Association

Integrated Sexual Health national service specification from Public Health England

Actions

Indicator 53: Number of NHS Health Checks completed

Return to Index

December 2020

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
18000	↑	13766	10552	Improving

Statistical Neighbour Mean	England Mean	RAG rating
N/A	N/A	Red

Indicator Description

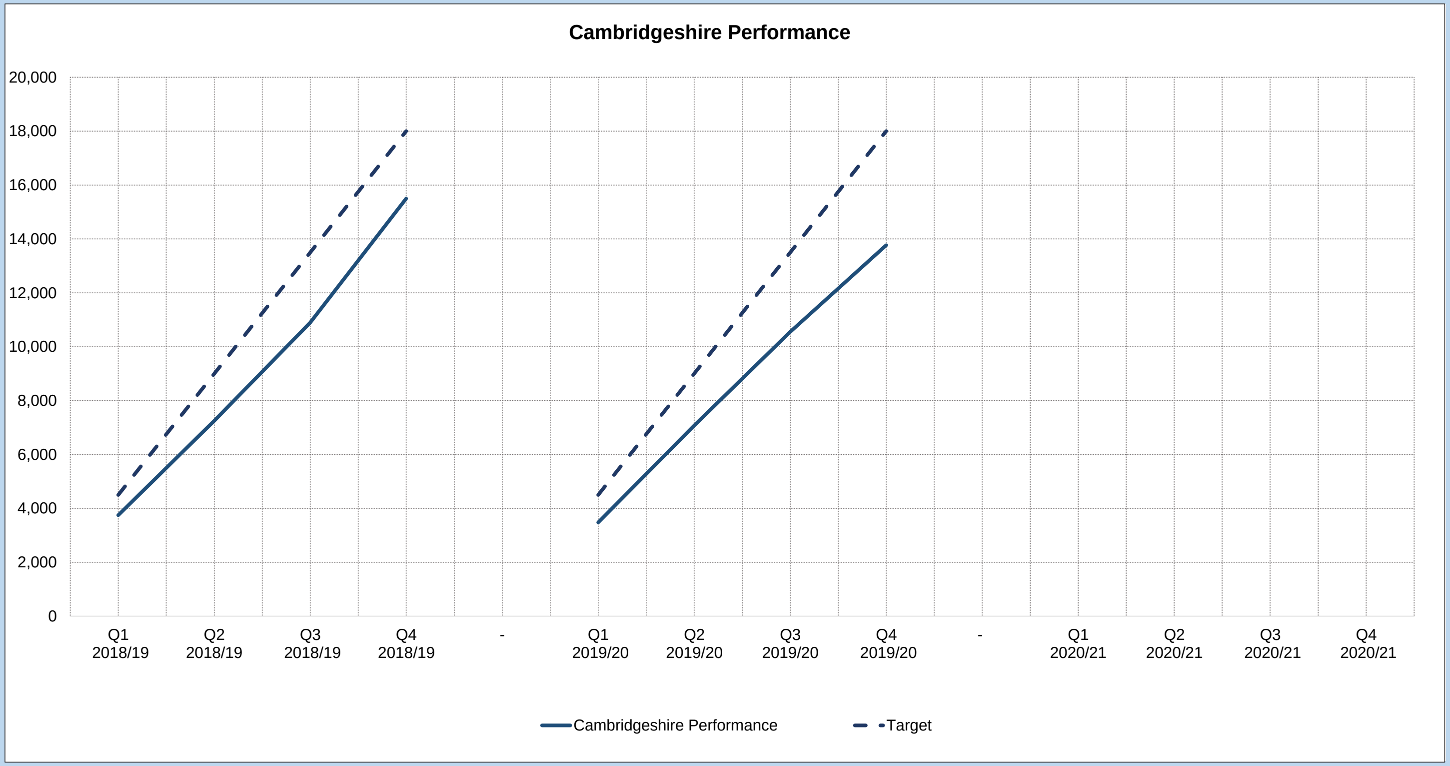
The NHS Health Check is a national Programme. It provides a way of engaging people in early conversations about their health, risks and lifestyle changes. It is risk assessment for the early detection of risk factors relating to Diabetes, Hypertension and Cardiovascular Disease. It also provides an opportunity to discuss dementia awareness.

This is measured as the number of people aged between 40 and 74 years of age, without any diagnosed ongoing condition, who receive an NHS Health Check through their GP Practice or through the outreach NHS Health Checks. The latter are undertaken by the Lifestyle Services with hard to reach groups or populations with high rates of cardiovascular disease.

Targets are set based on the eligible population for an NHS Health Check. This is outlined in the NHS Health Check programme guidance. The local authority's Public Health Intelligence Team support with target setting across all GP practices.

Calculation: Number of health checks completed within a financial quarter.

Source: NHS Health Check National Guidance



Commentary

The end of year performance is lower this year at 76% (13,766) of the target. This is compared to 2018/2019 when 86% (15,498) of the target was achieved.

During quarter 4, data trawls in GP practices have been undertaken. In previous years, this has contributed to improvement in performance. However, during March, when the COVID 19 emergency situation started, practice activity decreased in terms of health checks completed and data processed. This has contributed to the decrease in activity this year. Nationally, the NHS Health Checks programme was paused due to COVID-19. As such, there is no data available for quarter 1 2020/2021. The Programme will resume in August 2020.

Useful Links

[The local area benchmarking tool from the Local Government Association]

[Health Check National Guidance from the National Health Service]

Actions

The NHS Health Check Programme is starting to resume in Primary Care from 1st August 2020.

Indicator 56: Smoking Cessation. Four week quitters

Return to Index December 2020

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
360	↑	217	112	Improving

Statistical Neighbour Mean	England Mean	RAG rating
N/A	N/A	Red

Indicator Description

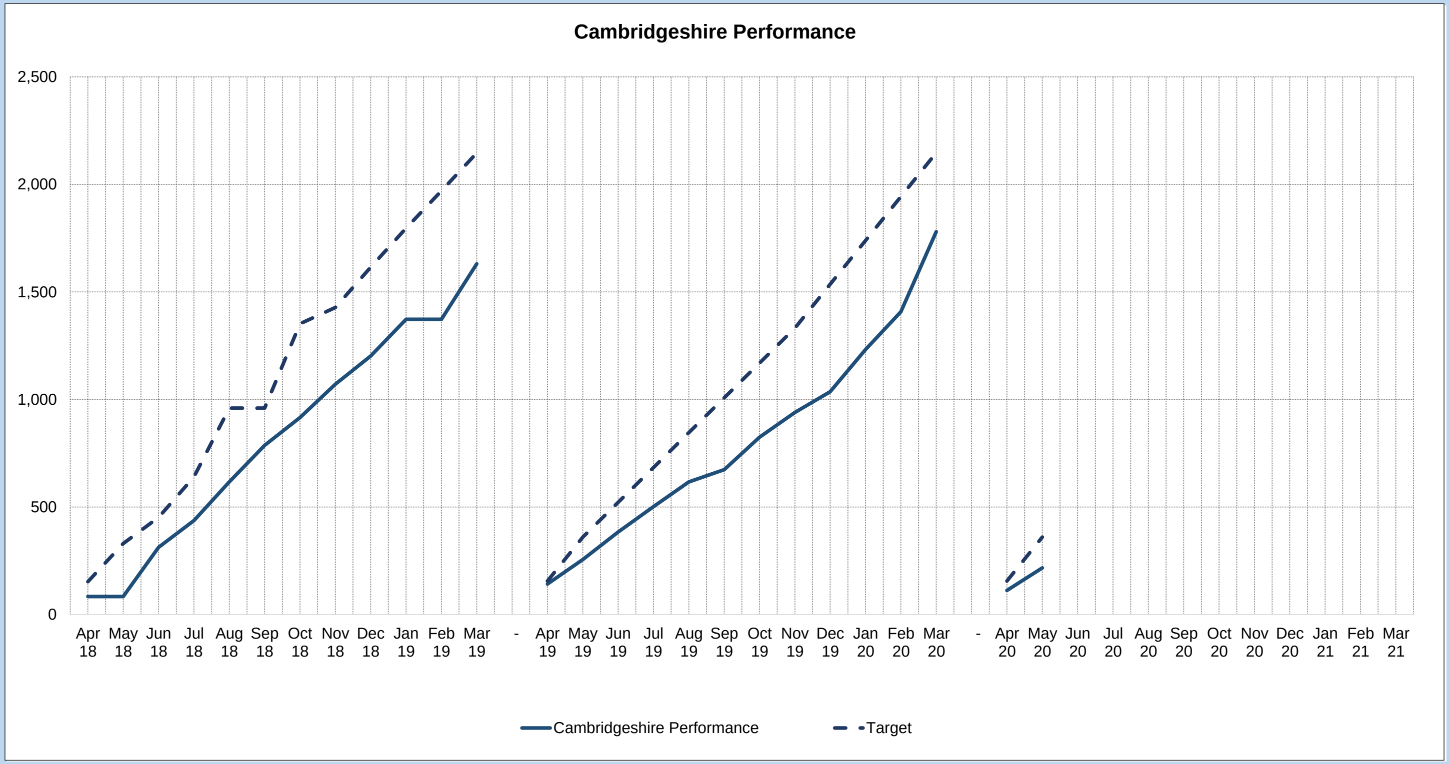
Smoking remains a Public Health priority area. It remains the main cause of preventable illness in England.

This indicator is calculated as the number of individuals accessing a stop smoking programme (through a GP, pharmacy or integrated lifestyle provider), who set a quit date which is followed by 4 weeks of an evidence based, structured, programme of support. The indicator refers to those who are confirmed as quitting after 4 weeks.

Targets are made by the Public Health Intelligence team. This is based on the national guidance and based on the estimated number of smokers.

Calculation: Number of 4 week quitters.

Source: National Centre for Smoking Cessation and Training (NSCST) Stop Smoking Guidance



Commentary

Stop Smoking performance data is always two months behind the reporting period. This is due to the intervention taking two months in total to complete. This means the complete quarter 1 data is not available at this time.

During quarter 1, when many practices had reduced activity, many clients were referred to the Lifestyle Services to receive virtual support. Due to this, overall performance has not dropped as expected. Clients provided positive feedback on the virtual service.

The Stop Smoking Services activity provided by GP practices has fallen in recent years. This is associated with competing pressures on GP staff. As a result, more activity has been diverted to the core service provided by the Integrated Lifestyle Service.

Useful Links

The local area benchmarking tool from the Local Government Association

The National Institute for Health Care Excellence (NICE) stop smoking interventions guidelines

Actions

Lifestyle Service staff will continue to support GP practices. This has been achieved by ensuring their patients can have easy access to services, both in "safe" face to face contact and also virtually.

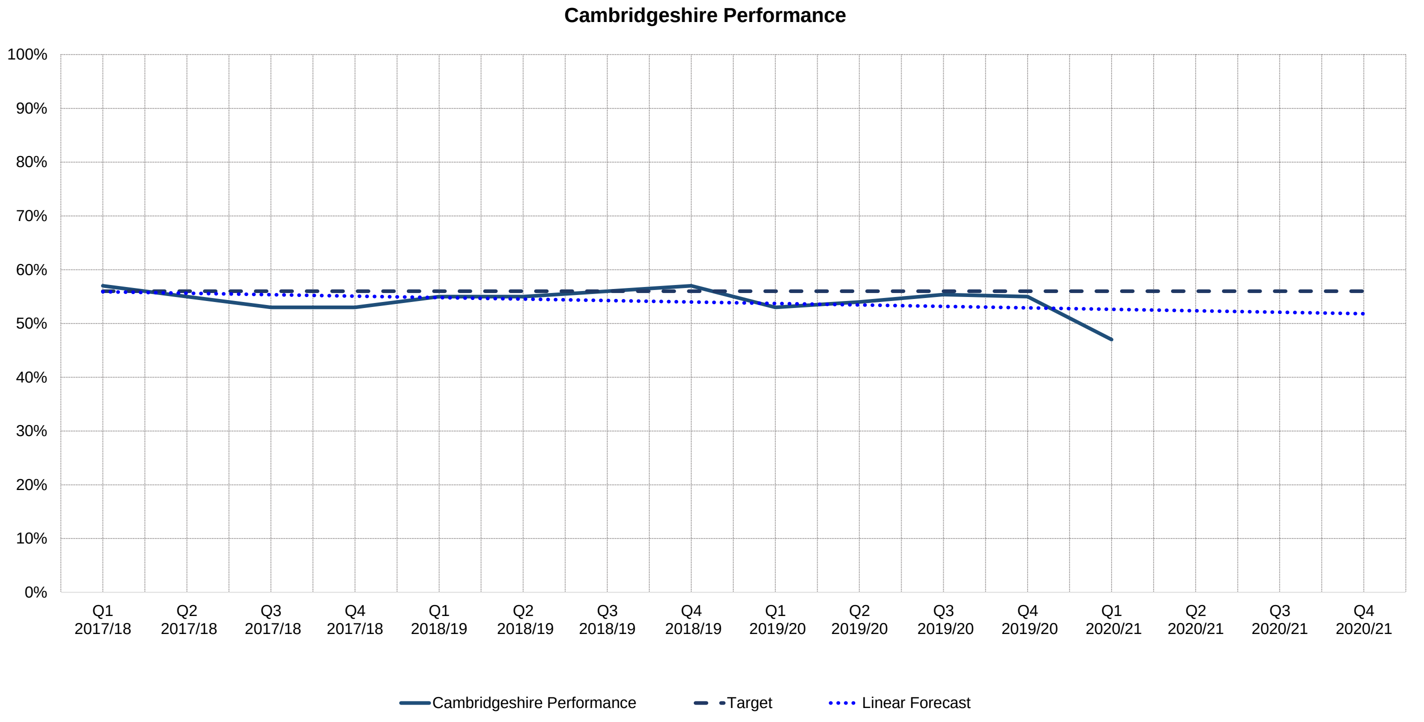
There have been number of promotional campaigns during quarter 1 that focused on the poorer outcomes from COVID 19 that are associated with smoking. These will be continued.

Indicator 57: Percentage of infants being breastfed (fully or partially) at 6 to 8 weeks

Return to Index December 2020

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
56.0%	↑	47.0%	55.0%	Declining

Statistical Neighbour Mean	England Mean (2017/18)	RAG Rating
49.0%	47.0%	Red



Indicator Description

There has been a lot of research published demonstrating the positives outcomes breastfeeding can have on mother and infant. It is recommend that mothers exclusively breastfeed. Breastmilk is associated with several benefits. These include a reduction in the risk of infections, obesity and diabetes in the infant, and a reduced risk of ovarian/breast cancer in the mother.

Breastfeeding is also known to have a positive impact on mother and infant attachment that can enhance the quality of relationships between parents and their babies. This will positively influence a child's future life chances.

Calculation:

(X/Y)*100

Where:

X = Number of infants recorded as being totally and partially breastfed at 6 to 8 weeks

Y = Total number of infants due 6 to 8 week check.

Commentary

This is a challenging, locally set target. It considers the national average currently stands at 47%. County-wide performance breastfeeding statistics have seen a large reduction this quarter.

The Provider states that a reduction in 6 to 8 week contacts during the early part of lockdown has had a negative effect on the ability to record breastfeeding. Therefore, these figures need to be treated with caution as the decrease is attributed to status not being recorded, rather than an increase in women reporting not to be breastfeeding.

Breastfeeding rates, which include both exclusive breastfeeding and mixed feeding, vary greatly across the county. Broken down by districts, breastfeeding for quarter 1 stand at 59% in South Cambridgeshire, 60% in Cambridge City, 47% in Huntingdonshire, 41% in East Cambridgeshire, and 33% in Fenland.

The Health Visiting service remains Stage 3 UNICEF Baby Friendly accredited. This shows quality of care in terms of support, advice and guidance offered to parents/carers. It also shows the excellent knowledge staff have in respect of responsive feeding.

Useful Links

The local area benchmarking tool from the Local Government Association

Public Health England breastfeeding statistics webpage

Actions

To address low breastfeeding rates in Fenland, 2 new weekly infant feeding clinics have been set up in Wisbech and March. They help better support families experiencing difficulties. Along with support offered through Health Visitors, a new community breastfeeding peer support service has been commissioned. It is hoped this will improve breastfeeding initiation and duration rates across both Fenland and Peterborough to address inequalities. This came into effect from 1st April 2020.

Within the new contract, the Provider (National Childbirth Trust) will carry out an extensive co-production exercise with local families and stakeholders. This will find how best to support the unique needs of this community. The provider has said performance will improve from next quarter. This is due to the 6 to 8 week contact activity returning to normal.

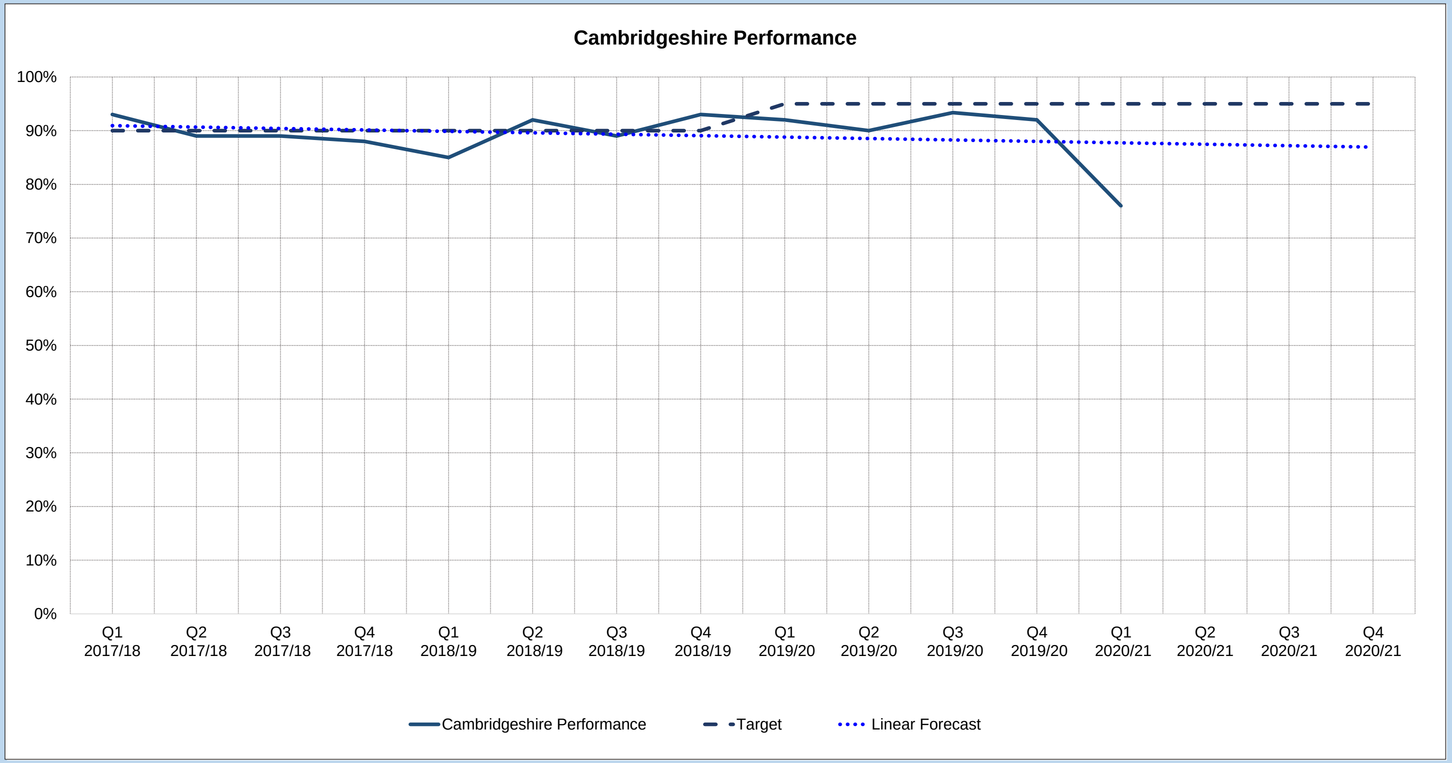
Indicator 60: Health visiting mandated check. Percentage of children who received a 6 to 8 week review by 8 weeks

Return to Index

December 2020

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
95.0%	↑	76.0%	92.0%	Declining

Statistical Neighbour Mean	England Mean (2017/18)	RAG Rating
N/A	86.0%	Red



Indicator Description

This visit is crucial for assessing the baby's growth and wellbeing. It also helps provide core health messages. These include breastfeeding, immunisations, sensitive parenting and for supporting on specific issues such as sleep.

The Health Visitor will review their general health and provide contact details for local health clinics and children's centres where the mother can access a range of support. The visit, in addition to the 6 to 8 week medical review (which is often completed by the GP) forms part of the Child Surveillance Programme.

Calculation:

(X/Y)*100

Where:

X = The number of children due a 6 to 8 weeks review by the end of the quarter who received a 6 to 8 weeks review by the time they turned 8 weeks.

Y = Total number of infants turning 8 weeks old during reporting period.

Commentary

Performance has decreased substantially compared to quarter 4. The RAG rating is now red across all localities. However, the Provider understands the importance of meeting this target to meet the requirements of Public Health England.

This decrease is attributed to the Covid 19 response. The national guidance does not prioritise this contact as an essential service. Whilst the Provider continued to complete this contact where possible, a combination of uncertainty of redeployment in the early days of the outbreak and lack of admin processes, resulted in a large decrease in performance. However, activity for June is an early sign that performance is improving. Also, several extra contacts will have been carried out after the 8 week target. Although, the exact figure is not currently reported.

There is an understanding that this is a challenging target to meet. Therefore, it has been agreed that if the provider can show the ability to provide a 95% 6 to 8 week Breastfeeding Coverage target, this could be scaled back to 90%, in line with the national target.
When district variability is considered, 86% of contacts were completed in Fenland, 79% in Huntingdonshire, 77% in South Cambridgeshire, 74% in Cambridge City and 67% in East Cambridgeshire.

Note. Due to Covid-19, most of these contacts were held virtually, either by telephone or video conferencing.

Useful Links

[The local area benchmarking tool from the Local Government Association]

[Public Health England health visitor service delivery statistics 2018 to 2019]

Actions

Commissioners have been told that performance for this indicator will recover to previous levels over the next quarter. However, this is subject to Covid 19 conditions and will continue to be monitored.
Currently the Public Health England 0 to 5 Health Visitor metic submissions have been suspended.

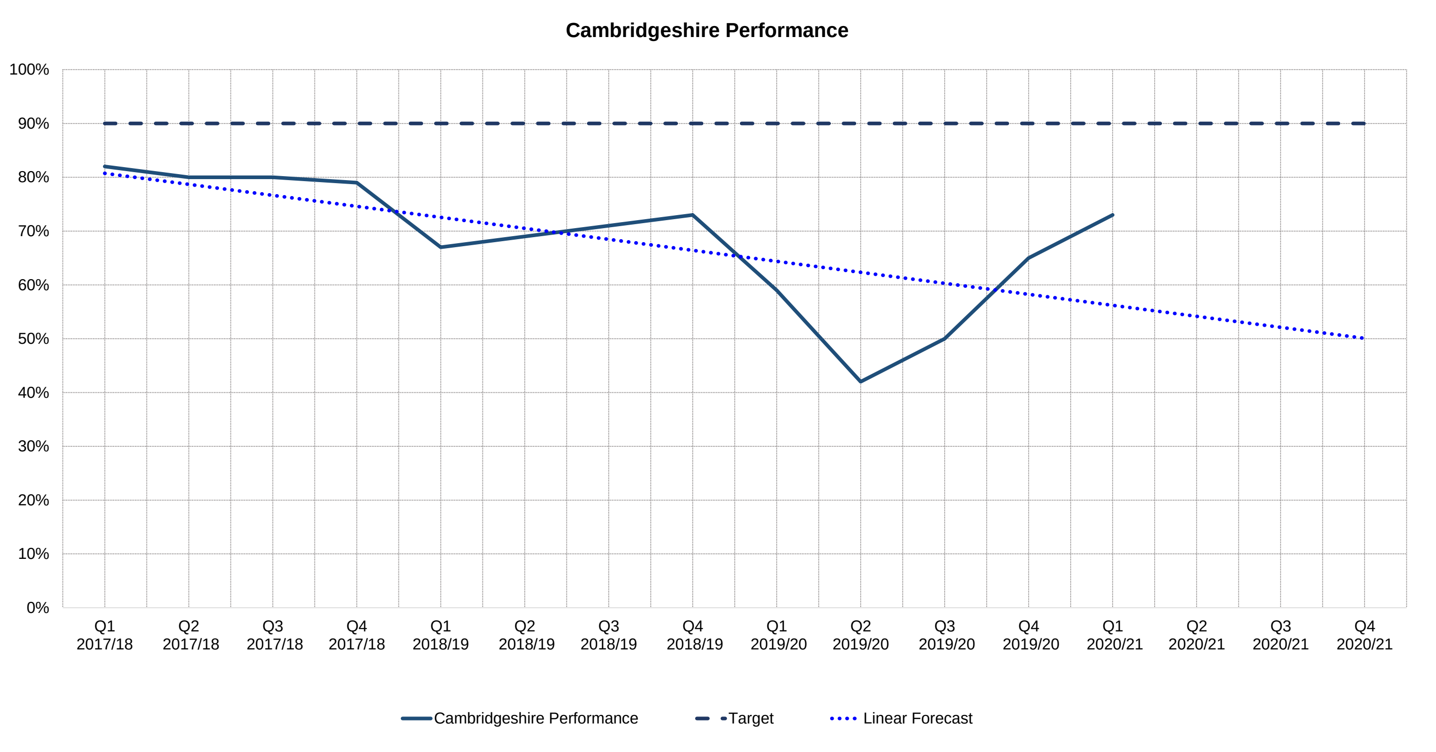
Indicator 62: Health visiting mandated check. Percentage of children who received a 2 to 2.5 year review

Return to Index

December 2020

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
90.0%	↑	73.0%	65.0%	Improving

Statistical Neighbour Mean	England Mean (2017/18)	RAG Rating
N/A	78.0%	Red



Indicator Description

The 2 year check includes the review with parents of the child's, emotional, social, behavioural and language development using the The Ages & Stages Questionnaires 3. The visit will respond to any concerns, offer guidance on behaviour management, promote language development, encourage the take up of early education and the two year old funded offer, as well as general health promotion (dental health, healthy eating, injury and accident prevention, toilet training).

Calculation:

(X/Y)*100

Where:

X = Total number of children who turned 2.5 years in the quarter who received a 2-2.5 year review, by the age of 2.5 years of age.

Y = Total number of children who turned 2.5 years, in the appropriate quarter.

Commentary

Performance has further improved this quarter. The provider has achieving 73% of contacts, which again is commendable given the current circumstances.

Broken down to a district level, 59% of contacts were completed in Cambridge City, 69% in South Cambridgeshire, 71% in East Cambridgeshire, 78% in Fenland and 80% in Huntingdonshire.

If exception reporting is accounted for, performance would increase to 93%. This means that most families were offered a contact. This quarter it was reported that 198 reviews were not wanted and 336 were not attended.

Note. Due to Covid 19, most of these contacts were delivered virtually, either by telephone or video conferencing.

Useful Links

[The local area benchmarking tool from the Local Government Association]

[Public Health England health visitor service delivery statistics 2018 to 2019]

Actions

Indicator 69: Personal Health Trainer Service. Number of Personal Health Plans completed (Pre-existing GP based service)

Return to Index

December 2020

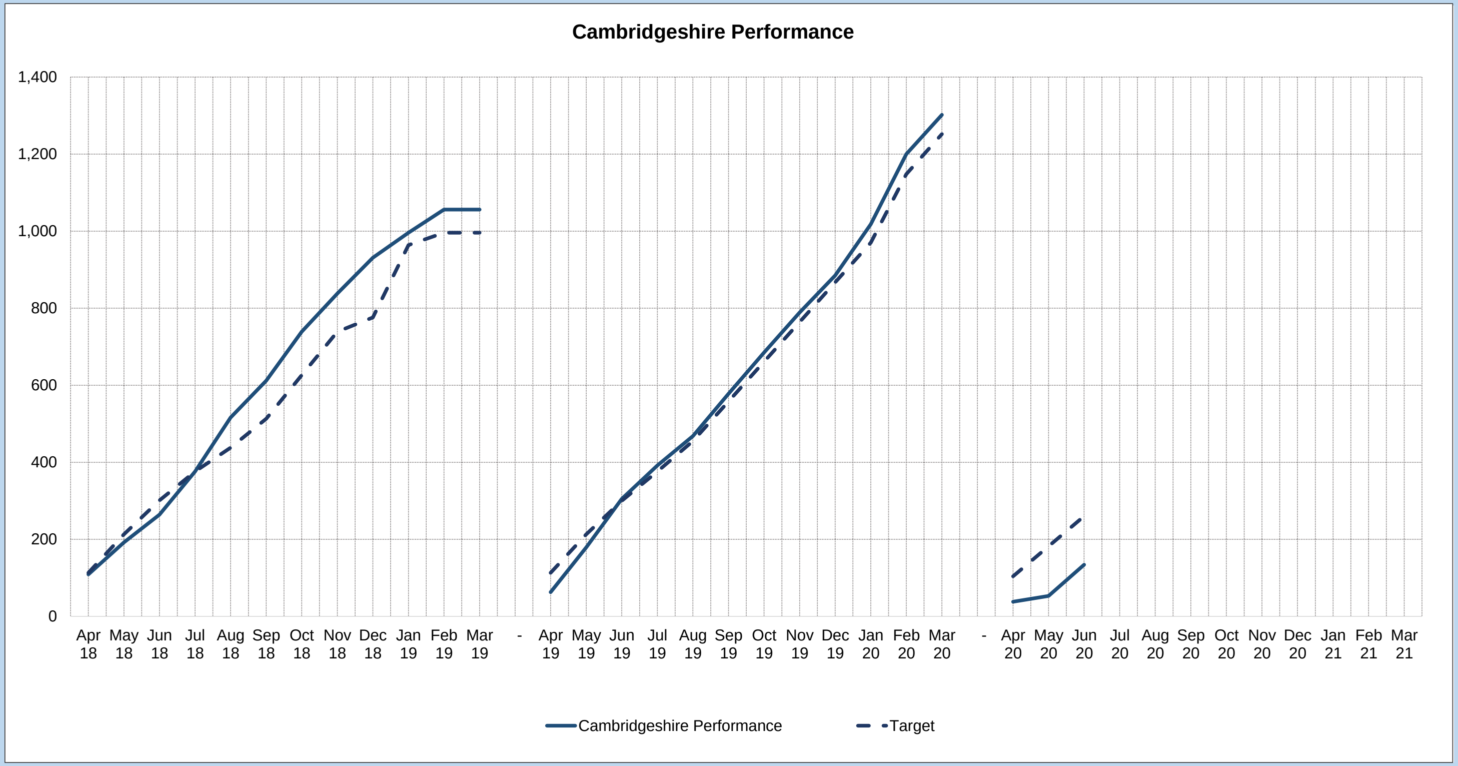
Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
260	↑	134	53	Improving

Statistical Neighbour Mean	England Mean	RAG rating
N/A	N/A	Red

Indicator Description

Health Trainer Services provide evidence based behavioural change interventions. This supports individuals to make lifestyle changes over the course of up to one year. They are part of the Integrated Lifestyle Service. These GP Service Health Trainers are located in the 20% most deprived areas in Cambridgeshire. Those supported by Health Trainers develop a Personal Health Plan with behavioural change goals.

This indicator refers to those who complete their Personal Health Plans.



Commentary

The impact of COVID 19 is reflected in the fall in performance. Previously, this was consistently above target. As face to face contact was stopped, it took several weeks to establish virtual consultations and it was difficult to recruit new clients. However, this has started to improve as services resume and new approaches to service delivery are being introduced.

Useful Links

[The local area benchmarking tool from the Local Government Association]

Actions

Referrals into the lifestyle service from Primary Care dramatically reduced during lockdown. Specific communications are being circulated to GP practices and Pharmacies to encourage them to start referring again.

Indicator 76: Personal Health Trainer Service. Personal Health Plans completed (Extended Service)

Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
136	↑	53	45	Improving

Statistical Neighbour Mean	England Mean	RAG rating
N/A	N/A	Red

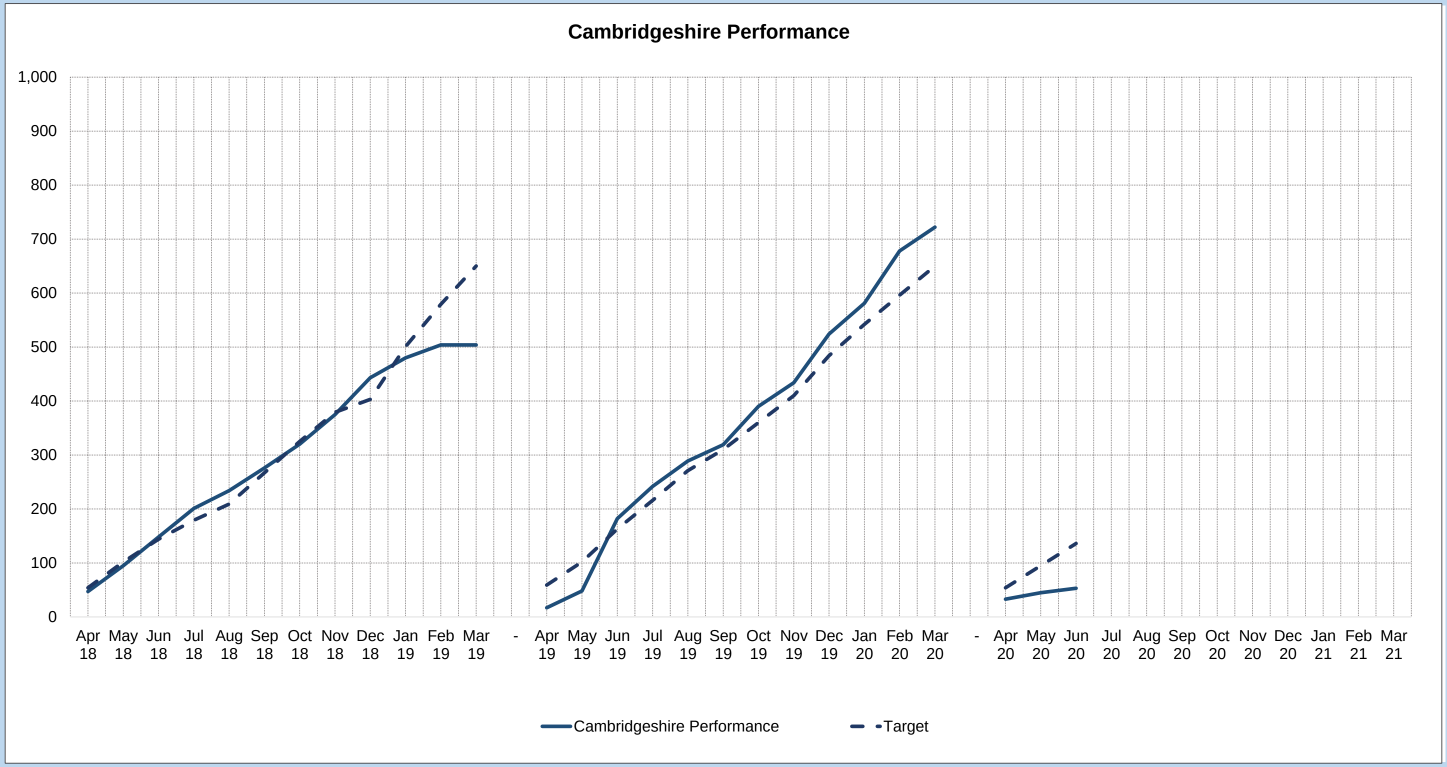
Indicator Description

Health Trainer Services provide evidence based behavioural change interventions. This supports individuals to make lifestyle changes over the course of up to one year. They are part of the Integrated Lifestyle Service. These GP Service Health Trainers are located in the 20% most deprived areas in Cambridgeshire. Those supported by Health Trainers develop a Personal Health Plan with behavioural change goals.

This indicator refers to those who complete their Personal Health Plans.

Useful Links

The local area benchmarking tool from the Local Government Association



Commentary

Performance has fallen in response to COVID 19. Previously, the service has consistently performed well. This fall in performance is due to the inability to have face to face contact and the reluctance of many clients to complete their interventions. Also, it has not been possible to validate any behavioural changes through contact. However, the situation is improving as services are resumed and new approaches to service delivery have been introduced.

Actions

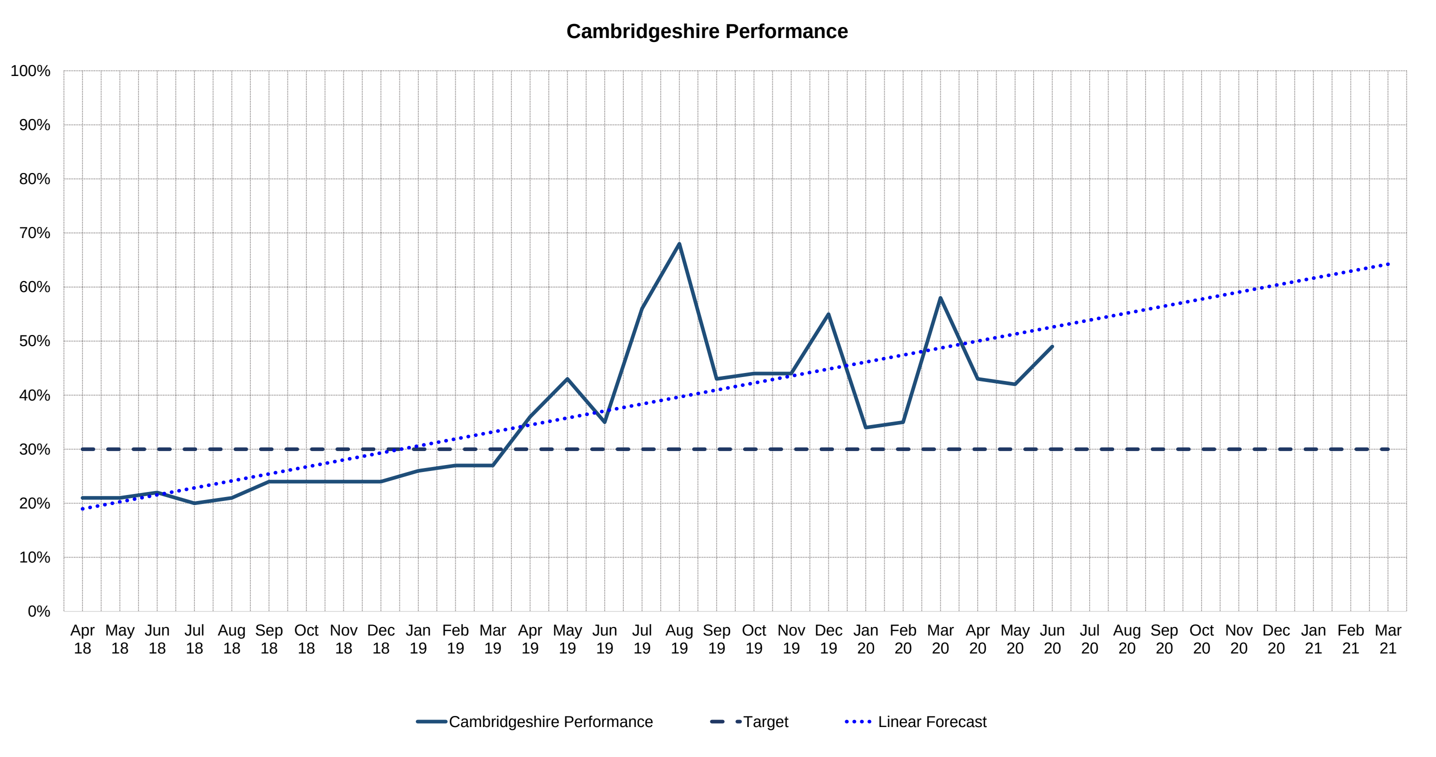
Referrals into the lifestyle service from Primary Care dramatially reduced during lockdown. Specific communications are being circulated to GP practices and Pharmacies to encourage them to start referring again.

Indicator 82: Percentage of Tier 2 clients recruited who complete the course and achieve 5% weight loss

Return to Index December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
30.0%	↑	49.0%	42.0%	Improving

Statistical Neighbour Mean	England Mean	RAG rating
N/A	N/A	Blue



Indicator Description

Obesity is considered to be public health priority. It is a chronic condition associated with multiple risk factors such as type 2 diabetes or heart disease. The Tier 2 weight management services offers individuals a structured programme to make continued lifestyle changes.

This indicator shows the percentage of individuals completing a Tier 2 adult weight management intervention who have a weight loss of 5%.

NICE Pubic Health Guidance recommendation for Tier 2 adult weight management is that 30% of all participants lose 5% of their initial body weight, at the end of an evidence based structured intervention.

Calculation:

(X/Y)*100

Where:

X = The number of Tier 2 clients recruited who complete the course and achieve 5% weight loss.

Y = the number of Tier 2 clients recruited.

Source: NHS Key Performance Indicators Tier 2.

Commentary

Performance has remained above target despite COVID 19 pressures. Although, weight loss was initially self reported due to not having any face to face contact.

Useful Links

The local area benchmarking tool from the Local Government Association

National Institute for Health Care Excellence weight management public health guidelines

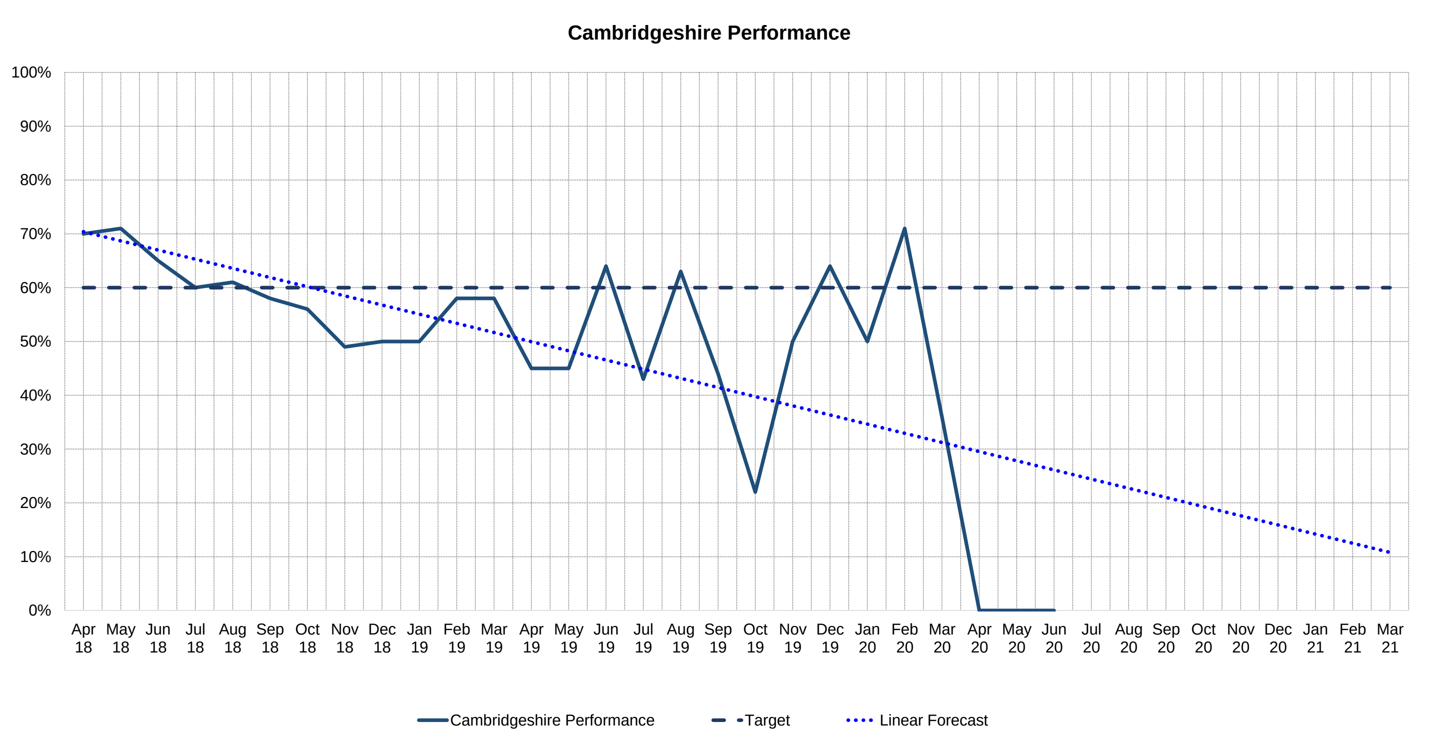
Actions

Indicator 83: Percentage of Tier 3 clients recruited completing the course and achieve 10% weight loss

Return to Index December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
60.0%	↑	0.0%	0.0%	Unchanged

Statistical Neighbour Mean	England Mean	RAG rating
N/A	N/A	Red



Indicator Description

Obesity is a chronic condition with multiple risk factors associated such as type 2 diabetes and heart disease. The Tier 3 weight management services offers individuals a structured programme to make continued lifestyle changes. This is a significant Public health Priority.

This indicator is measured as a percentage of individuals completing a Tier 3 weight management intervention who have a weight loss of 10%.

Public Health England recommendations for Tier 3 Adult Weight Management suggests that 30% of all participants will lose a minimum of 10% of their initial body weight, at the end of the active intervention.

Calculation:

(X/Y)*100

Where:

X = The number of Tier 3 clients recruited who complete the course and achieve 10% weight loss.

Y = the number of Tier 3 clients recruited.

Source: NHS Key Performance Indicators Tier 2: Qualitative insights into user experiences of tier 2 and tier 3 weight management services.

Commentary

The achievement of the Tier 3 weight management service target is challenging due to the complex needs of the patients. The Service is provided by Cambridge University Hospitals Foundation Trust. During the Covid 19 lockdown, the Hospital was not allowed to accept any new patients. Therefore, there was limited contact with patients.

Useful Links

The local area benchmarking tool from the Local Government Association

Insights into user experiences of tier 2 and tier 3 weight management services

Actions

The service has re-commenced and is being monitored closely. This is to ensure that patients who have complex needs are being treated and supported.

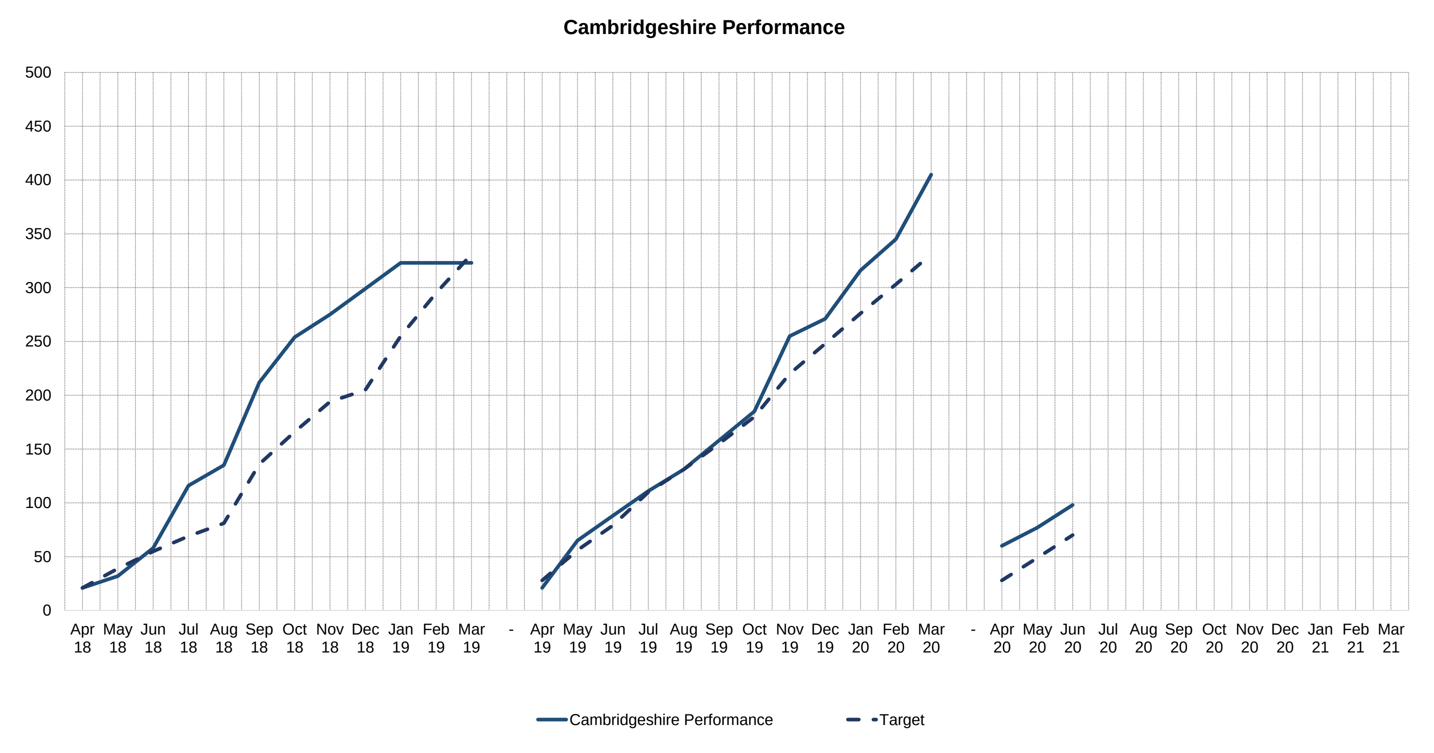
Indicator 173: Number clients completing their Personal Health Plan. Falls Prevention

Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
70	↑	98	77	Improving

Statistical Neighbour Mean	England Mean	RAG rating
N/A	N/A	Blue



Indicator Description

Health Trainer Services provide evidence based behavioural change interventions. This supports individuals to make lifestyle changes over the course of up to one year. They are part of the Integrated Lifestyle Service. These are specialist Health Trainers who provide evidence based interventions to those at risk of falling. Those supported by Specialist Falls Prevention Health Trainers develop a Personal Health Plan. This plan has behavioural change goals.

This measure refers to those who complete their Personal Health Plan.

Commentary

The target performance is being consistently achieved. This reflects the considerable amount of virtual support that was provided to clients during this period. This enabled clients to complete their Personal Health Plan that was set up 26 weeks before. The clients were willing to engage virtually as a result of the good relationships with the Health Trainer. These were established during support before lockdown. Clients were familiar with the exercises and confident to progress with virtual Health Trainer support. Face to face assessments were not undertaken.

Useful Links

The local area benchmarking tool from the Local Government Association

Actions

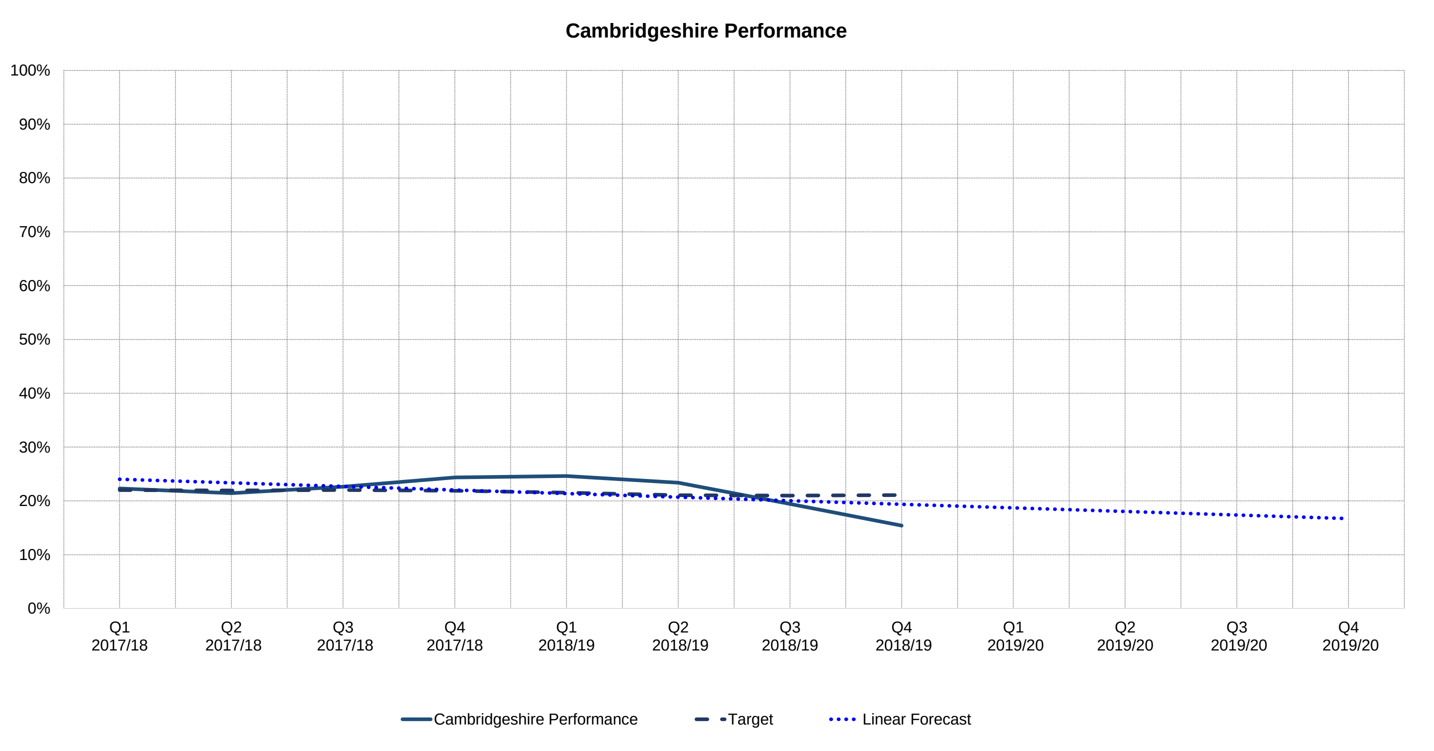
Indicator 201: Percentage of clients who successfully complete treatment - Adults (All Substances)

Return to Index

December 2020

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
21.1%	↑	15.4%	19.4%	Declining

Statistical Neighbour Mean	England Mean	RAG rating
N/A	N/A	Red



Indicator Description

Baseline period: Completion period: 01/04/2017 to 31/03/2018
Latest Period: Completion period: 01/04/2018 to 31/03/2019
Benchmarking comparison: (all substance groups): Opiates, Non-opiates, Alcohol & Non-opiates and Alcohol.

Direction of travel: Current data measured against the baseline (B). Due to rounding small differences, it may not be visible in displayed percentages, but are taken into account in direction of travel calculation.

Calculation:

(X/Y)*100

Where:

X = Successful completions.

Y = Total individuals in treatment.

Commentary

The Adult Drug and Alcohol Treatment Service is provided by Change Grow Live. The Service provides data to the national reporting tool, the National Drug Treatment Monitoring System. However, this is only available for public viewing up to quarter 4 2018/19. Locally collected data is available, but there are variations between these and the national figures. Work is being undertaken to fully understand these variations. We aim be able to present more real time data in the next reporting period.

Following a competitive procurement, a new provider was commissioned. The new contract started in October 2018. The re-commissioning involved substantial restructuring of service delivery. This had a predicted impact on performance, which reached its lowest level in the summer of 2019. It has since started to stabilize.

Useful Links

National Drug Treatment Monitoring System statistics webpage

Actions

Indicator 182: Proportions of Freedom of Information requests responded to within timescale (Year to Date)

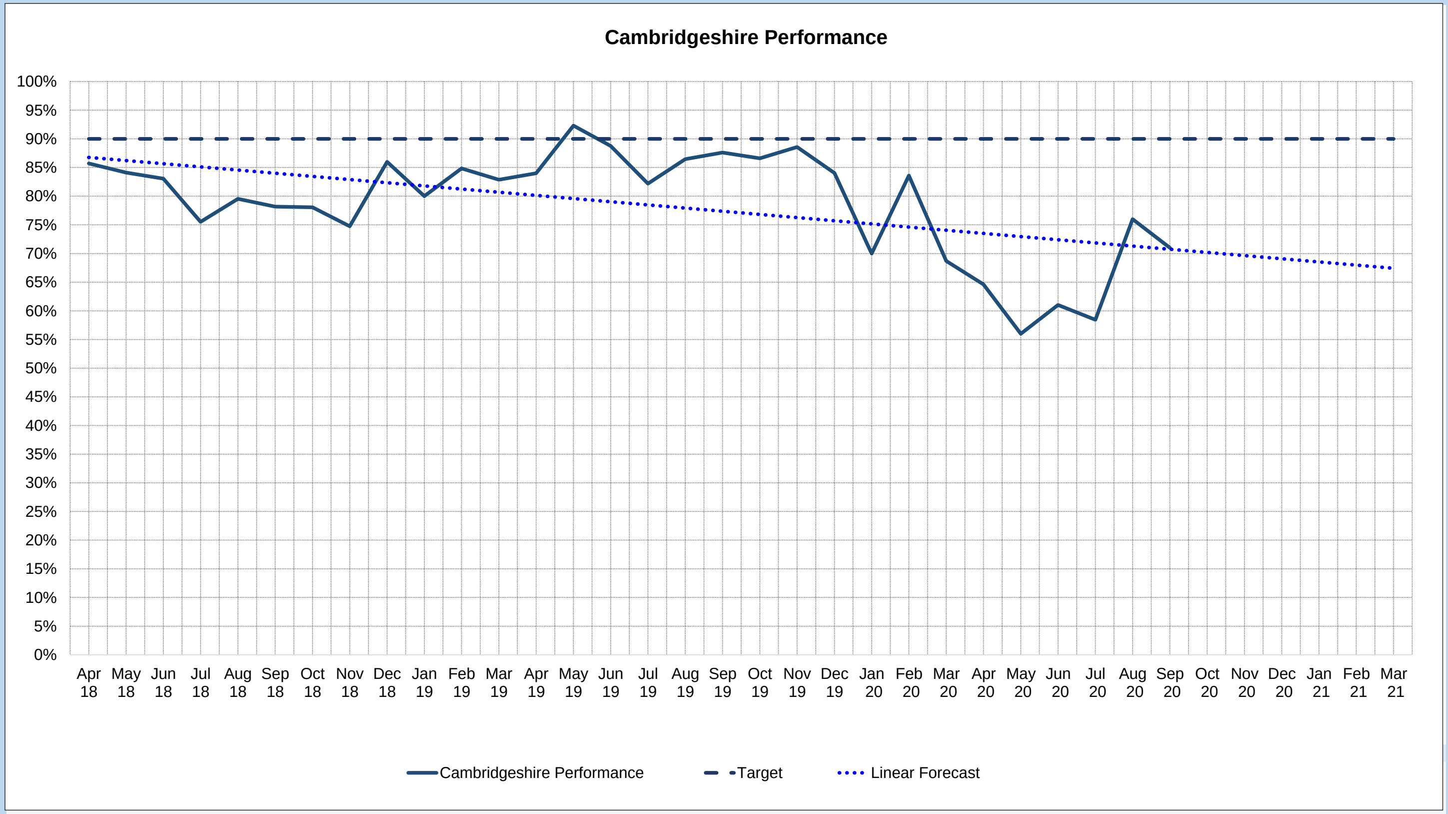
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
90.0%	↑	71.0%	76.0%	Declining

RAG Rating

Red



Indicator Description

We have seen a sharp increase in the number of Freedom of Information requests and Subject Access Requests. This increase followed the changes to the General Data Protection Regulations introduced in May 2018.

The capacity required to process these has caused a backlog. We are monitoring to see if this increase is sustained.

Commentary

The performance of the team has been significantly impacted by the COVID 19 pandemic. The Joint Management Team took the decision in March that services should not work in buildings unless it was critical. This has impacted on the team being able to access or scan paper files. The Information Commissioner's Office made a statement that it understood that public authorities would prioritise critical service delivery over rights work. As such, they would manage the expectations of anyone complaining about a failure to respond within 20 working days. As a result, and to help those critical services, freedom of information requests were held back or internal timescales extended to help those services. This has meant that as we return to normality and complete outstanding requests from the period, many will have to be considered overdue because of the impact of the pandemic. We are progressing with a review of the service. We will be providing the Joint Management Team with an update as well as requesting assistance from them for the return to a sense of normality. However, we will see continue to see an impact on performance as we begin to clear the delayed freedom of information request responses.

Useful Links

Actions

A remedial action plan is in development to be presented to JMT which will related to the committee once available

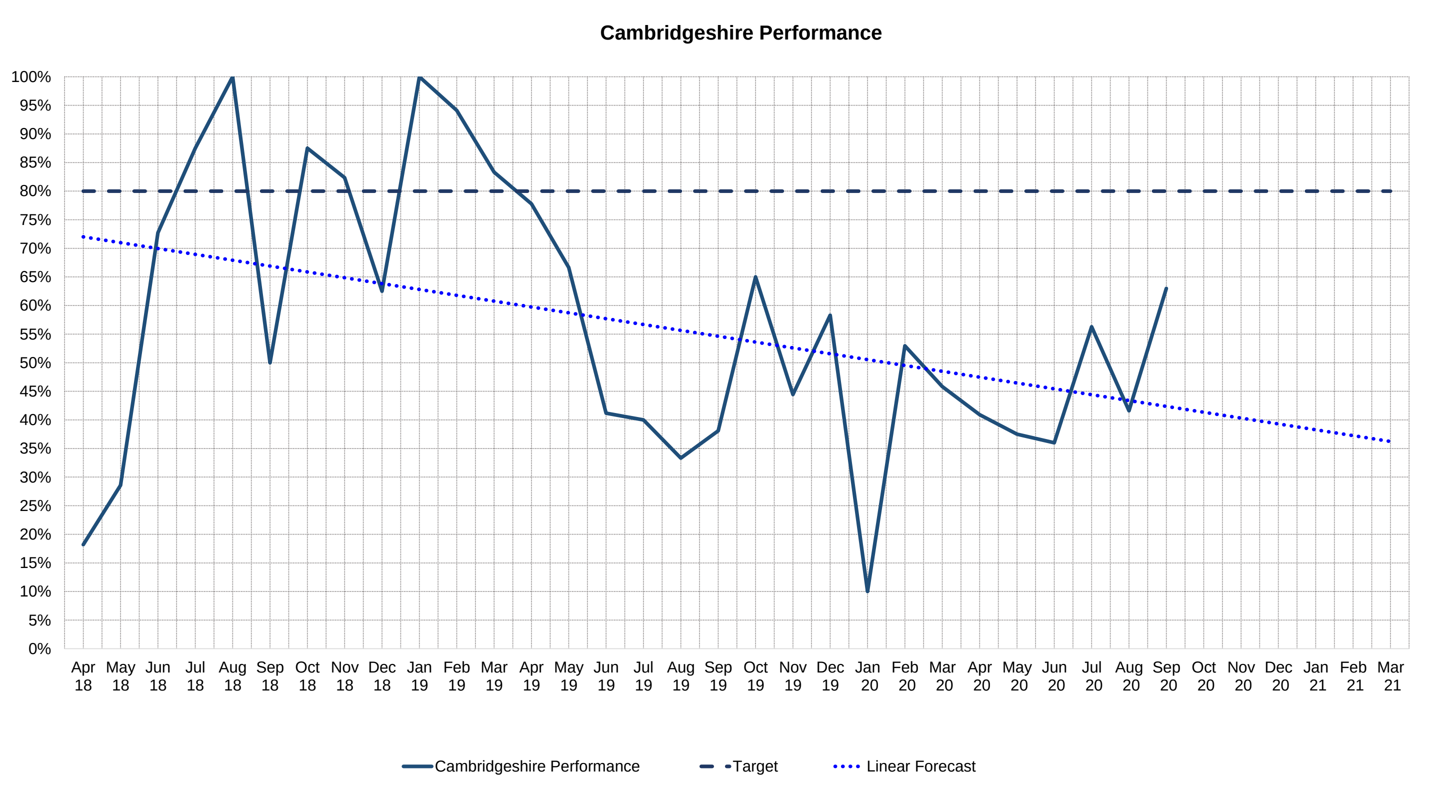
Indicator 183: Percentage of Subject Access Requests completed within 40 working days (Year to Date)

Return to Index December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
80.0%	↑	63.0%	41.6%	Improving

RAG Rating

Red



Indicator Description

We have seen a sharp increase in the number of Freedom of Information requests and Subject Access Requests. This increase followed the changes to the General Data Protection Regulations introduced in May 2018.

A Subject Access Request is a request by a member of public to release all the documentation we hold on them or their family. This can require the council to search archives and legacy business systems to retrieve documents. These archives can go back over many years.

The Information Commissioner recommends an organisation should aim for 80% of Subject Access Requests to be completed within the statutory timescales.

Commentary

The performance of the team has been significantly impacted by the COVID 19 pandemic. The Joint Management Team took the decision in March that services should not work in buildings unless it was critical. This has impacted on the team being able to access or scan paper files. The Information Commissioner's Office made a statement that it understood that public authorities would prioritise critical service delivery over rights work. As such, they would manage the expectations of anyone complaining about a failure to respond within a month. A service review report was taken to the Joint Management Team. A second paper has been submitted for the funding needed to provide specialist external companies to undertake work on the council's behalf. This will help to bring the overdue requests to conclusion. This has been agreed and we will be providing specialist services to deal with the overdue requests.

We are now progressing with a review of the service. We will provide the Joint Management Team with an update on the changes or resources required to make an impact.

Useful Links

Actions

A remedial action plan is in development. This will be presented to the Joint Management Team, which will related to the committee once available.

Indicator 190: Proportion of information enquiries resolved at first point of contact

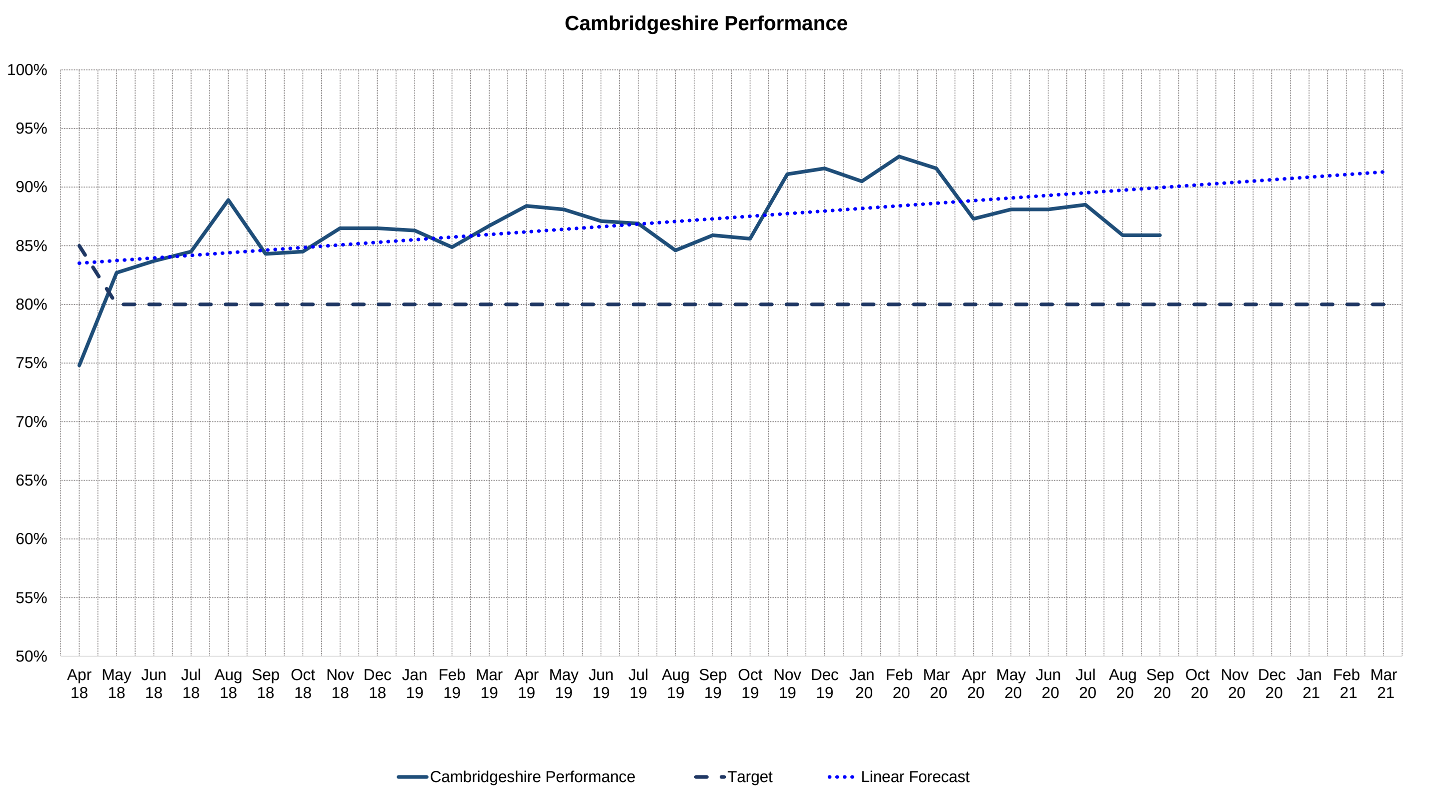
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
80.0%	↑	85.9%	85.9%	Unchanged

RAG Rating

Blue



Indicator Description

Customer Services delivers a front facing service for customers. They can access seventeen county council services for Cambridgeshire and one service for Peterborough. Contacts are received through several channels. This indicator shows the number of information and advice enquiries resolved by customer services without needing to escalate to other council officers or teams.

Commentary

This target is being met and performance against this indicator is continually improving. This is a result of a close working relationship between Customer Services and the Communication and Information Team. Customer Services data is analysed to identify where digital content is missing or needs amendment. This is to make sure chances for customers to self-serve are maximised. It also makes sure call handlers can access relevant service information on request.

Actions

Indicator 192: Percentage of total contact that is deemed avoidable

Return to Index

December 2020

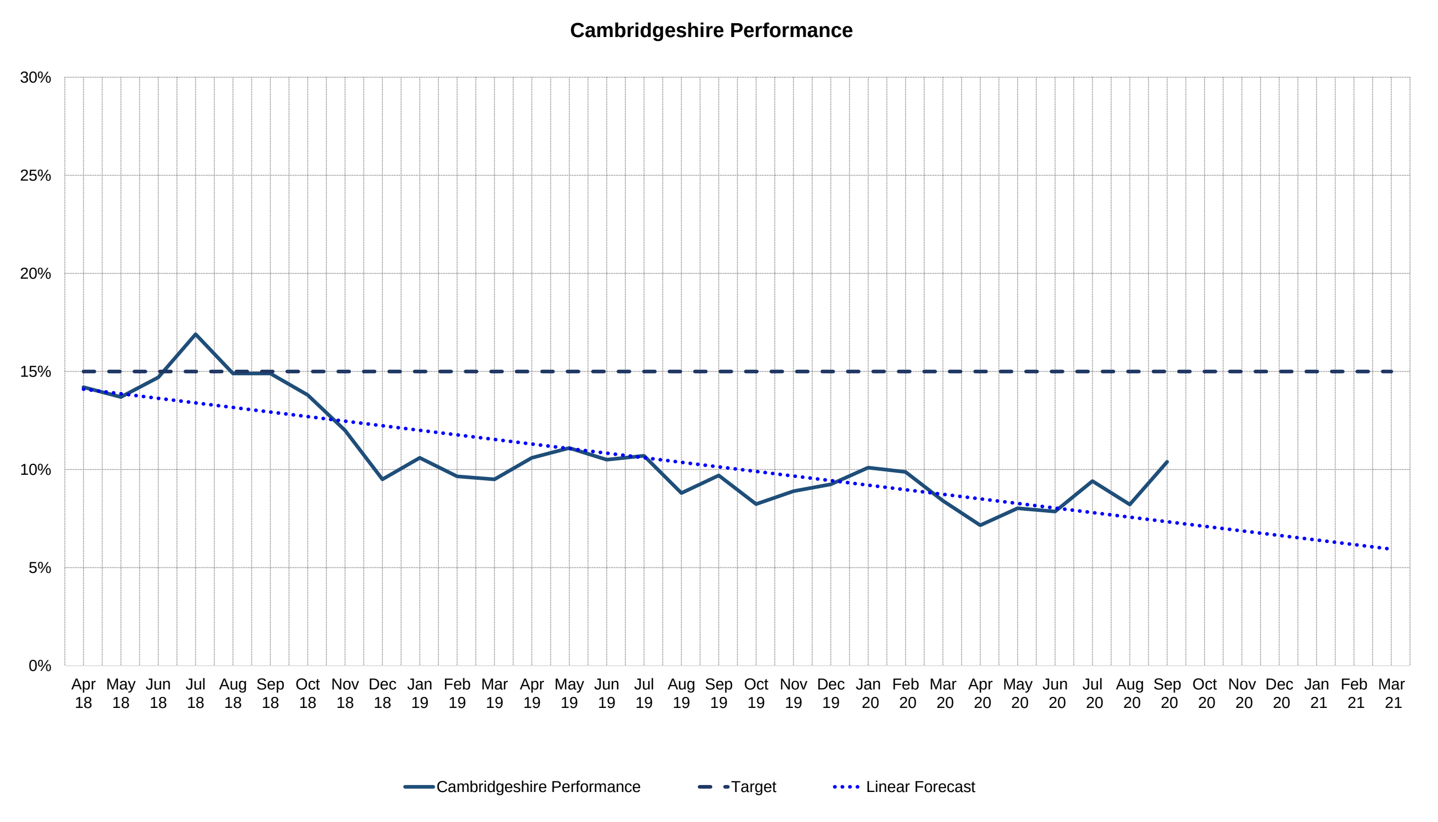
Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
15.0%	↓	10.4%	8.2%	Declining

RAG Rating

Blue

Indicator Description

This indicator shows the percentage of contacts received that could have been avoided. Customer Services log details of all enquiries received to analyse the data and make improvements to the service. This includes looking at details about why the customer contacted us and failure demand. One way of determining this is logging when avoidable contacts occur. The definition we use for an avoidable contact is 'When an external or internal customer has contacted us across any channel due to human error, or a system/process failure'.



Commentary

This target has been met consistently for the last 3 years. This is a result of the way in which data is being analysed within customer services and fed back to service areas in review meetings. This enables a focus on areas in which service improvements and the customer journey/experience can be improved. The messaging on the contact centre lines has been changed in line with our data findings. This ensures that requests for services, which fall outside of the remit of the county council, are quickly directed elsewhere.

Actions

Indicator 196: Availability of Universal Business System IT Availability (reference number: IT02)

Return to Index December 2020

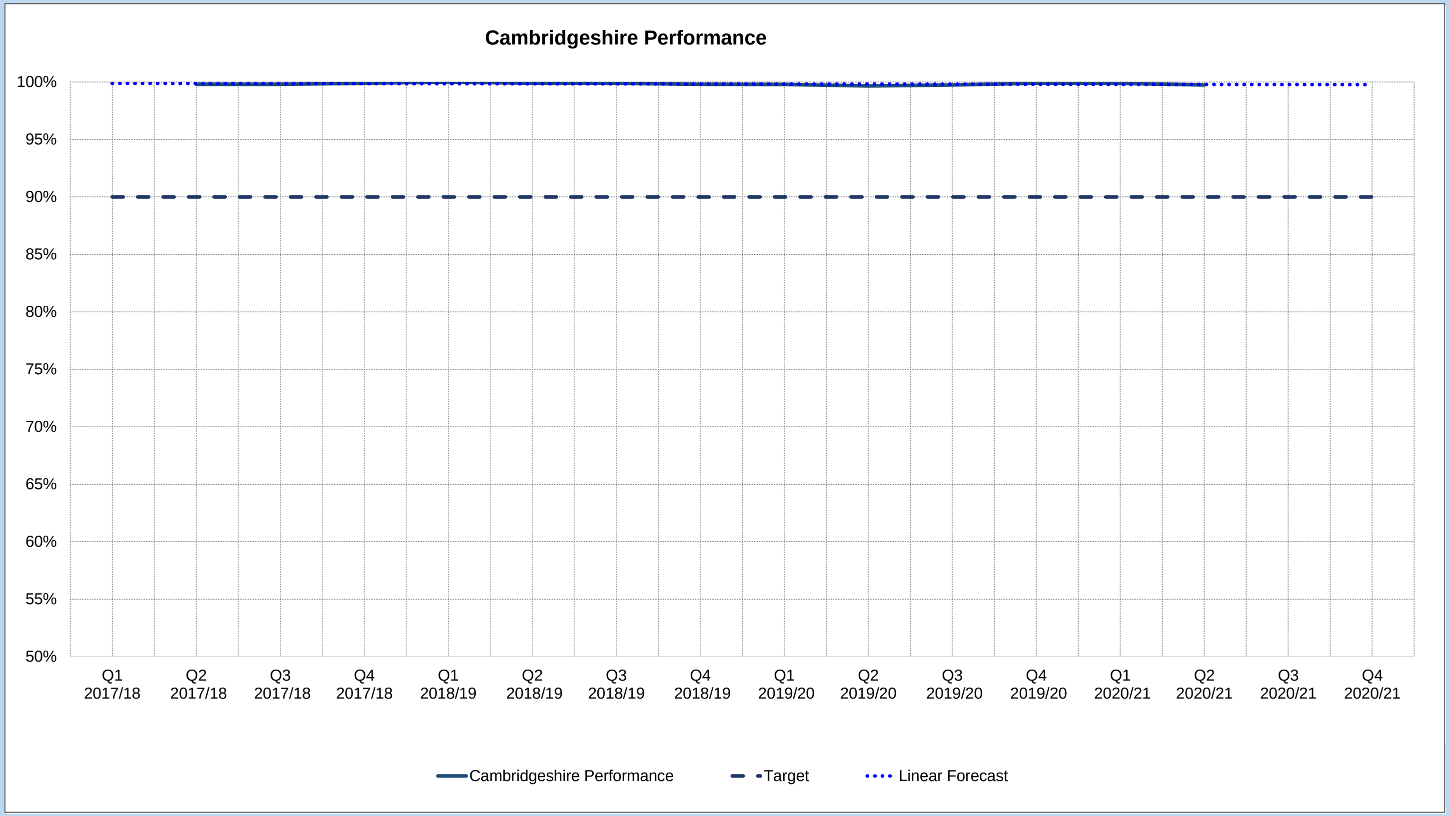
Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
90.0%	↑	99.7%	99.9%	Declining

RAG Rating

Blue

Indicator Description

The 'Universal Business System' covers a range of key business applications used across the council. These include Adults and Children's social care case management systems, the Council IT network, remote access systems and land and mobile telephone networks.



Commentary

Performance is above target

Actions

Produced on: 16 December 2020

Corporate Performance Report

Quarter 2

2020/21 financial year

Corporate Services

Business Intelligence
Cambridgeshire County Council
business.intelligence@cambridgeshire.gov.uk

Key

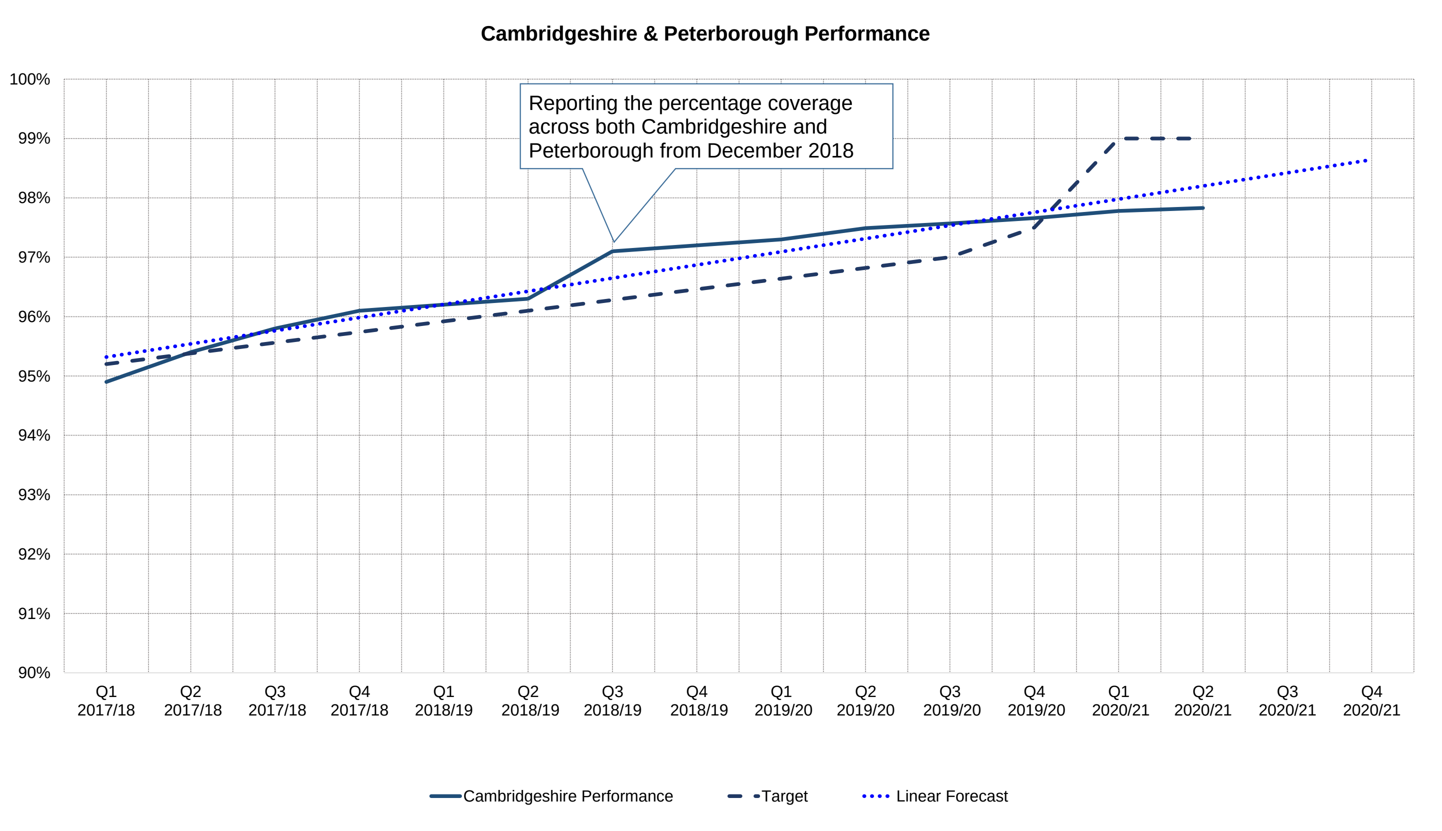
Data Item	Explanation
Target / Pro Rata Target	The target that has been set for the indicator, relevant for the reporting period
Current Month / Current Period	The latest performance figure relevant to the reporting period
Previous Month / previous period	The previously reported performance figure
Direction for Improvement	Indicates whether 'good' performance is a higher or a lower figure
Change in Performance	Indicates whether performance is 'improving' or 'declining' by comparing the latest performance figure with that of the previous reporting period
Statistical Neighbours Mean	Provided as a point of comparison, based on the most recently available data from identified statistical neighbours.
England Mean	Provided as a point of comparison, based on the most recent nationally available data
RAG Rating	• **Red** – current performance is off target by more than 10% • **Amber** – current performance is off target by 10% or less • **Green** – current performance is on target by up to 5% over target • **Blue** – current performance exceeds target by more than 5% • **Baseline** – indicates performance is currently being tracked in order to inform the target setting process • **Contextual** – these measures track key activity being undertaken, but where a target has not been deemed pertinent by the relevant service lead
Indicator Description	Provides an overview of how a measure is calculated. Where possible, this is based on a nationally agreed definition to assist benchmarking with statistically comparable authorities
Commentary	Provides a narrative to explain the changes in performance within the reporting period
Actions	Actions undertaken to address under-performance. Populated for 'red' indicators only
Useful Links	Provides links to relevant documentation, such as nationally available data and definitions

Indicator 24: Percentage of premises in Cambridgeshire & Peterborough with access to at least superfast broadband

Return to Index December 2020

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
99.00%	↑	97.83%	97.78%	Improving

Statistical Neighbour Mean	England Mean	RAG Rating
N/A	96.8%	Amber



Indicator Description

This indicator shows the percentage of addresses with Superfast broadband (greater than 24mbps) availability across Cambridgeshire and Peterborough.
The data has been produced by Think Broadband. This is a nationally recognised source of digital infrastructure statistics.

There is an interim target of 97% by end of 2019 and then 99% by 2020.

Source name: Think Broadband Collection name: Local Broadband Information

Polarity: High is good.

There is no statistical neighbour data.

Commentary

The percentage of premises in Cambridgeshire with access to at least superfast broadband continues to increase. 97.66% of premises had access at the end of quarter 4 in 2019/20. This continues to be above the target for the quarter (97.5%) and as we move towards the target of 99% by end of 2020.

Please note the following changes to the indicator:
1. The targets and quarterly figures are now for both Cambridgeshire and Peterborough.
2. Quarterly targets have been calculated based on the interim target for end of 2019 and going forward will be based on the overall target to reach over 99% coverage countywide by the end of 2020.

Note, the Covid 19 pandemic has affected the pace of digital infrastructure delivery. Therefore, it is likely to take longer than originally planned to reach or 99% target.

Useful Links

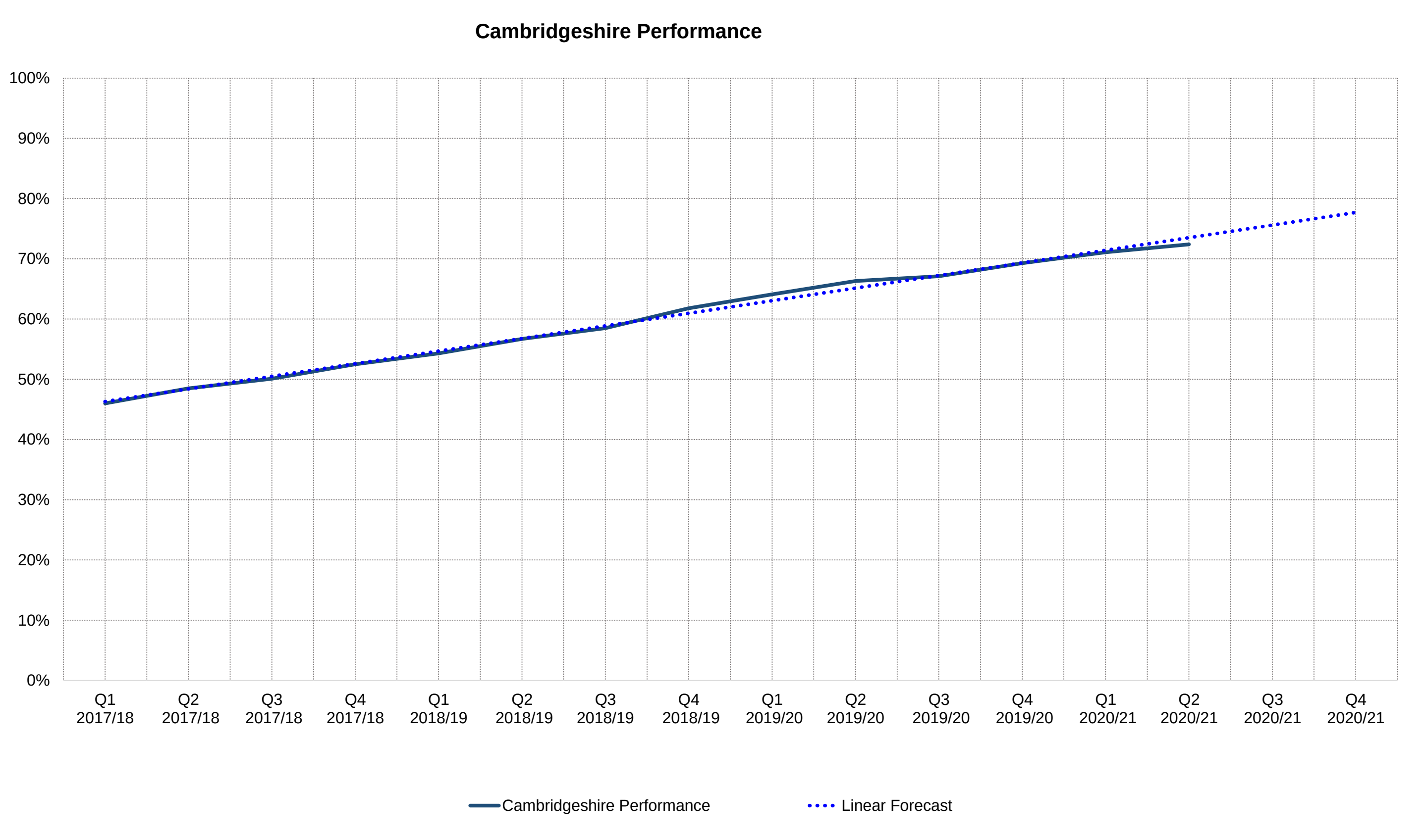
Actions

Indicator 25: **Percentage of take-up of new fibre broadband services delivered by the Connecting Cambridgeshire superfast broadband roll-out programme** Return to Index **December 2020**

Target	Direction for Improvement	Current Quarter	Previous Quarter	Change in Performance
Contextual	↑	72.4%	71.1%	Improving

RAG Rating

Contextual



Indicator Description

Access to broadband is a key enabler of economic growth.

This is a local contextual indicator. Therefore, there are no statistical neighbour or England data for comparison.

Commentary

The percentage of take-up as part of the superfast broadband rollout programme continues to increase.

The percentage of take-up has increased to 69.28% at the end of quarter 4 in 2019/20. This is a contextual indicator and as such there is no target.

Useful Links

Actions

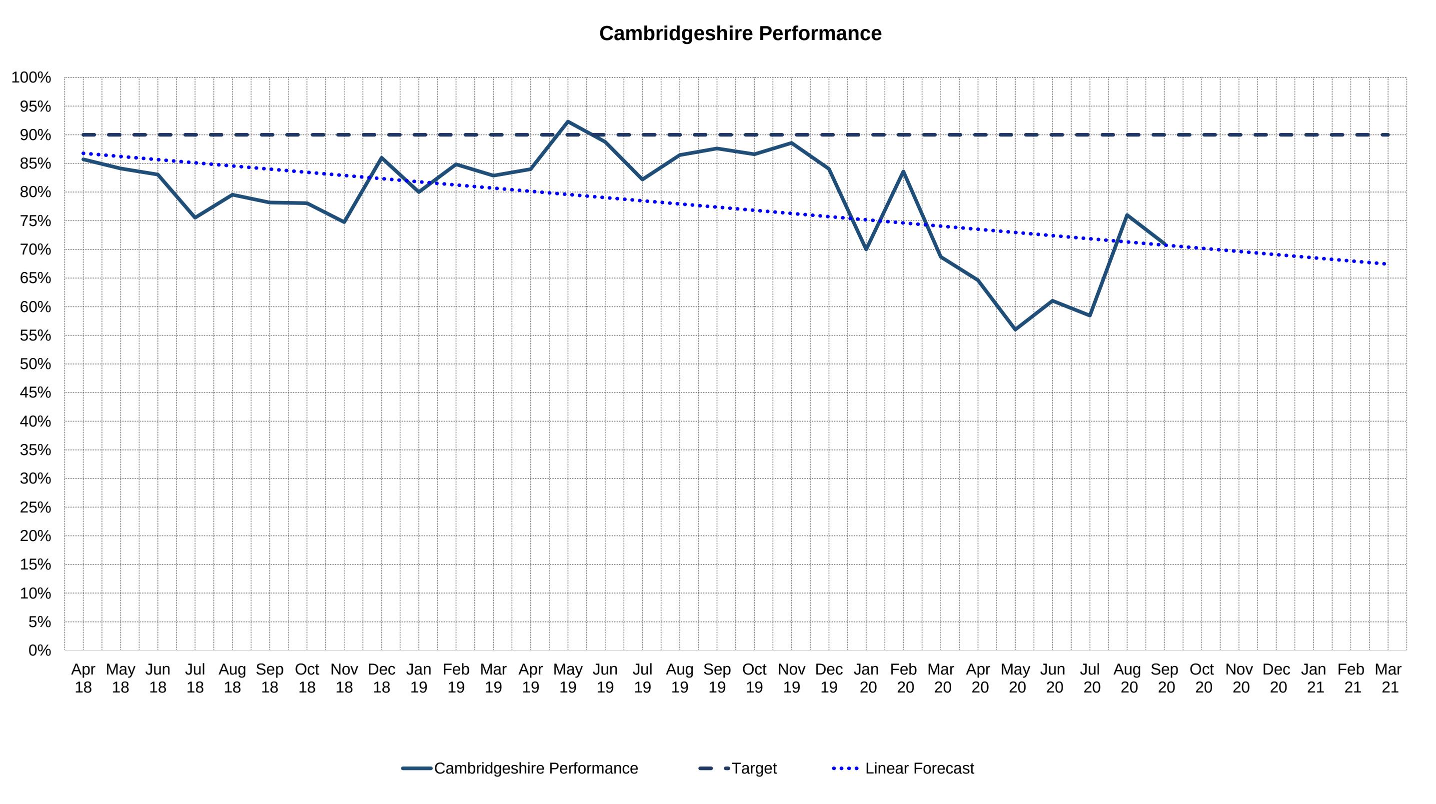
Indicator 182: Proportions of Freedom of Information requests responded to within timescale (Year to Date)

Return to Index   December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
90.0%	↑	71.0%	76.0%	Declining

RAG Rating

Red



Indicator Description

We have seen a sharp increase in the number of Freedom of Information requests and Subject Access Requests. This increase followed the changes to the General Data Protection Regulations introduced in May 2018.

The capacity required to process these has caused a backlog. We are monitoring to see if this increase is sustained.

Commentary

The performance of the team has been significantly impacted by the COVID 19 pandemic. The Joint Management Team took the decision in March that services should not work in buildings unless it was critical. This has impacted on the team being able to access or scan paper files. The Information Commissioner's Office made a statement that it understood that public authorities would prioritise critical service delivery over rights work. As such, they would manage the expectations of anyone complaining about a failure to respond within 20 working days. As a result, and to help those critical services, freedom of information requests were held back or internal timescales extended to help those services. This has meant that as we return to normality and complete outstanding requests from the period, many will have to be considered overdue because of the impact of the pandemic. We are progressing with a review of the service. We will be providing the Joint Management Team with an update as well as requesting assistance from them for the return to a sense of normality. However, we will see continue to see an impact on performance as we begin to clear the delayed freedom of information request responses.

Useful Links

Actions

A remedial action plan is in development to be presented to JMT which will related to the committee once available

Indicator 183: Percentage of Subject Access Requests completed within 40 working days (Year to Date)

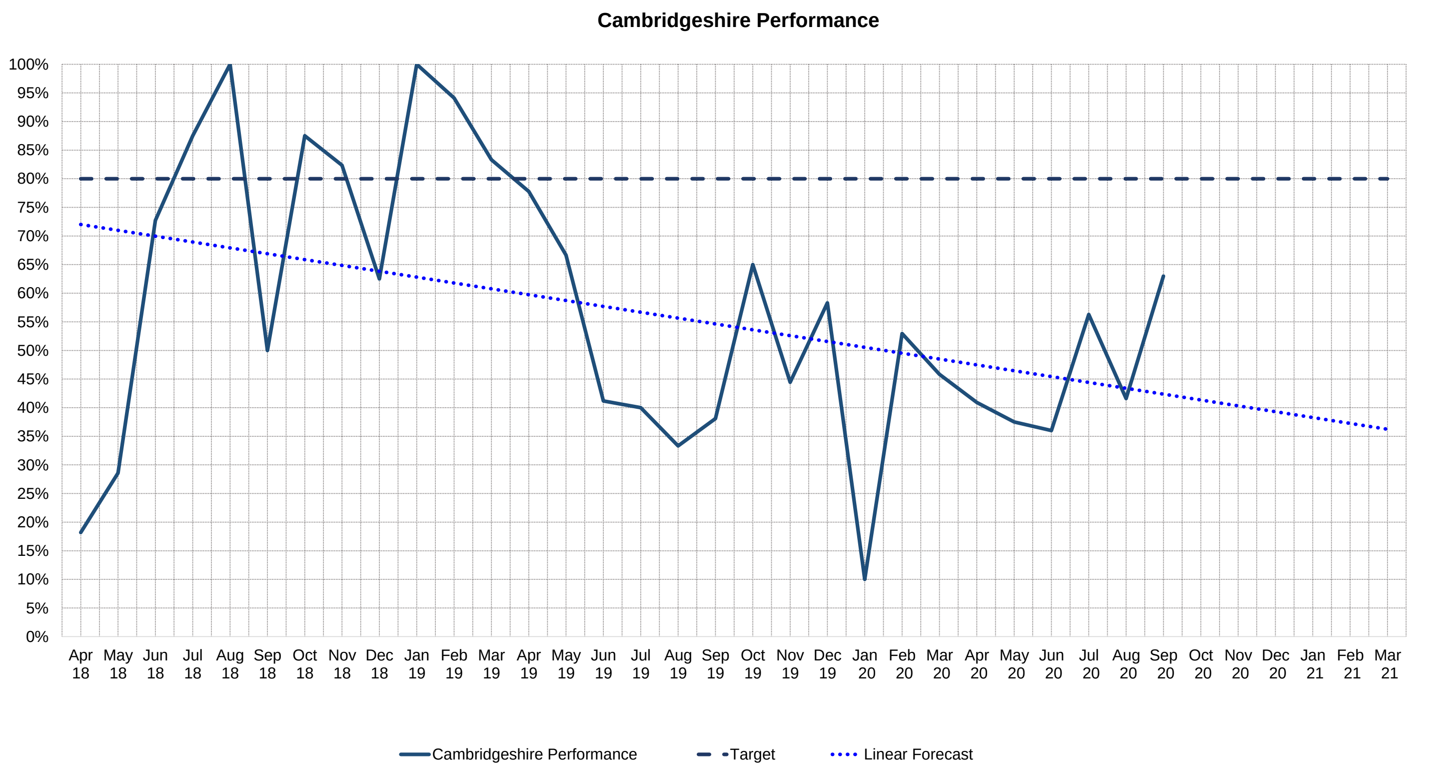
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
80.0%	↑	63.0%	41.6%	Improving

RAG Rating

Red



Indicator Description

We have seen a sharp increase in the number of Freedom of Information requests and Subject Access Requests. This increase followed the changes to the General Data Protection Regulations introduced in May 2018.

A Subject Access Request is a request by a member of public to release all the documentation we hold on them or their family. This can require the council to search archives and legacy business systems to retrieve documents. These archives can go back over many years.

The Information Commissioner recommends an organisation should aim for 80% of Subject Access Requests to be completed within the statutory timescales.

Commentary

The performance of the team has been significantly impacted by the COVID 19 pandemic. The Joint Management Team took the decision in March that services should not work in buildings unless it was critical. This has impacted on the team being able to access or scan paper files. The Information Commissioner's Office made a statement that it understood that public authorities would prioritise critical service delivery over rights work. As such, they would manage the expectations of anyone complaining about a failure to respond within a month. A service review report was taken to the Joint Management Team. A second paper has been submitted for the funding needed to provide specialist external companies to undertake work on the council's behalf. This will help to bring the overdue requests to conclusion. This has been agreed and we will be providing specialist services to deal with the overdue requests.

We are now progressing with a review of the service. We will provide the Joint Management Team with an update on the changes or resources required to make an impact.

Useful Links

Actions

A remedial action plan is in development. This will be presented to the Joint Management Team, which will related to the committee once available.

Indicator 184: Statutory returns completed on time

Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
100%	↑	100.0%	100.0%	Unchanged

RAG Rating

Green

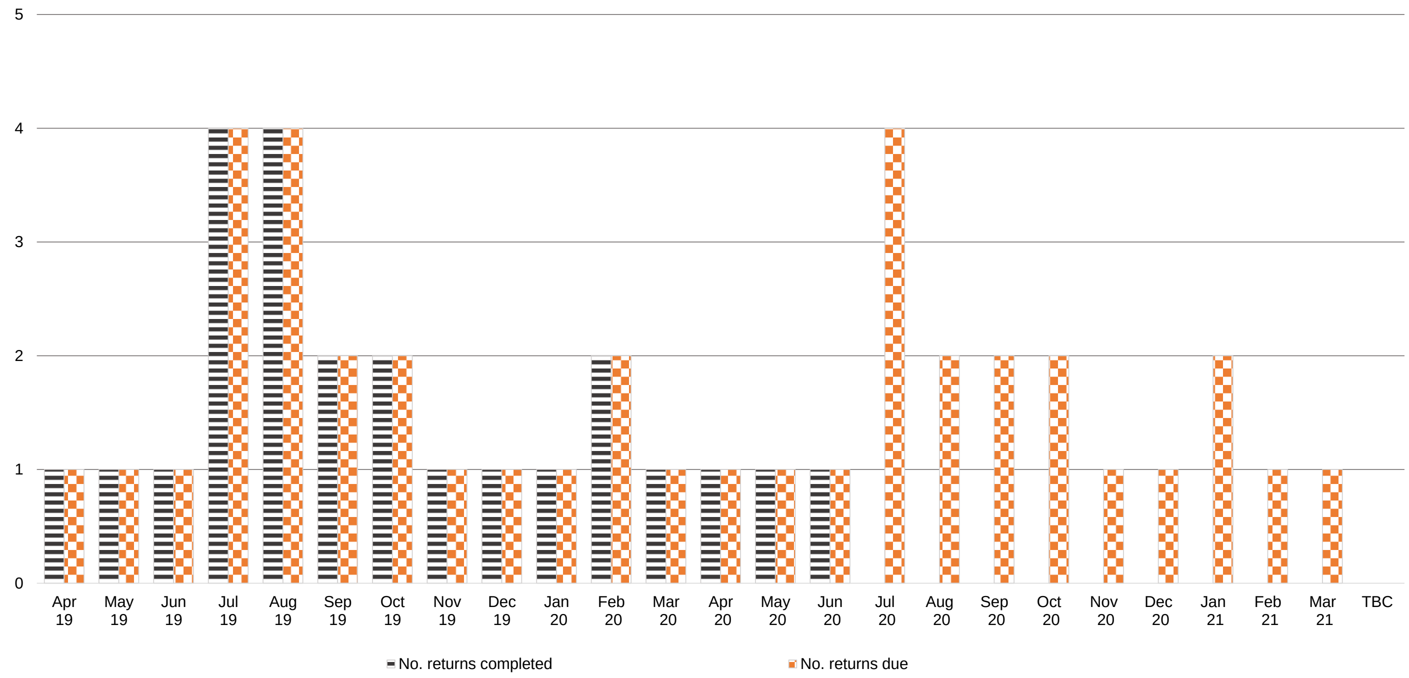
Indicator Description

The Council's Business Intelligence Service leads on, and supports the submission of, a number of key statutory data returns to central government departments and regulatory bodies. A list is available on request.

Useful Links

A list of all the datasets that local government must submit to central government.

Cambridgeshire Performance



Commentary

The presentation of this indicator has been updated following the review of the quarter 3 figures by members. The above visualisation is intended to provide greater clarity to the volume and frequency of returns made to central government by the Council's Business Intelligence Service.

As of the end of the reporting period, all statutory returns have been completed to the agreed standard. All statutory deadlines have been met.

Actions

Indicator 185: Inspection information returns completed on time

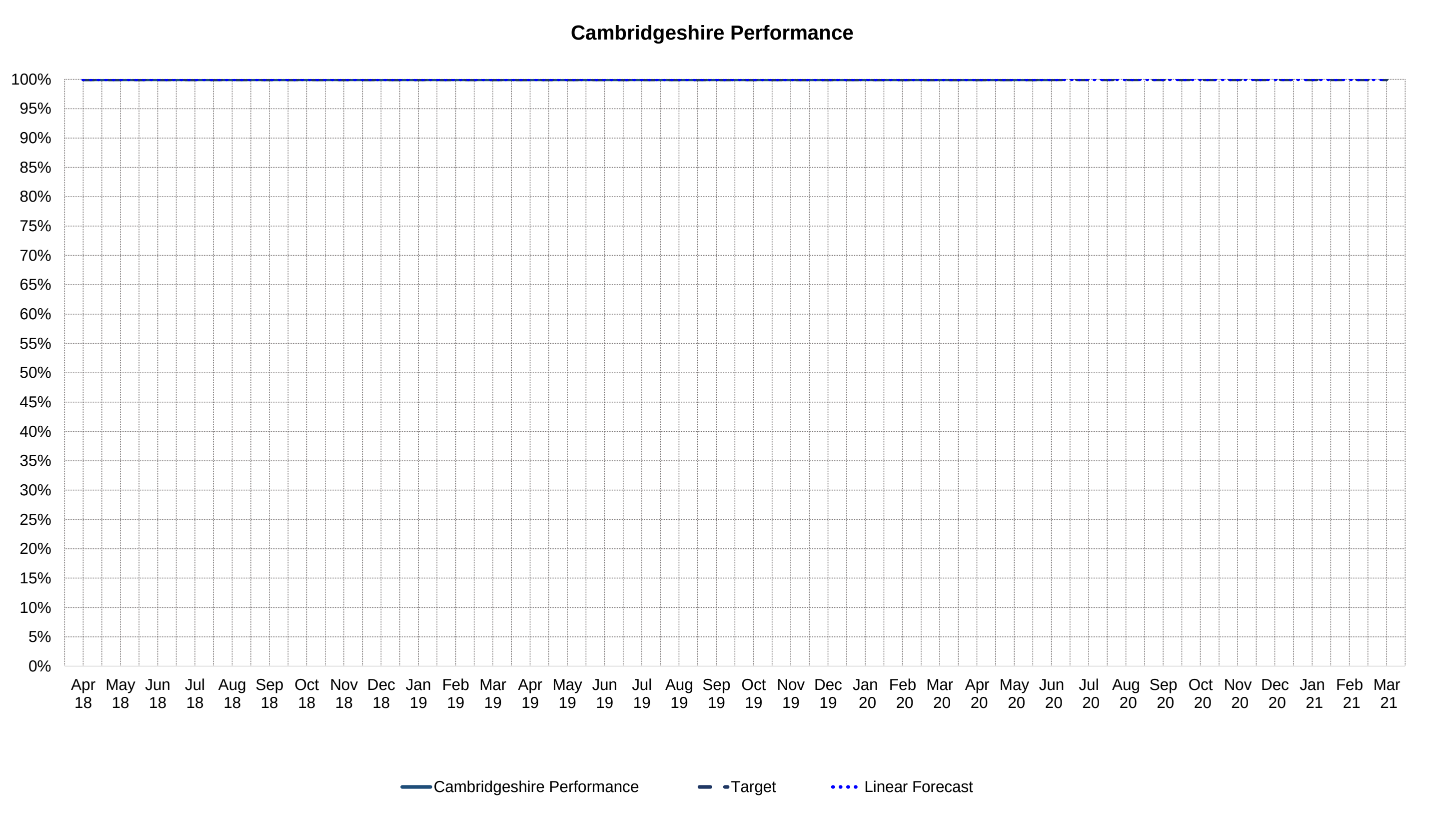
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
100%	↑	100.0%	100.0%	Unchanged

RAG Rating

Green



Indicator Description

The Council's Youth Offending and Children's Social Care services are run in line with national inspection regulations. These state local authorities must produce statutory datasets in the event of an inspection. They must be provided within agreed timeframes. The Council's Business Intelligence Service is currently responsible for the production of these inspection datasets.

Commentary

All statutory inspection data been completed to the agreed standard. All statutory deadlines have been met.

A review of the presentation of this indicator is underway and will be revised for the quarter 1 report.

Useful Links

[Government guidance on inspecting local authority children's services from 2018]

[Youth offending services inspection data from the Justice Inspectorate]

Actions

Indicator 186: Proportion of citizens who feel well informed by the council

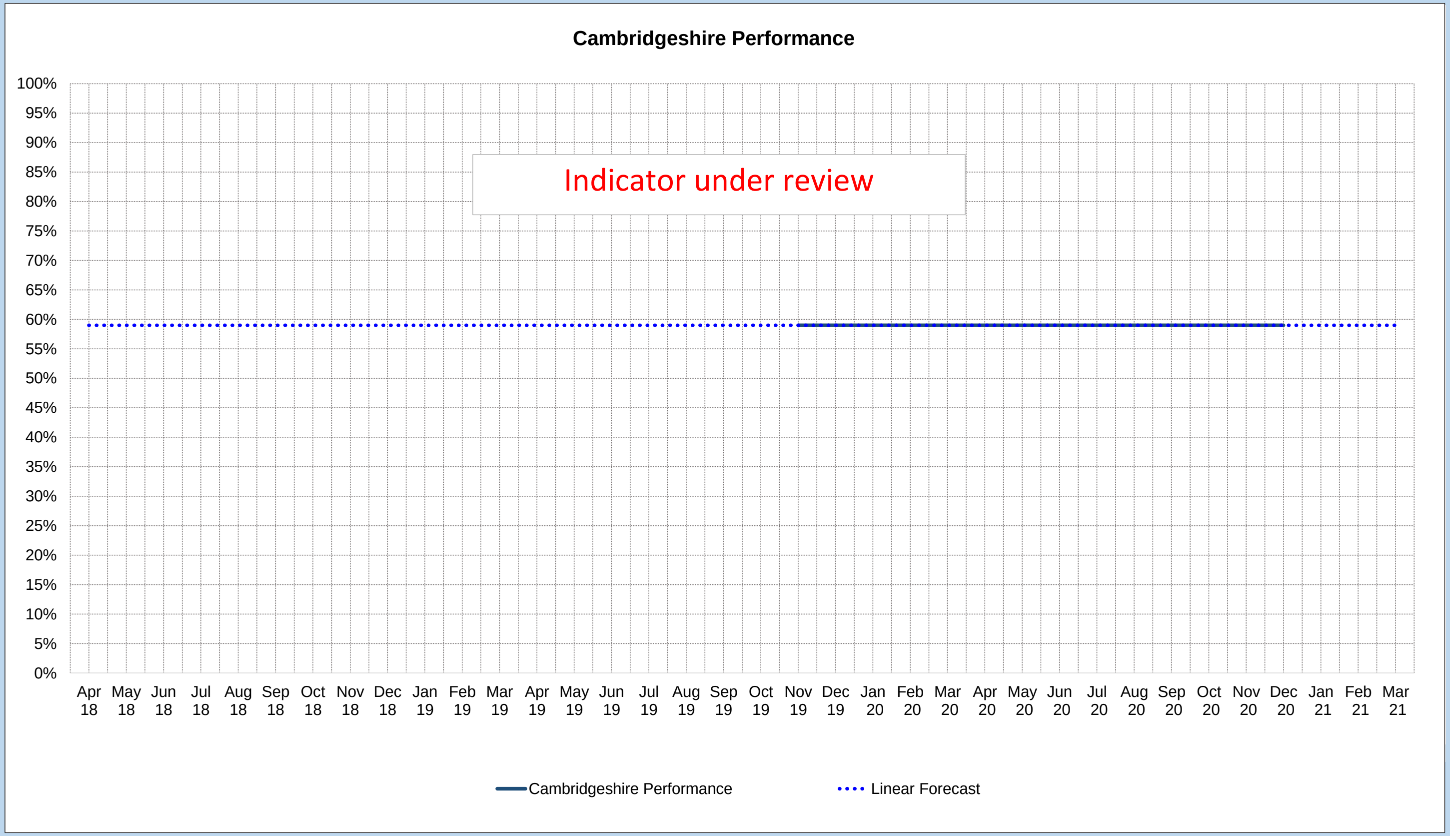
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
Baseline	↑	59.0%	59.0%	Unchanged

RAG Rating

Baseline



Indicator Description

A doorstep survey was carried out with residents. This was representative by district, age group and gender of the county as a whole. It took place in November 18 to December 18. 1,106 residents responded to the survey.

Commentary

The appropriateness of this indicator is under review. The underlying survey was carried out in late 2018. A replacement indicator will be proposed to replace this indicator in the quarter 4 report.

Useful Links

Actions

Indicator 187: Overall staff engagement from Cambridgeshire County Council staff survey

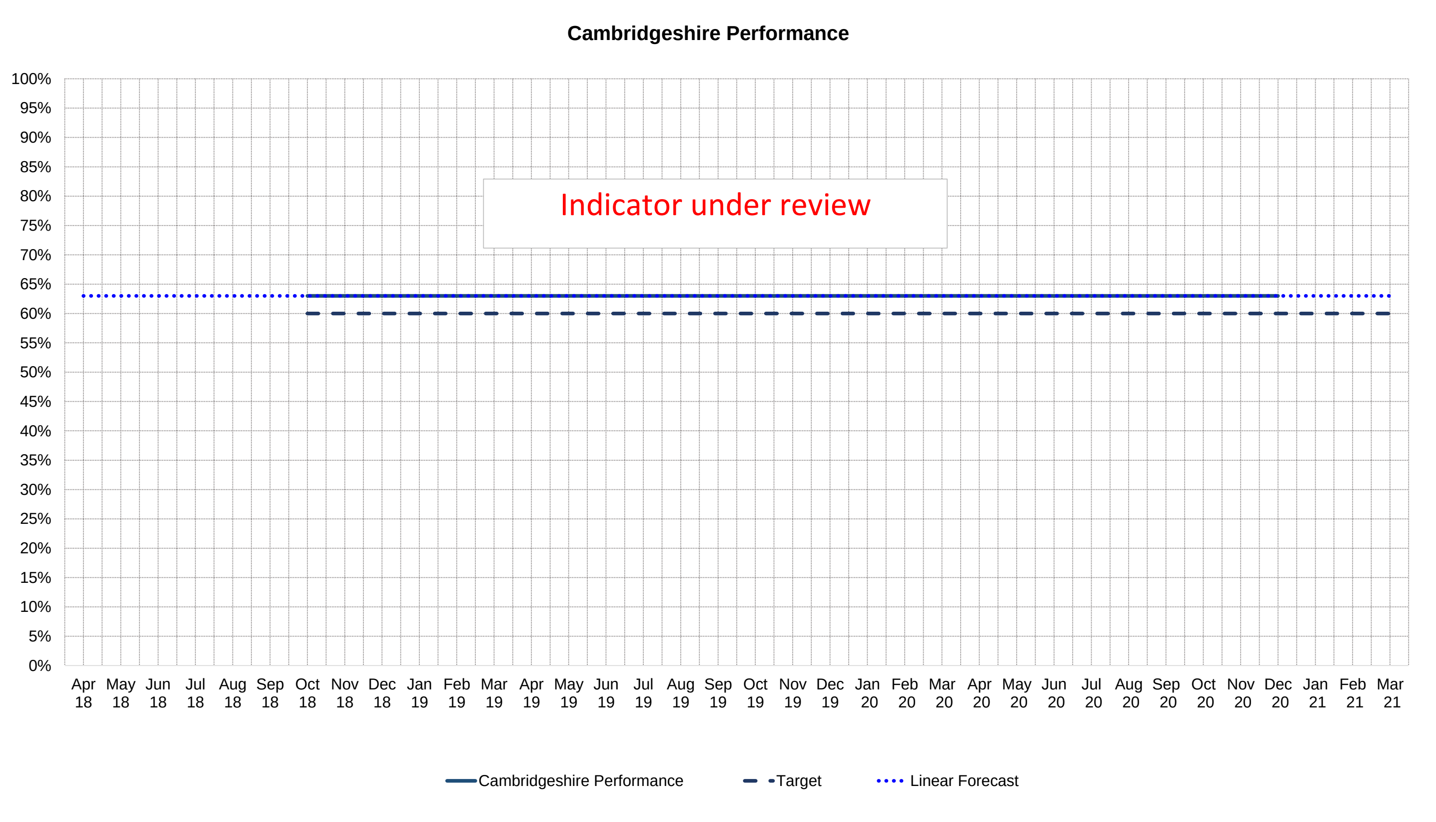
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
60.0%	↑	63.0%	63.0%	Unchanged

RAG Rating

Amber



Indicator Description

The most recent staff survey was conducted in October 17. Overall staff engagement was higher than both the public sector norm (55%) and the UK norm (60%).

Commentary

Through the 'Shaping Your Future' survey, carried out in October 2017, we saw that 63% of staff felt engaged with the organisation and their roles. We sat above the national average (63%) for 'Involvement' (Relationship with the job) at 69%. We also sat above the national average (58%) for 'Alignment' (links to organisational aims and objectives) at 66%. The survey did highlight areas in which we needed to improve. One area being change management and the opportunities for staff to get involved in shaping our work. This was partly addressed through our series of Cambs2020 workshops and focus groups. This is also a key focus of the 'People Plan' (People Strategy). This strategy will allow staff to be given real opportunities to engage with our change programmes.

The appropriateness of this indicator is under review. This is due to the underlying survey being carried out in late 2018. It is planned that a replacement indicator will be proposed. This was due to take place in time for the quarter 4 report, but has been delayed due to the volume of urgent Covid 19 work requests.

Useful Links

Actions

Indicator 188: Better Connected Survey (professional membership body for digital and IT leaders)

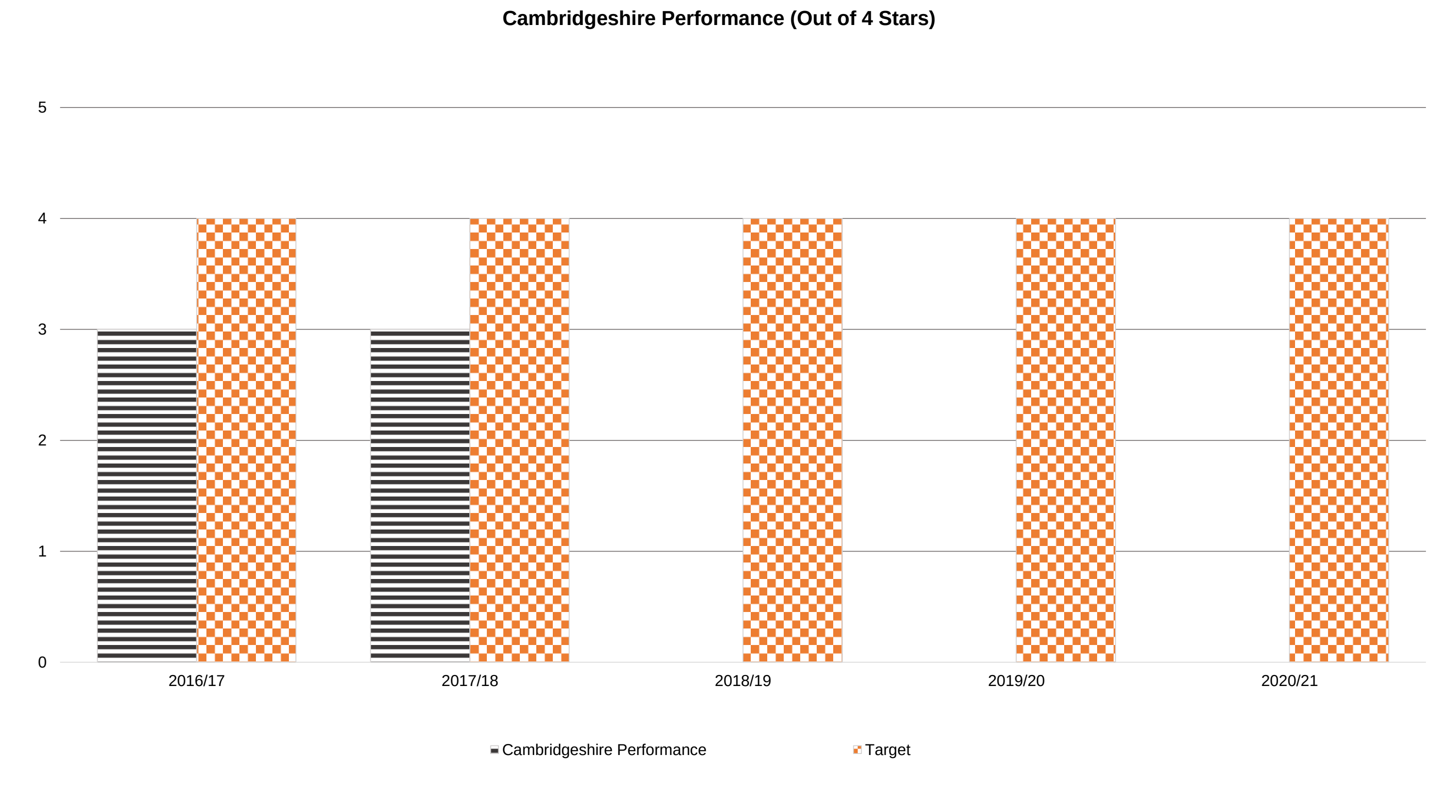
Return to Index

December 2020

Target (Stars)	Direction for Improvement	Current Year (Stars)	Previous Year (Stars)	Change in Performance
4	↑	3	3	Unchanged

RAG Rating

Amber



Indicator Description

Better Connected' measures and makes recommendations on the performance of local authority websites across the United Kingdom. It particularly focuses on accessibility and functionality.

Commentary

The Society of IT Management 'Better Connected' survey, surveys every United Kingdom local authority website every year. It tests scenarios that reflect services provided by local authorities. Examples include finding information about planning and charges.

The Society of IT Management marking system has changed over the years. It currently uses a four star rating system. Four is the highest rating.

Useful Links

[The Society of IT Management Better Connected+ website]

[The local area benchmarking tool from the Local Government Association]

Actions

Indicator 189: Number of sessions on website

Return to Index December 2020

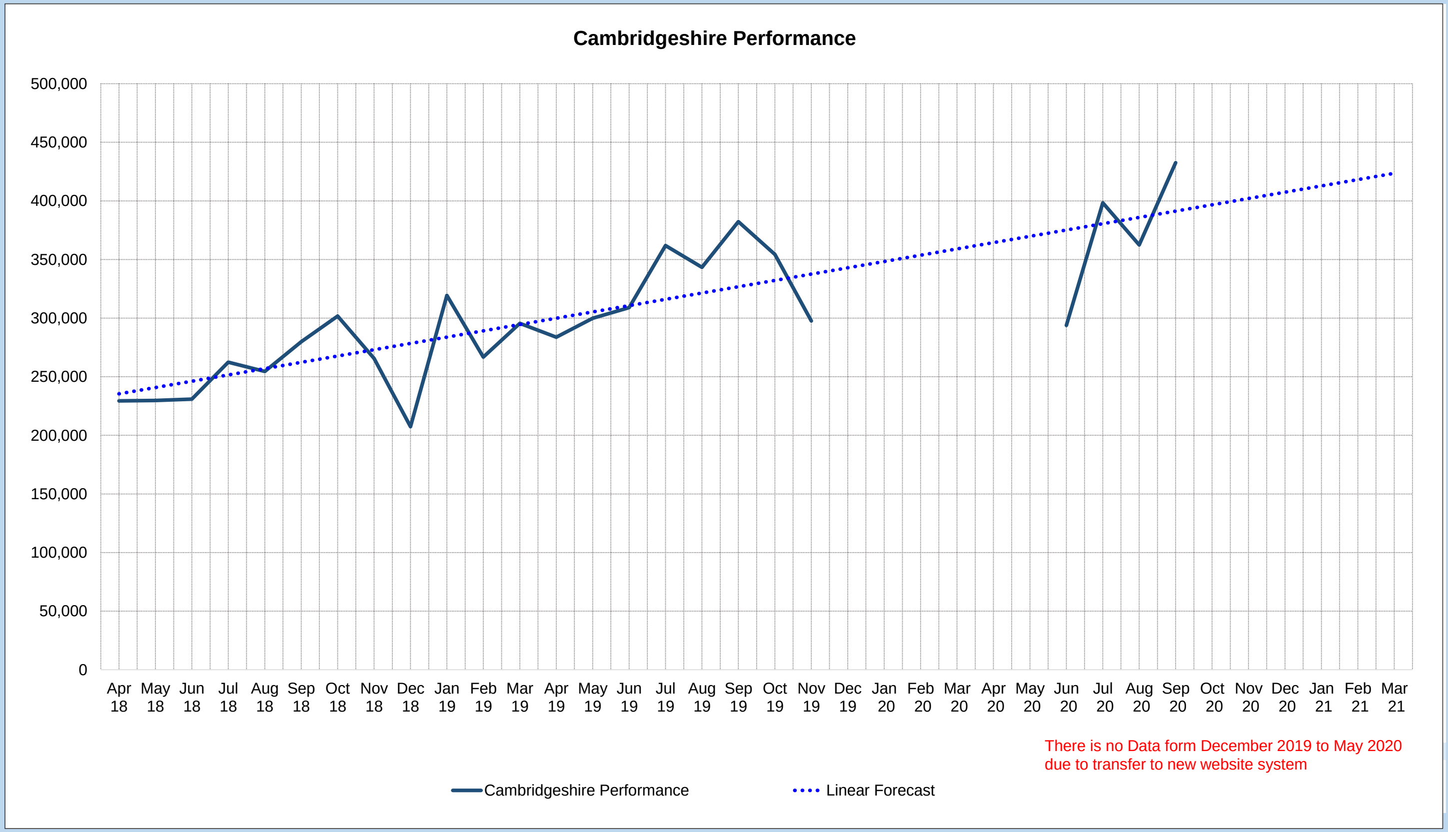
Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
Contextual	↑	432,584	362,433	Improving

RAG Rating

Contextual

Indicator Description

A count of unique web sessions taking place within the reporting period.



Commentary

We have seen a steady rise in visits to the cambridgeshire.gov.uk website. This is a result of a Digital First approach. This makes it easier and quicker for residents to find information online. This has the added benefit of reduced 'avoidable' calls to the Customer Services contact centre. This frees up call handler time for more complex calls and cases. We expect to see a continued steady rise in visits to our online platforms. These include our new online community information directory, but not necessarily our website.

Actions

Indicator 190: Proportion of information enquiries resolved at first point of contact

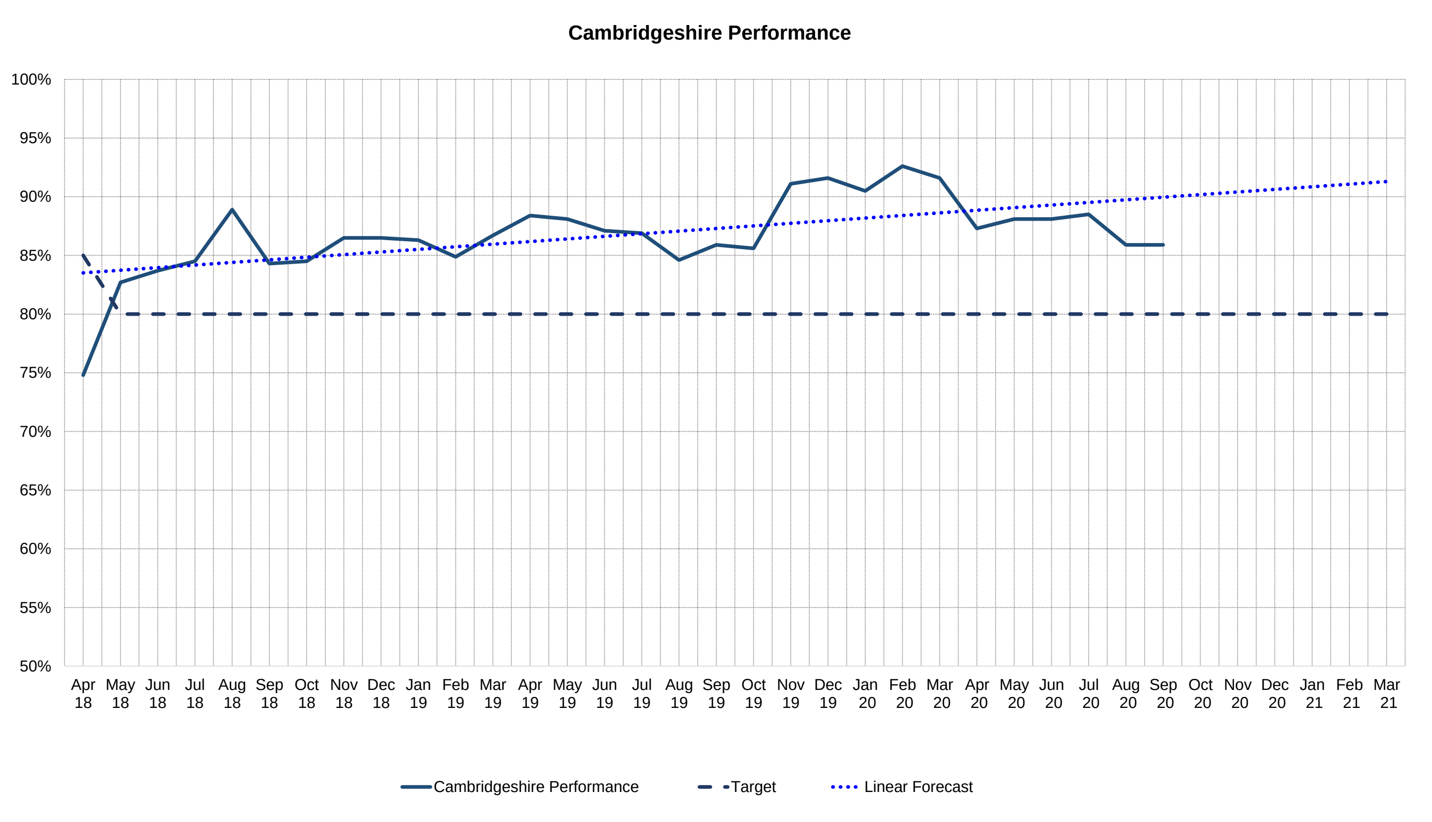
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
80.0%	↑	85.9%	85.9%	Unchanged

RAG Rating

Blue



Indicator Description

Customer Services delivers a front facing service for customers. They can access seventeen county council services for Cambridgeshire and one service for Peterborough. Contacts are received through several channels. This indicator shows the number of information and advice enquiries resolved by customer services without needing to escalate to other council officers or teams.

Commentary

This target is being met and performance against this indicator is continually improving. This is a result of a close working relationship between Customer Services and the Communication and Information Team. Customer Services data is analysed to identify where digital content is missing or needs amendment. This is to make sure chances for customers to self-serve are maximised. It also makes sure call handlers can access relevant service information on request.

Actions

Indicator 191: Percentage of calls presented that are answered

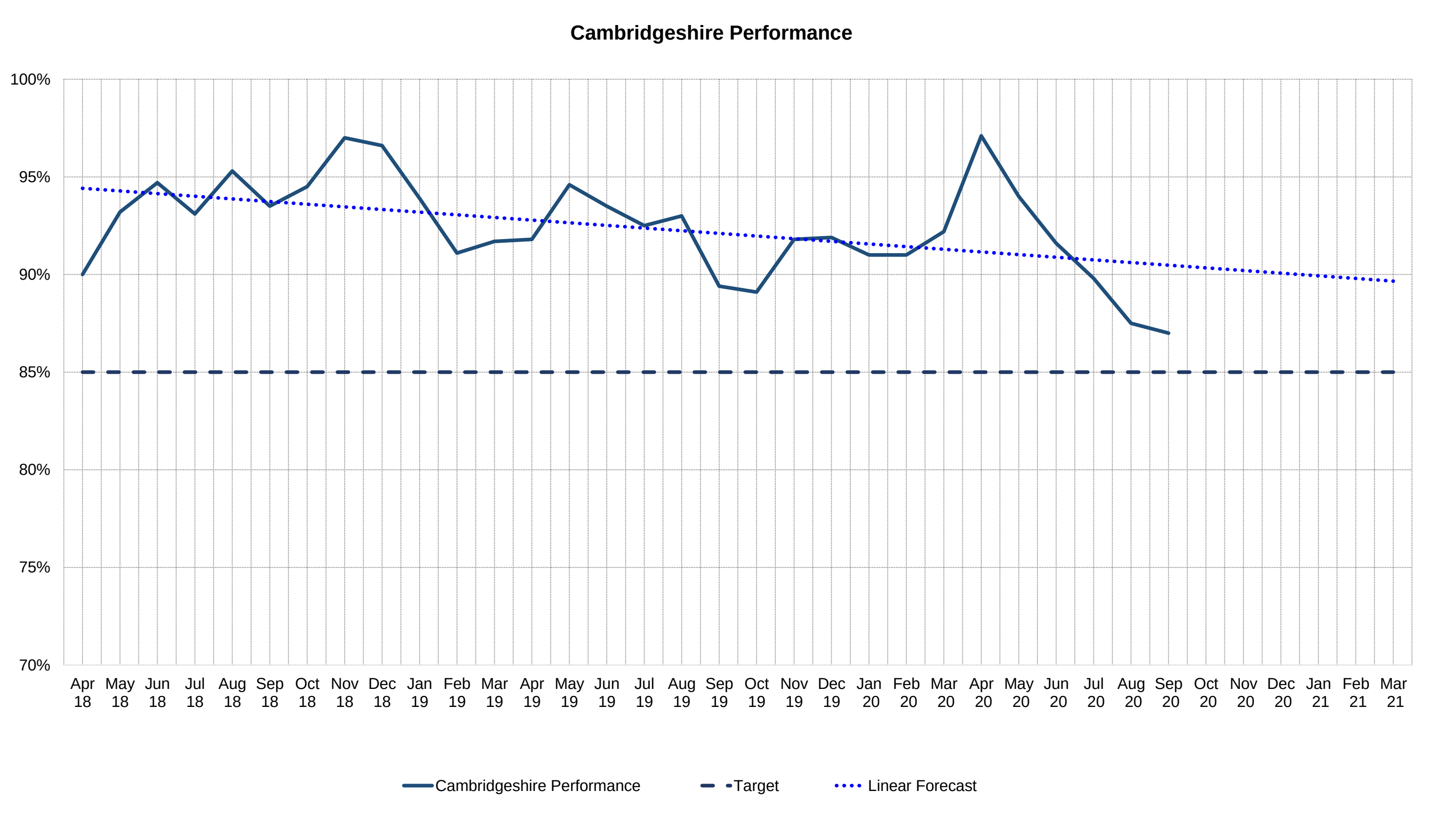
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
85.0%	↑	87.0%	87.5%	Declining

RAG Rating

Green



Indicator Description

This indicator shows the number of telephone contacts that are picked up by customer services before a customer hangs up. Messages are recorded on each service line to provide customers with information and advice about affiliated services/organisations. They can also inform about online information/options to direct customers that can self-serve online. In this way, customers, who are more vulnerable or have complex requests, can access a human response more quickly.

Commentary

This target has been met consistently for the last 4 years. This is due to proactive recruitment, a comprehensive training programme to upskill staff, a review of recruitment processes, and improvements to forecasting in relation to demand for our services. We have also worked with colleagues across corporate services to decrease the number of phone contacts and encourage customers to use digital channels. Most recently, targets have continued to be achieved with home working in place. This is new to all Customer Service staff and despite some significant system issues.

Actions

Indicator 192: Percentage of total contact that is deemed avoidable

Return to Index

December 2020

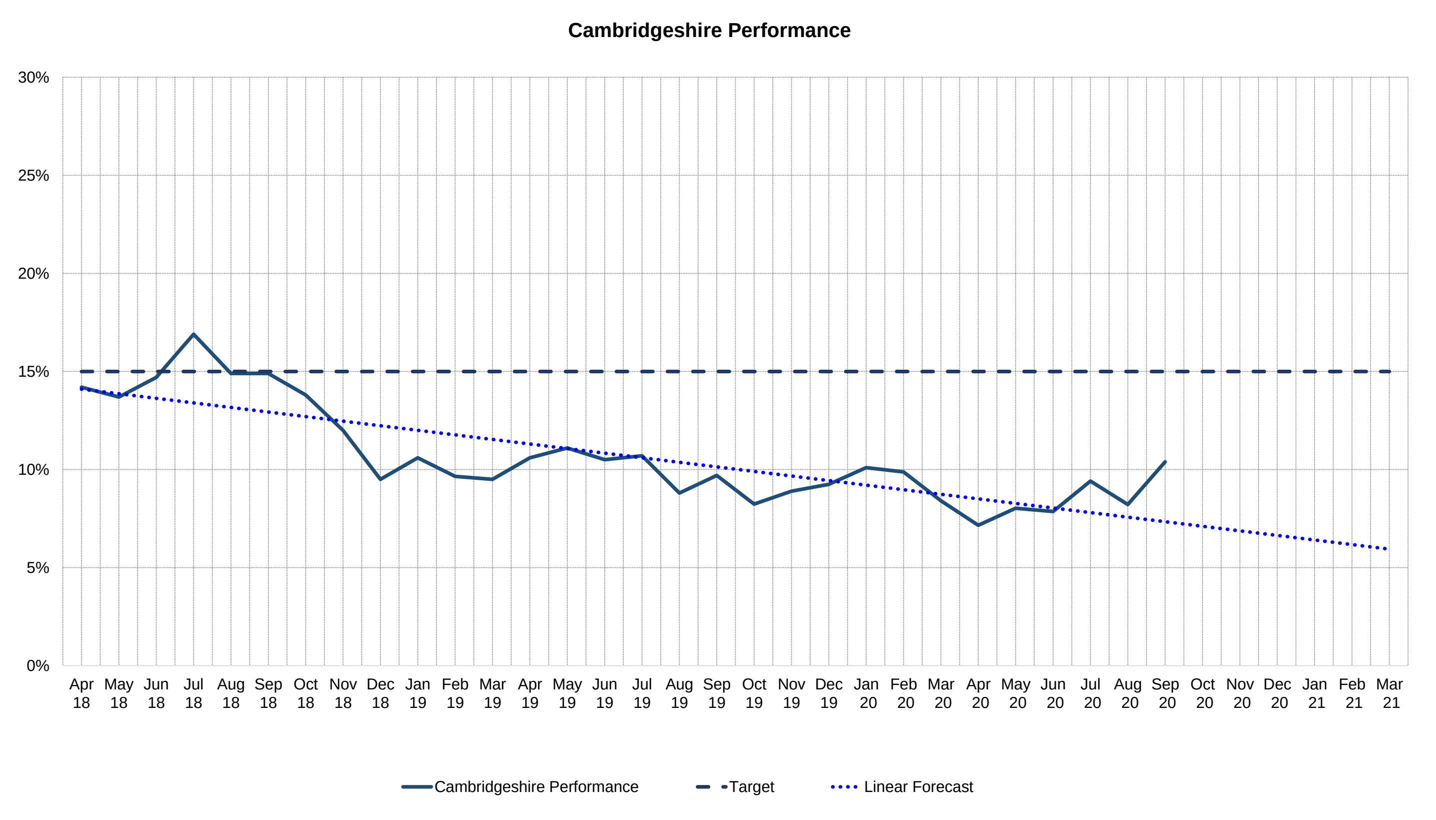
Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
15.0%	↓	10.4%	8.2%	Declining

RAG Rating

Blue

Indicator Description

This indicator shows the percentage of contacts received that could have been avoided. Customer Services log details of all enquiries received to analyse the data and make improvements to the service. This includes looking at details about why the customer contacted us and failure demand. One way of determining this is logging when avoidable contacts occur. The definition we use for an avoidable contact is 'When an external or internal customer has contacted us across any channel due to human error, or a system/process failure'.



Commentary

This target has been met consistently for the last 3 years. This is a result of the way in which data is being analysed within customer services and fed back to service areas in review meetings. This enables a focus on areas in which service improvements and the customer journey/experience can be improved. The messaging on the contact centre lines has been changed in line with our data findings. This ensures that requests for services, which fall outside of the remit of the county council, are quickly directed elsewhere.

Actions

Indicator 193: Proportion of services with a completed Business Continuity Plan

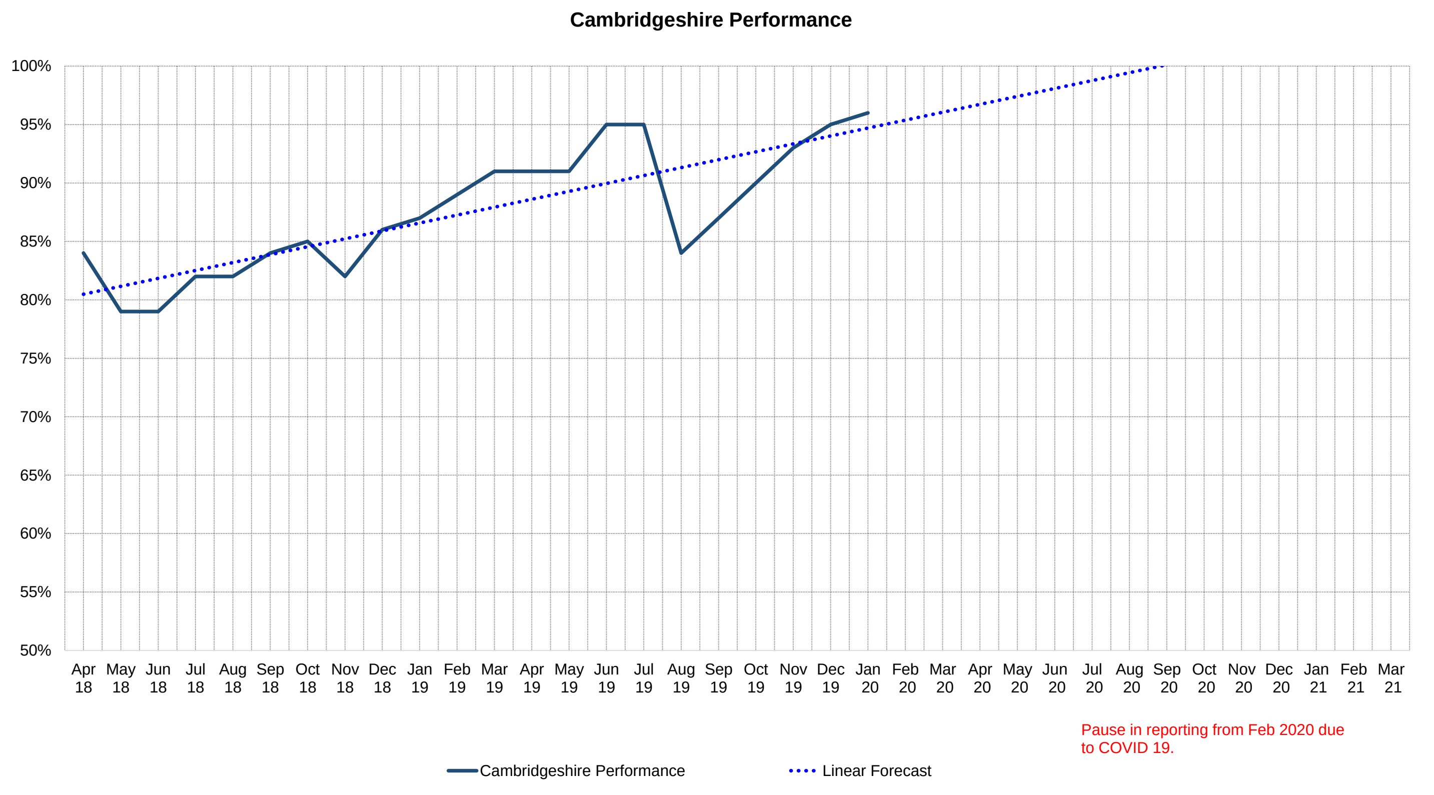
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
Contextual	↑	96.0%	95.0%	Improving

RAG Rating

Contextual



Indicator Description

The Emergency Management Team manages the development of business continuity policy and planning. They work with services to make sure business continuity plans are up to date. The proportion of services with completed plans is regularly monitored. The number reflects current up to date service business continuity plans.

Commentary

The number of completed business continuity plan's increased gradually, as expected, in line with the work that was undertaken with services.

Actions

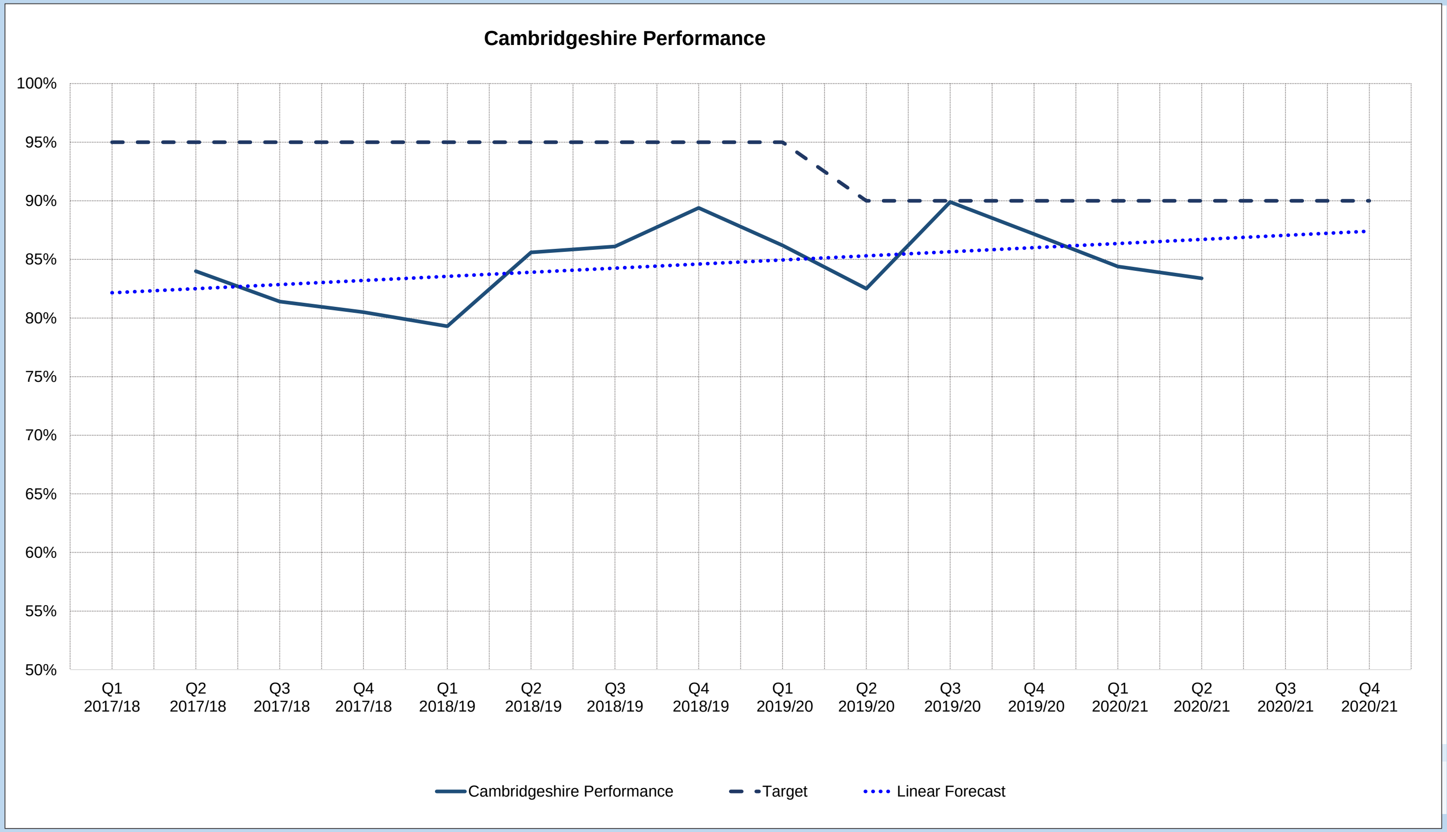
Indicator 194: Incidents resolved within Service Level Agreement (reference number: IT01a)

Return to Index December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
90.0%	↑	83.4%	84.4%	Declining

RAG Rating

Amber



Indicator Description

An Incident is defined as an unplanned interruption to an IT service or reduction in the quality of an IT service. Examples include replacing a broken laptop and resetting a forgotten password.

Commentary

Initial evidence obtained from the IT helpdesk monitoring systems suggests that overall call volumes are increasing. This is mostly due to the implementation of new social care IT systems (such as the adult social care Mosaic system). This is having an impact on this performance measure.

Actions

Indicator 195: Requests resolved within Service Level Agreement (reference number: IT01b)

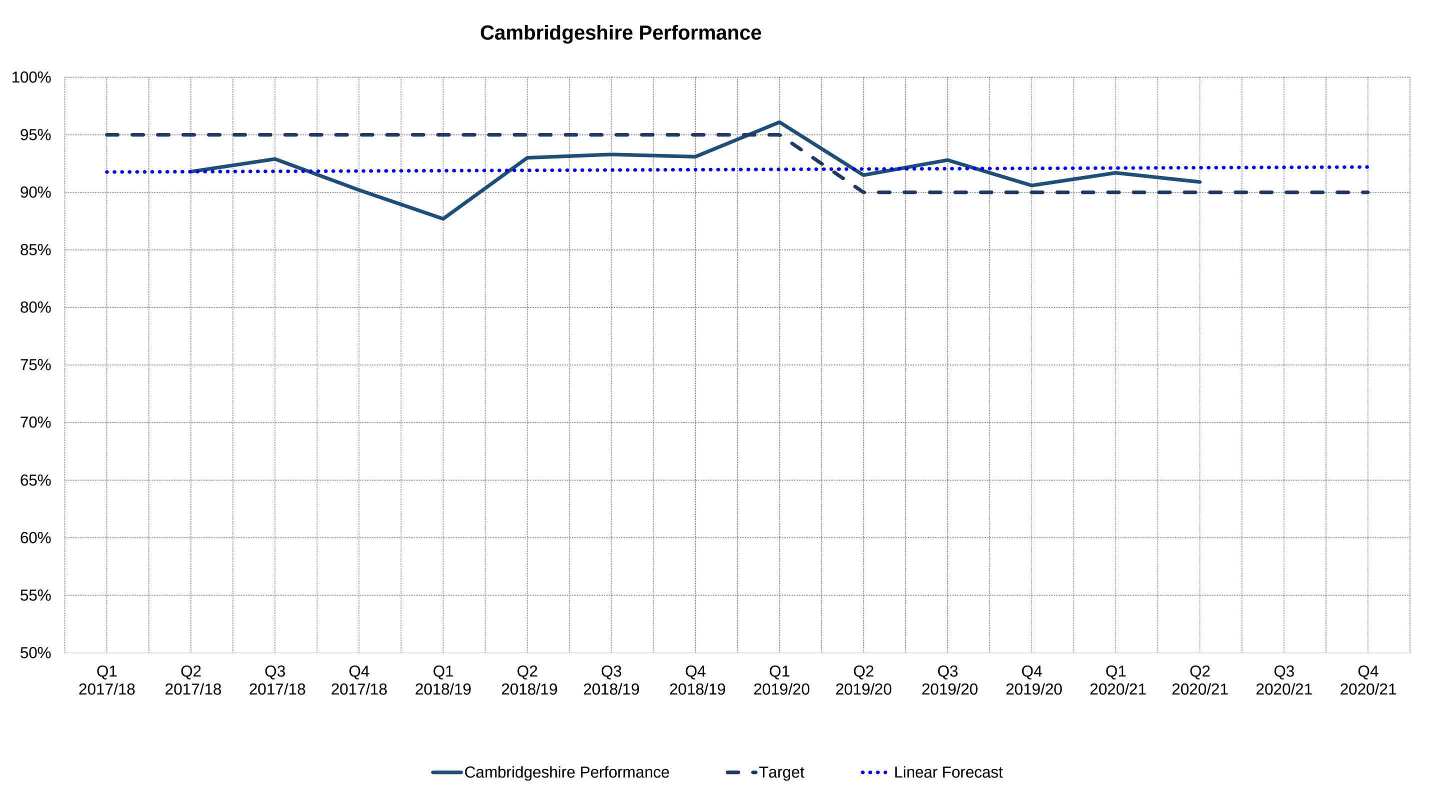
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
90.0%	↑	90.9%	91.7%	Declining

RAG Rating

Green



Indicator Description

A request is defined as a new request from a user for information, advice, a standard change or access to a service. Requests will include system access requests, changes to IT profiles and laptop applications.

Commentary

Performance remains above target

Actions

Indicator 196: Availability of Universal Business System IT Availability (reference number: IT02)

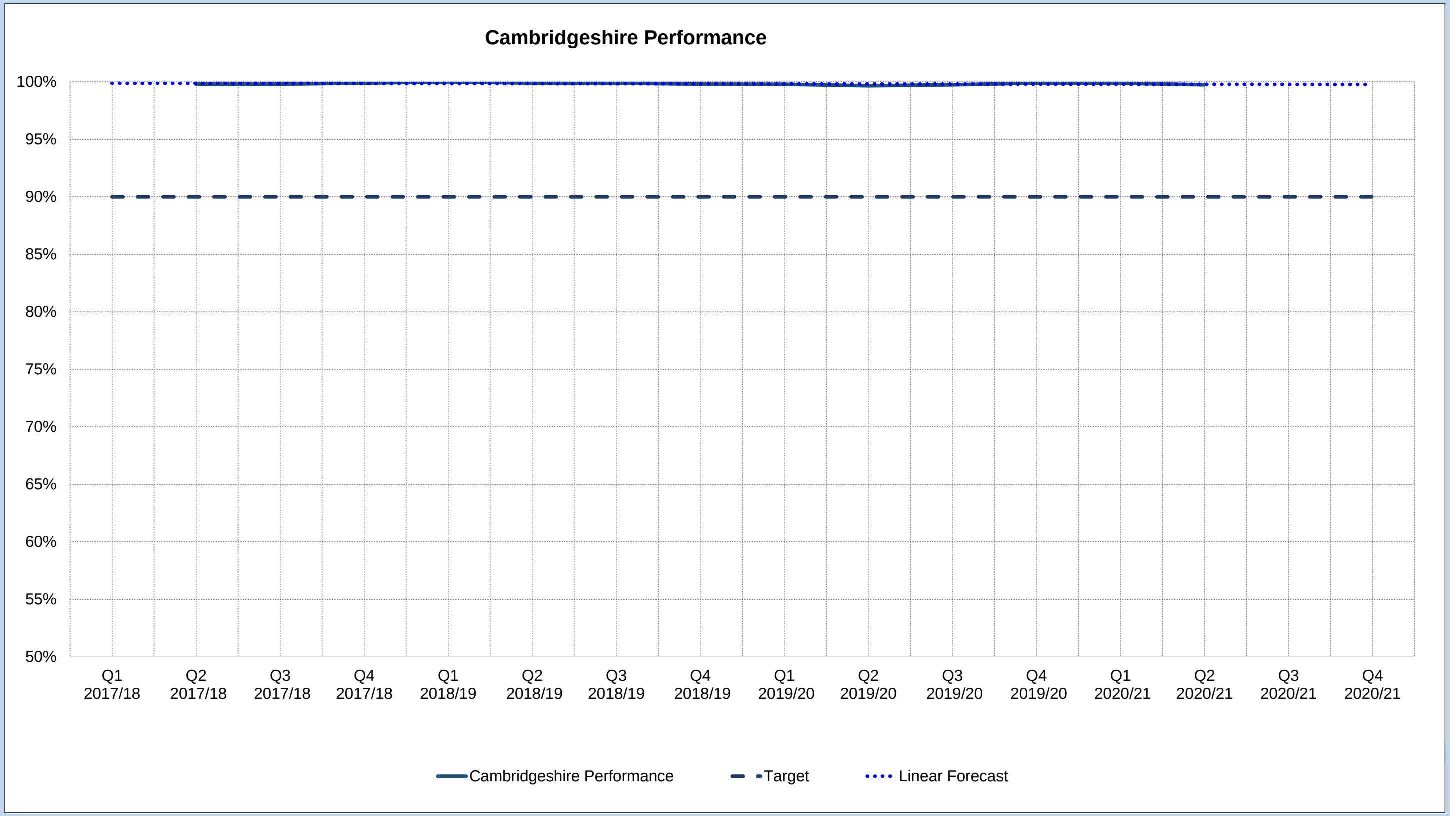
Return to Index

December 2020

Target	Direction for Improvement	Current Month	Previous Month	Change in Performance
90.0%	↑	99.7%	99.9%	Declining

RAG Rating

Blue



Indicator Description

The ‘Universal Business System’ covers a range of key business applications used across the council. These include Adults and Children’s social care case management systems, the Council IT network, remote access systems and land and mobile telephone networks.

Commentary

Performance is above target

Actions

Integrated Finance Monitoring Report for the period ending 30 November 2020

To:	General Purposes Committee
Meeting Date:	26 January 2021
From:	Chief Finance Officer
Electoral division(s):	All
Key decision:	Yes
Forward Plan ref:	2021/001
Outcome:	To present financial information to assess progress in delivering the Council's Business Plan.
Recommendation:	General Purposes Committee (GPC) is recommended to:

a) Note the allocation of the £1.459m Covid Winter Grant for ringfenced purposes to the People & Communities directorate, to be received in instalments over the coming months, as set out in section 5.1;

b) Approve the allocation of the currently estimated £760k unringfenced Clinically Extremely Vulnerable (CEV) grant to the People & Communities directorate as set out in section 5.2;

c) Approve the reinvestment of the £458k contractor rebate as set out in section 5.3;

d) Note the new ring-fenced capital grant funding for the Decarbonisation Fund scheme as set out in section 6.6;

e) Note the £2.063m new capital funding for the Abbey Chesterton Bridge scheme as set out in section 6.6.

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Member contacts:
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Roger.Hickford@cambridgeshire.gov.uk
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1. Purpose

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

2. Overview

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

Finance and Key Activity

Revenue budget forecast outturn -£0.7m (-0.2%) forecast year end variance. Green	This is a £0.292m increase in the revenue underspend since last month's forecast. Forecast use of grant for Covid-19 pressures has decreased by £1.4m. There is a £10.8m decrease in the forecast capital year-end variance compared to last month.	Capital programme forecast outturn -£16.8m (-8.5%) forecast year end variance Green

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services	**Nov-20**	**May-20**	**Trend since May 20**
Nursing	481	472	Stayed the same
Residential	875	898	Stayed the same
Community	1,858	1,861	Stayed the same

Adults aged 18+ receiving long term services	**Nov-20**	**May-20**	**Trend since May 20**
Nursing	69	72	Stayed the same
Residential	351	351	Stayed the same
Community	2,395	2,360	Stayed the same

Children open to social care	**Nov-20**	**Apr-20**	**Trend since Apr 20**
Children in Care	687	730	Decreasing
Child Protection	428	324	Increasing

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

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end underspend of -£0.7m. The pressures are largely within People & Communities (P&C) (+£11.5m), Place & Economy (P&E) (+£2.8m), Commercial & Investment (C&I) (+£2.5m), and LGSS Operational (£0.6m). These are offset by underspends in Funding Items (-£16.7m), CS Financing (-£0.7m) and Corporate Services (-£0.6m). See section 3 for details.

- The Capital Programme is forecasting a year-end underspend of -£16.8m at year-end. This includes use of the capital programme variations budget. See section 6 for details.

3. Revenue Budget

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

Key to abbreviations

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

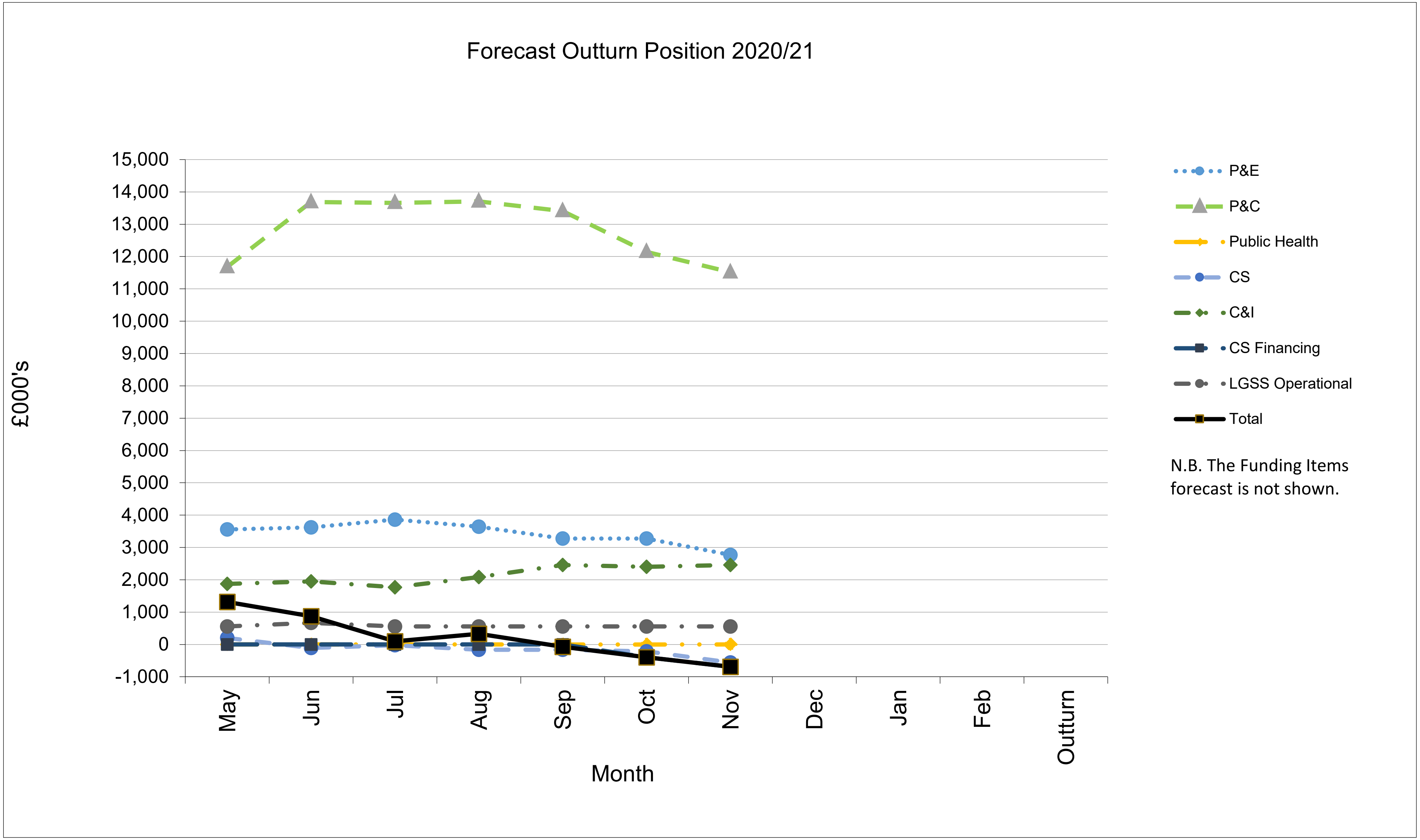
Original Budget as per Business Plan £000	Forecast Variance (Oct) £000	Service	Current Budget for 2020/21 £000	Actual (Nov) £000	Forecast Variance (Nov) £000	Forecast Variance (Nov) %	Overall Status	DoT	Covid-19 Financial Impact £000	Non Covid-19 Financial Impact £000
56,470	3,278	Place & Economy	56,443	31,504	2,770	4.9%	Red	↑	4,589	-1,819
275,096	12,144	People & Communities	275,590	175,356	11,516	4.2%	Red	↑	15,429	-3,913
0	0	Public Health	0	-7,936	0	-	Green	↑	157	-157
29,440	-216	Corporate Services	35,029	27,567	-559	-1.6%	Green	↑	491	-1,050
-9,277	2,403	Commercial & Investment	-9,159	-1,208	2,458	-	Red	↓	2,627	-169
29,570	-400	CS Financing	29,570	5,435	-690	-2.3%	Green	↑	0	-690
381,299	**17,209**	**Service Net Spending**	**387,474**	**230,718**	**15,495**	**4.0%**	Red	↑	**23,293**	**-7,798**
16,844	-18,166	Funding Items	16,844	7,827	-16,744	-	Green	↓	-	-
398,143	**-957**	**Subtotal Net Spending**	**404,318**	**238,545**	**-1,249**	**-0.3%**	Green	↑	**23,293**	**-7,798**
6,286	557	**Memorandum items:** LGSS Operational	-162	2,235	557	-	Amber	↔	0	557
	-400	**Grand Total Net Spending**	**404,156**	**240,780**	**-692**	**-0.2%**	Green	↑	**23,293**	**-7,241**
148,989		Schools	148,989							
553,418		**Total Spending 2021/21**	**553,145**							

1 The budget figures in this table are net.

2 For budget virements between Services throughout the year, please see Appendix 1.

3 The budget of £0k stated for Public Health is cash limit budget In addition to this, Public Health has a budget of £26.4m from ring-fenced public health grant and £2.5m from Test and Trace Support Grant, which make up its gross budget.

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



Forecast Outturn Position 2020/21
15,000
14,000
13,000
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
-1,000
£000's
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Outturn
Month
P&E
P&C
Public Health
CS
C&I
CS Financing
LGSS Operational
Total
N.B. The Funding Items forecast is not shown.

3.1.1 In addition to the County Council forecast shown above for management accounting purposes, the Council is also monitoring and estimating the full potential financial consequences of the pandemic through an additional and enhanced process. The latest position as at 15 January is shown below:

Sum of Gross up	Column Lal												
Row Labels	**Ring Fenced Grant**	**New Commitments**	**Income forgone**	**Savings Shortfall**	**Total**	**MHCLG**	**NHS**	**DSG**	**PCC**	**T&T**	**Other**	**SFC**	**Net total**
Adults		31,308	416	5,082	36,806		-9,891		-225		-11,577		15,113
C&I		186	2,068	452	2,706								2,706
Communities		3,743	879		4,622				-148		-1,864		2,610
CYP	1,916	5,268	3,201	1,405	11,790			-1,916			-2,326		7,548
GPC		1,530	542	650	2,722				-301	-182			2,239
Health		7,702		17	7,719					-2,311	-5,228		180
E&S		594	291		885								885
H&T		4,187	4,229	990	9,406						-2,142		7,264
Total	**1,916**	**54,518**	**11,626**	**8,596**	**76,656**								
						-34,893						-5,466	-40,359
GRAND TOTAL	1,916	54,518	11,626	8,596	76,656	-34,893	-9,891	-1,916	-674	-2,493	-23,137	-5,466	**-1,814**

Key to abbreviations

MHCLG – Ministry of Housing, Communities & Local Government
DSG – Dedicated Schools Grant
PCC – Peterborough City Council
T&T – Test & Trace
SFC – Sales, Fees and Charges
C&I – Commercial & Investment
CYP – Children and Young People
GPC – General Purposes Committee
E&S – Environment & Sustainability
H&T – Highways & Transport

Other funding includes the Contain Outbreak Management Fund, Infection Control Grant, Transport funding from the Combined Authority, and grants from DEFRA and DWP.

3.1.2 This illustrates a potential financial impact, this year, on the Council of over £76m. The Council's in-year financial position has improved as a result of the confirmation of further government funding, including from the Contain Outbreak Management Fund, meaning that the Council now forecasts that there is sufficient funding in the current financing year to cover the pressures arising this year. The additional restrictions resulting from the higher alert in January alter the types and timing of budget pressures that the Council faces. Our experience to date is that tighter restrictions initially suppress some of the demand in activity-led services, only for this to rise in due course as the more medium term impacts of the pandemic are realised. On the other hand, tighter restrictions also have an impact in terms of additional support to those shielding and reducing income generation. The unused grant received in 2020-21 has been earmarked for use in response to the pandemic and can be carried forward to address any delayed budgetary implications in 2021-22 if necessary. This will be closely monitored and assessed during the final months of the year.

3.1.3 This method of anticipating the financial impact on the Council differs from the overall forecast shown on the previous page on a management accounting basis. At this stage there remain major variables and uncertainties about the impact of the pandemic and the approach remains that GPC continues to hold the MHCLG unringfenced funding centrally to offset a variety of risks across different departments of the Council.

3.1.4 There is some uncertainty at this stage about the level and duration of Contain Outbreak Management Funding. This funding from the Department of Health is reactive to the level of restrictions impacting local areas. The Council has established a governance process involving representatives from Public Health, Finance, District Councils and other partners to ensure oversight of these funds according to a protocol overseen by the Chief Finance Officer and Director of Public health.

3.2 Key exceptions this month are identified below.

3.2.1 Place & Economy:

+£2.770m (+4.9%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details, see the P&E Finance Monitoring Report.

3.2.2 People & Communities:

+£11.516m (+4.2%) pressure is forecast at year-end.

- Strategic Management - Adults

Outturn Variance £m	Outturn Variance %
+7.408	(+120%)

A +£7.408m pressure is forecast. This is an increase of £0.376m on the position previously reported last month. The increase is due to additional provision being made for potential worsening of the financial position across Adult Services over the coming months due to winter pressures.

- Older People's Services

Outturn Variance £m	Outturn Variance %
+0.546	(+1%)

A +£0.546m pressure is forecast. This is a decrease of £0.500m on the position previously reported last month. The Council's response to the Covid pandemic included reprioritising the activities of preventative services and this was expected to have an adverse effect on demand for social care during the course of the pandemic. This is being reflected though increased levels of community-based care provided since the start of the financial year. Conversely, the Covid pandemic has had a significant impact on existing clients with the most acute needs placed in care homes, resulting in a notable decrease in placements.

New placements out of hospital or to facilitate avoidance of admission into hospital were funded through NHS England as continuing health care in the short term. Clients with assessed social care needs have now returned to local authority funding streams. The financial impact of this is £0.5m lower than previously forecast due to a proportion of clients not requiring long-term bed-based placements.

- Children in Care

Outturn Variance £m	Outturn Variance %
-1.400	(-8%)

A -£1.400m underspend is forecast. This is an increase of £0.350m on the underspend position previously reported last month. This is in respect of the unaccompanied asylum seeker children (UASC) and Leaving care budgets. This is due to an expected improvement of -£300k, based on a review of our pricing fee structure and the current number of placements within the fostering service, and a -£50k change based on the current Unaccompanied Asylum Seeking Children(UASC)/Leaving Care cohort.

- Executive Director

Outturn Variance £m	Outturn Variance %
-0.729	(-39%)

A -£0.729m underspend is forecast. This is an increase of £0.315m on the underspend position previously reported last month. The main cause of the underspend is a service-wide reduction in mileage spend, now assumed to continue through to at least the end of the third quarter. This line also includes substantial spend on Personal Protective Equipment (PPE); government funding of PPE in the second half of the year has now stabilised resulting in an increased underspend projection on this line.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£11.516m. For full and previously reported details, see the P&C Finance Monitoring Report.

3.2.3 Public Health:

A balanced budget is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the PH Finance Monitoring Report.

3.2.4 Corporate Services:

-£0.559m (-1.6%) underspend is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the CS & LGSS Finance Monitoring Report.

3.2.5 CS Financing:

-£0.690m (-2.0%) underspend is forecast for year-end.

- Debt Charges

Outturn Variance £m	Outturn Variance %
-0.690	(-2.3%)

Following a review of cashflow forecasts and borrowing requirements, the interest payable forecast has been revised giving a £690k forecast underspend. This is an increase of £290k on the underspend position previously reported last month. Whilst the cost of PWLB borrowing has been significantly higher over the past 12 months, the Council has been able to take advantage of lower rates on Local Authority borrowing in refinancing some of its existing loans. The cashflow position will continue to be monitored closely over the remaining months of the year and levels of borrowing will be adjusted accordingly.

- For full and previously reported details, see the CS & LGSS Finance Monitoring Report.

3.2.6 Commercial & Investment:

+£2.458m (-%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the C&I Finance Monitoring Report.

3.2.7 Funding Items:

-£16.744m underspend is forecast for year-end. This relates to forecast usage of the unbudgeted Covid-19 support grant from MHCLG in relation to forecast pressures as a result of the Covid-19 pandemic. The amount of Covid-19 grant identified as required has decreased by £1.4m since the previous report last month.

3.2.8 LGSS Operational:
+£0.557m (-%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the CS & LGSS Finance Monitoring Report.

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

4. Key Activity Data

4.1 The latest key activity data for: Children in Care Placements; Special Educational Needs (SEN) Placements; Adults & Safeguarding; Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest P&C Finance Monitoring Report (section 5).

5. Funding Changes

5.1 Covid Winter Grant

On 8th November 2020, the Department of Work and Pensions (DWP) announced a new £170m 'winter grant scheme' for vulnerable families and children, to be distributed to councils. This funding is ringfenced, with at least 80% earmarked to support with food and bills, and will cover the period to the end of March 2021.The County Council has been allocated £1.459m funding with £0.780m (50%) received in December 2020. The remaining two tranches of 25% are due at the end of February 2021 and April/May 2021 respectively subject to the submission of Statements of Grant usage, progress reports and management information returns on eligible expenditure.

General Purposes Committee is asked to note the allocation of the £1.459m Covid Winter Grant for ringfenced purposes to the People & Communities directorate, to be received in instalments over the coming months.

5.2 Clinically Extremely Vulnerable (CEV) Grant

Following the Prime Minister's announcement of the November lockdown, the Ministry of Housing, Communities & Local Government (MHCLG) announced Clinically Extremely Vulnerable (CEV) grant funding. This funding is for local authorities to use to support CEV individuals on the Shielded Patient List (SPL). The indicative allocation to the Council is £380k funding for the 28 day second lockdown and a second tranche of £380k to which the Council became entitled when Cambridgeshire entered Tier 4 on 26th December. The funding is unringfenced, however there is an expectation that councils use the funding to deliver the activities and outcomes outlined in the Shielding Framework. This includes the overheads of setting up and managing the local system, contacting CEV individuals within the area of intervention, assessing the food and basic support needs of CEV individuals and facilitating the delivery of that support where necessary, and reporting on the level of support provided.

As this is technically an unringfenced grant, General Purposes Committee is invited to agree allocation of the currently estimated £760k funding to the People & Communities directorate for the purposes of supporting CEV individuals.

General Purposes Committee is asked to approve the allocation of the currently estimated £760k unringfenced Clinically Extremely Vulnerable (CEV) grant to the People & Communities directorate.

5.3 Highways contractor cost recovery repayment

The Council has received confirmation from Skanska that it is due to repay CCC £458k in relation to overpayments on the Highways contract as part of a contract management open book review. This income is received centrally to allow General Purposes Committee to decide on the priorities for reinvestment. It is proposed that the funds be allocated as follows:

Item	**Amount**
Wheatsheaf Crossroads – initial works and safety enhancements	£250k
Enhanced gully cleansing	£130k
Contribution to contract efficiencies target held by Commercial & Investment Committee	£50k
Reimbursement of internal audit days contribution to open book review of Highways contract	£28k
Subtotal	**£458k**

General Purpose Committee is asked to approve the reinvestment of the £458k contractor rebate as above.

6. Capital Programme

6.1 Capital financial performance

A summary of capital financial performance is shown below:

Original 2020/21 Budget as per Business Plan £000	Forecast Variance - Outturn (Oct) £000	Service	Revised Budget for 2020/21 £000	Actual-Year to Date (Nov) £000	Forecast Variance - Outturn (Nov) £000	Forecast Variance - Outturn (Nov) %	Total Scheme Revised Budget (Nov) £000	Total Scheme Forecast Variance (Nov) £000
29,051	-	P&E	54,603	19,870	-	0.0%	428,331	-
61,817	3,482	P&C	50,754	27,911	1,432	2.8%	574,180	-2,000
11,006	-3,840	Corporate Services	16,134	3,250	-3,567	-22.1%	74,043	-454
74,569	-5,676	C&I	76,693	27,191	-14,712	-19.2%	433,933	-11,323
-	-	Outturn adjustment	-	-	-	-	-	-
176,443	**-6,035**	**Total Spending**	**198,185**	**78,221**	**-16,848**	**-8.5%**	**1,510,487**	**-13,777**

Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 6.2.

2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2020/21 of £37.4m and is currently forecasting an in-year underspend of -£1.0m at year-end.

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

6.2 2020-21 capital programme variations budgets

6.2.1 A summary of the use of the 2020-21 capital programme variations budgets by services is shown below. As forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when re-phasing exceeds this budget.

Service	Capital Programme Variations Budget £000	Forecast Variance - Outturn (Nov) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (Nov) £000
P&E	-12,043	-944	944	7.84%	0
P&C	-6,523	-5,091	5,091	78.05%	1,432
CS	-4,010	-7,577	4,010	100.00%	-3,567
C&I	-17,625	-32,337	17,625	100.00%	-14,712
Outturn adjustment	-	-	-	-	-
Total Spending	**-40,201**	**-45,950**	**27,670**	**68.83%**	**-16,848**

6.2.2 As at the end of November, C&I and Corporate Services schemes have exceeded the capital variations budget allocated to them, forecasting in-year underspends of -£14.7m and -£3.6m respectively. People & Communities are declaring an in-year pressure of £1.4m, as the level of variation is not expected to fully use the -£6.5m P&C capital variations budget. The current overall forecast position is therefore a -£16.8m underspend; the forecast will be updated as the year progresses.

6.3 Capital Current Year Key Exceptions

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

6.3.1 Place & Economy:

A balanced budget is forecast at year-end.

- King’s Dyke

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
10,400	10,303	-97	-1,337	1,240	0	-97

An in-year underspend of -£0.1m is forecast. This is a decrease of £1.2m on the underspend position previously reported last month. A revised forecast expenditure profile has been received from the contractor and the forecast has been updated accordingly; only a small underspend is now forecast for this year as construction work continues on site alongside the design work. The construction is due to complete by December 2022

- P&E Capital Variation

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
-12,043	-11,099	944	2,120	-1,176	0	944

As agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore the net £0.9m underspend is balanced by use of the capital variations budget; the change this month relates primarily to the change in underspend on King's Dyke together with more minor variances.

- For full and previously reported details, see the P&E Finance Monitoring Report.

6.3.2 People & Communities:

A +£1.4m (+2.8%) in-year pressure is forecast at year-end.

- Site Acquisition and Development

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
2,485	485	-2,000	0	-2,000	-2,000	0

An in-year underspend of -£2.0m is forecast across Site Acquisition and Development schemes. The St Ives site acquisition scheme is no longer required as the current occupant has decided not to sell the land.

- For full and previously reported details, see the P&C Finance Monitoring Report.

6.3.3 Corporate Services:

A -£3.567m (-22.1%) underspend is forecast at year-end. for full and previously details, see the CS & LGSS Finance Monitoring Report.

- EastNet (CPSN Replacement)

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
273	546	273	0	273	273	0

An in-year pressure of £0.3m is forecast. The EastNet (CPSN Replacement) scheme suffered significant, previously reported, unavoidable delays on the original timeline, and has consequently spent £546k to date, £273k higher than the 2020-21 budget.

The total amount of funding required in 2020-21 is currently being reviewed, but is not expected to increase much further.

6.3.4 Commercial & Investment:

A -£14.712m (-19.2%) underspend is forecast at year-end.

- Investment in the CCC asset portfolio

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
4,793	3,130	-1,663	0	-1,663	0	-1,663

An in-year underspend of -£1.7m is forecast. This is due to delays, mainly due to the impact of Covid on planned construction works and preparatory works.

- Decarbonisation Fund

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
3,000	2,056	-944	353	-1,297	0	-944

An in-year underspend of -0.9m is forecast. This is a change of -£1.3m on the position previously reported in September and relates in full to a change since last month. The revised forecast is based on the cost of all projects approved to date and 50% of the proposed projects being approved.

- Shire Hall Relocation

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
14,076	8,000	-6,076	0	-6,076	0	-6,076

An in-year underspend of -£6.1m is forecast. This is mainly due to the initial impact of Covid 19 on planned construction works. The building is now water tight with completion of the roof and glass façade, as well as the internal walls, allowing the first fix of electrical, plumbing and mechanical installations to get underway. Completion is now expected in late summer-early autumn.

- For full and previously reported details, see the C&I Finance Monitoring Report.

6.4 Capital Total Scheme Key Exceptions

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

6.4.1 Place & Economy:

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

6.4.2 People & Communities:

A -£2.0m total scheme underspend is forecast.

- St Ives Site Acquisition

Total Scheme Revised Budget **£'000**	**Total Scheme Forecast Spend - Outturn (Nov) £'000**	**Total Scheme Forecast Spend - Outturn Variance (Nov) £'000**	**Variance Last Month (Oct) £'000**	**Movement £'000**
2,000	-	-2,000	-	-2,000

A **total scheme** underspend of -£2.0m is forecast on the St Ives site acquisition scheme for the reasons given earlier in section 6.3.2.

- For full and previously reported details, see the P&C Finance Monitoring Report.

6.4.3 Corporate Services:

A -£0.454m (-0.6%) total scheme underspend is forecast.

- EastNet (CPSN Replacement)

Total Scheme Revised Budget £'000	**Total Scheme Forecast Spend - Outturn (Nov) £'000**	**Total Scheme Forecast Spend - Outturn Variance (Nov) £'000**	**Variance Last Month (Oct) £'000**	**Movement £'000**
5,167	5,440	273	-	273

A total scheme pressure of £0.3m is forecast. The EastNet (CPSN Replacement) scheme suffered significant, previously reported, unavoidable delays on the original timeline, and has consequently spent £546k to date in 2020-21, £273k higher than the 2020-21 budget. The total amount of funding required in 2020-21 is currently being reviewed, but is not expected to increase much further. (See also 6.3.3.)

- For full and previously details, see the CS & LGSS Finance Monitoring Report.

6.4.4 Commercial & Investment:

A -£11.323m (-2.6%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously details, see the C&I Finance Monitoring Report.

6.5 Capital Funding Changes

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding1 £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	17.8	-	5.2	3.6	**26.6**	26.6	-0.0
Basic Need Grant	20.6	-	-	-	**20.6**	20.6	-
Capital Maintenance Grant	3.9	-	-	1.2	**5.1**	5.1	-
Devolved Formula Capital	0.8	1.4	-	-0.0	**2.2**	2.2	-
Specific Grants	9.0	0.1	2.7	4.9	**16.8**	16.5	-0.3
S106 Contributions & Community Infrastructure Levy	8.5	2.7	-2.9	3.0	**11.3**	11.2	-0.1
Capital Receipts	7.3	11.3	0.0	-5.1	**13.5**	4.2	-9.3
Other Contributions	11.4	0.0	1.7	7.9	**21.0**	20.4	-0.7
Revenue Contributions	-	-	-	-	**-**	-	-
Prudential Borrowing	97.1	46.0	-59.7	-2.4	**81.0**	74.6	-6.5
TOTAL	**176.4**	**61.6**	**-52.9**	**13.1**	**198.2**	**181.3**	**-16.8**

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

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

Funding	Service	Amount (£m)	Reason for Change
Additional/ Reduction in Funding (Specific Grants)	C&I	£1.5	The County Council has been awarded £2.5m by the Public Sector Decarbonisation Scheme, a £1bn fund from the Department for Business, Energy & Industrial Strategy (BEIS), administered by Salix Finance, aimed at decarbonising heat in public buildings. £1.5m will be spent this financial year and £1m in 2021/22. The total scheme budget will remain at £15m with the awarded grant reducing the borrowing requirement by £2.5m General Purposes Committee is asked to note the new ring-fenced capital grant funding for the Decarbonisation Fund scheme as above.
Addition/Reduction in Funding - S106 contributions	P&E	£2.1	The Chisholm Trail and Abbey Chesterton Bridge project has experienced a significant number of issues that are forecast to lead to time and cost increases. These include unanticipated delays and costs related to: • Access to land required to deliver the scheme • Design and fabrication issues • Ecology • Third party agreements and approvals • Protracted approval process with Network Rail to work in proximity of the railway • Impact of the Coronavirus pandemic Due to additional costs incurred for this scheme, Highways & Transport Committee, 1st December 2020 agreed to seek additional section 106 funding of £2.063m for the Abbey Chesterton Bridge through the Greater Cambridge Partnership Executive Board. The Greater Cambridge Partnership Executive Board approved the funding on December 10th. General Purposes Committee is asked to note the £2.063m new capital funding for the Abbey Chesterton Bridge scheme as above.

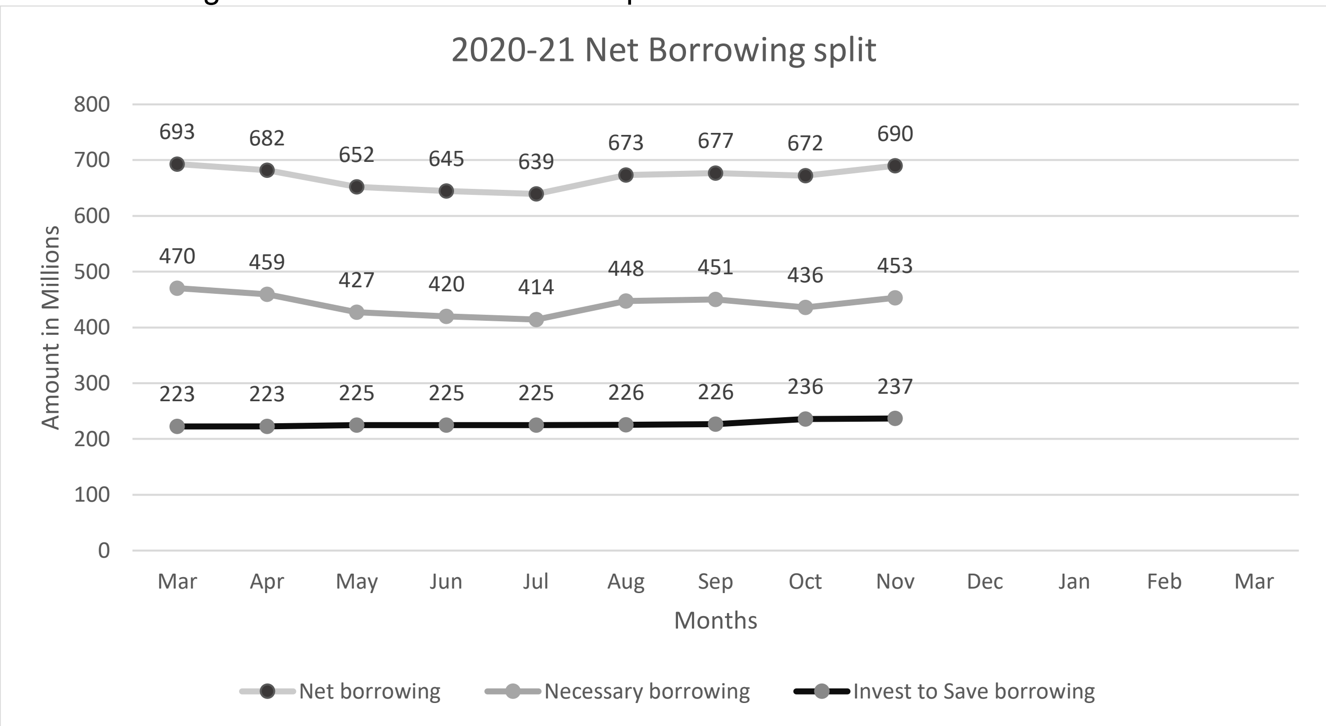
7. Balance Sheet

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

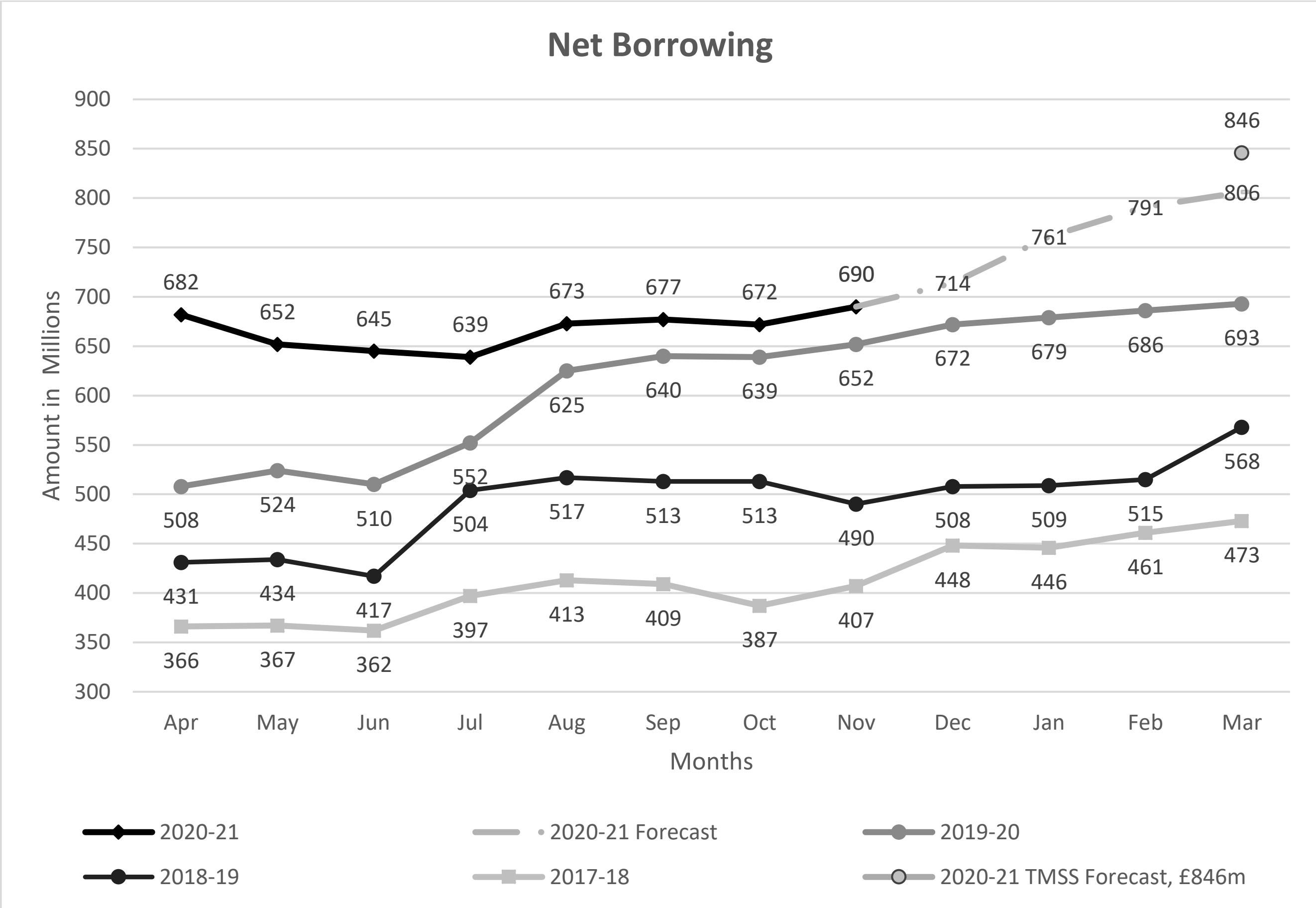
Measure	**Year End Target**	**Actual as at the end of Nov 2020[1]**
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£3.37m	£8.13m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£1.71m	£2.33m
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	97.5%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	85.0%	82.0%

[1] The debt figures from Oct 19 onwards exclude Cambridgeshire & Peterborough CCG debts as these are considered collectable and are subject to separate reconciliation. The amount of debt owed by Cambridgeshire & Peterborough CCG exceeding one year hold was £3.90m. The overdue amounts primarily relate to funding contributions to nursing care and for aftercare provided under section 117 of the Mental Health Act. The CCG now funds care homes for nursing care directly, rather than via the Council, so this issue relates to historic sums accrued between 2017 and 2019. Individual payments continue to be received and officers are working to reconcile these to payments owed and allocate against specific invoiced amounts. Both the Council and the CCG continue to work together to agree, expedite and reconcile payments for clients eligible for NHS funding.

7.2 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2020-21, it is estimated that £237m 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.



7.3 The graph overleaf shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. At the end of November 2020, investments held totalled £92.6m (excluding all 3rd party loans) and gross borrowing totalled £782.6m, equating to a net borrowing position of £690.0m.



7.4 The Council's cash flow profile – which influences the net borrowing requirement - varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, council tax etc.). As illustrated by 2019-20 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2020-21 net borrowing position is expected to take a similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.

7.5 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2020-21 TMSS was set in February 2020, it anticipated that net borrowing would reach £846.0m by the end of this financial year. Based on the 2019-20 outturn position and subsequent revisions to the capital programme, the net borrowing is currently predicted to be below this, at £806.0m by the end of this financial year.

7.6 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings and consequently holding less investments reduces the Council's exposure to credit risk. However, this approach carries with it interest rate risk and officers continue to monitor options as to the timing of any potential longer term borrowing should underlying interest rates be forecast to rise in a sustained manner.

7.7 There is a link between the capital financing borrowing requirement, the net borrowing position and consequently net interest costs. However, the Debt Charges budget is prudently formulated with sensitivity to additional factors including projected levels of cash-backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.

7.8 Further detail around the Treasury Management activities can be found in the latest Treasury Management Report.

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

8. Alignment with corporate priorities

8.1 A good quality of life for everyone

There are no significant implications for this priority.

8.2 Thriving places for people to live

There are no significant implications for this priority.

8.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

8.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

9. Significant Implications

9.1 Resource Implications

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

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

9.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

9.4 Equality and Diversity Implications

There are no significant implications within this category.

9.5 Engagement and Consultation Implications

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

9.6 Localism and Local Member Involvement

There are no significant implications within this category.

9.7 Public Health Implications

There are no significant implications within this category.

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Chris Malyon

10. Source documents

10.1 Source documents

P&E Finance Monitoring Report (November 20)
P&C Finance Monitoring Report (November 20)
PH Finance Monitoring Report (November 20)
CS and LGSS Cambridge Office Finance Monitoring Report (November 20)
C&I Finance Monitoring Report (November 20)
Capital Monitoring Report (November 20)
Report on Debt Outstanding (November 20)
CCC Prompt Payment Report (November 20)

10.2 Location

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)

Budgets and Movements	P&C £'000	Public Health £'000	P&E £'000	CS Financing £'000	Corporate Services £'000	C&I £'000	LGSS Op £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	275,096	0	56,470	29,570	29,441	-9,277	6,286	16,844
Greater Cambridge Partnership budgets not reported in CCC budget					-649			
Cambridgeshire Music and Outdoor Education - moving from C&I to P&C	-72					72		
Integrated Finance- moving from LGSS to Corporate Services					6		-6	
Transfer re Social Work recruitment	31				-31			
Transfer for temporary relocation of Babbage House staff					-15	15		
Transfer from Democratic Services to School Organisation and Planning Service	29				-29			
Transfer from Fostering to Communications	-34				34			
Transfer of IT trainer budgets from LGSS to Corporate Services IT & Digital Service					262		-262	
Transfer of IT CCC SLA, Customer Services, Desktop and laptop charges to LGSS to replace annual recharging	-20				-655		675	
Transfer of Ely Archives property costs from P&C to County Offices	-78					78		
County Offices and Early Help District Delivery Service adjustments	-5					5		
Transfer of Recruitment team from P&C to Corporately Managed	-212				212			
Transfer budget for additional Information Management storage					20	-20		
Transfer IT networks budget from IT Managed to IT Operations					-202		202	
Transfer Children's Centres CPSN and VOIP budgets	-9				9			
Transfer Desktop and Application support budgets to IT Operations					-175		175	
Centralisation of postage budgets	-93		-40		133	0		
Transfer of P&E Management restructure savings from PCC Shared Service			-22		22			
Transfer Non-Exec Director fees budget to C&I					35	-35		
Budget for New Homes Bonus contribution no longer required for Greater Cambridge Partnership					376			
Repatriation of Procurement from LGSS to Corporate Services					373		-373	
Repatriation of Finance Operations from LGSS to Corporate Services					45		-45	
Repatriation of Human Resources from LGSS to Corporate Services					1,340		-1,340	
Repatriation of Health, Safety & Wellbeing from LGSS to Corporate Services					182		-182	
Repatriation of Learning & Development from LGSS to Corporate Services					1,586		-1,586	
Repatriation of Finance Assessments from LGSS to P&C	569						-569	
Repatriation of IT & Digital Services from LGSS to Corporate Services					340		-340	

Repatriation of IT Managed from LGSS to Corporate Services					2,807		-2,807	
Budget allocation to cover extra 0.75% LGE pay increase	389	0	35		-440	4	12	
Current budget	**275,592**	**0**	**56,443**	**29,570**	**35,029**	**-9,159**	**-162**	**16,844**
Rounding	0	0	0	0	0	0	1	0

Appendix 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2020 £000s	Movements in 2020-21 £000s	Balance at 30 Nov 2020 £000s	Forecast Balance at 31 March 2021 £000s	Notes
- County Fund Balance	17,658	1,829	19,487	20,179	
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	0	0	0	0	
4 LGSS Operational	825	-228	597	284	
General Reserves subtotal	18,483	1,601	20,084	20,463	
5 Insurance	4,165	-1,742	2,423	3,587	
Specific Earmarked Reserves subtotal	4,165	-1,742	2,423	3,587	
6 P&C	0	0	0	0	
7 P&E	0	0	0	0	
8 CS	3	-3	0	0	
9 C&I	0	0	0	0	
Equipment Earmarked Reserves subtotal	3	-3	0	0	
10 P&C	1,097	0	1,097	1,097	
11 PH	2,728	167	2,895	2,069	
12 P&E	4,669	122	4,791	1,312	Includes liquidated damages in respect of the Guided Busway
13 Corporate Services	5,423	-2,456	2,967	5,319	
14 C&I	705	0	705	0	
15 Transformation Fund	24,593	7,594	32,186	26,846	Savings realised through change in MRP policy.
16 Innovate & Cultivate Fund	972	21	993	156	
17 Corporate	14,612	20,282	34,894	0	Includes COVID-19 Support Grant 1st, 2nd, 3rd and 4th tranches
Other Earmarked Funds subtotal	54,799	25,730	80,529	36,799	
SUBTOTAL	**77,450**	**25,586**	**103,036**	**60,849**	
18 P&C	2,518	0	2,518	0	
19 P&E	5,024	7	5,031	0	
20 C&I	11,632	-35	11,597	12,518	
21 Corporate	60,761	5,687	66,448	55,940	Section 106 and Community Infrastructure Levy balances.
Capital Reserves subtotal	79,935	5,659	85,594	68,458	
GRAND TOTAL	**157,385**	**31,245**	**188,629**	**129,307**	

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

Fund Description	**Balance at 31 March 2020 £000s**	**Movements in 2020-21 £000s**	**Balance at 30 Nov 2020 £000s**	**Forecast Balance 31 March 2021 £000s**	**Notes**
1 P&E	0	0	0	0	
2 P&C	224	-24	200	200	
3 Corporate Services	2,093	0	2,093	2,093	
4 C&I	0	0	0	0	
Short Term Provisions subtotal	2,317	-24	2,293	2,293	
5 Corporate Services	3,613	0	3,613	3,613	
Long Term Provisions subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	**5,930**	**-24**	**5,906**	**5,906**	

Agenda Item No.7

Business Plan 2021-22 to 2025-26

To:	General Purposes Committee
Meeting Date:	26 January 2020
From:	Gillian Beasley, Chief Executive Chris Malyon, Chief Finance Officer
Electoral division(s):	All
Forward Plan ref:	Not applicable
Key decision:	No
Outcome:	The Committee is asked to consider an overview of the key issues contained within the Business Plan prior to formal recommendation by GPC for Council decision in February. The accompanying draft Business Plan is attached at Appendix 2.

Recommendation:

It is recommended that the Committee;

1. Considers the Business Plan, including supporting budget, business cases, Transformation Fund Bids, consultation responses and other material, in light of all the planning activities undertaken to date.

2. Considers the options set out in Section 4 of this paper to establish a balanced budget position.

3. Agrees the Transformation Fund bid set out in Appendix 1 which supports the Adult Social Care Transport Business case.

4. Agrees to amend the draft business plan, subject to a recommendation from the Communities and Partnerships Committee, allocating £300k to an extension of the Cultivate fund, in accordance with section 3.4 of this report.

5. Reviews the following recommendations to Council:

   a) That approval is given to the Service/Directorate budget allocations as set out in each Service/Directorate table in Section 3 of the Business Plan.

   b) That consideration is given to a total county budget requirement and precept level

c) That consideration is given to a Council Tax increase for each Band of property, based on the number of "Band D" equivalent properties notified to the County Council by the District Councils as set out in Section 2, Table 6.4 of the Business Plan.

d) That approval is given to the Capital Strategy as set out in Section 6 of the Business Plan including:

   - Commitments from schemes already approved;
   - Expenditure on new schemes in 2021-22 shown in summary in Section 2, Table 6.7 of the Business Plan.

e) That approval is given to the Treasury Management Strategy as set out in Section 7 of the Business Plan, including:

   i. The Council's policy on the making of the Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008.

   ii. The Affordable Borrowing Limit for 2021- 22 (as required by the Local Government Act 2003).

   iii. The Investment Strategy for 2021-22 as required by the Ministry of Housing, Communities and Local Government (MHCLG) revised Guidance on Local Government Investments issued in 2018, and the Prudential Indicators as set out in Appendix 3 of Section 7 of the Business Plan.

6. Authorise the Chief Finance Officer, in consultation with the Leader of the Council, to make technical revisions to the Business Plan, including the foregoing recommendations to the County Council, so as to take into account any changes deemed appropriate. This includes updated information on District Council Tax Base and Collection Funds, Business Rates forecasts and Collection Funds and any grant changes, as well as appending the agreed budget submitted by the Greater Cambridge Partnership, in the County Council's role as the host authority.

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Roger.hickford@cambridgeshire.gov.uk
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1. Background and context for business planning

1.1 The Council's Business Plan sets out how we will spend the resources we have at our disposal to achieve our vision and priorities for Cambridgeshire, and the outcomes we want to achieve. It is a statutory requirement under the Local Government Finance Act 1992 for the Council to approve a balanced budget "before 1 March in the financial year preceding that for which it is set". In doing so, the Council undertakes financial planning covering a five year timescale in order to align spending plans with the projected resources available and ensure that we recognise and provide for growth in demand for services.

1.1.1 This paper builds on the information which has been provided to this Committee during October and December and sets out the latest financial position for the period 2021-26 together with a number of potential decisions Members could take at Full Council in order to set a balanced budget in February.

1.1.2 Developing the Business Plan within the context of a global pandemic required a new approach resulting in the development of a robust planning framework which has enabled us to track the trajectory of the impact of COVID-19. Since March 2020, we have continually developed our understanding of emerging trends, actual demand increases and emerging impacts on society and the economy. This has enabled us to narrow the range of the predicated budget gap and present options for a robust budget for 2021-22. We have made a number of prudent assumptions through our modelling which will reduce, but not completely protect against, the sensitivity of the figures to external factors. The ongoing impacts will be monitored and managed through the Council's existing risk management process and recovery planning. The current assumptions and risks upon which the Business Plan has been developed are set out in the following section.

1.1.3 As part of the December Committees, a number of assumptions and risks to the presented business planning figures were highlighted and whilst some have been resolved, such as the Provisional Grant Settlement announcement (detailed below), there remain a number of risks and issues which are as follows;

- National restrictions – the third national lockdown was announced on 4 January 2021 following the significant increase in COVID-19 cases and the raising of the national alert level reflecting that there is a "material risk of healthcare services being overwhelmed". These restrictions closely resemble those implemented in March 2020 (including the need for the clinically extremely vulnerable to shield) and are likely to result in additional adverse economic and social impacts on citizens. These restrictions will be reviewed on 15 February 2021 at the earliest; it is unclear if the national tier system will continue in its current format following (any) relaxation of these restrictions.

- Vaccinations – the approval and deployment of the COVID-19 vaccines are seen as the key factor in deciding whether the national restrictions referenced above can be relaxed. The national vaccination programme is being accelerated and it is expected that the majority of those seen as being most vulnerable will be vaccinated by the middle of February 2021. If this timeframe can be met, then this will potentially mitigate the continued need for some of the national restrictions.

- Government support – it has been confirmed that additional support will be provided to support businesses across a number of sectors. This includes business rates relief and the furlough scheme which have been extended until the end of April 2021. It is unclear at this stage whether further support will be provided by central government.

- EU Exit – the agreement made between the UK and the EU has mitigated the implications of the 'no deal' scenario. However, the impact of the new trade agreement could still have implications for the delivery of services e.g. the ability to attract workers for critical roles.

1.2 For 2021-22, Cambridgeshire will receive £645m of funding, excluding grants retained by its schools. The key sources of funding are council tax (£323m), business rates (£64m), central Government grants (£136m) and fees and charges income (£122m).

1.2.1 Council tax falls into two elements. These are the core council tax that is used to support the delivery of all Council services, and the Adult Social Care precept which can only be used to support the delivery of social care services to adults. The assumptions upon which the current MTFS financial forecasts are predicated are 0% general council tax increase and 2% adult social care precept increase for each year of the Business Plan.

1.3 Total expenditure for 2021-22 will be £655m. The costs of running the Council have risen by £42m (6.9%) as compared to 2020-21. In particular, the impact of COVID-19 has led to increased challenges across all services areas but especially in respect of Adult's and Children's Social care provision which have seen increases in both volume and complexity of need.

2. Strategic Framework and approach

2.1 In this constantly changing environment, we need to respond to the ongoing challenge of COVID-19, we have to continue to do all we can to tackle climate change, we must make sure that all of our communities benefit from growth, and it's essential we keep pace with the dynamic changes, to the way the world connects. Our strategic framework, which forms Section 1 of the Business Plan, ensures that our plans are driven by our shared vision to make Cambridgeshire a great place to call home and focuses on achieving a number of outcomes for the people of Cambridgeshire. The framework outlines the following priorities:

- Communities at the heart of everything we do
- A good quality of life for everyone
- Helping our children learn, develop and live life to the full
- Cambridgeshire: A well-connected, safe, clean, green environment
- Protecting and caring for those who need us

2.2 Delivering these outcomes is at the heart of all strategic planning and service design and drives the Business Plan as well as the Transformation Programme, Service Plans and Strategies.

2.3 The Framework comprises of the following elements:

- A Corporate Strategy, describing the Council's long term vision for Cambridgeshire, the outcomes we strive for and our priorities for change;
- A set of ambitious performance measures which will be used to hold us to account for improvements across Cambridgeshire;
- The Council's Business Plan, which describes how we will commission services to deliver these outcomes within the resources we have;
- A suite of key strategies describing a detailed corporate approach to the management of core activities such as finances, workforce, digital services, commercial, assets and carbon reduction;
- A set of partnership agreements and action plans which describe multi-agency approaches to deliver improved outcomes across Cambridgeshire;
- Service plans, which describe how each of our directorates work to deliver our business plan objectives, including priorities for delivery as well as transformation and service improvement initiatives; and
- The Council's transformation programme which brings together our ambitious programme of change to ensure that we have the resources and capacity to deliver at pace.

3. Updates to position from December Committee

3.1 At its December meeting, General Purposes Committee received information about the draft business planning proposals. These have been developed in liaison with Members throughout the year using the strategic approach outlined above. The proposals were reviewed by Service Committees in December before being recommended to GPC to form part of the Business Plan. All the proposals that have been approved are reflected in the Business Plan tables and supporting business cases. Through this process we have identified £4m of savings and additional income generation opportunities for 2021-22. As such, the position presented at December Committees is summarised in the table below;

December Committee Position	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000
Unidentified Savings	20,824	8,103	9,672	11,619	8,448

3.1.1 Supporting the Adult Social Care Transport business case is a Transformation Fund bid which is set out fully in Appendix 1. The bid was approved by Adults Committee on 14 January 2021.

3.2 The following section highlights the key developments which have occurred since the December Committees which have significantly impacted the gap for both 2021-22 and beyond.

3.2.1 Following the Spending Review announcement and the subsequent Provisional Local Government Finance Settlement published on 17 December 2020, a summary of the impact of these is presented below;

	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000
Unidentified savings as per December Committee	*20,824*	*8,103*	*9,672*	*11,619*	*8,448*
Covid-19 Grant announced in settlement	-11,887	11,887	-	-	-
Living Wage: Lower than expected (contracts)	-1,550	-	-	-	-
Staff pay restraint in local government	-1,272	-	-	-	-
Social care grant announced in settlement	-961	-	-	-	-
New Homes Bonus – grant less than expected	473	204	-	-	-
Sales, Fees & Charges – Apr-June compensation	-1,200	1,200	-	-	-
Revised gap after settlement changes	*4,427*	*21,394*	*9,672*	*11,619*	*8,448*

3.2.2 Additionally, there have also been a number of other changes to budget proposals since the December Committee that are summarised as follows;

	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000
Revised gap after finance settlement	*4,427*	*21,394*	*9,672*	*11,619*	*8,448*
COVID Impact - Home to School Transport Mainstream demand	189	-189			
Supported Housing Commissioning review	100				
Personal Protective Equipment - national scheme ending in March 2021	900	-900			
Decapitalisation of Community Equipment (short asset life)	900		400		
Adults Client Contributions timing	562	-398	-164		
Increase in People & Communities Covid-19 income pressures	604	-604			
New pressure: Information Management	127				
New pressure: Procurement	154				
LGSS Exit: IT systems	650	-500			
BID Directorate - appropriate use of capital receipts	500	-500			
COVID Impact - Contract Efficiencies	249	-249			
Debt Charges & Cost of Capital		1,283	3,795	2,115	2,923
*Pandemic - GPC held demand risks contingency	1,800	-1,200	-600		
Subtotal increased pressures/reduced savings	*11,162*	*18,137*	*13,103*	*13,734*	*11,371*
Additional block beds - inflation saving	76	-383	-456	-470	-484
Recommissioning of existing block beds	-80	-550			
COVID Impact - Adult Social Care Demand	-548		-707		
Home to School Transport - Covid-19 grant funding	-403	403			
New saving: Customer Services	-85				
COVID Impact - Commercial Income	-467	687	-220		

	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000
Financing adjustments	-43	-657	1,164	374	-276
Current position Unidentified savings	*9,612*	*17,637*	*12,884*	*13,638*	*10,611*

3.2.3 Although the Council's Business Plan and MTFS were predicated on an annual Adult Social Care (ASC) precept of 2% per annum, the current scheme was due to cease at the end of the financial year. Included within the spending review was an announcement that this would be extended for at least one year. A maximum of 3% ASC can now be set for the financial year 2021-22 and any element of the 3% not used can be carried forward to 2022-23. There is currently no commitment from the Government that the ASC precept scheme will be available in the financial year 2022-23 other than the aforementioned carry forward from 2021-22.

3.2.4 A Council Tax Hardship Fund was announced in March 2020 worth £500m nationally of which Cambridgeshire District Authorities received £3.7m. This funding has supported additional Council tax relief to economically vulnerable people and households across the county. Government has recognised that the economic impacts of the pandemic have left many households unable to afford their Council Tax bills resulting in an increase in eligibility for Local Council Tax Support (LCTS) in 2021-22 and beyond. At the Spending Review, Government announced a further £670m pot for LCTS, expected to be worth a further £4.4m to the County Council, though the timing of this support and the associated pressures on the tax base remain uncertain as they will vary with local need.

3.2.5 In summary, in consideration of the current known pressures on the budget we are projecting a remaining budget gap of £9.6m based on the 2% ASC precept increase in 2021-22 and further substantial gaps in the following four years.

3.3 The starred (*) amount shown above in the table for the pandemic (GPC held demand risks contingencies) represents some further centrally held general provision across the various risks of additional expenditure stemming from COVID-19 in view of the remaining uncertainties about the course of the pandemic. Whilst we have been able to select the most appropriate estimate of the service-by-service impact in the budget presented, with the frequent and fast changes in epidemiology and resulting service impacts, it is considered prudent that GPC holds a further sum to enable it to make additional investments in services during next year as needs arise. In particular, this reflects that the latest high alert and additional restrictions may vary the timing and value of financial impacts at the beginning of the next financial year. In reviewing the projected budget position for next year, the budget provision for children's services, in particular, is particularly vulnerable to pressures from additional demand post lockdown. This was highlighted after the previous lockdown which lead to a sharper spike in demand than had been anticipated. In addition to this provision to be held by GPC, the Service Committee also has £1.3m additional one-off funding for next year to support additional "social care capacity".

3.4 At its meeting in January, (Meeting of Communities and Partnership Committee) the Communities and Partnership Committee will consider recommending a further investment of £300k into the Cultivate Fund, taking into account of the latest evaluation report for the programme. Since 2018, Cultivate Fund has enabled investments in 25 projects led by local communities and not-for-profit organisations, targeting preventative interventions which have a projected return on investment, reducing future costs to the Council from demand-led services, particularly in Children's and Adults Services. Previously the investments in Innovate & Cultivate have been financed through a re-allocation from the transformation fund reserve, and it is proposed that this additional funding is dealt with in the same way.

4 Options to close the remaining deficit

4.1 A significant amount of activity has been undertaken to identify savings, efficiencies and income to reduce the current gap. However, the opportunities to generate additional savings proposals without significantly impacting the delivery of services have reduced in both number and scale. This is all the more challenging given the current operational issues posed by the pandemic.

However, the following options remain available to contribute towards not only closing the gap for 2021-22 but some also support the significant challenges faced in 2022-23 and beyond because the benefits are then baked into the base funding of the Council;

- Increase the rate at which base Council Tax is set
- Increase the rate at which the Adult Social Care Precept is set
- Use of the flexibility available around Minimum Revenue Provision (MRP)
- Use of the Transformation Fund
- Reduce service levels

As a last resort, the Council would also deplete the general reserve. This would need to be the very last resort as this Reserve is held to deal with any in-year unforeseen financial issues. As this reserve is already considered to be at the minimum adequate level, the other options above to provide a means by which to set a balanced budget for the year ahead must be considered as a priority over the use of the General Reserve.

4.2 The benefits and dis-benefits of each option are described in the following paragraphs to enable the Committee to consider the best course of action.

4.3 <u>Increase the base rate of general Council Tax (each 1% would bring in £3.066m)</u>

Currently the Medium Term Financial Strategy (MTFS) includes an assumption that general Council Tax will remain unchanged (zero increase) across the five years of the business plan. The Council Tax referendum principles for 2021-22 have confirmed that Councils will have the freedom to raise Council Tax by up to 1.99% without triggering a local referendum.

If the Council chooses to amend the assumptions in the MTFS and raise the core Council Tax, each percentage point increase generates additional revenue of £3.066m from year 1. From a financial perspective, this is the most advantageous approach as it generates ongoing revenue on a sustainable basis. It is also important to note the cumulative effect of raising the level of council tax; with a higher base rate, the value of each % of increase agreed in future years is also increased. Maximising tax revenue also places the Council in a better position with regard to challenging central government in respect of adopting a fairer funding distribution methodology as part of the forthcoming Comprehensive Spending Review.

Clearly, however, the dis-benefit of this option is the increased burden on Cambridgeshire households through higher tax bills. To inform the Committee's decision, the tables below show the impact of Council Tax increase on the Council's budget deficits across the planning period and the average cost per household for taxpayers

Impact on Households

Percentage increase in Council Tax	Annual Impact on a Band D Household
2%	£27.18
3%	£40.77
4%	£54.36
4.99%	£67.77

Note - a 2% increase (£27.18 for a Band D Household) is included in current Business Plan assumptions as a result of increasing the Adult Social Care precept.

Section 3.2.4 above provides some details regarding Council tax support to households and the national assumptions about increased access to LCTS

Impact on Council Budget Position

The table below shows the forecast gaps in each of the next five years and how potential changes in the ongoing assumption of base Council Tax increases would affect this (2% is current position):

	Remaining Level of Unidentified Savings				
	2021-22	2022-23	2023-24	2024-25	2025-26
2% rise	9,612	17,637	12,884	13,638	10,611
3% rise	6,546	17,444	12,776	13,529	10,474
4% rise	3,479	17,251	12,668	13,420	10,359
4.99% rise	454	17,059	12,561	13,312	10,243

The following table shows the cumulative additional Council tax that would be raised over five years for each level of increase:

	Cumulative additional Council tax raised				
	2021-22	2022-23	2023-24	2024-25	2025-26
2% rise	6,322	12,847	19,588	26,547	33,738
3% rise	9,483	19,270	29,382	39,821	50,629
4% rise	12,644	25,694	39,176	53,094	67,498
4.99% rise	15,764	32,034	48,844	66,198	84,153

The table below shows the absolute level of savings (non-cumulative) that the Council would need to find in 2021-22 and 2022-23 for each level of increase:

Year 2 impact of 2021-22 Council tax on Unidentified Savings	2021-22	2022-23
2% rise	9,612	27,249
3% rise	6,546	23,990
4% rise	3,479	20,730
4.99% rise	454	17,513

It should be noted that the Business Plan currently assumes that an Adults Social Care precept of 2% will be available in each of the five years to 2025-26 and that the Council will choose to apply the precept each year.

4.4 Increase in Adult Social Care Precept (a further 1% would bring in £3.066m)

The impact on the Council's finances of increasing the Adult Social Care Precept by the additional 1% permitted is the same as for 1% of general Council Tax.

This year, it has been announced that the ASC precept limitation for 2021-22 can be carried forward to 2022-23 if preferred by the Council (no other details about funding or Council tax limitations having been confirmed for 2022-23). The Council can demonstrate that the planned increased investment in Adult Social Care for next year exceeds the maximum amount available through the precept, and it therefore makes no difference to our overall financing whether that arrives as a hypothecated or general precept.

The carry forward flexibility has not been granted for general Council tax.

4.5 Use of ongoing MRP benefit to balance budget deficit (up to £2m funding recurring until 2025-26 then diminishing annually)

The Council agreed an alternative approach to the calculation of Minimum Revenue Provision (MRP) in 2016 which provided ongoing budgetary savings, reducing over time. The MRP strategy maintained a commitment to invest the funding made available as a result of the MRP savings into the Council's Transformation Fund - recognising that this fund is essential to delivering the sustainable change we need. However, there is a judgement to be made about the appropriate level of funds applied each year to the Transformation Fund, or other priorities, on the other hand. It should be noted that MRP savings cannot be considered as a permanent source of base funding to close the budget gap as the benefit of these savings is diminishing annually. The amount from the MRP benefit next year is £4.1m, reducing to £2m by the end of the current business planning period (2025-26).

4.6 Use of Transformation Fund

The amount of one-off reserves held within the transformation fund, that are not allocated to future projects, is £23m.

Whilst this could be used to address the budget gap next year it must be recognised this would be a one year intervention only, with a fundamental recurring saving needing to be addressed in the following year, creating a larger cliff edge that will eventually need to be addressed by recurrent funding or reduced expenditure.

4.7 Reduced service levels

The Business Plan and the level of services that are supported by the resource allocation have been discussed in detail by each service committee. However, the Council can decide to reduce the operating cost base by reducing service levels. As the Committee will be aware any service reductions will have a significant impact on the users of that service. Having operated within a financially challenging environment for a number of years (as well as the impact of COVID-19) most service efficiencies have already been identified and have / or are being implemented (as evidenced through the benchmarking work presented at the December Committee) and therefore further changes will impact on the quality or quantum of those services.

4.8 Other funding uncertainties to be confirmed as part of budget setting

Category	Item	Remarks
Revenue	Better Care Fund uplift	There is a favourable change likely as a result of an uplift applied nationally to the Better Care Fund amounts the Council receives from the local Clinical Commissioning Group
Revenue	Cost of Capital/Debt	There is a favourable change possible in year 1 of the MTFS, this will also need to take account of any remaining capital amendments politically.
Revenue	Local Taxation	As a result of the pandemic and the economic impact there is additional uncertainty in this area. Government have announced additional funding streams to support the impacts across Council Tax and Business Rates. However the precise impact and functioning of the schemes, and the interaction between billing and precepting authorities is not yet clear. There is considerable downside and uncertainty relating to collection rates, tax base and growth for both taxes in the coming years, and volatility in the estimates submitted by District Councils. The intention is therefore to initially allocate any additional grant received from government for local taxation losses to an earmarked reserve in order to offset and mitigate the future risks and volatility. This will be reviewed as the situation settles and part of future business planning.
Capital	Roads Fund / Potholes	We are awaiting local authority level allocations of the second year of the manifesto investment in Roads and Potholes.

In previous years, the Council has undertaken varying levels of a budget reset at the July General Purposes Committee to reflect the latest demand and funding information at that point. As a backstop, all of the above items could be addressed through this route, after the budget has been formally set for the year ahead.

5. Capital Strategy

5.1 Including current commitments, the Council will be spending £608.7m on capital investment in the county over the period of the Business Plan. This is in addition to previous expenditure of £655.5m on some of these schemes, creating a total Capital Programme value of £1.3 billion. For 2021-22, the Council's proposed expenditure on its capital programme is £146.2m. This is financed by a combination of the following funding streams:

- Central Government and external grants (£40.4m);
- Section 106 and external contributions (£38.6m);
- Prudential borrowing (£65.9m); and
- Capital receipts (£1.4m).

5.2 Alongside updates to previously agreed schemes, additional investment proposals this year include:

- 10 new school schemes
- Care Suites: East Cambridgeshire

5.3 The debt charges budget is now forecast to spend £31.8m in 2021-22, increasing to £44.7m by 2025-26. Over the five-year planning period, this remains within the advisory debt charges limit that was set by Council early in the 2015-16 business planning process. The revenue impact of the Commercial Investment schemes is included within the Commercial and Investment revenue table, so this is not shown within these figures.

6. Treasury Management Strategy

6.1 The Council is required to approve and monitor a series of Prudential Indicators for 2021-22 to 2025-26. These include indicators showing the cost of servicing debt as a percentage of revenue expenditure and the Council's underlying borrowing requirement. Fixed and variable interest rate exposure and the maturity profile of debt are also reported.

6.2 Throughout 2021-22 the Council intends to maintain an under borrowing position, which means borrowing will be reduced as a result of utilising internal cash balances – this ultimately will keep the cost of borrowing down. As a result, cash balances will be generally lower and the level of loan debt reduced. However, loan debt is projected to increase year on year as a direct result of additional capital investment.

6.3 Given the Bank Rate is forecast to remain low, the Council plans to predominately use a mix of its own cash balances and short/medium-term borrowing to finance further capital expenditure. This strategy maximises short-term net interest savings; however, given projections over the next three years show an increasing Capital Financing Requirement (CFR), and recognising the risks within economic forecasts, caution will be adopted with treasury operations. As such, the Council will also refinance some of the maturing existing debt over a longer time-frame.

6.4 Following the reduction in Public Works Loans Board (PWLB) rates in November 2020 back down to levels similar to pre-October 2019 as a result of the outcome of the PWLB lending terms consultation, the Council will consider a mix of both PWLB and other lending sources, predominantly from other local authorities. HM Treasury also announced new restrictions on accessing PWLB borrowing for authorities that have commercial investments primarily for yield included anywhere within their capital plans for the next three years; the Council does not have any such schemes included, therefore enabling the Council to continue to access PWLB borrowing.

6.5 Additionally, the Council intends to undertake the scheduled quintennial review of its MRP policy during 2021-22.

7 Impact of Proposals

7.1 The Equality Duty set out in S149 of the Equality Act requires the Council to demonstrate 'due regard' to consciously think about the following three aims as an integral part of developing policy, making decisions, and delivering inclusive services:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the act
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it
- Foster good relations between people who share a protected characteristic and people who do not share it

7.2 The Council takes very seriously the need to be aware of the impact that our policies, decisions, and services have on our workforce and communities across Cambridgeshire including people with protected characteristics, and the importance of using this information to inform the preparation of the Business Plan. It is important the Council understands the positive and negative impacts of that its decision-making has on these groups and the need to ensure compliance with the Equality Act 2010 and its Public Sector Equality Duty. Equality Impact Assessments encourage the diversity of our workforce and communities to ensure our plans and outcomes are inclusive. There are nine protected characteristics under the Equality Act (2010); the Council has chosen to include two additional protected characteristics of poverty and rural isolation. If a plan or decision has potential adverse effects on people with protected characteristics then a full Equality Impact Assessment is completed. Where relevant, for each of the detailed proposals, services have undertaken an Equality Impact Assessment (EqIA).

7.3 EqIAs have been considered as part of the business cases associated with each proposal which are published within section 4 of the Business Plan. These impact assessments state that in many instances the way we deliver services for communities will change and that service users will experience a transition from one service model to another – however we are clear that in all instances the local authority will still be fulfilling all its statutory requirements and will be meeting the needs of residents and service users.

8. Budget Consultation

8.1 An independent, professional research company (M·E·L Research Limited) was commissioned to carry out a consultation process with Cambridgeshire residents to inform the business planning process. In previous years', the consultation has been carried out face to face but due to the pandemic restrictions this year's methodology had to be different. A shorter set of questions were developed which related to options on Council Tax and general satisfaction with public services. Sampling of residents was carried out in three ways:

- E-mail survey, targeting residents in Cambridgeshire (equal numbers per district);
- An open link to the survey advertised by the CCC communications team;
- A 'top up' telephone survey to gain the views of residents not reached by the above methods.

8.1.1 Responses came from all areas of the county; men were slightly under-represented; as were 18-34 year olds. 55-64 year olds were slightly over-represented. Results have been weighted to take account of this. More details on the methodology can be found in the full report outlined in Section 5 of the Business Plan.

8.2 Headline results on Council Tax from the M·E·L survey are as follows:

- In total 59% of respondents preferred an increase of 2% or above, in council tax;
- Preference for an increase was distributed across a range of amounts with the median preferred increase being 3.4%;
- 33% of people preferred not to have an increase.

8.2.1 The results are consistent with previous year's surveys. For instance, in 2019 32% of people preferred not to have an increase with 66% preferring an increase of some kind (noting the previous methodology allowed for a discussion and a positive decision one way or the other to be made).

8.3 Headline results for the questions on satisfaction are:

- 80% of residents were 'very' (32%) or 'fairly' (48%) satisfied with their local area as a place to live.
- Cambridgeshire scored 2 percentage points below the national average score (82%) for this question. The main reason being due to a low score from residents of Fenland and also from those in the 18-34 age range.
- 60% of residents were either 'very' (15%) or 'fairly' (45%) satisfied with the way the County Council runs things. 23% of residents had no feeling either way.
- The total positive result is 4 percentage points below the national average (64%) scores. Again, residents in Fenland were less likely to be satisfied with an overall satisfaction score of 52%.

8.4 The full headline results are available in section 5 of the Business Plan.

9 Robustness of estimates and adequacy of reserves

9.1 The Local Government Act 2003 (Section 25) requires that when a local authority is agreeing its annual budget, and precept, the Chief Finance Officer must report to it on the following matters:

- the robustness of the estimates made for the purposes of the calculations; and
- the adequacy of the proposed financial reserves.

9.2 This statement will be considered along with the rest of the Business Plan by the Council in February. It is included for the Committee's consideration at this point in order to provide additional context for the discussion around the options available to the Council to set a balanced budget for the next financial year.

9.3 The estimates that support this budget have used all the data and supporting information that the Council has at its disposal at this point in time. When considering the budget each year, the assumptions that have been used in order to construct that budget and the uncertainties contained therein are always made clear. In any year building a robust projection of the level of demand for services is extremely challenging – on the back of a worldwide pandemic this uncertainty is understandably significantly exacerbated. The recent mutation of the virus which has necessitated a further period of lockdown now means that there is significant additional uncertainty to the financial projections contained within the Council's financial forecast.

9.4 To date the additional costs/reduced income arising from COVID-19 have been funded by additional financial support from the Government. It is therefore not an unreasonable assumption that any additional costs following increases to the infection rate and the national lockdown announced by the Prime Minister on 4 January will also be funded through additional grant. Given the temporary nature of these costs, should they not be fully funded, it is proposed that any such costs will be met from the Council's Transformation Fund rather than the General Reserve. This will avoid the need to add further pressure on the base budget for 2021-22 in order to replenish the General Reserve as a result of costs that are clearly one-off.

9.5 Against this uncertainty the budget proposals presented for consideration are as robust as they can be at this point. They set out how the increasing pressures and costs will be managed within the resource envelope at the Council's disposal and individual proposals are supported by business cases, delivery plans and, where required, by additional transformation investment.

9.6 Although a post-COVID-19 world brings with it a significant amount of economic uncertainty, the Council does still expect that there will be further economic and population growth throughout the period of the MTFS. To date, the growth seen within the County and the consequential demand for additional services this growth brings with it has not been adequately reflected within the grant distribution methodology. This point has been raised on a number of occasions with Government and was the foundation of the Council's 2018 fairer funding campaign. It is hoped that the issues highlighted during this campaign will be addressed in the forthcoming Comprehensive Spending Review later this year.

However, given the pressures on public funds it is unlikely that the total funds available to local government will be dramatically increased. At this point the Council must therefore adopt prudent estimates of available core funding in future years. In addition to the uncertainties of delivering services in a post-COVID-19 world there are potentially additional issues that may arise from Brexit which, whilst mitigated by the securing of a trade agreement, have not been fully removed. When coupled with additional Government restrictions that will restrict the Council's ability to operate as commercially as it might have hoped for, the need for maintaining a reasonable level of prudent reserves is as key now as it ever has been.

9.7 The consequences arising from the pandemic in the current financial year have, in most part, been funded by the Government. The Spending Review, and the subsequent local government grant settlement, have also provided additional support for many of the implications of the post-COVID-19 environment. Whilst this additional funding is obviously most welcome it is to a large extent only for the 2021-22 financial year. With the uncertainties surrounding the outcome of the 2021 Comprehensive Spending Review the MTFS is currently forecasting a significant financial gap for the financial year 2022-23.

9.8 It is pleasing to be able to present the Council with a range of potential options for it to consider in order to balance the 2021-22 budget. When the reports were presented to service committees towards the end of 2020 this opportunity seemed highly unlikely. However, the Council is urged to consider what the impact that any decisions that are made appertaining to the 2021-22 budget will have on the longer term financial position of the Council.

9.9 The General Reserve is specifically held to mitigate against any in-year pressures beyond those that have been built into the Business Plan. The General Reserve is held at no less than 3% of gross non-school spending to cover any such incidents. This currently equates to a figure of £19.5m. When the Council agreed to increase the General Reserve to 3% it did so in the context of a risk assessment that reviewed key areas of spend and the likelihood of significant budget variations in those areas. The risks associated with delivery have not diminished and therefore it is the Chief Finance Officer's opinion that the level of the General Reserve should remain as a minimum at 3%. Consequently, any known draw on this Reserve that takes it below this threshold should be balanced with a contribution from within the base budget for the following financial year.

9.10 Because of COVID-19, the Council has had to re-evaluate some of the savings proposals that had been included within the Business Plan. Some have been deferred or modified as a result. As a consequence there is slightly less concern as to the deliverability of these plans in 2021-22. However, this reduced risk is negated by the uncertainties of the scale and timing of the economic recovery in a post-COVID-19 environment.

9.11 Given these uncertainties it is imperative that the Council maintains sufficient resources to cover any in-year unforeseen expenditure. It is therefore the Chief Finance Officers view that the General Reserve should be held only for the purposes as set out above and not for the purposes of balancing the budget. In addition, the Council holds a Transformation Fund which is a revenue-based reserve established to support pump priming initiatives/investments that will reduce the ongoing operating costs of the Council. Whether as a direct result of the pandemic or simply the fact that most big ticket transformation projects have been progressed the Fund balance is currently in excess of the pipeline of requirements. It could therefore be available to support any unforeseen in-year expenditure should that situation arise. In the short term, therefore, it is the Chief Finance Officers view that the Council's reserves are sufficient to meet the challenges that could realistically be anticipated at this point.

10. Next Steps

10.1 This meeting of General Purposes Committee on 26 January 2021 is the last opportunity for the Committee to publicly scrutinise the business plan before Full Council debates the plan for approval on 9 February 2021.

11. Alignment with Corporate Priorities

11.1 A good quality of life for everyone
11.2 Thriving places for people to live
11.3 The best start for Cambridgeshire's children

The purpose of the Business Plan is to consider and deliver the Council's vision and priorities and this paper sets out how we aim to provide good public services and achieve better outcomes for communities, whilst also responding to the changing challenges of the pandemic.

11.4 Net zero carbon emissions for Cambridgeshire by 2050

The budget is reviewed at each stage of development to assess the carbon implications of any new investments or savings initiatives. Additionally, the Council is committed to reviewing the sufficiency of climate mitigation funds included in the Business Plan on an annual basis to deliver the Climate Change and Environment Strategy.

12. Significant Implications

12.1 Resource Implications
The proposals set out the response to the financial context described throughout this report and the need to change our service offer and model to maintain a sustainable budget. The full detail of the financial proposals and impact on budget is described in the financial tables of the business plan. The proposals will seek to ensure that we make the most effective use of available resources and are delivering the best possible services given the reduced funding.

12.2 Procurement/Contractual/Council Contract Procedure Rules Implications
There are no significant implications for the proposals set out in this report.

12.3 Statutory, Legal and Risk implications
The proposals set out in this report respond to the statutory duty on the Local Authority to deliver a balanced budget. Cambridgeshire County Council will continue to meet the range of statutory duties for supporting our citizens.

12.4 Equality and Diversity Implications
As the proposals develop, they will consider and describe the impact of each proposal, in particular any disproportionate impact on vulnerable, minority and protected groups. Full EqIAs have been completed where identified.

12.5 Engagement and Consultation Implications
Our Business Planning proposals are informed by the CCC public consultation and will be discussed with a wide range of partners throughout the process. The feedback from consultation will continue to inform the refinement of proposals. Where this leads to significant amendments to the recommendations a report would be provided to GPC.

12.6 Localism and Local Member Involvement
As the proposals develop, we will have detailed conversations with Members about the impact of the proposals on their localities. We are working with members on materials which will help them have conversations with Parish Councils, local residents, the voluntary sector and other groups about where they can make an impact and support us to mitigate the impact of budget reductions.

12.7 Public Health Implications
We are working closely with Public Health colleagues as part of the operating model to ensure our emerging Business Planning proposals are aligned.

Have the resource implications been cleared by Finance? Yes
Officer clearance: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement? Yes
Officer clearance: Gus de Silva

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

Have the equality and diversity implications been cleared by your Service Contact? Yes
Officer clearance: Beatrice Brown

Have any engagement and communication implications been cleared by Communications? Yes
Officer clearance: Christine Birchall

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes
Officer clearance: James Gemmell

Have any Public Health implications been cleared by Public Health? Yes
Officer clearance: Liz Robin

Source Documents

Papers presented to all Committees in December 2020 regarding the business plan for 2021-22 – 2025-26

December Briefing to Members regarding the Provisional Local Government Finance Settlement. If required, please request from Finance@cambridgeshire.gov.uk

Appendix 1

Transformation Fund Bid

Appendix 2

Business Plan – see contents listed on page below.

The business cases presented as part of the Business Plan have been discussed and agreed at the relevant service committees and are included as part of the process for agreeing the Business Plan.

Business Plan Contents:

SECTION 1 - Strategic Framework

SECTION 2 - Medium Term Financial Strategy

SECTION 3 - Finance Tables

SECTION 4 - Business Cases

SECTION 5 - Public Consultation

SECTION 6 - Capital Strategy

SECTION 7 - Treasury Management Strategy

Transformation Fund Bid: Investment proposal supporting information

Bid Title: Adults Social Care Transport
Service Area / Directorate: Adults and Safeguarding
Sponsoring Director: Charlotte Black
Date: 12 January 2021

Brief Description of bid

On review and thorough analysis of the council's Adults Transport Services, including contracts, expenditure and payments, and benchmarking of local authority policies, it was identified that there is a need for a fairer and consistent approach to the provision of transport that fits with CCC's strategic aims and desired outcomes for Adult Social Care. A refreshed Adults Social Care Transport Policy has been finalised to address this and has gone to Adults Committee for endorsement in January 2021.

Alongside this policy development a comprehensive expenditure review was undertaken, which analysed transport payments and categorised them by where the activity took place and what the money was used for. This initial feasibility analysis showed a number of key financial benefits and efficiencies can be achieved in the initial policy draft, but further improvements and longer-term savings could be achieved via a Transformation project that looks at the discrepancies, fully analyses the data and realises localised solutions.

The expenditure review, carried out by Finance and Transport teams, analysed transport payments and categorised them by where the activity took place and what the money was used for. The analysis of 2019/20 data showed £2,850k of expenditure was made to external providers where:

- 56% of the expenditure is under central transport management control; and
- 44% of expenditure was incurred at district level through a combination of central and local contracts.

When analysing further the research found the following discrepancies:

- some transport payments incurred supporting self-funders who lived in the same residential care homes as CCC service users;
- some direct payments being made where the market could not provide capacity leading to higher costs;
- some service users being supported to travel to a day service which was further afield from a suitable alternative; and
- 97% of the expenditure was not linked to service users in Mosaic (CCC's Adult Case Management system) but instead it was linked to travel routes. This means there could be occasions when changes to service user packages did not result in corresponding changes to transport contracts.

Reviewing this feasibility work alongside benchmarking, the expenditure profile requires investment for technical consultancy resource and agency administrative resource to fully realise the savings, with a breakdown shown below:

Scope and tasks	Resource Type	Investment Amount
Detailed design work • Verify savings opportunities by benchmarking with other LA's • Detailed design building on CCC's feasibility work • Identify new benefits • Consultation with service-users	Consultancy	£40k
Implementation support • Advice and guidance on new standard operating procedures • Advice and guidance on transport route optimisation • Advice and guidance on Mosaic changes/use • Advice and guidance on vehicle selection and financing	Consultancy	£30k
Implementation support • Updating care plans to incorporate transport details	Agency	£20k

It should be caveated that it is the detailed design work that requires the biggest support and is the highest risk to full delivery due to limited capacity of staff. It is suggested this funding will help buy in specialist support to ensure that the design work is robust, sustainable and offers significant consultation with service-users who will be affected. The advantages of the hybrid-in approach is that it will limit the expenditure and focus the expertise on gaps in CCC's project. Consequently we anticipate there is a requirement to benchmark the findings to date, assist with detail design, identify further benefits and optionally facilitate implementation. This reduces the effort required to transfer learning from consultants to staff.

Further detail and benefits are provided in the business planning business case (A/R.6.186) that was approved at Adults Committee in December 2020 (also see attached). It is noted that the refreshed Adults Transport policy and associated transformation project links to a wider piece of work being completed to pull all of the separate pieces of transport work together. This will be reported at a later date, and will provide assurances that all Council Transport policies and transformation work is viewed across all directorates and the benefits are broad reaching.

Type of bid:

Invest to save

Strategic links:

- A good quality of life for everyone
- Zero carbon emissions for Cambridgeshire by 2050
- Adults Positive Challenge
- Think Communities
- Changing the Conversation

Total amount of investment required: £90,000
Total amount of estimated savings: -£250,000

Cash Flow	21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	26/27 £000
Revenue Advance	90					
Capital Advance						
Saving / Income	250					

The expenditure and savings are full year based. The in year impact will be dependent upon the Council's Pay-to-Plan policy with providers, and how COVID-19 affects the service utilisation.

Pay Back Period in Years	4 years 3 months
Savings/Investment Ratio over 10 Years	2.8:1 (as both savings and investment affect budgets once)

Please also complete the table below with how the performance / success can be measured along with current baseline figures and estimates for future years.

Measure of Performance Improvement	Baseline	20/21	21/22	22/23	23/24	24/25
Improved process compliance leading to fewer care discrepancies (tracked activity)	3% as at Oct 2020			80% in 2 years		
Increased levels of planned expenditure leading to a fewer yearend financial audit queries (BI Inform)	£1,800,000 pa in 2019/20			£2,600,000 within 18 months		
Increased numbers of providers with details in Mosaic (in system contracts register) leading to fewer manual payments and easier communications (BI Inform)	c50%			c90% within 18 months		

Risks and contingencies:

Risk	Mitigation	RAG (should the risk occur)
Personalisation may make provider consolidation and leverage challenging ▪ Ensure service user choice and control is maintained in routes ▪ Prioritise route utilisation risk by ease of change.	▪ Switch / renegotiate / build relationships with key providers. ▪ Need to ensure CCC has a robust contracts database with easy access to rates and terms.	Amber
Volume driven contracts may prove less effective in the future. ▪ Linked to both the personalisation agenda coupled with large provider base in all localities. Contracts committing to volume blocks may prove resource inefficient.	▪ Explore the scope for more agile and flexible contracts. ▪ Harmonise spend across like for like services and consider awarding work based on service provision.	Amber
May be difficult to renegotiate terms with key providers because of our dependency upon them. ▪ Establish which localities have least competition and determine if centrally managed providers can offer alternative solution to drive down rates while maintaining quality and safety of service Prioritise in Hunts.	▪ This needs to be driven by transport management within CCC. ▪ The changing climate to personalisation must provide negotiation levers and an improvement incentive for the Providers.	Red
Locality care managers do not have commercial and analysis skills. ▪ Care Managers need to have access to Brokerage Team who are trained in negotiation tools and techniques to enable a successful implementation.	▪ Care Managers to receive appropriate signposting. Brokerage team to agree to manage transport negotiations.	Amber

Lack of business intelligence (BI) awareness and internal league tables of top performing partners. ▪ BI is not currently available in a format to support local contracting decisions in relation to provider performance/rates. ▪ Providers may be being awarded work without consideration to all commercial factors.	▪ BI should be collected to build a picture of provider performance to support the awarding of future contracts and in sign-posting future care. ▪ Transport discussions should be delegated to Brokerage team.	Green

Decision and date:

Business Planning: Business Case proposal

Project Title: Adults Social Care Transport Services

Committee:	Adults Committee
2021-22 Savings:	- £250,000
Brief Description of proposal:	On review and thorough analysis of the council's Adults Transport Services, including contracts, expenditure and payments, it was identified that there is a need for a refreshed Transport Policy with the purpose to provide a fairer and consistent approach to the provision of transport that fits with CCC's strategic aims and desired outcomes for Adult Social Care. When implemented, a number of key financial benefits and efficiencies can be achieved which are outlined in this proposal.
Date of version: 12 Jan 2021	BP Reference: A/R.6.186
Business Leads / Sponsors:	Tracy Gurney, Head of Learning Disability Partnership Gurdev Singh, Head of Commercial Commissioning for People and Communities.

1. Please describe what the proposed outcomes are:

A transport transformation project group has been established in order to analyse the council's Adults Transport Services, including contracts, expenditure, payments, current routes, the rationalisation of these and potential future demand. It was identified through this group that there is a need for a refresh of the Adults Transport Policy to reflect strengths based practice and to give more clarity by updating the language in the policy and therefore making it easier for practitioners to implement in a fair and consistent way and that continues to fit with Cambridgeshire County Council's (CCC) strategic aims, the Care Act and desired outcomes for Adult Social Care. In particular, the Transport Policy aims to ensure "a good quality of life for everyone", and help work towards "zero carbon emissions for Cambridgeshire by 2050".

A comprehensive policy is necessary to provide the following key objectives:

1. Make clear that the council should only provide transport where no alternative solution is practical. This includes using family and friend networks and public transport;
2. Specify how and when charges will be levied for services provided to those who are assessed to contribute to their cost, as well as people who are funding their own day opportunities arrangements;
3. Where an alternative solution is not available the policy sets out clear criteria, which staff responsible for support planning will use to determine any transport assistance from the Council.

It is important to remember that promoting well-being and meeting needs is not always about direct service provision. In many cases maintaining an individual's independence is more conducive to their wellbeing and other means of support may be more appropriate to meet an individual's needs. Such other means of support could include information and advice, universal services, preventative interventions, community resources, carers and direct payments. Risk is managed at the assessment stage. It considers the possibilities of harm and countermeasures to mitigate the harm. The resulting care plan would document the appropriate support needs. Intervention is as mimimal as necessary to maintain independence.

The refreshed policy will drive initial improvements, but as noted there is an ongoing Transformation project that will analyse further data and provide further recommendations for improvements that will also include savings. This will include looking at the self-funder cohort, but at present the information is not known, and therefore we suggest the policy is reviewed again once the transformation work is complete to ensure it address the correct needs. This may include future developments such as encouraging people where possible to meet their transport needs independently through means such as walking, mobilising with the use of aids (either independently or with support), using their own vehicle, utilising transport assistance monies (e.g. PIP) or taking advantage of concessionary rates on public transport, using a strengths-based approach. This will be assessed once the current situation is identified.

CCC provides transport using a range of methods including its own fleet of (leased) minibuses, contracts with external providers and (for urgent/exceptional circumstances only) taxis. Drivers and passenger assistants can be part of CCC's permanent establishment, external contractors or volunteers. These transport services help people to access things including but not limited to day opportunities and respite care where alternatives are not available.

The overall objective of the policy is to ensure identified assessed need for transport is provided safety and efficiently whilst offering value for money and limiting the impact on the environment.

This proposal outlines the savings that have been calculated via the expenditure analysis. Where a charge is levied for council services the refreshed policy will ensure that the most competitive procurement and commercial decisions are made to ensure best value (as per objective 2 and 3 above). The refreshed policy will be presented to Adults Committee in January 2021, with full timescales detailed later in this report.

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

Commissioning and Finance teams conducted detailed research of published Adults Transport policies amongst local authorities. As a result the development of CCC's policy document has benchmarked the work from Hereford Council, Warwickshire County Council, Worcestershire County Council, and Milton Keynes Council.

The expenditure review, carried out by Finance and Transport teams, analysed transport payments and categorised them by where the activity took place and what the money was used for.

The analysis of 2019/20 data showed £2,850k of expenditure was made to external providers where:

- 56% of the expenditure is under central transport management control; and
- 44% of expenditure was incurred at district level through a combination of central and local contracts.

When analysing further the research found the following discrepancies:

- some transport payments incurred supporting self-funders who lived in the same residential care homes as CCC service users;
- some direct payments being made where the market could not provide capacity leading to higher costs;
- some service users being supported to travel to a day service which was further afield from a suitable alternative; and
- 97% of the expenditure was not linked to service users in Mosaic (CCC's Adult Case Management system) but instead it was linked to travel routes. This means there could be occasions when changes to service user packages did not result in corresponding changes to transport contracts.

The discrepancies are a result of the nature of the expenditure management and will be addressed in a refreshed transport policy. Anecdotally the centrally managed contracts enjoyed stronger relationships with commissioners which in turn resulted in business developments, for example exploring the use of more efficient vehicles. Consequently there is a case to centralise more expenditure as this would accelerate help towards CCC's goal to achieve "zero carbon emissions for Cambridgeshire by 2050".

Reviewing this feasibility work alongside benchmarking the expenditure profile is part of this business case.

The primary users of the Adults Transport Policy are the service users attending day services. There is an active project to review day services and so this business case would run alongside that work with a shared governance arrangement that is advantageous to provide consistency and transparency.

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

A feasibility study was conducted by staff to identify the potential opportunities for improvement. This formed the basis of the business case justification. The options analysis considered how we take this study into detailed design and implementation.

A hybrid approach is recommended from the three options considered:

1. An in-house approach;
2. A bought-in approach; and
3. A hybrid approach.

The advantage of the in-house approach is cost is already budgeted and consequently the funding required is available to implement the project. The in-house approach would require staff to be available throughout the duration of the project without the risk of work being re-prioritised as a result of emergencies such as COVID-19 response or other projects. Furthermore it is acknowledged that we do not have all the expertise available on site across all the disciplines required. The disadvantage of this approach is that CCC misses the opportunity to learn from best practice achieved elsewhere.

The advantage of the bought-in approach is that subject matter experts bring in best practice achieved elsewhere which can be readily available and after a scoping phase, can work at pace thereby maximising the benefits. The approach would require some access to in-house staff, but limit the impact of staff unavailability throughout the implementation. The disadvantage is the cost required and that the knowledge transfer and learning from consultants to staff is not always realised.

The advantage of the hybrid-in approach is that it will limit the expenditure and focus the expertise on gaps in CCC’s project. Consequently we anticipate there is a requirement to benchmark the findings to date, assist with detail design, identify further benefits and optionally facilitate implementation. This reduces the effort required to transfer learning from consultants to staff.

In order to successfully implement the policy and to provide longer-term outcomes outlined there will be a requirement for Transformation Fund investment of £90k. It should be caveated that it is the detailed design work that requires the biggest support and is the highest risk to full delivery, due to limited capacity of staff. It is suggested this will help buy in specialist support to ensure that the design work is robust, sustainable and offers significant consultation with service-users who will be affected.

Scope and tasks	In-House Lead	Amount
Detailed design work • Verify savings opportunities by benchmarking with other LA's • Detailed design building on CCC's feasibility work • Identify new benefits • Consultation with service-users	Gurdev Singh / Tracy Gurney	£40k
Implementation support • Advice and guidance on new standard operating procedures • Advice and guidance on transport route optimisation • Advice and guidance on Mosaic changes/use • Advice and guidance on vehicle selection and financing • Updating care plans to incorporate transport details	Martin Kemp / Tracy Gurney	£50k

The Transformation Fund bid will be presented to Adults Committee alongside the refreshed policy in January 2021, and then to General Purposes Committee for a formal decision, also in January 2021, as per council governance.

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

The policy is being finalised with a formal decision on this to follow, as per the summary below:

High Level Timetable

Task	Start Date	End Date	Lead Officer
Finalise Transport Policy document	September 2020	December 2020	Tracy Gurney
Complete expenditure analysis including market analysis	November 2020	December 2020	Gurdev Singh
Align work plans with Day Services project	November 2020	February 2021	Shauna Torrance / Tracy Gurney
Quick wins (a) unused transport	December 2020	February 2021	Tracy Gurney

(from service user changes)			
Quick wins (b) optimise routes (from transport changes)	December 2020	February 2021	Martin Kemp
Transport Policy document at Adults Committee	January 2021	January 2021	Tracy Gurney
Transformation Fund Bid at Adults and GPC Committee	January 2021	January 2021	Tracy Gurney
Benchmark with Home to Schools Transport	February 2021	March 2021	Martin Kemp
Review centralising budgets	March 2021	April 2021	Tracy Gurney / Shauna Torrance
Implementation details for 2021/22 activities	March 2021	March 2021	Gurdev Singh

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

The policy applies to any of the following Adult Service areas, all of which cover people with protected characteristics:

- Older People's Services
- Physical Disability and Sensory Services
- Mental Health Services
- Learning Disability Services.

The refreshed policy is therefore being developed in line with current legal and equalities frameworks and policies to ensure it is fair and proportionate. A full Equalities Impact Assessment is ongoing to support the transformation project to outline any implications that may impact citizens if any subsequent changes are made.

This cohort has been significantly affected by COVID-19 as national lockdowns and social distancing rules have led to disruptions in regular activities such as attending day services. In turn this has meant fewer people using transport.

Transport assistance is not automatically provided by the Council as part of other service provisions. Transport assistance is a separate consideration and will only be provided when the assessor determines such provision is necessary as the adult could not otherwise be reasonably expected to safely access facilities or services in the local community.

There is no single definition of what is reasonable distance, time or expense to expect someone to cover in travelling to access services or activities that meet social care needs. An assessor should be able, having information about an individual's abilities and the transport options available, to define 'reasonable' for that individual (co-producing that decision where possible).

The full policy will outline CCC's understanding on reasonableness that will enable assessors to accurately and confidently use their professional judgement to apply the policy to improve outcomes for the individual. It is noted that all assisted transport provided, or arranged by CCC, is potentially subject to a charge in line with our charging policy. It is a key objective of this review of Transport Services to ensure that this charge is in line with other areas and provides best value for money.

Legal Framework

The Care Act 2014 and associated regulatory and statutory guidance provide the legal framework for the assessment of social care and support needs and for determining eligibility for Adult Social Care support from local authorities nationwide (with effect from 1st April 2015).

The Chronically Sick and Disabled Persons Act (Section 2) together require local authorities to arrange various welfare services, including providing or assisting with facilities to travel, where they are satisfied it is necessary to do so to meet the needs of disabled people. This means transport for Adult Social Care service users will typically be considered as part of a broader assessment of needs, based on the national eligibility criteria for adults and carers, and on the duty to meet needs through a care and support plan.

Equality

In making this policy, due regard has also been given to the Equality Act 2010, and in particular the local authority's public sector duties under this act.

Precisely, whether an individual receives a service directly from the Council or makes alternative travel arrangements for themselves, they have rights not to be discriminated against as a service user under The Equality Act 2010. Furthermore, service providers have obligations to make reasonable adjustments to ensure their provision is accessible.

The aim of the policy is to ensure a fair, consistent and transparent approach is taken to identifying and meeting the transport needs of service users where these have been clearly identified in the Care and Support Plan, and all other suitable alternatives to meet their needs have been explored and exhausted.

During Social Care and Support Planning, all relevant transport options will be considered and Assisted Transport will be offered as a last resort, where it is appropriate to needs and circumstances. Full details will be outlined in the final policy.

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

Financial and Non-Financial Benefits

By applying a set of commercial levers, the opportunities identified are expected to deliver benefits ranging from £180k to £315k. Delivery of these benefits require key enablers to be in place, including:

1. Centralising contract (and potentially budget) management;
2. Adopting Mosaic as the primary repository for information; and
3. Developing even stronger provider relationships.

The summary table below details the areas of which are determined by the analysis to offer savings, as well as income and cost avoidance. The proposal estimates that in total there will be a saving of £250,000 to go into the Council's business plan.

Adult Social Care Transport Services benefits area			
Key Benefit	**Approach**	**Issues**	**Evaluation and saving**
Right number of providers from volume concentration	▪ Supplier fragmentation currently high particularly in localities. Over 80 providers delivering c£500k of transport per annum ▪ Explore moving higher volume local providers into the central transport management framework to obtain better rates ▪ Consolidating spend by increasing use of framework contracts can be expected to deliver savings.	▪ Increased volumes cannot be guaranteed to providers in future but could be encouraged and accrue naturally and through placement review	Further analysis required to assess levels of likely savings, given increased freedom of service users to select care through personalisation agenda. Estimated saving: £50,000 to £100,000
Right price per mile from Best Price benchmarking	▪ Consider if a mileage rate payment is more cost effective than a transport fee focusing on Direct Payment service users ▪ Analyse if top 20% of providers by expenditure offer preferential rates	▪ May be attractive in present economic environment ▪ COVID-19 may mean family transport method increases in preferences	Over £300k in Direct Payments. Estimated saving: £30,000 to £60,000

	▪ Explore "Uber" approach to travel time/rate efficiency	▪ Will require policy change	
Reduce pressure from effective demand management	▪ Ensure Transport policy levers of mobility vehicles are applied before awarding transport packages ▪ Code all service user records into localities e.g. re-label Young Adult Team service users ▪ Review demand to check if self funders are being supported	▪ The work may be resource intensive resulting in protracted negotiations with service users families/ advocates ▪ May require policy change	Based on 3-4% reduction in spend = Estimated saving: £70,000 to £100,000
Greater efficiency from process optimisation	▪ Analyse locality expenditure to determine if more centrally managed routes can be developed.to substitute multiple taxi routes ▪ Establish a central contracts register. Upload all providers into Mosaic. All transport request form should feedback into care and support plans. Implement an efficiency measure with key providers ▪ Independent Travel Training 2 year pilot project. We are at the stage of evaluating the tender submissions ▪ Joint Dynamic Purchasing System for Education and Social Care Transport to be operational from Spring 2021, subject to approval from the Children & Young People's Committee and Peterborough's Cabinet	▪ Difficult to assess size of opportunity as over 90% of service users are not linked to a provider and route ▪ This work is resource intensive and may affect establishment staffing levels. There is no measurement of maximum, planned and actual route utilisation	Based on 1-2% reduction in spend = Estimated saving: £25,000 to £50,000 Few financial benefits, but will help CCC to improve service performance and develop provider relationships Cost avoidance
Innovation from relationship restructuring	▪ Review key contracts to ensure active users are billed for and that every invoice contains service user details; all invoices	▪ Likely to be well received given current economic climate	Further analysis required to assess levels of likely savings

	(which include service user details) should be routed to Adults Finance Team ▪ Negotiate with Age UK for larger grant contribution		Estimated income: £5,000
Total			**Range between £180,000 - £315,000**

Non-Financial Benefits

Full non-financial benefits associated with the policy will be presented with the full policy to committee in January 2021, but some initial benefits are highlighted below:

Key Benefit	**Measure**	**Baseline**	**Target & Timescale**
Improved process compliance leading to fewer care discrepancies	Value of transport activity tracked using service user care and support plans reportable by Social Workers	3% as at Oct 2020	80% in 2 years
Increased levels of planned expenditure leading to a fewer year-end financial audit queries	Value of transport expenditure reportable through BI Inform by Finance team	£1,800,000 pa in 2019/20	£2,600,000 within 18 months
Increased numbers of providers with details in Mosaic (in system contracts register) leading to fewer manual payments and easier communications	Number of providers with expenditure reported in full through BI Inform by Transport team	c50%	c90% within 18 months

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

It is important to note the accessible transport market is very limited at the present time, particularly in the large 16 seater vehicles sector and has caused inflation in costs. That said, the savings have been calculated below the upper limit of the estimated range to allow for this. Consequently the opportunities identified help to offset the pressures brought about from COVID-19 related transport covid-secure measures and demand changes.

It is also caveated that as per section 3 above, that in order to successfully implement the policy and to provide longer-term outcomes outlined there will be a requirement for Transformation Fund investment of £90k. It should be caveated that is the detailed design work that requires the biggest support and is the highest risk to full delivery, due to limited capacity of staff. It is suggested this will help buy in specialist support to ensure that the design work is robust, sustainable and offers significant consultation with service-users who will be affected.

Risk	Mitigation	RAG (should the risk occur)	Overall Responsibility
Personalisation may make provider consolidation and leverage challenging ▪ Ensure service user choice and control is maintained in routes ▪ Prioritise route utilisation risk by ease of change.	▪ Switch / renegotiate / build relationships with key providers. ▪ Need to ensure CCC has a robust contracts database with easy access to rates and terms.	Amber	Martin Kemp
Volume driven contracts may prove less effective in the future. ▪ Linked to both the personalisation agenda coupled with large provider base in all localities. Contracts committing to volume blocks may prove resource inefficient.	▪ Explore the scope for more agile and flexible contracts. ▪ Harmonise spend across like for like services and consider awarding work based on service provision.	Amber	Martin Kemp
May be difficult to renegotiate terms with key providers because of our dependency upon them. ▪ Establish which localities have least	▪ This needs to be driven by transport management within CCC. ▪ The changing climate to personalisation	Red	Martin Kemp

competition and determine if centrally managed providers can offer alternative solution to drive down rates while maintaining quality and safety of service Prioritise in Hunts.	must provide negotiation levers and an improvement incentive for the Providers.		
Locality care managers do not have commercial and analysis skills. ▪ Care Managers need to have access to Brokerage Team who are trained in negotiation tools and techniques to enable a successful implementation.	▪ Care Managers to receive appropriate signposting. Brokerage team to agree to manage transport negotiations.	Amber	Tracy Gurney
Lack of business intelligence (BI) awareness and internal league tables of top performing partners. ▪ BI is not currently available in a format to support local contracting decisions in relation to provider performance/rates. ▪ Providers may be being awarded work without consideration to all commercial factors.	▪ BI should be collected to build a picture of provider performance to support the awarding of future contracts and in sign-posting future care. ▪ Transport discussions should be delegated to Brokerage team.	Green	Martin Kemp

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

This policy applies to all adults aged 18 years and above who have an assessed eligible need for support and require transport to access their service and where there are no other alternatives available.

The policy applies to any of the following Adult Service areas:

- Older People’s Services
- Physical Disability and Sensory Services
- Mental Health Services

- Learning Disability Services.

This policy does not cover travel assistance for service users under the age of 18 who need assistance to travel to and from education establishments, for which more details can be found in the Home to School Transport Policy.

Cambridgeshire County Council

Strategic Framework

2021 – 2025

Introduction

In Cambridgeshire, we want everyone to have the opportunity to thrive – in education, in employment, and in their community.

People are what matter to us – residents, visitors, employers and employees – and we will work hard to make sure people are at the very heart of what we do as a council.

People want to live comfortably and well in a warm, safe and affordable home, within a cohesive community that is at the heart of everything we do, one that is rich in opportunity and creativity, where there are diverse opportunities for learning and employment, and where people are well-connected, so they can look out for each other and benefit from living in a safe, clean, green environment.

They expect to have a good quality of life, to be able to choose to live a healthy life, where they have the opportunities they need to improve their emotional and physical health, and where health inequality is a thing of the past.

People that need our help and support have to know they will get that quickly and in ways that respond to their specific needs – people are individuals, and the ways in which we protect and care for those who need us will recognise this.

Our booming economy should be supported through the Local Economic Recovery Strategy in order to continue to thrive, providing a skilled workforce, opportunities for people within Cambridgeshire to be able to access good work prospects locally, with opportunities to increase their earnings through learning and growth.

Children are entitled to have the best start in life, and have all of the opportunities available to them, wherever they live, to learn, develop and live life to the full.

We want our council to continue to be a council which builds on our services that enables this to happen, a council that doesn't present barriers or make things complicated, but one that works with people, alongside our communities and our partners, to make Cambridgeshire a great place to raise families, live, work and play.

Steve Count Leader of Cambridgeshire County Council

Gillian Beasley

Gillian Beasley, Chief Executive of Cambridgeshire County Council

Why this Matters

The world around us is changing – we need to respond to the ongoing challenge of COVID-19, we have to continue to do all we can to tackle climate change, we must make sure that all of our communities benefit from growth, and it's essential we keep pace with the dynamic changes, to the way the world connects.

And most importantly of all, all of this needs to be done to make sure we level-up our county so that wherever you live, you will have the best opportunities to thrive as a Cambridgeshire resident.

We are a fast-growing county, with ever-increasing opportunities for people to grow with us: more employment, more leisure opportunities, more housing, and more opportunities to learn. But we are also a county with some differences, where people in some of our places are not easily able to take full advantage of these opportunities because of where they live, their aspiration for change, their economic circumstances, or their lifestyle choices. We want all of our residents, wherever they live, to recognise that Cambridgeshire is a place where they can thrive economically and socially, and where they see and feel the benefits associated with this on their health, wellbeing and prosperity.

As well as a growing county, we are also a county where fortunately people are often - living longer, although sometimes this will mean we need to look after people at a time of their lives when we should be proud to give back to them. Similarly, there are more people, of all ages, that are less physically or mentally able to cope without some help in our county, who may need a little extra support in their lives. We have been rethinking the way care is traditionally provided to individuals with needs, a non-personalised largely 'one size fits all' approach is not appropriate, and we need to treat all of our residents, regardless of their needs, as valuable assets each of whom make up our community. Our care will concentrate on being more proactive and more strengths-based, building on peoples' potential, and provided at the most local level possible, by providing support from the most local area possible.

We will continue to respond quickly and proactively to public health concerns, including the Coronavirus, offering help and support to our most vulnerable residents to keep them safe, and supporting communities impacted by local outbreaks.

All of this will be underpinned by our continuing transformation programme to reset our relationships for the benefit of our communities. During the pandemic we have witnessed the true strength and passion people have to look out for one another, and the council needs to provide the right support for that to continue.

The Council's Strategic Framework

In this changing environment, it is more important than ever that we have a clear strategic approach which will enable us to evolve as challenges become more complex and as collaboration across the public sector and with our communities becomes increasingly critical.

Our strategic framework ensures that our plans are driven by our shared vision to make **Cambridgeshire a great place to call home** and focuses on achieving a number of outcomes for the people of Cambridgeshire. The framework, of which this Business Plan forms a central part, comprises the following elements:

- A **Corporate Strategy**, describing the Council's long term vision for Cambridgeshire, the outcomes we strive for and our priorities for change;
- A set of ambitious **performance measures** which will be used to hold us to account for improvements across Cambridgeshire;
- The Council's **Business Plan**, which describes how we will commission services to deliver these outcomes within the resources we have;
- A suite of **key strategies** describing a detailed corporate approach to the management of core activities such as finances, workforce, digital services, commercial, assets and carbon reduction;
- A set of **partnership agreements and action plans** which describe multi-agency approaches to deliver improved outcomes across Cambridgeshire;
- **Service plans**, which describe how each of our directorates work to deliver our business plan objectives, including priorities for delivery as well as transformation and service improvement initiatives; and
- The Council's **transformation programme** which brings together our ambitious programme of change to ensure that we have the resources and capacity to deliver at pace.

Our Strategic Priorities

Our strategic priorities are what drives and directs this council. They set the tone and ambition for this organisation, and they need to make sense to our residents. Our residents should feel proud of Cambridgeshire and their County council, an organisation they know has their best interests at its very core. Similarly our staff should justifiably feel proud of working for the County council, an organisation that places the needs and aspirations of its residents ahead of anything else, one that truly recognises that without our staff nothing would be possible. We want our partners to feel proud of coming alongside us to create opportunity and to tackle our challenges. Additionally we need to maintain an environment where businesses invest right across our county, creating employment opportunities fit for a dynamic, growing population.

We have set five strategic priorities that will take us where we need to be:

- **Communities at the heart of everything we do**
- **A good quality of life for everyone**
- **Helping our children learn, develop and live life to the full**
- **Cambridgeshire: A well-connected, safe, clean, green environment**
- **Protecting and caring for those who need us**

Collectively, our strategic priorities will deliver our vision for making **Cambridgeshire a great place to call home**, and we have set out below the main areas of focus that we will deliver against each priority.

Our Five Strategic Priorities:

Communities at the heart of everything we do:

- The way we design and deliver our services will meet the unique needs of all of our residents, and we will be good partners with other organisations who equally strive to make Cambridgeshire the best place to live and work. We recognise that every community is different, with their own identities, strengths and challenges, and we will ensure this is understood right across our council.
- We will listen to and work alongside our residents, our colleagues across parish, town and district councils, our public sector partners, and our voluntary and faith sector partners.
- We will work in a solutions-focussed way as a matter of course, striving to work together to find the right way forward however complex the issue.
- We will make sure the right services are available to our residents in their own neighbourhoods wherever we can, making them more accessible in ways and in places that make the most sense to them.
- We celebrate diversity and are stronger together because of the diverse contributions of all our residents. We will work with communities to ensure people with protected characteristics are valued, represented and included

A good quality of life for everyone:

- All of our residents and communities will have the opportunities they need to have a good quality of life: opportunities to be economically strong and independent, to enjoy social interactions within their community, and to live a healthy life.
- There has never been a more important time to make best use of public funds. We will strive to improve outcomes as efficiently as possible by working creatively with our communities and building on our successful partnerships.
- We will work hard to level up the differences that exist in some parts of our county, creating opportunity for people to become healthier, more prosperous and more independent.

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

- Our children will have the best start in life, with a positive focus on their early years, kickstarting their abilities for future learning and they will learn in local schools that strive to be the best they can be.
- Older children will have opportunities to become more active in their communities, to participate in activity that develops them, and that sets them up for adulthood.
- Children and young people who lose their way or become vulnerable to risk or harm will receive positive, proactive support to set them on a different path and to keep them safe

Cambridgeshire: A well-connected, safe, clean, green environment:

- All of our communities, urban and rural, wherever they are in the county, will enjoy reliable, fast broadband and mobile connectivity.
- Our green and open spaces will be well cared for, and available for everyone to enjoy, creating opportunities for sports, leisure, relaxation and learning.
- We will work with our community safety partners to help make all of our communities the safest they can be, places where people look out for each other and are proud of where they live.
- We will provide choice for our residents so they can decide for themselves the best and most sustainable way they want to get around our county – by road, rail, public transport, cycle, or on foot – safely and efficiently.

Protecting and caring for those who need us:

- Where people need our care, it will be relevant to them and will meet their needs, and it will be provided for them as locally as possible.
- Our care will focus on the choices people want to make about their own lives, and will strive to help people to live at home and in their own community for as long as possible, where it is safe for them to do so.
- The children in care we look after will receive the best care we can provide, in our role as their corporate parent, where we help them to flourish and thrive and get ready for independence and adulthood.
- We will look after and support children in care, ensuring they have the same opportunities that all other young people have in our county, and will prepare them well for adulthood and independence.
- We will protect the health of our residents through meaningful public health work, keeping communities safe from harm and supporting people that want to improve their own wellbeing.

Performance

We review our performance frequently to make sure that we are delivering on our aims.

Our Service Committees monitor performance and finance in their areas monthly, and the General Purposes Committee oversees overall progress in delivering on outcome areas.

Each Service Committee chooses measures and targets to help them understand performance. This might include monitoring the activity in the service (like how many people are being supported) as well as monitoring the outcomes of the service (like how many people live independently after successfully being supported by reablement services, or the increase in footfall to libraries). Service Committee Integrated Finance Monitoring and Performance Reports are available on the Council's website.

All of the measures chosen by the Service Committees are categorised as being most relevant to one of the Council's outcomes. The General Purposes Committee then oversees the performance of all of these indicators in each of the outcome areas in a monthly Integrated Finance and Performance Report, which is also available on the Council's website, as is the full list of all performance indicators overseen by Service Committees.

The General Purposes Committee also manages our financial situation, supervises the performance of the Transformation Programme, monitors corporate indicators like staff sickness, and manages key corporate risks as part of the same report.

If performance is not at the expected standard, the Service Committee implements an improvement programme as well as taking a report to the General Purposes Committee explaining the situation and what action is being taken to get back on track.

Section 2 – Medium Term Financial Strategy

Contents

1: Executive summary

2: National context

3: Transformation

4: Strategic financial framework

5: Fees and charges policy

6: Financial overview

7: Balancing the budget

8: Reserves policy and position

9: Business Plan roles and responsibilities

10: Risks

1) Executive summary

This Strategy sets out the financial picture facing the Council over the coming five years, the resources available to the Council, and the Council's strategy for managing its resources effectively. The Coronavirus pandemic has transformed the environment in which local authorities operate with wide ranging repercussions for service provision and the financial resources required to deliver services. In this context, forward planning with any degree of certainty is extremely challenging. Over the first half of the 2020-21 financial year, the Council saw its budget shortfall for the financial year 2021-22 increase from £4m to at least £33m due to significant projected income losses, foregone savings and new cost pressures associated with the ongoing impact of the pandemic. Given the uncertainties that the virus has created on the Council's net resources, the Council began budget planning for 2021-2026 with a scenario-based approach in order to provide a resource framework that could flex according to the ever changing environment.

The longer-term impacts of COVID are expected to extend considerably into the MTFS period. Some of the specific challenges that the Council expects to face over the next five years are;

- Potential for growing regional and more local inequalities as a result of the economic fallout from the pandemic
- Significant losses of fees and charges and precept income are anticipated due to supressed demand for some services and increases in Council Tax Support
- A number of new responsibilities for local authorities with significant resource implications, such as the provision of personal protective equipment, support to track and trace and outbreak management as well as infection control measures. As yet the extent of Government support for local authorities in funding these new burdens on an ongoing basis remains unclear.
- Providing additional support for our local care markets to ensure sufficient appropriate care provision remains available

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

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

In May 2019, the Council declared a Climate and Environment Emergency and in June 2019, the Government legislated for reaching net zero carbon emissions by 2050. Meeting this commitment will require a transformation of our procurement practices for a greener future and investment into low carbon technologies, services and infrastructure supported by innovative green investment models.

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

The Fair Funding Review will affect how funding is allocated and redistributed between local authorities. It will reset business rate baselines which set out expected business rate receipts, funding baselines which determine relative need, and the tier split of business rates between County Councils and District Councils. The Government's preferred option is for a per-capita foundation formula with seven service-specific funding formulae and an Area cost Adjustment to reflect the differences in the cost in delivering services in different areas of the country. Damping is expected to play a significant role in limiting reallocations of funding between local authorities. It is also likely that reallocations will be phased in so no local authority will face a cliff edge cut to their funding or a step change increase in their funding. The future funding model for Local Government will need to support investment into mitigating and adapting to climate change and recognise that the scale of investment required to address this challenge will vary considerably across the country due to housing densities, rural transport, agriculture and other considerations. The Council will raise this issue as part of our response to the ongoing consultations on the new funding model for Local Government.

In July 2020, Government issued a call for evidence on the future of the business rates system and committed to a "fundamental review" of business rates with results to be announced at the 2021 Spring Budget. The consultation covered issues pursuant to the current system, such as the frequency of revaluations and the business rates multiplier but also explored more radical options such as taxes levied on the capital values of business premises or online sales. It is possible that the funding model for local government could be impacted significantly by these reforms however the implications for the proposed 75% business rates retention scheme are as yet unclear.

The Government also announced that the next revaluation, originally scheduled for 2021, would instead take effect from April 2023. This is a welcome announcement for Cambridgeshire as a high-growth county and provides the Council with further certainty in the short term regarding its core revenue funding.

Local taxation models, including Council tax and business rates, have the potential to be adapted as a means of incentivising increased energy efficiency across existing domestic and on-domestic buildings. A number of pilot projects are currently underway which will aim to build evidence around the viability and appetite for introducing Council tax and/or business rates incentives as a means to stimulating the energy efficiency market and saving carbon.

The Council has developed a strategic approach to the creation of transformation and innovation proposals. This has helped to ensure that proposals and ideas are captured and turned from suggestions into realities. In order to support the continuation of this strategic approach The Council previously established a Transformation Fund currently held at more than £20m ensuring that finance is not a barrier to transformation. This has supported Adult’s and Children’s services in particular to transform the current models of delivery and in doing so sustain higher levels of service than could have been afforded without the transformation funding.

The Council has also created a number of investment opportunities to support the delivery of the Climate Change and Environment Strategy; from broadening the scope of the Transformation Fund to include schemes which improve environmental sustainability, to launching a £16m Environment Fund to decarbonise Council properties, electrify the Council’s vehicle fleet and assist oil-dependent communities in moving off oil.

The Council has to make some bold reforms but we are pushing at all boundaries to ensure that we are still able to fulfil our statutory duties, protect the most vulnerable and respond to the climate and environment emergency.

Some service reductions are inevitable, these will be less than otherwise would have been the case had the Council not embarked upon this journey, and we will always focus on transforming rather than cutting services within this approach. The Council will continue to seek to shape proposals so that the most vulnerable are the least affected. The Council has a statutory responsibility to set a balanced budget each financial year and the proposals that are already within the Business Plan for 2021-26 do contain some proposals will be challenging to deliver.
This strategy sets out the issues and challenges for the next five financial years and creates a framework within which the detailed budgets will be constructed.

Cambridgeshire has one of the fastest growing populations in the country and, as such, we are under particular pressure as the number of people accessing our services increases. The general population is also aging due to increasing life expectancies which is putting pressure on the ability of service users to contribute to the long term costs of their care. In addition to this background population growth the needs of those requiring care packages are becoming more complex and therefore costly. As a result, the Council will work increasingly across service, organisation, and sector boundaries to find ways in which the resources of the wider public sector and the community can be best used to achieve the outcomes we strive for in the context of a rapidly increasing number and need of local population. The same applies for addressing the climate emergency and transforming to a low carbon economy - joined up action and policy across the wider public sector, business and the communities is needed to achieve the Government's net zero carbon emissions target by 2050.

The key elements of this Strategy, on which basis the Business Plan is predicated, are set out below. A key point to note is that, as it stands, general Council tax is not currently expected to increase for the duration of Strategy period, but the Adult Social Care precept is assumed to increase by 2% in all five years. As yet there is no confirmation that further increases in the precept will be available beyond 2021-22, although there is the facility to carry forward any unused ASC precept from 2021-22 to 2022-23.

- No increases in general council tax from 2021-22 until 2025-26 (a 1% increase in the Council tax generates £3.0m)
- An increase in the Adult Social Care Precept of 2% for all five years of the Strategy;
- The strategic approach to developing savings and transformation proposals that support the Business Plan continue to evolve through a focus on demand management, (this entails employing a place based approach that builds on communities natural resources) efficiency, accountability, partnership and co-production;
- For the financial year 2021-22 the base budget will use the budget allocations built into the existing Business Plan but any variations will be managed, where possible, through the transformation work-streams that will bring forward cross-Council and multi-agency proposals;
- Funding for invest to save schemes will continue to be made available via the Transformation Fund as part of the Business Planning process, subject to robust business cases and with a major drive to reduce the carbon footprint of the Council and more broadly for Cambridgeshire, in partnership with others;
- The Council will continue to adopt a more commercial focus in the use of its assets (both human and infrastructure) looking for opportunities to generate income in order to protect frontline services;
- The General Reserve will be held at (and if necessary restored to) approximately 3% of expenditure (excluding schools expenditure and Combined Authority levy);
- Staff pay inflation for National Joint Council pay scales and locally agreed pay scales has been budgeted for at 0% for 2021-22 and 2% thereafter.
- Fees and charges will be reviewed annually in line with the Council's fees and charges policy;
- The capital programme will be developed in line with the framework set out in the Capital Strategy where prudential borrowing will be restricted and any additional net revenue borrowing costs would need Council approval;
- All savings proposals will be developed against the backdrop of the Council's outcome-based approach to Business Planning, recognising the need to embrace change and innovation;
- All opportunities for cross-sector and organisational working that drive end to end efficiencies and/or improvements in service delivery will be pursued;

- Business rates pooling will be fully explored with district councils and the Combined Authority where there is a mutual financial benefit to do so;
- The Council Tax assumption and forecasts are reviewed annually
- The Council will continue to lobby central government for fair funding leading into the national replacement of the current funding formula.

2) National and local context

The Council's business planning takes place within the context of both the national and local economic environments, as well as government's public expenditure plans. This chapter of the Medium Term Financial Strategy explores that backdrop.

National economic outlook

The magnitude of the recession caused by the Coronavirus pandemic is unprecedented in modern times. UK GDP was 26% lower during the height of the crisis in April 2020 than it was only two months earlier in February. By September, GDP had risen by 17% as lockdown restrictions were eased but still remained 9.2% below February levels. However a resurgence of infections and subsequent tightening of public health restrictions slowed the economic recovery during the autumn leaving GDP at around 11% lower for the year than in 2019.

The pandemic has impacted the UK economy in several ways;

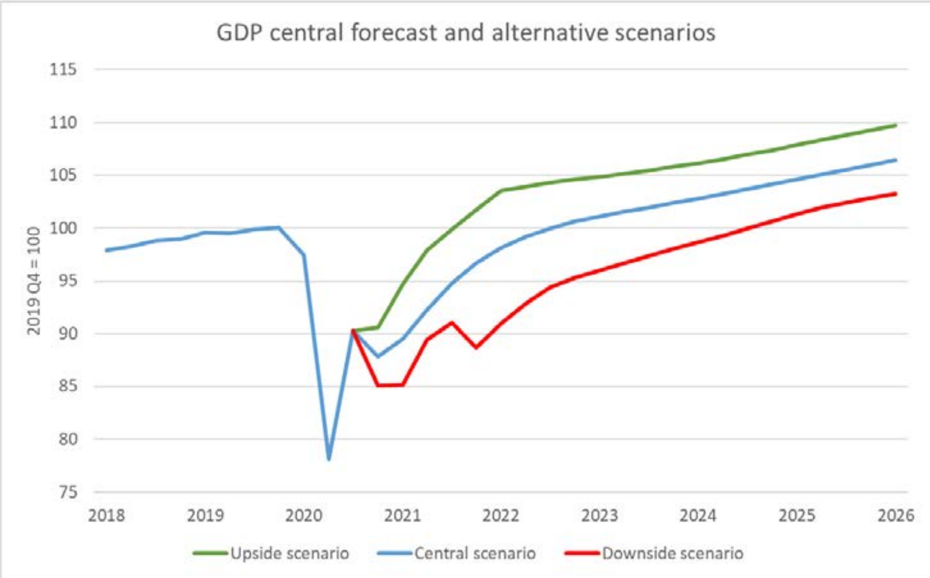
- Global supply chains have been disrupted due to business shutdowns, limiting production.
- Demand for goods and services has been impacted by the acute disruption resulting from the pandemic. Longer term structural changes to the economy are also expected due to changing customer behaviours and demand in some sectors, such as travel and tourism and hospitality, may not recover to pre-COVID levels
- The high degree of uncertainty surrounding the economic outlook is likely to dampen businesses' inclination to invest. A Bank of England survey of CFOs in June 2020 showed that businesses expect investment to be 38% lower in Q2 2020 than would otherwise have been the case due to COVID-19. This impact is likely to be compounded by current uncertainty surrounding the UK's future relationship with the EU.

The short to medium term trajectory for the economy and employment is heavily dependent upon the public health measures required to bring the virus under control in the coming months. The Office for Budgetary Responsibility has based its forecasts upon three scenarios;

- In the upside case scenario a rapid rollout of effective vaccines will enable output to return to pre-COVID levels in late 2021
- In the central scenario vaccine rollout is effective but gradual resulting in a recovery to pre-COVID levels of activity by late 2022
- In the downside scenario further lockdowns are required and vaccines prove ineffective in keeping the virus in check leading to a lasting economic adjustment with output returning to pre-COVID levels in late 2024

The economic growth projections across the MTFS period for each of the three scenarios are as follows.

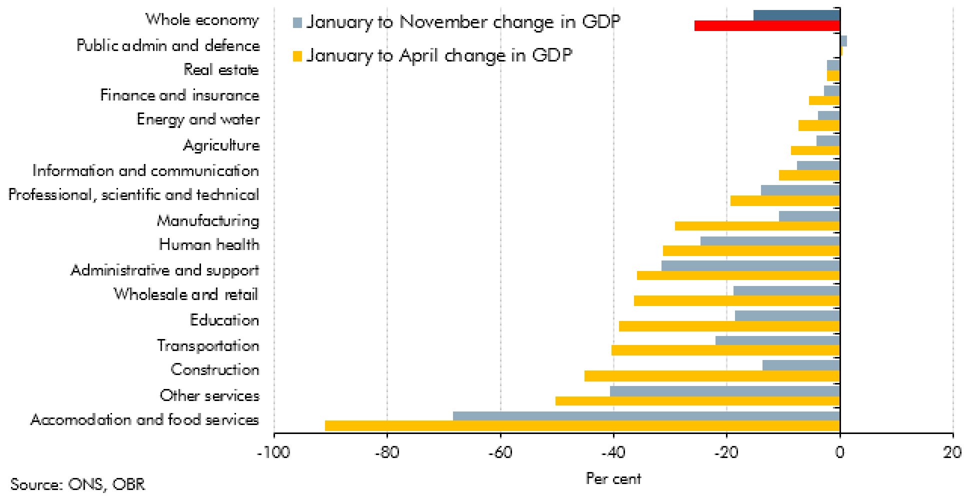
Figure 2.1: GDP Growth (Source: OBR, November 2020)



The factors impacting medium term GDP growth are;

- Reduced economic contributions from a small population due to lower levels of migration
- Lower labour market participation due to early retirement, a decline in recruitment and increasing levels of unemployment
- Reduced private consumption due to the impacts of lockdown and social restrictions
- Reduced business investment due to the ongoing uncertainty resulting from the pandemic

The overall GDP growth figures mask stark variations between the differential impacts across the economy. Sectors most reliant on face-to-face interactions, such as hospitality, transport and entertainment have seen dramatic reductions in output. Sectors that have been able to continue operating either through remote working or by implementing social distancing, such as financial services, energy and agriculture, have been much less severely impacted. The following chart shows the changes in economic output per sector from January to November 2020.



Whilst the housing and property market across the county had recovered since the financial crisis of 2008, the market as a whole was facing a new level of uncertainty with the prospect of the UK leaving the European Union on 31st January 2020. Since then, the

Covid-19 pandemic has disrupted many aspects of daily life with significant consequences for the global economy. Generally, activity in the housing market has recovered however, with the latest HMRC data indicating an increase in sales completed in June 2020. Indicators in the latest RICS Residential Market Survey are consistent with a further uptick in activity in the second half of 2020. It is uncertain whether this trend will be sustained however with that the stamp duty holiday due to come to an end in spring 2021.

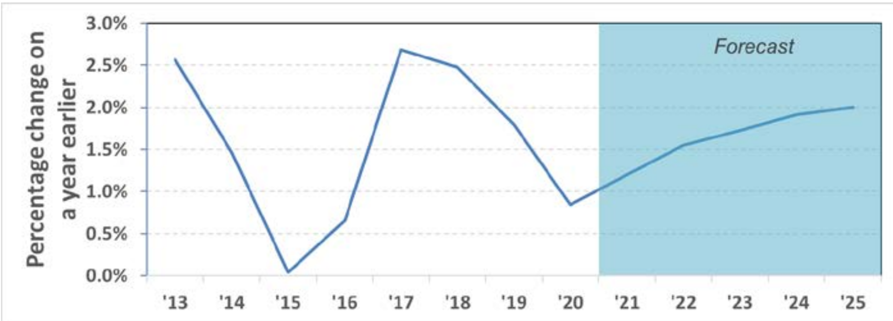
Commercial property is likely to be more adversely affected than residential property by the changes triggered by the pandemic over the medium term. Average commercial prices are expected to fall by 9.2 per cent in 2020-21, recovering to growth by 2022-23 but will remain around 2.8% lower than 2019-20 levels across the MTFS period. The OBR projects that local authorities will reduce capital spending financed by unsupported borrowing in light of the virus-related shock to returns on commercial property investments. Croydon Borough Council recently issued a Section 114 notice and many other councils have recorded losses on commercial investments. Commercial investments are expected to remain less financially attractive over the forecast period than in 2019-20 and this impact is compounded by the recently announced change to Public Works Loan Board borrowing regulations which prohibit local authorities from borrowing from the PWLB if their capital programmes include any commercial investments.

Financial Year	2019-20	2020-21	2021-22	2022-23	2023-24
% Change in commercial property prices	3.3	-9.2	-0.8	1.7	2.0

With the net-zero carbon emissions by 2050 target, regulatory and financial incentives are expected to support the decarbonisation of transport and heat. The necessary changes to the ways we live and work will be facilitated by environmental-led reforms to planning processes, yielding a range of public benefits including greater uptake of electric vehicles, a shift overall to mass transit systems, and from 2025, no new connections to the gas network for homes and buildings. Despite the considerable challenges in the sector, the Council continues to invest in the Cambridgeshire economy and has ambitious plans for local housing development, having set up a property development and investment company, ‘This Land’.

The government has set a target of 2% for the underlying rate of inflation as measured by the Consumer Price Index. Before the pandemic, inflation was broadly in line with the target however CPI has since fallen to well below 2%. CPI inflation falls under all three OBR scenarios from 1.8% in 2019 to 0.8% in 2020 due to lower indirect taxes and energy prices and reduced consumption. CPI is likely to remain low over the next three years due principally to weak average earnings growth but is expected to return to the 2% target by the end of 2024 as oil prices rebound, the economy recovers, and temporary government policy interventions are withdrawn.

Figure 2.2: CPI Inflation (Source: OBR, November 2020)



In March 2020 the Bank of England reduced the base rate by 0.65% to 0.1%; the lowest ever level, to help reduce the economic shock caused by the coronavirus pandemic and stimulate spending. The ONS predict that the base rate will fall further to a low of -0.05% in Q2 2022, remaining negative until Q2 2023. Negative interest rates would further reduce the cost of new borrowing for local authorities however they will further increase the cost of holding excess liquidity, necessitating effective cashflow management systems and processes.

The Government's furlough scheme has prevented mass unemployment in 2020 as surging Coronavirus infections have led to multiple periods of UK-wide business closures. Nonetheless, unemployment is expected to rise significantly from 4% to 7.5% as this support is withdrawn in the spring. Although the furlough scheme has protected jobs which will return to viability as social restrictions are eased, it has also allowed some businesses to continue to operate that would otherwise have closed. The structural unemployment rate is likely to rise due to permanent behavioural changes prompted by the pandemic, such as working from home and the shift to online retail. This will require labour to shift across occupations, sectors and regions and there is likely to be a significant lag period as unemployed workers retrain or relocate.

4.9%
of the labour force aged 16 and over could not find a job

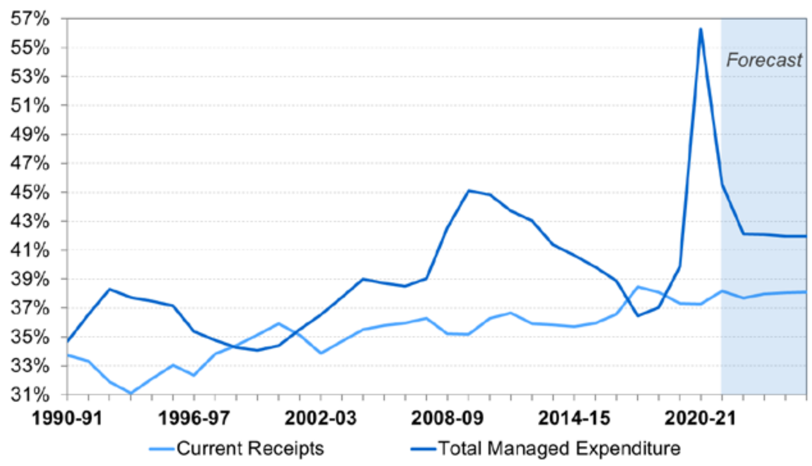
75.2%
of people aged 16 to 64 were employed

2.66m
people were claiming Jobseeker's Allowance

Public Sector spending

Total public spending is forecast to rise by 16.4% of GDP in 2020-21 to 56.3%; the highest level recorded outside the World Wars. The combined impact of the virus on the economy and the Government's fiscal policy response is expected to increase the forecast deficit for 20-21 to £394bn, its highest level since 1944-45, exceed 100% of GDP. Borrowing is expected to fall back to around £102bn by 2025-26 however the OBR has estimated that a fiscal adjustment of at least £27bn would be required to match spending to receipts by 2025-26.

Figure 2.3: Total public sector spending and receipts (Source: OBR, Nov 2020)

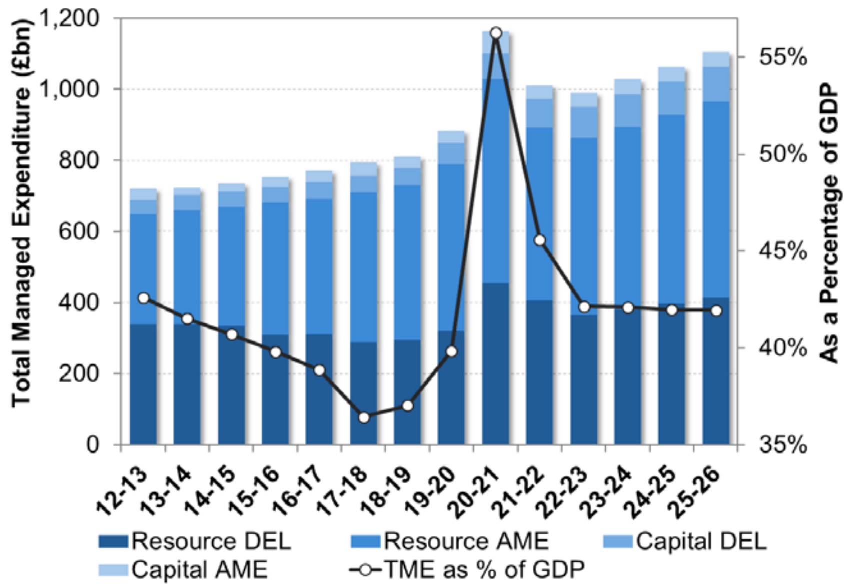


The government plans to eliminate the deficit by a mixture of spending and fiscal consolidation. Current estimates indicate that Total Managed Expenditure will be reduced from 56.3% of GDP in 2020-21 to 41.9% of GDP by 2025-26.

Total Managed Expenditure (TME) is the total amount that government spends. It is split into amounts allocated to individual government departments (known as Departmental Expenditure Limits, or DEL) and spending that is not controlled by government departments (known as Annually Managed Expenditure, or AME). AME covers spending on areas such as welfare, pensions and debt interest.

HM Treasury's forecast for TME over the next five years, as shown in Figure 2.4, indicates an 11.1% year on year reduction in Departmental Expenditure Limits in 2021-22 followed by a 9.8% reduction in 2022-23. The achieveability of these forecasts is heavily dependent upon the progress of the pandemic and the rate at which day to day government spending returns to pre-pandemic levels. Furthermore, the fiscal impact of the new spending pledges announced since the UK entered a further period of national lockdown on 6th January 2021 have not yet been assessed and accounted for in the OBR forecasts.

Figure 2.4: Total Managed Expenditure (Source: OBR, Nov 2020)



Due to current levels of fiscal and economic uncertainty which have necessitated substantial and rapid changes to government spending plans, the Comprehensive Spending Review planned for 2020 was postponed. The latest spending review is for one financial year only, meaning that DELs have not been set beyond 2021-22.

By far the majority of the Ministry of Housing, Communities and Local Government's DEL is allocated to individual local authorities. The Government has launched a Fair Funding review which will set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources. The new model of funding could bring about significant changes in distribution of funding between Local Authorities from 2022-23.

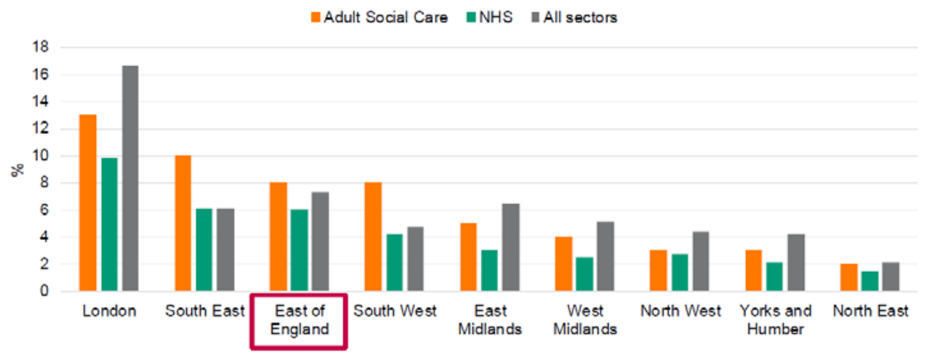
Our internal modelling is currently based on the existing system of 50% business rates retention with Government grants assumed to continue on a cash flat basis. During 2021-22 we will develop a revised model based on 75% local retention of business rates, incorporating new developments in methodology which will emerge as the consultation process progresses.

Local economic outlook

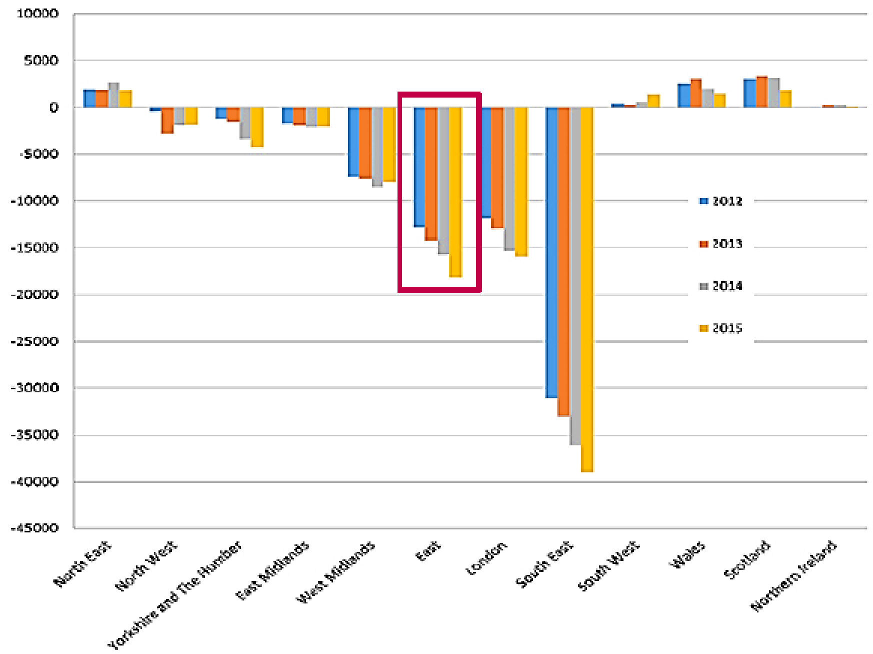
Economic growth in Cambridgeshire has outpaced both the East of England and UK over the last decade. This has been driven primarily by rapid business creation and growth in Cambridge and South Cambridgeshire. Innovation-rich Cambridgeshire businesses have attracted significant investment from overseas, promoting an entrepreneurial business environment which has seen Cambridge City producing the highest number of patent applications per head of population of any City in the country.

The principal risks to the East of England economy as a result of Brexit are those associated with trade and labour. Over 7% of Eastern workers are EU nationals; the highest proportion of any English region outside of London. Tighter immigration expectations around EU migration could have a significant impact on the Adult Social Care market where 15% of the workforce in Cambridgeshire are EU nationals. Additionally, the Eastern region is the second highest net importer of European goods and services behind the South East. A reduction in the availability of EU workers or the introduction of trade tariffs impacting the cost of imported goods and services could therefore have an adverse effect on the Eastern economy.

Proportion of EU workers by region and employment sector

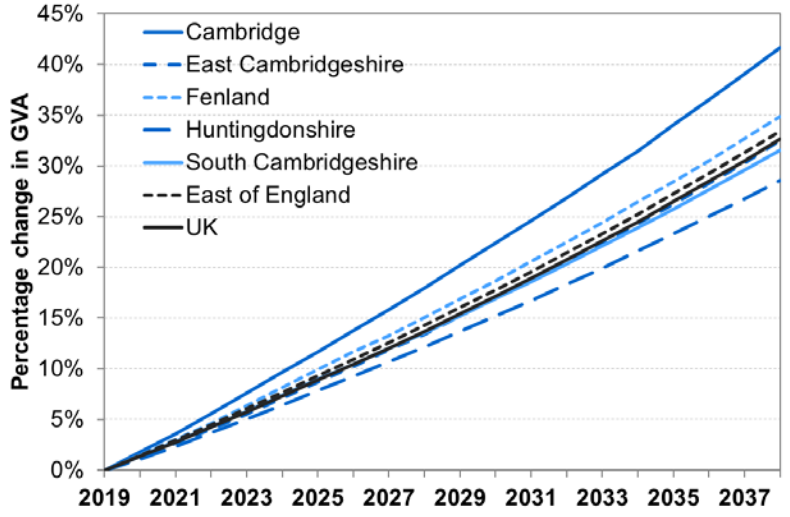


Trade balance with EU by region (£m, 2015 prices)



Economic productivity is measured by Gross Value Added (GVA). Calculated on a workplace basis, Cambridgeshire's GVA was £19.235 million in 2017, a 5.9% increase from 2014. Per head of population, GVA was £28,932 in 2017, 21% above the East of England average of £23,904 per head, and 13% above the England average of £25,673 per head.

Figure 2.5: GVA growth forecasts for Cambridgeshire by district

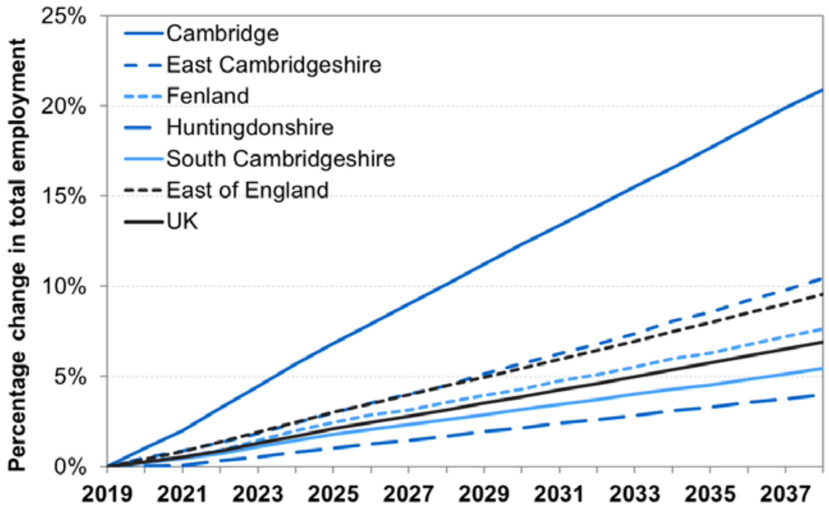


Source: East of England Forecasting Model 2017

Cambridgeshire's GVA per head of population is above the regional and national averages, predominantly due to high value added activity in South Cambridgeshire and a high jobs density in Cambridge City, which push up the county average. Productivity is highest in South Cambridgeshire, reflecting the concentration of high value industry in this district.

Cambridgeshire's GVA is forecast to grow by 6.4% over the term of the MTFS, with the most significant increase in Cambridge City, where GVA is expected to increase by £460m. Enterprise births relative to population is still below the regional and national averages rates. Cambridgeshire as a whole saw an increase in the number of business start-ups in 2018 compared to 2017, following a fall in new start-ups between 2016 and 2017. Retail growth in most district town centres continues to provide an important source of employment to support the broader market town business base.

Figure 2.6: Employment growth forecasts for Cambridgeshire by district



Source: East of England Forecasting Model 2017

The forecast continued employment growth across all districts presents a key opportunity for the county. Cambridgeshire has seen a 6.1% rise in the number of private sector jobs from 2015 to 2018. From an historical perspective, job creation has previously been uneven, with Fenland and Cambridge only seeing limited growth between 2001 and 2011; however Fenland and Cambridge have seen jobs growth of 3.7% and 2.4% respectively from 2010 to 2016. A significant proportion of jobs in Cambridge and South Cambridgeshire are in manufacturing, healthcare and education. In Huntingdonshire, East Cambridgeshire and Fenland, jobs are concentrated in the construction and agricultural sectors.

Fenland and East Cambridgeshire have been designated a Social Mobility Opportunity Area. This follows work from the Social Mobility Commission to assess the prospects of disadvantaged young people from every council area in the UK. The delivery plan for the opportunity area has four priorities, one of which is to focus on raising the aspirations of young people regarding their final careers. Other key actions include increasing teacher numbers.

Cambridge City is seeing rising demand for skilled workers in manufacturing and production sectors due to a rise in orders, although there is a noticeable skills gap developing for the increasing number of vacancies. The low proportion of Cambridgeshire residents qualified to an intermediate skills level (NVQ Level 3) despite the high demand for people with these skills levels within the county is another key employment issue.

Reliance on ubiquitous, reliable and high speed digital connectivity continues to increase, driven by the rapid pace of technology change which now impacts across all areas of modern living, supporting economic growth and thriving communities. The Council's Connecting Cambridgeshire Programme continues to aggregate funding streams from multiple local, government and EU sources to deliver improvements to the mobile and fixed connectivity infrastructure across Cambridgeshire and Peterborough. This includes stimulating private sector telecommunications industry investment and facilitating faster, more efficient telecommunications rollout as well as providing public funding in the areas where the market will not invest. The Council is also spearheading a “dig once” fibre ducting policy to reduce costs and disruptions by incorporating fibre ducting in new transport and infrastructure schemes across the County.

Free public access Wi-fi supports digital inclusion across all sectors of the community and helps to promote dynamic retail environments, particularly in Cambridgeshire’s market towns. New advances in mobile technology promote an “always connected” approach which is increasingly required by businesses, communities and to support public service delivery. Over the next two years the Connecting Cambridgeshire programme will continue to support the delivery of ubiquitous superfast broadband coverage as well as increasing the full fibre footprint and improving the 4G and 5G mobile coverage across the County. It will also focus on extending the availability of free public access Wi-fi to more locations and support the exploitation of digital connectivity with “smart” technology.

As part of the Greater Cambridge City Deal (now Greater Cambridge Partnership) signed with Government in 2014, it was agreed that Government would allocate £500m to Greater Cambridge infrastructure projects. The first tranche of funding was agreed on the basis of five yearly instalments and the second and third tranche is subject to two (2020 and 2025) Gateway Reviews. The purpose of the Deal is to deliver a step change in investment capability; an additional 44,000 jobs and 33,000 homes with benefits for the whole County as well as the wider area.

In May 2020 the Greater Cambridge Partnership received notification from Government that a further tranche of City Deal funding, worth up to £400m across the five years from April 2020, had been confirmed after a successful gateway review.

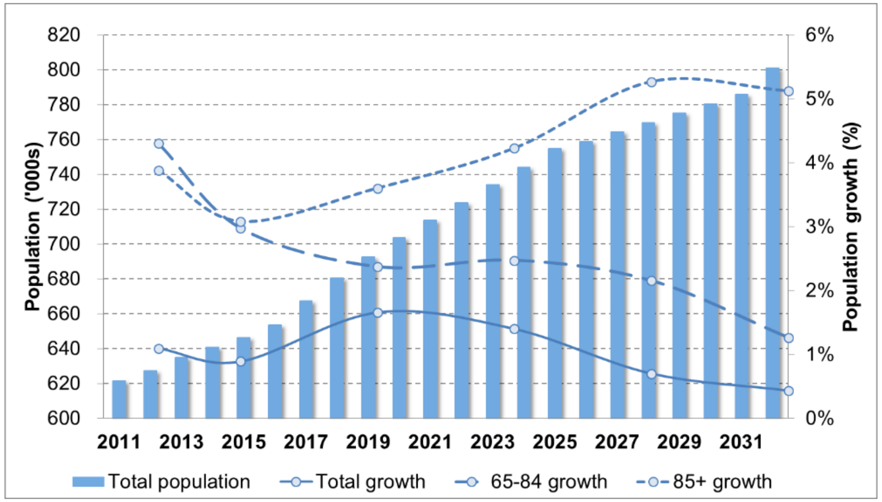
The deal has resulted in a changed set of governance arrangements for Greater Cambridge, allowing the County, Cambridge City Council and South Cambridgeshire District Council to pool funding, powers and decision making through a joint Executive Board. This structure is leading the joint delivery of a number of major transport schemes and has achieved a more joined-up and efficient approach to tackling the key economic issues facing this rapidly-growing city region.

Cambridgeshire’s growing population

Cambridgeshire County Council’s population estimates show that Cambridgeshire’s population has continued to grow since the Census 2011, rising by 4% to 648,300 by mid-2015. At the time of the 2011 census, Cambridgeshire was the fastest growing county in the UK with the county’s population having increased by 68,500 between 2001 and 2011 to 621,200 - a growth rate of 12% over the ten year period. A growing county provides many opportunities for development and is a general sign of economic success. However, it also brings with it significant additional demand for services which is compounded by an increasing proportion of the population in the 60+ age group. When this is combined with the Government’s need to rebalance the economy it creates what has been described as the “perfect storm”. Being able to balance our budget will become increasingly more challenging as we progress through the period of this strategy.

Our forecasts show that the county's population is expected to grow by 25% between 2016 and 2036. The pattern of growth will not be evenly spread, with over half of it occurring in Huntingdonshire and South Cambridgeshire. As well as increased numbers of people living in the area, the population structure is also changing. The number of people aged 65 and over is forecast to continue to increase over the next 20 years, from 123,200 in 2018 to 181,800 in 2038, and forecast to account for 26% of the total population in 2036 compared to 16% at the 2011 Census, placing unprecedented demand on social care services for the elderly. It is also anticipated that there will be more people with care needs such as learning disabilities within the population.

Figure 2.7: Population forecasts for Cambridgeshire



3) Transformation

Since 2016 we have invested heavily in an ambitious transformation agenda for Cambridgeshire citizens. Investment in a number of cross organisational change programmes through a dedicated team and fund has delivered significant financial and social returns. The Council has saved over £100m over the last four years with much of this work being supported by the Transformation Team, including £25m being saved as a direct result of investments made through the Transformation Fund.

The transformation programme is inter-linked with the Council’s business planning process but predicting the on-going implications and financial consequences of COVID-19 is challenging and has necessitated the use of a different process (and underlying assumptions) in the development of the Business Plan for 2021-2022 and beyond. Our financial forecasts have been developed using a number of different scenarios, which quantify (as far as possible) the financial implications on the Council of the changing national and local conditions. However, it is clear that the scope for traditional efficiencies has diminished. Therefore the development of the Business Plan is focused on a range of more fundamental changes to the way we work.

Some of the key themes driving the current thinking are;

- **Economic recovery** – we know that the impact of the measures to reduce the spread of COVID-19 will impact the economic recovery substantially. The Office for Budget Responsibility is forecasting at least a 10% drop in GDP in the UK in 2020. This will impact employment and household income levels for many people across Cambridgeshire. The stress and anxiety caused by worrying about money, or not having enough money to maintain the right housing or buy basic necessities or afford basic utilities, is an important factor that affects demand for many of our services. Economic recovery is therefore at the heart of improving outcomes for people and managing demand for Council services.

- **Demand Management** – this is fundamentally about supporting people to remain as healthy and as independent as possible, for as long as possible, which is a significant priority as demand increases as a result of COVID-19. It is about working with people and communities to help them help themselves or the person they care for or their community e.g. access to advice and information about local support, asset building in communities and access to assistive technology. We saw communities rise to the challenges of the pandemic and support networks appearing to gather around those who needed it. We must build on this and look at how we further support these networks and groups to continue, and where public services are undisputedly needed, it is about ensuring support is made available early so that people’s needs don’t escalate to the point where they need to rely heavily on public sector support in the long term.

- **Think Communities** – In support of the need to manage demand and enable people to remain living in their own homes in their local communities and delay the need for more specialist services, continued investment in our Think

Communities approach is paramount. Harnessing the capacity within our local district and parish councils, the voluntary, community and faith sectors, volunteers and local place based health, County Council and blue light services will enable us to build place based support services wrapped around our vulnerable people and communities; which will reduce or delay the need for more specialist expensive services and build resilient and sustainable communities where people feel proud to live.

Our aspiration for the transformation programme was to deliver a programme that would provide the Council with the financial capacity to invest in new service areas that would improve the quality of life for residents, contribute to the Cambridge economy and address the growing environmental challenges we face. As a result of this investment in transformation the Council has taken great strides towards achieving this ambition. There are have a broad portfolio of examples to draw from which demonstrate our ability to drive efficiencies, deliver value and deliver better outcomes for people that cost less through changes to practice and use of technology and some of these are outlined below:

Programme	Financial benefit	Change in practice	Outcomes for citizens
Adults Positive Challenge Programme A whole system 'behaviour change' transformation programme across Adults Social Care	£3m of savings have been realised to date with additional savings expected over the next 3 years.	Embedding 'strengths' based practice and early identification approaches within all customer 'touch points' Expansion and intensification of effective community and preventative solutions e.g. as Technology Enabled Care	Increased independence of citizens and reliance / demand on public services. Significant long-term cost reduction to the health and social care system.
Resilience and independence in the SEND environment Ensuring education and care support packages for children and young people with SEND were appropriate to meet need, of a high quality and support and enable young people to acquire, develop and maintain independence ahead of their transition to Adult Social Care.	£1m of savings have been realised	Support the use of managed risk by professionals and providers in the commissioning and reviews of support packages provided to children and young people with special educational needs or disabilities.	Placements are able to offer the right support at the right time, without limiting or restricting independence and / or compromising individual and family resilience.
Cambs 2020 Rationalisation of our buildings portfolio and workforce cultural change programme	A revenue saving of £210k per year, and a capital income in excess of £45m over the next 40 years	New agile ways of working adopted across Council services. Our workforce is ready and adaptable to work within and across organisational boundaries.	Officers are located closer to both service users and partners ensuring that the right services can be accessed at the right time
Reablement Recruitment Redesign of recruitment team and an innovative recruitment campaign to attract more reablement workers into Adult Social Care	£750k saved Reduced agency worker cost and reduced onboarding time result in being able to deploy new workers sooner	Increased efficiencies and productivity in recruitment practices across all areas of children's and adults services Improved candidate / employee experience	Reduced delays in hospital discharge time. Increased number of individuals who could return home rather than going into care Increased recruitment from local area
Total Mobile A mobile app integrating critical aspects of the Adult Social Care case management system to enable adult social care staff to access and input information via their mobile device.	Significant improvements to the efficiency and productivity of frontline workers, maximising the avoidable demand	Supporting the workforce to become digital by default allowing for increased flexibility	A higher number of citizens will be able to access the support of preventative services due to increased efficiency, and worker access to real-time data and information will enable better quality,

Programme	Financial benefit	Change in practice	Outcomes for citizens
	opportunities identified in APCP.		strengths based support without any delay.
SEND Transformation To positively influence the drivers of avoidable, high-cost demand for SEND services that don't maximise long-term independence for children and young people into adulthood.	Reduced risk of exclusion, and associated challenges face as a result - 33% reduction in exclusions in settings that are utilising the new approach to date	Test and learn interventions focusing on different tools to support strengths based working, focusing on outcomes and impact on demand in the system.	Embedding trauma informed practice and 'STEPS'; a revolutionary new approach to managing behaviour in settings and schools in order to reduce exclusions and placement breakdown.

Flexible Use of Capital Receipts Strategy

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects. The flexibility was originally announced for 2016-17 to 2018-19, however this was extended by a further 3 years as part of the 2018-19 Local Government Finance Settlement.

This flexibility is as long as the Council complies with the following:

- The expenditure is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years; and

- The expenditure is properly incurred for the financial years that begin on 1 April 2016 to 1 April 2021, and can only be met from capital receipts which have been received in the years to which this direction applies.

The Council has decided to use this direction to fund the transformation resources that have been brought together to support the Transformation Programme, as well as the cost of redundancies required in order to deliver transformation of services. As a result of using this direction (using capital receipts partly to fund transformation rather than the capital programme), prudential borrowing undertaken by the Council for the years 2017-18 to 2021-22 is budgeted to be between £3.0m and £3.9m higher in each respective year. This affects the Council's Prudential Indicators as follows:

Table 3.1: Effect of using Capital Receipts on Prudential Indicators

Prudential Indicator	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m
Capital Financing Requirement	+3.0	+6.9	+10.2	+13.4	+16.6
Operational Boundary (Total Borrowing)	899.3	984.6	1,058.0	1,128.7	1,117.3
Authorised Limit (Total Borrowing)	929.3	1,014.6	1,088.0	1,158.7	1,147.3

This is expected to create additional Financing costs in the revenue budget of £88 - £161k in each of 2017-18 to 2021-22.

The Council funded £2.9m of expenditure in 2017-18 using this direction, £3.9m in 2018-19 and £2.7m in 2019-20. It is intended to fund a further £3.2m in 2020-21. This expenditure will help to deliver the following savings (all savings are ongoing):

Table 3.2: Transformation Spend to be funded by Capital Receipts, and associated savings

Scheme	Prior Years £k			2019-20 £k			2020-21 £k	
	ACTUAL COST	BUDGETED SAVING	ACTUAL SAVING	ACTUAL COST	BUDGETED SAVING	ACTUAL SAVING	BUDGETED COST	BUDGETED SAVING
Adult Social Care Transformation	1,070	-11,941	-10,359	1,258	-4,582	-4,582	909	-3,800
Learning Disability Transformation	112	-480	-393	-	-450	-450	-	-
Commissioning	240	-451	-269	-	-2,051	-2,051	1,369	-4,634
Children's Change Programme	832	-2,808	-2,472	202	-340	-340	197	-830
Children's Centres & Children's Health Services Transformation	74	-772	-772	-	-	-	-	-
Learning Transformation	525	-819	-719	91	-	-	539	-4,753
Communities	-	-	-	-	-60	-60	-	-
Public Health Transformation	-	-	-	-	-189	-189	-	-
Transport Transformation	65	-1,999	-1,823	-	-460	-460	6	-50
Assets / Facilities work stream / Property projects	526	-894	-756	528	-21	-21	90	-397
Automation	339	-397	-191	-	-	-	-	-
Organisational Structure Review	1,032	-1,793	-2,312	-	-	-	-	-
Commercialisation	1,456	-5,400	-2,000	567	-1,351	-351	107	-600
Waste Transformation	13	-1,025	-250	-	-60	-60	-	-
Libraries Transformation	213	-230	-230	-	-	-	-	-
Shared Services	157	-	-	99	-1,615	-537	-	-
TOTAL	**6,655**	**-29,009**	**-22,546**	**2,745**	**-11,179**	**-9,101**	**3,218**	**-15,064**

These workstreams are focused on delivering the following outcomes:

Transformation Scheme	Activity
Adult Social Care Transformation	Through the Adults Positive Challenge Programme, the County Council has set out to design a new service model for Adult Social Care which will continue to improve outcomes whilst also being economically sustainable in the face of increasing demand and pressure on the sector. This work will focus on promoting independence and changing the conversation with staff and service-users to enable people to stay independent for longer, and has been in place has already had success in 2018/19 and 2019/20 and proposals are in place for 20/21 for Cambridgeshire and Peterborough. Following the implementation of Mosaic we will also look for opportunities to streamline reporting and information systems and release capacity of front line staff to work in an asset based and transformational way.
Learning Disability Transformation	Major programme to implement the revised model of care – meeting people's needs through a strengths-based approach to social care. Programme also includes delivery of strategic commissioning activity, including the development of new care capacity to allow service users to return to live in-county – and converting residential provision to supported living to promote independence for people with learning disabilities as well as providing cost savings to the Council.
Commissioning	Supporting a review of market interventions and market shaping activities to ensure efficient delivery of statutory service provision; incorporating the development of sustainable market capacity, which is cost efficient, outcomes focused and aligns to place based community needs. This includes commissioning across older people, working age adults with physical disabilities, mental health, learning disabilities and children.
Children's Change Programme	Identifying additional opportunities within the children's service to ensure services are targeted to those in greatest need. The programme has created a single front door for children's services, and development of a new residential model for children on the edge of care.
Child & Family and Children's Health Service transformation	Best Start in Life is a 5 year strategy which aims to improve life chances of children (pre-birth to 5 years) by addressing inequalities, narrowing the gap in attainment and improving outcomes for all children, including disadvantaged children and families. The vision is that "Every child will be given the best start in life supported by families, communities and high quality integrated service.
Learning Transformation	Responding to the growing demand for our SEND services by working with families and schools to provide the right level of support and to promote independence for children and young people. This is being done through a number of areas including providing independent travel training, this enables young people to have the skills and confidence to travel more independently for their education but also gives them life skills for their future.

Transformation Scheme	Activity
Communities	A Review of required management and support functions within the team, depending on the outcome of funding bids.
Public Health Transformation	We have delivered efficiencies and shared good practice through creating a joint public health directorate across Cambridgeshire County Council and Peterborough City Council. We can now transform services and make efficiencies through joint commissioning of public health programmes across the Cambridgeshire and Peterborough area, working in partnership across both local authorities and local NHS commissioners.
Transport Transformation	Through the Total Transport transformation programme we are scrutinising contract services to ensure the Council delivers the most efficient special school transport services whilst ensuring all eligible pupils receive free transport in line with the Council's policy on journey times.
Assets / Facilities work stream / Property projects	Generating income through commercialising property assets and re-shaping the property portfolio to support business outcomes. Includes the Cambs 2020 programme which will see the Council move out of its current main base in Cambridge and adopt a Hub and Spokes model of office accommodation.
IT Strategy	• Provide systems and tools to enable staff to work effectively • Support joint working with an improved ability to collaborate and work seamlessly across the two councils • Be cost effective, minimising duplicate costs & rationalising systems • Support the delivery of savings elsewhere across the council
Commercialisation	Development of a Strategic Investments model for the authority and creation of a dedicated investment vehicle to deploy multi-million pound investments for a commercial return. Review of specific areas identified within the contract register to discover what potential there is for savings through more commercially minded renegotiation, re-consideration of service specifications and consideration of where smarter payment processes may assist in driving down costs.
Shared Services	A joint working agreement is now in place with Peterborough City Council along with a growing number of shared posts. A new operating model for services previously governed by the LGSS Joint Committee has been agreed and is being implemented during 2020-21.

4) Strategic financial framework

The Council's strategic financial framework is comprised of three distinct, but interdependent, strategies set out within this Business Plan:

- Medium Term Financial Strategy (Section 2)
- Capital Strategy (Section 6)
- Treasury Management Strategy (Section 7)

As well as outlining the Council's revenue strategy, this Medium Term Financial Strategy includes the organisation's Fees and Charges Policy (see chapter 5) and Reserves Policy (see chapter 8).

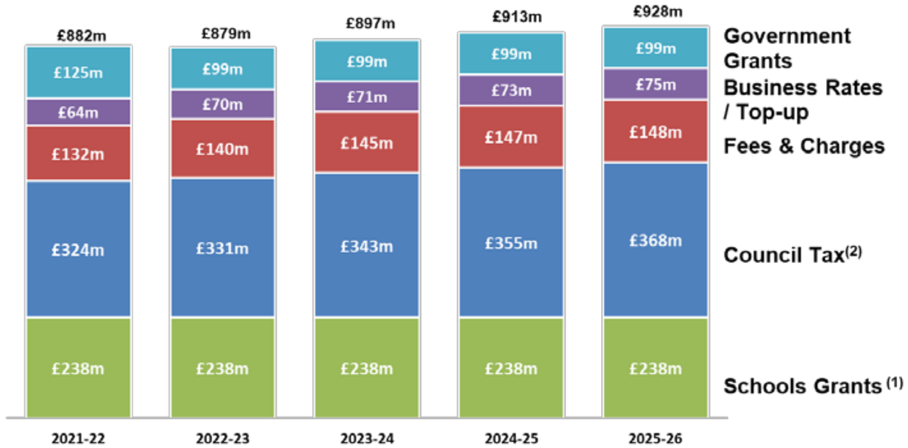
The Council's revenue spending is shaped by our Transformation Programme, influenced by levels of demand and the cost of service provision, and constrained by available funding.

Funding forecast

Forecasting our financial resources over the medium term is a key aspect of the revenue strategy, allowing us to understand the context in which the Council must operate. We have carried out a detailed examination of the revenue resources that are available to the Council. Revenue funding comes from a variety of national and local sources, including grants from Central Government and other public agencies, Council Tax, Business Rates and other locally generated income.

In 2021-22, Cambridgeshire is expected to receive £644m of funding excluding grants retained by its schools. The key sources of funding are Council Tax and the Adult Social Care precept with increases currently budgeted at 0% and 2% respectively in 2021-22, and Central Government funding (excluding grants to schools).

Figure 4.1: Medium term funding forecast



(1) This includes Schedule 2 Dedicated Schools Grant, retained by the County Council under regulation to support schools and education functions, and grant funding used to purchase traded services from the County Council
(2) This includes Adult Social Care Precept funding with a provisional increase of 2% per year

As is evident from Figure 4.1, the Council will continue to face a challenging funding environment over the medium term, particularly in 2022-23 when total funding is expected to reduce compared to 2021-22 levels due to the ending of one-off Coronavirus grants from Government. The Council expects to see an overall increase in funding (excluding schools grants) of 7.2% to 2025-26, primarily due to increases in Council tax. However inflationary pressures, population growth and increased demand for services are expected to result in additional budget pressures of 19.9% of gross budget over the same period. This leaves a residual unfunded pressure of £81m (see figure 4.2).

The parameters used in our modelling of incoming resources are set out below along with the assumptions we have applied.

Table 4.1: Parameters used in modelling future funding

Funding Source	Parameters
Business Rates	• Cambridgeshire Rateable Value (prudent assumption of zero real growth) • National CPI inflation (multiplier frozen for 2021-22 but projected increases in line with inflation thereafter , rising to 2% by 2025-26, as per OBR forecasts)
Top-up	• National CPI inflation (frozen for 2021-22 in line with Business Rates multiplier but increased in line with inflation thereafter as per OBR forecasts)
General Council Tax	• Level set by Council (0% assumed for duration of MTFS) • Occupied Cambridgeshire housing stock (0.7%-1.4% annual increase, as per District Council forecasts)
Adult Social Care Precept	• Level set by Council (2% assumed until 2025-26)
Other grants	• Grants allocated by individual government departments overall decrease of 0.5% by 2025-26)
Fees & charges	• Charges set by Council (average 2.4% annual increase over MTFS period)

Our analysis of revenue resources is subject to a significant degree of uncertainty due to:

- The extent to which Government COVID-19 support schemes will continue throughout 2021-22 and beyond
- The economic impacts of the pandemic on local businesses and residents with potential impacts both for precept income and viability of budgeted increases in fees and charges
- As yet unknown implications of a number of government policies designed to shape the local authority funding environment including; the review of relative needs and resources, referred to as the 'Fair Funding' review, and the impact of reforms to the business rates system, due to be published in Spring 2021.

In recent years local government funding has stabilised following a period of significant fiscal tightening in the wake of the global financial crisis of 2007-08. During this period income from government grants fell sharply; the Revenue Support Grant, worth £86m a year to the Council in 2013-14, was withdrawn completely in 2019-20. Additional funding for social care has recently been forthcoming, acknowledging the acute pressures faced by the social care system due to an aging population and increasing complexity of need. Notwithstanding the unprecedented fiscal and economic shock to the public finances as a result of Covid-19, these challenges remain and have been exacerbated by the impacts of the pandemic on care providers and on early and vulnerable people. It is therefore considered unlikely that the sector will face a further period of significant fiscal tightening during the period of the current MTFS with tax increases widely considered likely to contribute to returning the public finances to health in the medium term.

There is expected to be a significant reduction in grant funding to local authorities in 2022-23 as much of the increase for 2021-22 is due to one-off Covid grants to assist Councils in responding to the acute impacts of the pandemic. However, we are projecting a 'cash-flat' grant position from 2022-23 through to 2025-26. Despite the improving outlook for grant funding, the Council continues to place increasing reliance on locally generated forms of revenue such as council tax and fees & charges. The government's key metric for local authority funding 'core spending power' assumes that Councils will increase Council tax to the limit of the referendum thresholds imposed. However, the Council does not make this assumption in its financial planning due to the need to balancing the need for additional resources against affordability and fairness for local taxpayers.

The Business Rates Retention Scheme, introduced in April 2013, aims to increase the self-sufficiency of local government and provide an additional incentive for local authorities to invest in local economic growth. This is achieved by linking an element of local authority income to a share of the Business Rates collected in their area. County Councils currently receive a 9% share of Business Rates as compared to the District Councils' share of 40% which provides vital stability against the variability of Business Rates. However this means that County Councils retain a lower proportion of business rates growth and therefore receive smaller increases in funding than Districts with high levels of growth.

Due to the high levels of Business Rates growth in Cambridgeshire since 2013, it was financially attractive for the Council to enter into a Business Rates pooling arrangement with other local authorities in the county. The pool will reduce the net tariff paid by the county on our Business Rates income and retain more growth locally to fund services for Cambridgeshire residents. Although 2020-21 has been an exceptionally difficult year for businesses, the Council still expects the pool to offer a net benefit, though this has yet to be confirmed. We have therefore agreed to extend the pooling arrangement for a further year in 2021-22 as analysis has shown that the Council stands to gain from the pool in all but the most pessimistic scenario.

As part of the provisional 2018-19 Local Government Finance Settlement, it was announced that the Government will implement a 75% Business Rates retention model alongside a new 'Fair Funding' formula. In order to ensure that the reforms are fiscally neutral, councils will gain new responsibilities, and some Whitehall grants will be phased out; to date the Revenue Support Grant and the Public Health Grant have been confirmed to be rolled in. The impact of these funding changes may be significant for the Council however we are awaiting further clarity from MHCLG before the changes can be included in the forecasts. The changes, previously expected to be introduced in 2021-22 will now be delayed until 2022-23 at the earliest due to the impacts of the pandemic on Government capacity and fiscal and economic uncertainty.

Since 2017/18 Government has provided additional grant funding for social care in response to the unsustainable pressures faced by many upper tier authorities in the delivery of social care services. The Improved Better Care Fund introduced in 2017/18 is now worth £14.7m per year to the Council. Additional social care support grants have increased from £2.3m in 2018/19 to £13.4m for 2021/22. In the 2020 Spending Round, the Government confirmed that all existing social care funding would continue in 2021-22 and allocated a further £300m in grant funding for social care of which Cambridgeshire will receive £1.0m.

The government limited the general increase in Council Tax in 2020-21 to 2% per year, but provided additional flexibility for local authorities with Adult Social Care responsibilities to raise Council Tax by an additional precept. In the 2020 Spending Review, the government confirmed that a 3% Adult Social Care precept will be made available in 2021-22 and local authorities will be provided with the option to defer some or all of the increase to 2022-23.

The availability of the Adult Social Care precept has not been confirmed beyond 2021-22, however the budget assumes the precept will be available beyond this point and will be levied at a rate of 2% in each year of the Business Plan.

Based on the funding environment created by these policies, the Council's response is to pursue the following guiding principles with regards to income:

- to promote growth;
- to diversify income streams;
- to take a long term view in managing fluctuating levels of income across financial years to ensure consistency of service provision to our residents; and
- to ensure a sufficient level of reserves due to increased financial risk

Our ability to raise income levels by increasing Council Tax and charges for services remains limited. Therefore our annual review of Council Tax and fees and charges ensures that the Council makes a conscious decision whether or not to increase these rather than assuming a default position.

Spending forecast

Forecasting the cost of providing current levels of Council services over the medium term is the second key aspect of our revenue strategy. This allows us to assess the sustainability of current service provision. Our cost forecasting takes account of pressures from inflation, demographic and demand changes, amendments to legislation and other factors, as well as any investments the Council has opted to make. This process has proved extremely challenging for 2021-22 and beyond due to the exceptional levels of uncertainty surrounding the impacts of Covid-19 on service provision for the current MTFS period. The Council has responded to this uncertainty by considering several potential budget 'scenarios', introducing a budget review and reset process during the first quarter of each financial year and reviewing its reserves policy as set out in Sections 7 and 8 of the MTFS. Moving forward, our spend projections will take account of future carbon emissions liabilities, supported by analysis of the carbon costs of all activities the Council commissions or directly undertakes.

Inflationary pressures

We have responded to the uncertainty about future inflation rates relating to our main costs by making a prudent assessment of their impact. Our policy of maintaining reserves to cover such uncertainties provides further protection.

There is not a direct link between the inflationary cost pressures we face and nationally published inflation indicators such as the Consumer Price Index (CPI) due to the more specific nature of the goods and services that we have to purchase. Estimates of inflation have been based on indices and trends, and include specific pressures such as inflationary increases built into contracts. Our medium term plans assume inflation will run at an average of around 1.6%, having taken account of the mix of goods and services we purchase. Staff pay inflation has been budgeted at 0% for 2021-22 following the announcement of a public sector pay freeze by the Chancellor in the 2020 Spending Review. However, staff earning less than the median public sector salary of £24,000 are expected to receive an increase. Local Government pay is subject to national negotiations for the sector whilst some grades are subject to local decisions. A general provision of £1.7m has therefore been included in the budget for any staff pay increases agreed. Pay inflation has been budgeted for at 2% for all staff from 2022-23. The table below shows expected overall inflation levels for the Council:

Table 4.2: Inflationary pressures

	2021-22	2022-23	2023-24	2024-25	2025-26
Inflationary cost increase (£000)	9,578	8,741	9,032	9,224	9,456
Inflationary cost increase (%)	1.8%	1.6%	1.6%	1.6%	1.6%

The Council is currently investing in several transformative projects to manage inflationary pressures through its approaches to commissioning including;

- Asset-Based Area Commissioning where best use of resources is achieved by integrating and coordinating community, NHS, charity and local authority care services
- Support for Micro-Enterprises to increase competition in local care markets
- Block bed tendering for residential and nursing care placements to limit spot purchasing

Demand pressures

Increases in demand for services can result from changes in population numbers and changes in population need. The underlying general population growth in Cambridgeshire is forecast to be around 0.4% per year across the MTFS period. The demand pressures set out in the table below relate to circumstances where;

- Services cannot absorb the financial impact of general population growth
- Service user population growth exceeds that of the general population
- Needs of service users are expected to increase

Table 4.3: Demand pressures

	2021-22	2022-23	2023-24	2024-25	2025-26
Base demand pressures (£000)	11,332	12,772	13,645	13,843	13,899
COVID-related demand pressures (£000)	3,706	-991	-1,166	-345	-273
Total demand pressures (£000)	15,038	11,781	12,479	13,498	13,626
Total demand cost increase (%)	2.8%	2.1%	2.2%	2.4%	2.3%

In addition to a base demand forecast which takes account of demand trajectories and population growth pre-COVID, an additional scenario planning exercise was undertaken as described in Section 7. This exercise examined the likely impacts of COVID on service user numbers and severity of need. These figures have been revised during 2020-21 using the most current service usage trends and will continue to be monitored and updated as required during 2021-22. We estimate that the pandemic will increase demand pressures by £3.7m in 2021-22. This pressure will reduce over time as the acute impact and subsequent latent impacts of the pandemic diminish.

Other pressures

We recognise that there are some unavoidable cost pressures that we will have to meet. Where possible services are required to manage pressures, if necessary being met through the achievement of additional savings or income. If this is not possible, particularly if the pressure is caused by a legislative change, pressures are funded corporately, increasing the level of savings that are required across all Council services.

Investments

The Council recognises that effective transformation often requires up-front investment and has considered both existing and new investment proposals during the development of this Business Plan. The Council's Transformation Fund, created through a revision to the calculation of minimum revenue provision (MRP),acts as a pump priming resource. Any permanent investment requirements continue to be funded through additonal savings across all Council services.

Savings Proposals

The Council has an ambitious savings programme which helps it to maximise outcomes for service users whilst limiting the burden for local taxpayers as far as possible. The achievability of existing planned savings has been reviewed to take account of the impact of the Coronarvius pandemic on staff capacity, market conditions and practial considerations for service provision. However, the pandemic has also provided opportunities to strengthen community support networks, develop relationships with our partners and explore new and innovative ways of working which will help us to ensure that services can be provided sustainably in the coming years.

Financing of capital spend

All capital schemes have a potential two-fold impact on the revenue position, due to costs of borrowing and the ongoing revenue impact (pressures, or savings / additional income). Therefore to ensure that available resources are allocated optimally, capital programme planning is determined in parallel with the revenue budget planning process. Both the borrowing costs and ongoing revenue costs and savings of a scheme are taken into account as part of a scheme's Investment Appraisal and, therefore, the process for prioritising schemes against their ability to deliver outcomes.

In addition, the Council is required by CIPFA's Prudential Code for Capital Finance in Local Authorities 2017 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to guarantee that it achieves this, at the start of each Business Planning Process the Council determines what proportion of revenue budget is spent on services and the corresponding maximum amount to be spent on financing borrowing. This is achieved by setting an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan. This in turn can be translated into a limit on the level of borrowing included within the Capital Programme (this limit excludes ultimately self-funded schemes).

Once the service programmes have been refined, if the amalgamated level of borrowing and thus debt charges breaches the advisory limit, schemes will either be re-worked in order to reduce borrowing levels, or the number of schemes included will be limited according to the ranking of schemes within the prioritisation analysis. As part of the 2019-20 and 2020-21 business planning process, the Council undertook a detailed review of the Capital Programme in order to minimise the cost to the taxpayer of financing debt charges for capital schemes. The reviews focused on re-prioritising and re-programming capital schemes according to need to ensure that the Council makes the best use of the capital funding available and minimises the revenue impact of capital projects.

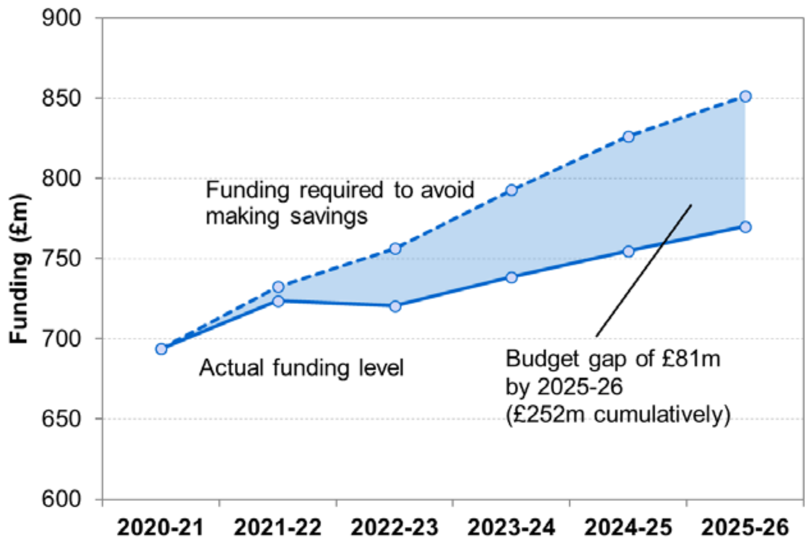
Due to the Council's strategic role in stimulating low carbon economic growth across the County through infrastructure investment, any capital proposals able to reliably demonstrate revenue income or savings at least equal to the debt charges generated by the scheme's borrowing requirement, are excluded from contributing towards the advisory borrowing limit. These schemes are called 'Invest to Save' or 'Invest to Earn' schemes and will be self-funded in the medium term.

At the Spending Review the Government reversed a 1% interest rate increase that was applied to Public Works Loan Board (PWLB) loans from October 2019. However, following a consultation on PWLB lending terms, it was confirmed that local authorities who undertake so called 'debt for yield' borrowing will be disqualified from loaning from the PWLB. When applying for new loans, local authorities must now provide details of their capital programmes for the subsequent three years and confirm that they do not plan to buy investment assets primarily for yield. Therefore in order to benefit from the favourable interest rates offered by the PWLB, the Council has ensured that it's Capital Programme for 2021-26 does not include any such investments.

Allocating our resources to address the shortfall

Inevitably, cost pressures are forecast to outstrip available resources, given the rising costs caused by inflation, growth and associated demand pressures and renewed pressure on levels of funding for local government in the wake of the Coronavirus pandemic. Consequently, we will need to make significant savings to close the budget gap.

Figure 4.2: Budget gap



Achieving these £81m of savings over the next five years will mean making tough decisions on which services to prioritise. During the last few years services have made significant savings through increasing efficiency and targeting areas that are not our highest priority with the aim of minimising the impact on our service users. We now face the additional challenge of increased demand pressures due to Covid-19, significant reductions in fees & charges income and reductions to the local tax base. Furthermore, we are now in an environment where any further efficiencies to be made are minimal. We must therefore focus on driving transformative change across the Council, capitalising on the opportunities afforded by the pandemic in order to manage cost increases.
In some cases services have opted to increase generated income instead of cutting expenditure by making savings. For the purpose of balancing the budget these two options have the same effect and are treated interchangeably.

Capital

The Council's Capital Strategy can be found in full in Section 6 of this Business Plan. It represents an essential element of the Council's overall Business Plan and is reviewed and updated each year as part of the Business Planning Process.

The Strategy sets out the Council's approach towards capital investment over the next ten years and provides a structure through which the resources of the Council, and those matched by key partners, are allocated to help meet the priority outcomes outlined within the Council's Corporate Strategy. It is also closely aligned with the remit of the Commercial & Investment Committee, and will be informed by the Council's Asset Management Strategy, Climate Change and Environment Strategy and Commercial Strategy. It is concerned with all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding.

To assist in delivering the Business Plan the Council needs to provide, maintain and update long term assets (often referred to as 'fixed assets'), which are defined as those that have an economic life of more than one year. Capital expenditure is financed using a combination of internal and external funding sources, including grants, contributions, capital receipts, revenue funding and borrowing.

Capital funding

In recent years, developer contributions have been affected by the level of uncertainty facing the housing and property markets associated with Brexit and more recently the impact of the Covid-19 pandemic. Developer contributions have also been affected by the introduction of Community Infrastructure Lev (CIL). CIL is designed to create a more consistent charging mechanism but complicates the ability of the Council to fund the necessary infrastructure requirements created by new development due to the changes in process and the involvement of the city and district councils who have exclusive legal responsibility for determining expenditure. The Council also expects that a much lower proportion of the cost of infrastructure requirements will be met by CIL contributions.

Pre-Covid, the Government had committed to prioritise increased capital investment to support its "levelling up" agenda. This plan included significant additional regeneration funding for towns, £100bn in additional infrastructure spending, including £28.8bn investment in strategic and local roads and £2.9bn to support Public Sector Decarbonisation. The Council was awarded £2.5m in grant funding in 2020-21 to support its ambitious decarbonisation agenda. In the 2020 Spending Review, Government reaffirmed its commitment to increase infrastructure investment, supported by a National Infrastructure Strategy which included £95m for public transport schemes for Cambridgeshire and Peterborough to be delivered by the Cambridgeshire & Peterborough Combined Authority.

The Business Plan therefore anticipates as a general principle that overall capital grant allocations will remain constant from 2021-22 onwards.

The Department for Education previously announced sufficient capital funding would be available to provide for increasing numbers of school-aged children to enable authorities to ensure that there are enough schools places available to meet current and future needs. Unfortunately, the new methodology used to distribute funding for schools places did not initially reflect the Government's commitment to supply sufficient funding and the allocation of £4.4m for 2015-16 and 2016-17 was £32m less than the Council had estimated to receive for those years according to our need.

Given the growth the County is facing, it was difficult to understand these allocations and as such, the Council has continued to lobby the Department for Education (DfE) for a fairer funding settlement that is more closely in line with the DfE's commitment to enable the Council to provide all of the new places required in the County.

In addition to lobbying the DfE, the Council has also sought in the meantime to maximise its Basic Need funding by establishing how the funding allocation model works and providing data to the DfE in such a way as to maximise our allocation. The allocations were £25.0m for 2018-19, £6.9m for 2019-20, and £20.6m for 2020-21. This went some way to reduce the Council's shortfall, but still does not come close to covering the costs of all of the Council's Basic Need schemes. It is anticipated that further Basic Need funding will not be announced until 2021 and it is expected that this announcement will only provide allocations for 2021-22. Additionally, the annual School Capacity Survey Guide return was cancelled in 2020 due to Covid-19 which adds further uncertainty to the Council's longer term capital planning.

The National Infrastructure Delivery Plan commits to investment of £23bn over the period 2016 to 2021 to deliver 500 new free schools, over 600,000 additional school places, rebuild and refurbish over 500 schools and address essential maintenance needs. To date, the Government has given approval to 8 new free schools in Cambridgeshire to pre-implementation stage. Not all of these, however, are in areas where the Council has an identified basic need requirement. There were a further 12 bids for Cambridgeshire for Wave 13, however there was much stricter criteria in place around this wave and none of the bids were successful. The application process for Wave 14 closed in November 2019; there were 2 bids for Cambridgeshire. The Spending Review 2020 announced additional funding for a further 500 new schools across the country over the next decade.

The Council is committed to working with partners in the development of the County and the services within it. There are various mechanisms in place that provide opportunities to enhance the investment potential of the Council with support and contributions from other third parties and local strategic partners. One of the most significant partnerships is between the Council, Cambridgeshire's city and district councils, Peterborough City Council and the Greater Cambridge / Greater Peterborough Local Enterprise Partnership (LEP) – now relaunched as the Business Board – to set up a Combined Authority for Cambridgeshire and Peterborough in order to deliver the region's devolution deal; this was agreed by all member authorities in November 2016. The proposal included;

- A new £20m annual fund for the next 30 years to support economic growth, development of local infrastructure and jobs,
- A £100m housing fund, and
- A new £70m fund to be used to build more council-rented homes in Cambridge.

Moving forward, the CPCA has taken on the responsibilities of the local transport authority and therefore the CPCA now receives DfT funding designated to the local transport authority, instead of the Council. The CPCA is continuing to commission the Council to carry out the required works on the transport network.

The 2019 Conservative Manifesto committed to an additional £2bn of additional funding for pothole repair; £500m per annum from 2020-21. Allocations of this funding have not yet been provided by DfT but are expected in early 2021-22. For 2020-21, the funding provided by DfT has come via the new Pothole Fund, which is an amalgamation of Challenge Fund monies and the old Pothole

Action Fund and is the result of industry-wide lobbying of Government for increased funding for highway maintenance. This has resulted in additional funding; the Council expected £6m but was allocated £10.2m. The additional £4.2m is anticipated to be spread across 13 schemes located around the county, allocated according to the Council's infrastructure asset management strategy.

Capital expenditure

The Council operates a ten year rolling capital programme. The very nature of capital planning necessitates alteration and refinement to proposals and funding during the planning period; therefore whilst the early years of the Business Plan provide robust, detailed estimates of schemes, the later years only provide indicative forecasts of the likely infrastructure needs and revenue streams for the Council.

New schemes for inclusion in the Programme are developed by Services (in conjunction with Finance) in line with the priority outcomes outlined in the Strategic Framework. At the same time, all schemes from previous planning periods are reviewed and updated as required. An Investment Appraisal of each capital scheme (excluding schemes with 100% ringfenced funding) is undertaken / revised, which allows the scheme to be scored against a weighted set of criteria including strategic fit, business continuity, partnership benefits, investment payback and resource use. The criteria allows schemes within and across all Services to be ranked and prioritised against each other, in light of the finite resources available to fund the overall Programme and in order to ensure the schemes included within the Programme are aligned to assist the Council with achieving its targeted priority outcomes.

The Capital Programme Board scrutinises the programme and prioritisation analysis, and asks officers to undertake any reworking and/or rephasing of schemes as required to ensure the most efficient and effective use of resources deployed. The Capital Programme Board then recommends the programme to Service Committees; it is then subsequently agreed by General Purposes Committee (GPC), who recommend it to Full Council as part of the overarching Business Plan.

A summary of the Capital Programme can be found in chapter 6 of this Section, with further detail provided by each Service within their individual finance tables (Section 3).

5) Fees and charges policy

Fees and charges are a very important source of income to the council, enabling important services to be sustained and provided. As the overall cost of service provision reduces, the proportion of costs that are recovered through fees and charges is likely to grow. Indeed to sustain the delivery of some services in the future this revenue could become essential.

This policy has been revised following a corporate review of fees and charges across the Council and is supported by Best Practice Guidance, provided in Appendix 1. The policy and Best Practice Guidance set out the approach to be taken to fees and charges where the Council has discretion over the amounts charged for services provided and for trading activities.

The purpose of this policy is to provide a consistent approach in setting, monitoring and reviewing fees and charges across the authority. This will ensure that fees and charges support Council objectives and are set at a level that maximises income generation in accordance with the Transformation Strategy. The policy incorporates the following Charging Principles:

1. **Council Priorities**
   A Schedule of Fees and Charges shall be maintained for all charges where the Council has discretion over the amounts charged for services provided and for trading activities. All decisions on charges for services and trading activities will be taken with reference to and in support of Council priorities and recorded as delegated decisions, as appropriate.

2. **Charge Setting**
   In setting charges, any relevant government guidance will be followed. Stakeholder engagement and comparative data will be used where appropriate to ensure that charges do not adversely affect the take up of services or restrict access to services. Full consideration will be given and documented to the costs of administration and the opportunities for improving efficiency and reducing bureaucracy.

3. **Subsidy**
   In general, fees and charges will aim to recover the full cost of services except where this is prevented by legislation, market conditions or where alternative arrangements have been expressly approved by the relevant Director. A proportionate business case should be created for all charges that a subsidised by the Council. Approval for the level of subsidy should be obtained from the relevant Service Director, in consultation with the Chief Finance Officer.

4. **Charging Levels**
   A number of factors should be considered when determining the charge and these are documented in the accompanying Best Practice Guidance.

5. **Charging Exemptions**
   All services provided by the Council will be charged for unless prevented by statute, detailed as exempt in the Best Practice Guidance or under exceptional circumstances agreed exempt by the relevant Director, in consultation with the Chief Finance Officer.

6. **Concessions**
   Concessions to priority and target groups will be considered where appropriate, in accordance with any relevant government guidance and will take account of the user's ability to pay. All concessions should be fully justified in terms of achieving the Council's priorities. Wherever possible we will aim to provide concessions consistently across the Authority, in line with the Best Practice Guidance.

7. Review of Charges

All charges and the scope for charging will be reviewed at least annually within the service area, though charges within the same service area may need reviewing at separate times in the year. The review will include those services which could be charged for but which are currently provided free of charge. The annual review will be undertaken in accordance with the Best Practice Guidance.

The Council receives revenue income for the provision of services from a very diverse range of users. These range from large corporate organisations to individual residents. Some charges are set at the total discretion of the Council whereas other charges are set within a strict national framework.

Overall, however, fees and charges income is both an invaluable contribution to the running costs of individual services and a tool for assisting the delivery of specific service objectives. Either way, it is important for the level of charges to be reviewed on an annual basis. This will not necessarily result in an increase but to not do so should be as result of a conscious decision rather than as an oversight. Detailed schedules of fees and charges have been reviewed by relevant services during 2020-21:

- P&C schedule of fees and charges
- CS schedule of fees and charges
- P&E schedule of fees and charges

For business planning purposes the standard assumption is that all fees and charges will be increased in line with RPI (retail price index), which is around 3% for each of the years covered by the Business Plan. Therefore, if a decision is taken to not increase some fees and charges the budget shortfall that this creates will need to be bridged through other operational savings. Conversely, if charges are increased above inflation this can contribute to departmental savings targets.

When considering increases services must take into account elasticities of demand. Whilst the majority of Council services are unaffected by market factors there will be some price sensitivities in all of the services that are provided, albeit many of these may only be short term.

6) Financial overview

Funding summary

The Council's revenue spending is funded from a range of sources, both national and local. A summary of forecast funding levels over the next five years is set out in Table 6.1 below.

Table 6.1: Total funding 2021-22 to 2025-26

	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000
Business Rates plus Top-up	63,658	69,725	71,205	72,697	74,539
Council Tax	323,503	331,455	342,662	355,479	367,747
Other Unringfenced Grants	50,230	52,697	52,623	52,610	52,610
Dedicated Schools Grant (DSG)	227,137	227,137	227,137	227,137	227,137
Other grants to schools	11,339	11,339	11,339	11,339	11,339
Better Care Funding	31,675	31,675	31,675	31,675	31,675
Other Ringfenced Grants	43,059	15,408	15,408	15,408	15,408
Fees & Charges	121,734	129,839	135,205	137,152	138,295
Total gross budget	**872,335**	**869,275**	**887,254**	**903,497**	**918,750**
Less grants to schools (1)	-238,476	-238,476	-238,476	-238,476	-238,476
Schedule 2 DSG plus income from schools for traded services to schools	89,760	89,760	89,760	89,760	89,760
Total gross budget excluding schools	**723,619**	**720,559**	**738,538**	**754,781**	**770,034**
Less Fees, Charges & Ringfenced Grants	-286,228	-266,682	-272,048	-273,995	-275,138
Total net budget	**437,391**	**453,877**	**466,490**	**480,786**	**494,896**

(1) The Dedicated Schools Grant (DSG) and other grants to schools are received by the Council from Government but are ringfenced to pass directly on to schools. Therefore, this plan uses the figure for "Total budget excluding schools".

Local Government Finance Settlement

In November 2020 the Government announced a Spending Review covering 2021-22. The multi-year settlement expected for 2021-22 and beyond was postponed due to the considerable levels of fiscal and economic uncertainty resulting from the pandemic. The financial implications of the headline funding announcements for individual local authorities were set out in the provisional Local Government Finance Settlement published by the Government in December 2020.

The Council's Core Spending Power will increase by 5.3% in 2021-22, however 95% of the increase is attributable to the Council tax flexibilities granted to local authorities. Local authorities will be permitted to levy an Adult Social Care precept of up to 3% with additional flexibility to defer some of all of this increase to 2022-23. A general Council tax referendum limit of 2% was also confirmed.

The Council will receive an additional £1m of Social Care Grant for 2021-22 in addition to the £12.4m Social Care Grants introduced over the past three years which will continue. However, New Homes Bonus funding to local authorities continues to decline with a £650k reduction in the Council's allocation for 2021-22.

The most significant additional funding announced at the Settlement was a number of one-off Covid-19 grants and income compensation schemes. The Council will receive a grant of £11.9m to fund Covid-related spending pressures and unachievable savings, a share of a £670m national pot for Local Council Tax Support, and income guarantees covering 75% of foregone sales, fees & charges income in Q1 2021-22 and local taxation collection fund losses for 2020-21. This is a significant and welcome package of measures, however the one-off nature of the funding leaves the Council with a budget gap of almost £18m for 2022-23.

Table 6.2: Comparison of Cambridgeshire's overall Government funding 2016-17 – 2021-22

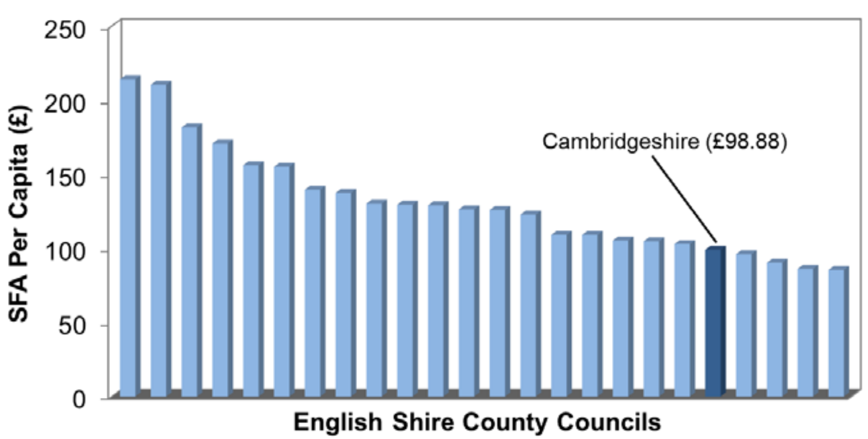
	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000
Business Rates plus Top-up	60,190	62,133	65,732	67,234	69,838	63,657
Revenue Support Grant	33,347	15,312	3,915	0	0	0
Other Unringfenced Grants	11,214	8,380	11,305	14,645	23,831	50,230
Better Care Funding	13,148	21,487	24,744	27,854	31,675	31,675
Other Ringfenced Grants	42,947	40,208	38,312	38,140	43,079	43,059
Government Revenue Funding (excl. schools)	**160,846**	**147,520**	**144,008**	**147,873**	**168,423**	**188,621**
Difference	**-21,139**	**-13,326**	**-3,512**	**+3,865**	**+20,550**	**+20,198**
Percentage Increase	-11.6%	-8.3%	-2.4%	+2.7%	+13.9%	+12.0%

The Council's core government revenue funding is described as its Settlement Funding Assessment (SFA) and comprises Business Rates, Top-up grant and Revenue Support Grant received by the Council until 2019-20. **For 2021-22 Cambridgeshire's SFA award**

<u>per head of population will be the fifth lowest of all shire county councils, at only £98.88 compared to the average of £129.73.</u>

If Cambridgeshire's SFA allocation was based on local population estimates, which account for the impact of population growth more accurately than national estimates, and if Cambridgeshire received the average level of SFA per head of population, **<u>we would receive £26m more in Government grant funding for 2021/22.</u>**

Figure 6.2: County Council SFA per Capita 2021-22



Revenue Support Grant

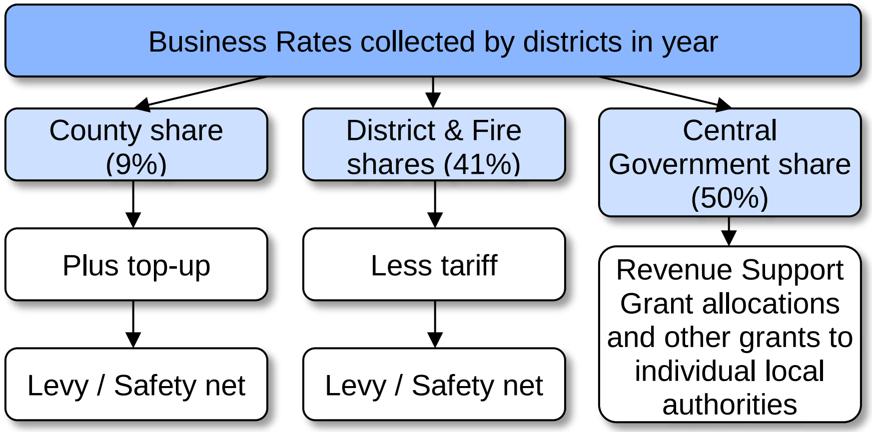
The Revenue Support Grant (RSG), formally received by the Council as part of the Settlement Funding Assessment, has reduced from £86m in 2013-14 to zero since 2019-20. The Government announced in the 2019-20 provisional settlement that Cambridgeshire's allocation of £7.2m negative RSG would be improved to zero grant instead. Negative RSG would have effectively required the Council to pay an additional £7.2m of locally generated business rates over to central Government. From 2022-23 onwards, RSG is expected to be replaced by a new system of 75% business rates retention, allowing Local Authorities to retain a further 25% of local business rates as set out below.

Business Rates Retention Scheme

The Business Rates Retention Scheme replaced the Formula Grant system in April 2013. Part of the Government's rationale in setting up the scheme was to allow local authorities to retain an element of the future growth in their business rates. Business rates collected during the year by billing authorities are split 50:50 between Central Government and Local Government. Central Government's share is used to fund Revenue Support Grant (RSG) and other grants to Local Government.

Figure 6.3 illustrates how the current scheme calculates funding for local authorities. Government decided that county councils will only receive 9% of a county's business rates. Although this low percentage has a beneficial effect by insulating the Council from volatility, it also means we see less financial benefit from growth in Cambridgeshire's business rates.

Figure 6.3: Business Rates Retention Scheme



On top of their set share, each authority pays a tariff or receives a top-up to redistribute business rates more evenly across authorities. The current system of fixed top-ups and tariffs set at the beginning of a spending review period, is expected to be replaced by a system of floating top-ups and tariffs. This will use Local Authorities' own annual estimates of business rates income to calculate the redistribution between Authorities. A levy and 'safety net' system also operates to ensure that a 1% increase in business rates is limited to a 1% increase in retained income, with the surplus funding any authority whose income drops by more than 7.5% below their baseline funding. It is proposed to increase the levy threshold to capture only 'extraordinary growth', which is likely to benefit Cambridgeshire as a high growth county, allowing us to retain a greater proportion of business rates growth. A separate baseline could also be introduced to provide a benchmark against which to measure growth. This baseline will be derived from an Authority's year-end business rates return to Government setting out the actual level of income achieved during the year.

These changes indicate a shift towards a more dynamic system for rewarding local economic growth. This is likely to reduce the certainty with which the Council can estimate the total funding available over the MTFS period however it will also provide greater opportunity to increase Council funding through promoting business growth in Cambridgeshire.

Fair Funding Model

The current tariffs and top-ups were set in 2013-14 based on the previous 'Four Block Model' distribution and increased annually by September CPI inflation. Cambridgeshire County Council has long been concerned about the use of the Four Block Model, particularly in reflecting accurately the costs and benefits of growth as well as the relative efficiency of local authorities and the pockets of deprivation in some areas of Cambridgeshire.

A consultation on the review of Local Authorities' relative needs and resources was released as part of the 2019/20 provisional settlement. The Government is minded to implement a per capita foundation formula alongside seven service-specific funding formulas covering key areas of spending such as Adult Social Care and Highways Maintenance. An Area Cost Adjustment will adjust for differences in labour and business rates costs between Local Authority Areas and will also assess the impact of remoteness and accessibility of services.

It is likely that a notional Council tax level will be used to account for the relative resources of Local Authorities and to adjust reallocated income accordingly. Shire Counties stand to benefit from this adjustment as they levy relatively high levels of Council tax and will therefore lose a smaller proportion of their funding via an adjustment set at an average level.

The tier split of business rates between upper and lower tier authorities is one of the most contentious issues to be addressed during the consultation. Shire Counties have long argued for a larger proportion of business rates income however any change in the current allocations will be limited by the financial sustainability for District Councils. Transitional arrangements and damping adjustments will limit any significant short term changes to Local Authority funding. Additionally, as Cambridgeshire has historically ranked relatively close to average in terms of relative need and relative resources, any changes in funding allocation are unlikely to substantially impact the deliverability of the business plan over the medium term.

In April 2020, the government announced that it would delay the move to 75% Business Rates Retention and the implementation of the fair funding review due to the shift in resources required to respond to the pandemic. To date, the government has not confirmed whether it intends to implement the review in 2022-23. In the meantime, the Council continues to campaign for fairer funding through all available forums including the County Councils Network and the Society of County Treasurers.

Council Tax

The Government sets Council tax referendum principles annually which stipulate the maximum percentage increase which local authorities may apply without triggering a referendum. In 2018-19, the maximum increase in the basic level of Council tax was raised from 1.99% to 2.99%. The Secretary of State announced that this would give local authorities "the independence they need to help relieve pressure on local services" while "recognising the need to keep spending under control". Due to significant sustained pressure on Council budgets, the Government allowed Local Authorities to maintain the same core principle in 2019-20.

In 2020-21, the referendum threshold reverted back to a maximum increase of 1.99% as permitted prior to 2018-19. The threshold for increases to basic Council tax will remain at 1.99% for 2021-22. Cambridgeshire County Council starts the Business Planning Process with a Council Tax rate below the average for all counties. This follows increases in basic Council tax of 2.99% in 2018-19 and 2019-20 and 1.59% in 2020-21, responding to the need to protect vital services and put the Council’s finances on a firm footing. Prior to 2018-19, Council tax had not been increased in three years.

Adult Social Care Precept

Announced in the Spending Review in November 2015, local authorities responsible for adult social care (“ASC authorities”) were granted permission to levy an additional 2% on their current Council Tax referendum threshold to be used entirely for adult social care. This was in recognition of demographic changes which are leading to growing demand for adult social care, increasing pressure on council budgets.

Local authorities have been permitted to levy the ASC precept since 2016-17 and were granted flexibility to increase the precept by up to 3% per year and to a maximum of 6% over the three years to 2019-20.

The Council has chosen to levy a 2% ASC precept in each of the five years to 2020-21. For 2021-22, Councils will be permitted to increase the ASC precept by up to 3% with the option to defer some or all of this precept to 2022-23. The government has not yet confirmed whether any further increases in the precept will be permitted in future years. However, the MTFS is predicated on the assumption that the ASC precept will be increased by 2% per year. This assumption will be revisited annually and updated as required.

Council Tax Requirement

The current Council Tax Requirement (and all other factors) gives rise to a 'Band D' Council Tax of £1,386.36. This is an increase of 2% on the actual 2020-21 level due to levying the 2% Adult Social Care Precept. This figure reflects information from the districts on the final precept and collection fund.

Table 6.3: Build-up of recommended Council Tax Requirement and derivation of Council Tax precept 2021-22

	2021-22 £000	% Rev. Base
Revised base budget	**835,458**	
Inflation	9,578	1.1%
Demography	15,038	1.8%
Pressures	11,151	1.3%
Investments	-741	-0.1%
Savings	-13,619	-1.6%
Change in reserves/one-off items	14,428	1.7%
Total budget	**872,335**	**104.3%**
Less funding:		
Business Rates plus Top-up	63,658	7.6%
Dedicated Schools Grant	227,137	27.2%
Unringfenced Grants (including schools)	61,569	7.4%
Ringfenced Grants	74,734	8.9%
Fees & Charges	121,734	14.6%
Surplus/deficit on collection fund	1,026	0.1%
Council Tax requirement	**322,477**	**38.6%**
District taxbase	232,607	
Band D	**1,386.36**	

Taxes for the other bands are derived by applying the ratios found in Table 6.4. For example, the Band A tax is 6/9 of the Band D tax.

Table 6.4: Ratios and amounts of Council Tax for properties in different bands

Band	Ratio	Amount £	Increase on 2020-21 £
A	6/9	924.24	18.12
B	7/9	1,078.28	21.14
C	8/9	1,232.32	24.16
D	**9/9**	**1,386.36**	**27.18**
E	11/9	1,694.44	33.22
F	13/9	2,002.52	39.26
G	15/9	2,310.60	45.30
H	18/9	2,772.72	54.36

Unringfenced grants

The MTFS is currently predicated on the assumption that the Council will receive £50.23m in unringfenced grants in 2021-22, excluding school's grants, an increase of £26.399m on the total 2020-21 allocation of £23.831m. The majority of the anticipated increase (£24.8m) is due to the announcement of one-off Covid-19 support grants covering pandemic-related spending pressures, foregone savings, lost sales, fees and charges and income from local taxation. Much of this funding will be dependent on the level of Covid-related losses recorded by the Council and by Cambridgeshire District Authorities in respect of local taxation. Consequently there remains considerable uncertainty as to the Council's allocations of these funding streams. However, the Council's share of the fifth tranche of the COVID support grant has been confirmed at £11.9m.

The Government has introduced national business rates reliefs schemes for those businesses which have been most severely impacted by the pandemic, including retail, hospitality and leisure and childcare providers. The Council expects to receive an additional £4.3m in Section 31 grants in 2021-22 as compensation for the reduction in business rates income in 2020-21. Additionally, the Council's allocation of compensation for under-indexing the business rates multiplier will increase by £0.8m following the announcement that the business rates multiplier and top-up funding will be frozen at 2020-21 levels for 2021-22.

The additional £1bn funding for social care announced in the Autumn 2019 budget will continue and a further £300m pot was announced at the 2020 Spending Review, of which Cambridgeshire will receive £0.96m. This was a disappointing allocation for the Council as a significant adjustment was applied to limit grant to those authorities that are eligible to levy the ASC precept, thereby increasing the burden on local taxpayers in these regions.

The Public Health Grant will remain ringfenced until 2022-23, at which point it is expected to be rolled into the shift to 75% business rates retention. Planning collaboratively across directorates on an outcomes basis should enable the Council to reach a position where the presence or absence of the ringfence becomes less important. However there may be a risk that when the ringfence is removed, Public Health England will require achievement of performance and activity targets which require more funding to deliver than we are currently allocating.

Table 6.5: Unringfenced grants for Cambridgeshire 2021-22

	2021-22 £000
Section 31 grants and local taxation support*	17,022
COVID Tranche 5 Grant	11,887
Social Care Support Grant	13,384
New Homes Bonus	2,280
Education Services Grants	2,231
Other unringfenced grants	3,427
Total unringfenced grants	**50,230**

*Includes local taxation 75% income guarantee and Local Council Tax Support Grant

Ringfenced grants

The Council receives a number of government grants designated to be used for particular purposes. This funding is managed by the appropriate Service Area and the Council's ringfenced grants are set out within part 7 of Table 3 of the relevant Service Area in Section 3 of the Business Plan.

Major sources of ringfenced funding include the Better Care Fund. This pooled fund, worth £6.7bn nationally in 2020-21, took full effect in 2015-16, and is intended to allow health and social care services to work more closely in local areas. The improved Better Care Fund announced in the Spring 2017 budget, is worth £14.7m to Cambridgeshire in 2021-22. The £2.3m Winter Pressures Grant announced in the Autumn 2018 budget was rolled into the improved Better Care Fund from 2020-21. All ringfenced grants are expected to continue at their 2021-22 levels for the duration of the MTFS period.

In line with the Secretary of State's announcement as part of the provisional Local Government Finance Settlement and the concomitant announcement by the Department of Health, we have assumed that we will receive all sources of funding due to the Council. This includes Better Care Funding for Adult Social Care, routed via Clinical Commissioning Groups (CCGs) and the Local Health and Wellbeing Board.

Fees and charges

A significant, and increasing, proportion of the Council's income is generated by charging for some of the services it provides. The Council reviews its charges on an annual basis, with proposals presented to Members. Local authorities have faced significant shortfalls in sales, fees and charges income in 2020-21 as a result of national restrictions imposed in response to the coronavirus pandemic. The pandemic has also accelerated shifting behavioural trends, such as online purchasing and working from home that could impact the Council's fees and charges income and reshape our non-statutory service provision for years to come.

Government launched a fees and charges compensation scheme in August 2020 to reimburse local authorities for 75% of their lost fees and charges income in excess of 5% of budgeted levels. This scheme is expected to be worth £6.9m to the Council in 2020-21. At the Spending Review, the Chancellor announced that the scheme would continue to operate throughout the first quarter of

2021-22. Based on budgeted losses for 21-22 it is estimated that the scheme will provide a further £1.2m in compensation to the Council next year.

Dedicated Schools Grant

The Council receives the Dedicated Schools Grant (DSG) from the Government and it is therefore included in our gross budget figures in table 6.1. However, this grant is ringfenced to pass directly on to schools, other education providers and services. This plan therefore uses the figure for “total budget excluding grants to schools”.

The Council saw a total DSG overspend across SEND services of £9.3m in 2019-20 which, combined with underspends on other DSG budgets, led to a deficit of £16.6m carried forward into 2020-21. As a result of continuing increases in the numbers of pupils with Education Health & Care Plans, the Council anticipates an increased overspend of £11.3m in 2020-21, bringing the total DSG deficit carried forward into 2021-22 to £28m. Local Authorities are permitted to carry deficits in their DSG funding between financial years however this remains a serious issue for the Council. A deficit recovery plan has been submitted to the Department for Education and the Council has established an SEND recovery board to support its implementation. However it is likely that the Council will continue to carry a significant DSG deficit over the medium term until additional government support is forthcoming. The DfE intend to publish an SEND Review in Spring 2021.

In the 2019 Spending Round Government committed to a £7.1bn increase in funding for schools by 2022-23. For 2021-22, the government has committed to increase per pupil funding by at least 2%. The minimum per pupil amount will increase to £4,180 for primary schools and £5,215 for secondary schools. The additional schools funding includes an additional £730m across the country for the high needs block in 2021-22.

Capital programme spending

The 2021-22 ten year capital programme worth £608.7m is budgeted to be funded through £491.4m of external grants and contributions, £17.4m of capital receipts and £99.9m of borrowing (Table 6.6). This is in addition to previous spend of £655.5m on some of these schemes creating a total Capital Programme value of £1.3 billion. The related revenue impact of prudential borrowing is due to increase from £31.8m in 2021-22, to £44.7m by 2025-26. However, this will in part be offset by the forecast income from the various Invest to Earn schemes.

Table 6.6: Funding the capital programme 2021-22 to 2030-31

	Prev. years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later years £000	Total £000
Grants	187,233	40,360	27,606	26,988	27,136	26,797	29,488	**365,608**
Contributions	92,657	38,596	53,968	50,308	18,414	1,487	150,285	**405,715**
General capital receipts	17,664	1,351	-	2,000	2,000	2,000	10,000	**35,015**
Prudential borrowing	224,143	68,820	79,076	48,821	18,599	3,044	12,863	**455,366**
Prudential borrowing (repayable)	133,821	-2,939	3,876	-7,339	-1,756	-	-123,172	**2,491**
Total funding	**655,518**	**146,188**	**164,526**	**120,778**	**64,393**	**33,328**	**79,464**	**1,264,195**

Section 3 later in the Business Plan sets out the detail of the 2021-22 to 2030-31 capital schemes which are summarised in the tables below.

Table 6.7 summarises schemes according to start date, whereas Table 6.8 summarises capital expenditure by service. These tables include schemes that were committed in previous years but are scheduled to complete from 2021-22 onwards. Total expenditure on major new investments underway or planned includes:

- Providing for demographic pressures regarding new and improved schools and Child and Family Centres, as well as adaptions and major repairs (£513m)

- Housing Provision (£152m)
- Major road maintenance (£79m)
- Investing in Connecting Cambridgeshire (£46m)
- King's Dyke Crossing (£34m)
- North Angle Solar Farm, Soham (£26m)
- A14 Upgrade (£25m)
- Shire Hall Relocation (£19m)
- Decarbonisation Fund (£15m)
- Transformation Activity (£14m)
- Integrated Community Equipment Service (£13m)
- Wisbech Town Centre Access Study (£11m)
- Stanground Closed Landfill Energy Project (£8m)
- Care Suites – East Cambridgeshire [redacted]
- Waste – Household Recycling Centre Improvements [redacted]
- Abbey – Chesterton Bridge (£7m)
- Trumpington Smart Energy Grid (£7m)
- Babraham Smart Energy Grid (£6m)
- Cambs 2020 Spokes Asset Review (£6m)
- Community Fund (£5m)
- Data Centre Relocation (£5m)
- Building Maintenance (£5m)

Table 6.7: Capital programme for 2021-22 to 2030-31

	Prev. years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later years £000	Total £000
Ongoing	87,728	5,377	5,330	9,592	18,186	22,783	25,968	**174,964**
Commitments	538,654	79,181	73,412	52,052	20,818	3,082	26,070	**793,269**
New starts:								
2018-19	6,647	32,612	8,621	-	-	-	2,446	**50,326**
2019-20	13,041	11,091	2,122	-	-	-	-	**26,254**
2020-21	7,378	4,467	9,800	7,300	3,490	225	-	**32,660**
2021-22	2,010	13,460	63,656	29,893	5,284	430	-	**114,733**
2022-23	1	-	1,385	11,850	3,015	133	-	**16,384**
2023-24	59	-	200	10,091	13,600	6,155	340	**30,445**
2024-25	-	-	-	-	-	-	-	**-**
2025-26	-	-	-	-	-	520	11,340	**11,860**
2026-27	-	-	-	-	-	-	13,300	**13,300**
Total spend	**655,518**	**146,188**	**164,526**	**120,778**	**64,393**	**33,328**	**79,464**	**1,264,195**

Table 6.8: Services' capital programme for 2021-22 to 2030-31

Scheme	Prev. years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later years £000	Total £000
P&C	135,103	44,701	129,726	102,818	42,963	16,808	53,481	**525,600**
P&E	300,719	41,101	21,761	15,190	15,185	15,185	15,200	**424,341**
CS	47,250	17,028	946	106	-	-	-	**65,330**
C&I	172,446	43,358	12,093	2,664	6,245	1,335	10,783	**248,924**
Total	**655,518**	**146,188**	**164,526**	**120,778**	**64,393**	**33,328**	**79,464**	**1,264,195**

The capital programme includes the following Invest to Save / Invest to Earn schemes:

Table 6.9: Invest to Save / Earn schemes for 2021-22 to 2030-31

Total Investment (£m)	Scheme	Total Net Return* (£m)
3.645	Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	2.0
6.306	Babraham Smart Energy Grid	10.6
6.969	Trumpington Smart Energy Grid	7.0
8.267	Stanground Closed Landfill Energy Project	8.9
2.526	Woodston Closed Landfill Energy Project	8.8
26.258	North Angle Solar Farm, Soham	40.1
152.395	Housing schemes	57.8
4.000	Lower Portland Farm	15.1
2.700	County Farms investment (Viability)	7.4
18.737	Shire Hall Relocation	45.2
231.8	**TOTAL**	**202.9**

*The net return accounts for the cost of financing the capital expenditure and the ongoing revenue costs associated with the investment (therefore a zero net return indicates that the project has broken even).

7) Balancing the budget

Every local authority is required, under legislation, to set a balanced budget every year. It is the Chief Finance Officer's statutory responsibility to provide a statement on the robustness of the budget proposals when they are considered by Council.

The Business Planning process is a rolling five year assessment of resource requirements and availability, providing clear guidance on the level of resources that services are likely to have available to deliver outcomes over that period. This process takes into account changes to the forecasts of inflation, demography, and service pressures such as new legislative requirements that have resource implications.

Due to the extent of current uncertainties around the impacts of the pandemic on demand for services, fees and charges income and new duties for local authorities and the extent to which these will be funded by Government, a scenario planning approach was adopted during the first stage of business planning in order to allow the Council to set a balanced budget for 2021-22. The Council modelled three possible budget scenarios based on varying levels of ongoing disruption due to COVID-19.

For each scenario the likely impacts on service demand or customer base were modelled using a wide range of data drawn from published economic impact assessments, observed trends in service provision during 2020-21 and benchmarking against forecasting models used by other local authorities. Some of the key areas of impact reviewed have included:

- The impact of excess deaths on our social care service user population
- The impact of 'deconditioning' amongst existing clients, either as a result of being unable to access preventative medical services or as a result of disruptions to their ordinary care package support
- Changes in choices about care – anticipating preferences about residential care to change given the risks reported on in national media
- Ensuring care and early years providers are resilient and viable to continue to provide support to service users
- Carer breakdown – as a result of increased pressures during lockdown, carers being unable to cope and increased support needed to provide for social care needs
- Economic and social pressures leading to increased safeguarding risk for children in families
- The impact of schools' changes in teaching and all-round curriculum on services that they usually pay the Council for
- The impact of changes in visitor / client numbers on services such as libraries
- The income effects of lower levels of economic activity, particularly in town centres, affecting service such as on-street parking, streetworks permits and Park and Ride and Guided Busway services
- The impact of higher unemployment and benefits claimants on Council Tax income
- The impact of economic downturn on property investments

The Council has progressed its detailed service-level budget planning based on the most likely scenario; this will remain subject to revision until the point at which the budget is agreed by Full Council in February. However, broader planning was undertaken as part of the budget setting process to consider measures that could be taken to allow the Council to set a balanced budget in each scenario. The scenarios provided fixed points of reference for budget planning spanning a range of possible circumstances, allowing the Council to select the most appropriate assumptions as the emerging picture became clearer.

The Council also undertakes an annual budget review and rebasing exercise during the first quarter of each financial year to reassess the budget position in light of developments from the point at which the budget is approved by Full Council in February. This allows the budget to be flexed to take account of material changes in circumstances such as significant increases in inflationary pressures or new legislative requirements. It also allows the Council to reassess the funding available following the confirmation of locally retained business rates income, grants announced outside of the local government finance settlement and the year-end financial position for the preceding year. This approach will allow the Council to adapt its budget to respond to any future challenges or opportunities that may emerge as a result of the pandemic.

The construction of the Council's budget is centred around its transformation programme. Savings and efficiency proposals are structured around the cross-cutting transformation themes set out in Section 3 which span multiple service blocks. As a consequence the Council no longer utilises the traditional service block cash limit approach but instead balances the budget by considering the requirement for savings or additional income across all areas of service provision. The Council prioritise the resources available to it to meet the changing and growing needs of the communities we serve, only considering savings as a last resort.

However, in order to distinguish the budgets which fall under the remits of each of the Council's Committees, the Council's budget is divided into the following service blocks:

- People and Communities
- Place and Economy
- Public Health
- Corporate and Managed Services
- Commercial and Investment

Detailed spending plans for 2021-22, and outline plans for later years, are set out within Section 3 of the Business Plan.

The Council adopts a set of nine guiding principles for the development of a balanced and sustainable budget across the MTFS period and considers that these remain appropriate given the uncertainty of the pandemic:

1. Utilising sustainable revenue streams to reduce reliance on one-off sources of funding
2. Ensuring that the potential longer term impact of emerging pressures and rising demands are recognised
3. Ensuring that the Council provides efficient and well managed services with benchmarked unit costs

4. Driving effective investment in services to enable long term evidence-led reform
5. Utilising the Council’s assets to generate an ongoing return rather than short term capital receipts
6. Ensuring the MTFS includes realistic but prudent assumptions around central government funding
7. Ensuring that the Council is well prepared to manage partnership risks
8. Maintaining a multi-year focus on longer term strategic planning
9. Managing future carbon liabilities and risks from climate change

8) Reserves policy and position

Need for reserves

We need reserves to protect and enhance our financial viability. In particular, they are necessary to:

- maintain a degree of in-year financial flexibility
- enable us to deal with unforeseen circumstances and incidents
- set aside monies to fund major developments in future years
- enable us to invest to transform and improve service effectiveness and efficiency
- set aside sums for known and predicted liabilities
- provide operational contingency at service level
- provide operational contingency at school level

Reserve types

The Council maintains the following types of reserve:

- **General reserve** – a working balance to cushion the impact of uneven cash flows. The reserve also acts as a contingency that we can use in-year if there are unexpected emergencies, unforeseen spending or uncertain developments and pressures where the exact timing and value is not yet known and/or in the Council's control. The reserve also provides coverage for grant and income risk.

- **Earmarked reserves** – reserves we have set aside to meet known or predicted liabilities e.g. insurance claims, or that we set aside for specific and designated purposes.

- **Schools reserves** – we encourage schools to hold general contingency reserves within advisory limits. The Chief Finance Officer and Service Director - Education, in collaboration with Schools Forum, monitor schools above the advisory limits, and take steps to encourage appropriate deployment. However, the Council's powers to intervene and insist on spending within delegated and ring-fenced schools budget is limited by legislation. It is also notable that after taking account of the carried forward deficit on the High Needs Block of the Dedicated Schools Grant, the consolidated schools balance is now negative. The Council is taking steps to manage demand on the high needs block and lobby government for a more sustainable long term funding solution.

- **Transformation Fund** – an earmarked reserve created as a result of changes to the Minimum Revenue Provision, set aside to support innovative projects across the Council that will deliver savings in future years.

- **Innovate & Cultivate Fund** –£2m has been allocated to community organisations with big ideas for transformative preventative work that will positively impact the Council's expenditure. Projects demonstrably make an impact on County Council priority outcomes – particularly in relation to working with vulnerable people, thereby diverting children and adults from needing high-cost Council services.

Level of reserves

We need to consider the general economic conditions, the certainty of these conditions, and the probability and financial

Impact of service and business risks specific to the Council in order to calculate the level of reserves we need to hold.

The coronavirus pandemic has resulted in the most significant reduction in UK GDP in modern history and the trajectory of the economic recovery remains a key uncertainty which is dependent upon a number of interrelated factors including the impact of any subsequent peaks of the virus, changes in consumer behaviour and Government's economic policy response to the pandemic. The socioeconomic impacts of Covid are expected to exert considerable upward pressure on demand for services whilst reducing the locally generated income available to the Council. The financial impact of service and business risks currently facing the Council has been modelled with a range of £49m, equivalent to 7% of the Council's gross budget. It is therefore expected that reserves will play a significant role in helping the Council to manage the financial impacts of risks that are likely to be realised during the current MTFS period.

Table 8.1: Estimated level of reserves by type 2021-22 to 2025-26

Balance as at:	**31 March 2021 £m**	**31 March 2022 £m**	**31 March 2023 £m**	**31 March 2024 £m**	**31 March 2025 £m**	**31 March 2026 £m**
General reserve	19.5	19.2	19.1	19.7	20.1	20.6
Earmarked reserves ~	36.8	34.8	32.8	30.8	30.8	30.8
Schools reserves #	-15.9	-23.2	-24.5	-22.8	-22.2	-22.2
Transformation & Innovation Funds*	26.8	30.9	33.6	36.8	39.5	41.7
Total	**67.2**	**61.7**	**62.3**	**64.1**	**67.2**	**69.9**
General reserve as % of gross non-school budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

~ Includes reserves for balances held by individual services for specific matters, insurance claims, and provision to set off commercial and partnership risks

Schools reserves comprise the individual balances held by schools as part of their delegated budget (these funds are not available to the County Council centrally) set against the accumulated high needs block deficit. Under the current regulations this currently leads to a negative balance overall.

*The Transformation and Innovation Funds have been created as a result of a revision to the calculation of the Council's minimum revenue provision (MRP) and only accounts for transformation bids approved by GPC. Whilst the balance appears to increase year on year, it is anticipated that as schemes come forward they are included in the strategy which will draw down funds once identified.

The Council expects to receive around £25m in one-off grant funding in 2021-22 to respond to both the immediate and longer term impacts of the Coronavirus pandemic. The timing of and extent of ongoing repercussions from the pandemic, such as reductions in the tax base and latent demand pressures following the lifting of lockdown restrictions, remain highly uncertain. Furthermore, the one-off nature of this funding has increased the Council's 2022-23 budget gap to at least £17.6m, increasing sustainability risk should additional funding not be forthcoming in 2022-23.

In consideration of these risks and uncertainties, it is prudent to direct some of this additional funding to earmarked reserves to be released to the general fund as and when required. It is currently estimated that at least £6m of compensatory funding for local taxation losses will be available to contribute towards meeting future year's pressures. The figures in table 8.1 assume that this funding will be fully utilised by 2024-25 however this will be reviewed on an annual basis.

Adequacy of the general reserve

In previous years, the Council has set the general reserve at 3% of gross non-school expenditure in line with the advice of our External Auditor. The general reserve balance takes account of the level of uncertainty in the Local Government funding environment, such as the impact of Council Tax Benefit on the local tax base and grants available from Government, the uncertainties surrounding modelling of service cost pressures and the risk of failure to deliver savings initiatives. The Coronavirus pandemic has significantly increased the financial risk to the Council in each of these areas. However, the Council has opted to manage these risks as far as possible by adopting a scenario planning approach to budgeting which has allowed the Council to incorporate contingency planning into its core budgeting processes with the aim of reducing reliance on reserve funding.

The Council has reviewed the level of its **general reserve** and has set a target for the underlying balance of no less than 3% of gross non-school spending in 2021-22, this level will be maintained for the whole of the MTFS period. The table below sets out some of the known risks presenting themselves to the Council and their expected values. There will inevitably be other, unidentified, risks and we have made a limited provision for these as well.
We consider this level to be sufficient based on the following factors:

- In March 2020 the Government made a commitment to take any necessary measures to support local authorities in their response to Coronavirus. The Council has since been allocated over £60m additional Government funding to help meet 2020-21 financial pressures resulting from Covid-19. The Council is currently progressing discussions with MHCLG around ongoing financial support requirements.

The Council holds a substantial Transformation Fund which continues to support our ambitious programme of investment in service efficiency. However, this fund also provides the Council with additional contingency should the general reserve be fully utilised.

Table 8.2: Target general reserve balance for 2021-22 to 2025-26

Risk	Source of risk	Value £m
Inflation	0.5% variation on Council inflation forecasts.	0.8
Demand	4% variation on Council demand forecasts.	6.4
Interest rate change	0.5% variation in the Bank of England Base Rate.	0.1
Council Tax	Inaccuracy in District tax base forecasts and collection levels.	1.7
Business Rates	Inaccuracy in District taxbase forecasts of County share of Business Rates to the value which triggers the Safety Net.	0.6
Business Rates payable	Impact of revaluation on Business Rates payable.	0.5
Unconfirmed specific grant allocations	Value of as yet unannounced specific grants different to budgeted figures.	1.4
Deliverability of savings against forecast timescales	Risk to contract savings due to financial challenges faced by suppliers, increase in service user need due to the pandemic, shortfall in commercial income due to economic downturn	4.0
Non-compliance with regulatory standards	E.g. Information Commissioner fines.	0.5
Major contract risk	E.g., contractor viability, mis-specification, non-delivery.	2.1
Unidentified risks	Unknown	1.4
Balance		**19.5**

9) Business Plan roles and responsibilities

The Business Plan is developed through the Council's committee structure. It is therefore beneficial to clarify the respective roles and responsibilities of committees within this process. These are defined in the Constitution but are set out below in order.

Full Council

Council is the only body that can agree the Council's budget and the associated Council Tax to support the delivery of that budget. It discharges this responsibility by agreeing the Business Plan in February each year. In agreeing the Business Plan the Council formally agrees the budget allocations for the service blocks (currently based on a departmental structure). The Business Plan includes both revenue and capital proposals and needs to be a 'balanced' budget. The following is set out within Part 3 of the Constitution – Responsibility for Functions.

Council is responsible for:

"(b) Approving or adopting the Policy Framework and the Budget

(c) Subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 4 of this Constitution, making decisions about any matter in the discharge of a committee function which is covered by the Policy Framework or the Budget where the decision-making body is minded to make it in a manner which would be contrary to the Policy Framework or contrary to, or not wholly in accordance with, the Budget

(d) Approving changes to any plan or strategy which form part of the Council's Policy Framework, unless:

i. that change is required by the Secretary of State or any Government Minister where the plan or strategy has been submitted to him for approval, or

ii. Full Council specifically delegated authority in relation to these functions when it approved or adopted the plan or strategy"

General Purposes Committee

GPC has the responsibility for the delivery of the Business Plan as agreed by Council. It discharges this responsibility through the service committees. In order to ensure that the budget proposals that are agreed by service committees have an opportunity to be considered in detail outside of the Council Chamber, those proposals will be co-ordinated through GPC, though Full Council remains responsible for setting a budget. GPC does not have the delegated authority to agree any changes to the budget allocations agreed by Council save for any virement delegations that are set out in the Constitution.

The following is set out within Part 3 of the Constitution – Responsibility for Functions.

"The General Purposes Committee (GPC) is authorised by Full Council to co-ordinate the development and recommendation to Full Council of the Budget and Policy Framework, as described in Article 4 of the Constitution, including in-year adjustments."

"Authority to lead the development of the Council's draft Business Plan (budget), to consider responses to consultation on it, and recommend a final draft for approval by Full Council. In consultation with relevant Service Committees"

"Authority for monitoring and reviewing the overall performance of the Council against its Business Plan"

"Authority for monitoring and ensuring that Service Committees operate within the policy direction of the County Council and making any appropriate recommendations"

GPC is also a service committee in its own right and, therefore, also has to act as a service committee in considering proposals on how it is to utilise the budget allocation given to it for the delivery of services within its responsibility.

Service Committees

Service committees have the responsibility for the operational delivery of the Business Plan as agreed by Council within the financial resources allocated for that purpose by Council. The specific functions covered by the committee are set out in the

Constitution but the generic responsibility that falls to all is set out below:

> “This committee has delegated authority to exercise all the Council’s functions, save those reserved to Full Council, relating to the delivery, by or on behalf of, the County Council, of services relating to…”

10) Risks

In providing budget estimates, we have carefully considered financial and operational risks. The key areas of risk, and the basic response to these risks, are as follows:

- **Containing inflation to funded levels** – we will achieve this by closely managing budgets and contracts and further improving our control of the supply chain.
- **Managing service demand to funded levels** – we will achieve this through clearer modelling of service demand patterns using numerous datasets that are available to our internal Research Team and supplemented with service knowledge. A number of the proposals in the Business Plan are predicated on averting or suppressing the demand for services.
- **Delivering savings to planned levels** – we will achieve this through SMART (specific, measurable, achievable, relevant and timely) action plans and detailed review. All savings – efficiencies or service reductions – need to be recurrent. We have built savings requirements into the base budget and we monitor these monthly as part of budgetary control.
- **Containing the revenue consequences of capital schemes to planned levels** – capital investments sometimes have revenue implications, either operational or capital financing costs. We will manage these by ensuring capital projects do not start without a tested and approved business case, incorporating the cost of the whole life cycle.
- **Responding to the uncertainties of the UKs exit from the European Union** – we have fully reviewed our financial strategy in light of the most recent economic forecasts and continue to develop plans in response to emerging risks and opportunities presented as a result of Brexit.
- **Future funding changes** – our plans have been developed against the backcloth of continued uncertainty due to delays in the introduction of significant reforms to Local Government funding.
- **Managing future carbon liabilities** – the Council has committed to deliver net-zero carbon emissions by 2050 as part of its pledge to tackle the climate emergency. There is a risk that additional financial resources may be required to achieve this aim which have not been fully accounted for within the MTFS. The funding allocated to deliver the Climate Change and Environment Strategy will be reviewed annually in light of progress towards achieving the Council’s net-zero carbon commitment.

Additionally, the Council faces a number of emerging risks arising as a result of the Coronavirus pandemic. Some of the key risks are as follows:

- **Adult Social Care market resilience** - Covid-19 has greatly increased the costs faced by providers of social care. In particular, costs have increased due to greater use of personal protective equipment, as well as infection control processes. The Government is currently providing a substantial level of additional grant funding to support care providers in meeting these challenges but the extent of financial support in future years is currently unclear.
- **Increased safeguarding risks** – socioeconomic pressures such as rising unemployment and ongoing social restrictions are likely to increase the safeguarding risks for children. The recent trend in declining numbers of children subject to Child Protection Plans has halted and the Council is beginning to see increasing costs for Children in Care.
- **Speed of economic recovery** – the pandemic has brought about the largest recession faced by the UK economy in modern times. A deep and prolonged recession will lead to extensive job losses with varying regional impacts which could result in increased inequality in our county. Additionally, the resulting increase in Council Tax Support reliefs will reduce the precept income available to the council.
- **Income from traffic and enforcement services** – these income streams are significantly dependent upon levels of traffic and footfall in economic centres around the county. Traffic in Cambridge City is currently 15% lower than pre-Covid levels and bus passenger numbers are down by around 50%. It is unclear whether traffic and footfall will recover to pre-Covid levels in all areas.

Uncertainties remain throughout the planning period in relation to the above risks. In line with good practice, we intend to reserve funds that we can use throughout and beyond the planning period. Together with a better understanding of risk and the emerging costs of future development proposals, this will help us to meet such pressures.

Appendix 1 – Fees and Charges Best Practice Guidance

The Council provides a wide range of services for which it has the ability to make a charge – either under statutory powers (set by the government) or discretionary (set by the Council).
Fees and charges fall into three categories:

- **Statutory prohibition on charging**: Local authorities must provide such services free of charge at the point of service. Generally these are services which the authority has a duty to provide.
- **Statutory charges:** Charges are set nationally and local authorities have little or no opportunity to control such charges. These charges can still contribute to the financial position of the Authority. Income cannot be assumed to increase in line with other fees and charges.
- **Discretionary charges**: Local authorities can make their own decisions on setting such charges. Generally these are services that an authority can provide but is not obliged to provide.

This Best Practice Guidance applies to discretionary fees and charges and trading activities. It is supported by the Fees and Charges Flowchart attached at Appendix 1 and the Supplementary Guidance on Concessions and Flowchart attached at Appendix 2.

If you are charging for information which falls under Environment Information Regulations (EIR), please be aware that the legislation changed in 2016 and the Council has additional guidance for constructing these charges. Please contact Camilla Rhodes if you require further information.

PURPOSE OF THE GUIDANCE

The purpose of the Best Practice Guidance is to specify the processes and frequencies for reviewing existing charging levels and to provide guidance on the factors that need to be taken into consideration when charges are reviewed on an annual basis.

The Best Practice Guidance and Fees and Charges Policy together provide a consistent approach in setting, monitoring and reviewing fees and charges across Cambridgeshire County Council. This will ensure that fees and charges are aligned with corporate objectives and the process is carried out in a uniform manner across the authority.

Any service-specific policies should be consistent with the Fees and Charges Policy and Best Practice Guidance.

ASSESSMENT OF CHARGING LEVELS – THE STANDARD CHARGE

The cost of providing the service should be calculated. When estimating the net cost of providing a service, the previous year’s actual results (in terms of income, activity levels and expenditure) must be taken into account. Where assumptions are made based on variables such as increased usage, this should be evidenced by an action plan detailing how this will be achieved.

Charges should be set so that in total they cover the actual cost of providing the service including support service charges and other overheads. Any subsidy arising from standard charges being set at a level below full cost should be fully justified in terms of achieving the Council’s priorities in the Business Case detailed in Section 3 of this Guidance. Where it is not appropriate or cost effective to calculate the cost of service provision at an individual level, charges may be set so that overall costs are recovered for the range of services which are delivered within a service area.

In order to ensure cost effectiveness and efficiency when setting and amending charging levels, the following are to be considered:

- Justification in the setting of charges to withstand any criticisms and legal challenges;
- Obstacles to maximising full cost recovery when providing the service;
- Access to and impact on users;
- Future investment required to improve or maintain the service;
- Relevant government guidance;
- Corporate objectives, values, priorities and strategies.

The following should be considered during the process, which may result in charges being set at a lower level than cost recovery:

- Any relevant Council strategies or policies;
- The need for all charges to be reasonable;
- The level of choice open to customers as to whether they use the Councils services;
- The desirability of increasing usage or rationing of a given service (i.e reducing charges during off-peak times).

LEVEL OF SUBSIDY

Where charges are made for services, users pay directly for some or all of the services they use. Where no charges are made or where charges do not recover the full cost of providing a service, council tax payers subsidise users.

Fees and charges will be set at a level that maximises income generation and recovers costs, whilst encouraging potential users to take up the service offered and ensuring value for money is secured, except in instances where the Council views a reduction in the service uptake as a positive. The Council can maximise income generation through:

- Charging the maximum that users are prepared to pay, taking into account competitor pricing, when a service is 'demand led' or competes with others based on quality and/or cost.
- Differential charging to tap into the value placed on the service by different users.
- Reduce a fee or charge in order to stimulate demand for a service to maximise the Council's market share, which will lead to an increase in income generation.

A Business Case should be created for all services that require a subsidy from the Council when charges are reviewed. The Business Case should outline how the subsidy will be applied to the service area and incorporate the following:

- Demonstrate that the subsidy is being targeted at top priorities;
- Provide justification for which users should benefit from the subsidy;
    - All users - through the Standard Charge being set at a level lower than cost recovery;
    - Target groups – through the application of the Concessions Guidance (Appendix 2).

Approval for the subsidy should be obtained from the relevant Executive Director, in consultation with the Chief Finance Officer.

CONCESSIONS

Concessions may be used to provide a discount from the Standard Charge for specific groups for certain services. Services must ensure that the fees and charges levied for discretionary services are fair and equitable and support social inclusion priorities. All decisions on concessions for services and trading activities will be taken with reference to and in support of Council priorities and recorded as delegated decisions, as appropriate.

All relevant government guidance should be considered by each service area when concessionary groups and charging levels are set. Concessions should only be granted to the residents of Cambridgeshire. A business case should be approved which details the rationale for directing subsidy towards a target group.

Concessionary Charges may also be made available to organisations whose purpose is to assist the Council in meeting specific objectives in its priorities and policy framework, or which contribute to the aims of key local partnerships in which the council has a leading role.

The level of concession should be set with regard to the service being provided and its use and appeal to the groups for whom concessions are offered. The appropriate Director will approve the level of concession and the groups for whom the concessions apply once all budgetary and other relevant information for the service has been considered. The level of concession and the target groups in receipt of the concession should be made explicit during the approval process and be fully justified in terms of achieving the Council's priorities. The take-up of concessions should be monitored to identify how well concession schemes are promoting access to facilities.

The Local Government Act 2003 and its accompanying guidance states that charges may be set differentially, so that different people are charged different amounts. However, it is not intended that this leads to some users cross-subsidising others. The costs of offering a service at a reduced charge should be borne by the authority rather than other recipients of the service. This should be borne in mind when setting concessions or promoting use of a service by specific target groups.

There is a flowchart at the end of this appendix to support Services when designing concessions.

CHARGING EXEMPTIONS

Exemptions relate to service areas where no charges are levied to any of the service users. There will be a number of important circumstances where charges should not be made. The following are Charging Exemptions:

- Where the administrative costs associated with making a charge would outweigh potential income.
- Where charging would be counterproductive (i.e result in reduced usage of the service).

PROCESSES AND FREQUENCIES

Reviews will be carried out at least annually for all services in time to inform the budget setting process, will take account of inflationary pressures and will be undertaken in line with budget advice provided by Corporate Finance. The reviews will be undertaken by all Service Areas that provide services where charges could be applied. The annual review of charges will consider the following factors:

- Inflationary pressures;
- Council-wide and service budget targets;
- Costs of administration;
- Scope for new charging areas.

Customers should be given a reasonable period of notice before the introduction of new or increased charges. Where possible, the objectives of charging should be communicated to the public and users and taxpayers should be informed of how the charge levied relates to the cost of provider the service.

COLLECTION OF CHARGES AND OUTSTANDING DEBTS

The most economic, efficient and effective method of income and debt collection should be used and should comply with the requirements of Financial Regulations. When collecting fees and charges income, services should use the most cost effective method available, i.e. online or with card, thus minimising the use of cash and cheque payments and invoicing as a method of collection wherever possible.

Wherever it is reasonable to do so, charges will be collected either in advance or at the point of service delivery.

Where charges are to be collected after service delivery has commenced, invoices will be issued promptly on the corporate system.

Where a debtor fails to pay for goods or services the relevant Service Director should consider withholding the provision of further goods or services until the original debt is settled in full, where legislation permits.

Charges and concessions will be clearly identified and publicised on the Council's external website so that users are aware of the cost of a service in advance of using it.

APPROVALS

All decisions on charges for services and trading activities will be approved by the relevant Director, in consultation with the Chief Finance Officer and recorded as delegated decisions, as appropriate.

MONITORING AND IMPROVEMENT

Monitoring will be used to understand how charges affect the behaviour of users (especially target groups) and drive improvement. Price sensitivities of individuals and groups should be understood so that charges can be set appropriately to deliver the levels or changes in service use necessary to achieve objectives.

As part of the monitoring and improvement process, a Schedule of Fees and Charges shall be maintained and challenging targets for charging and service use shall be established.

A Schedule of Fees and Charges shall be maintained by the Chief Finance Officer for all discretionary charges.

Specific financial, service quality and other performance targets should be set, monitored and reported to the appropriate level to ensure that high levels of efficiency and service quality are achieved. Examples include:

- Cost of service provision against targets and benchmarking authorities;
- Usage by target groups i.e. number of visits / requests;
- Usage during peak time / off –peak time;
- Income targets;
- Percentage of costs recovered;
- Costs of methods of billing and payment;
- Excess capacity.

Service managers should, wherever possible, benchmark with the public, private and voluntary sectors not only on the level of charges made for services but the costs of service delivery, levels of cost recovery, priorities, impact achieved and local market variations in order to ensure the Council generates maximum income.

Benchmarking should be proportionate and have clear objectives. It should be remembered that benchmarking can be resource intensive, therefore prior to commencing such an exercise, there should be a clear expectation of added value outcomes. If benchmarking is undertaken, wherever possible, this should be with similar types of organisations, but may include private sector providers as well as public sector.

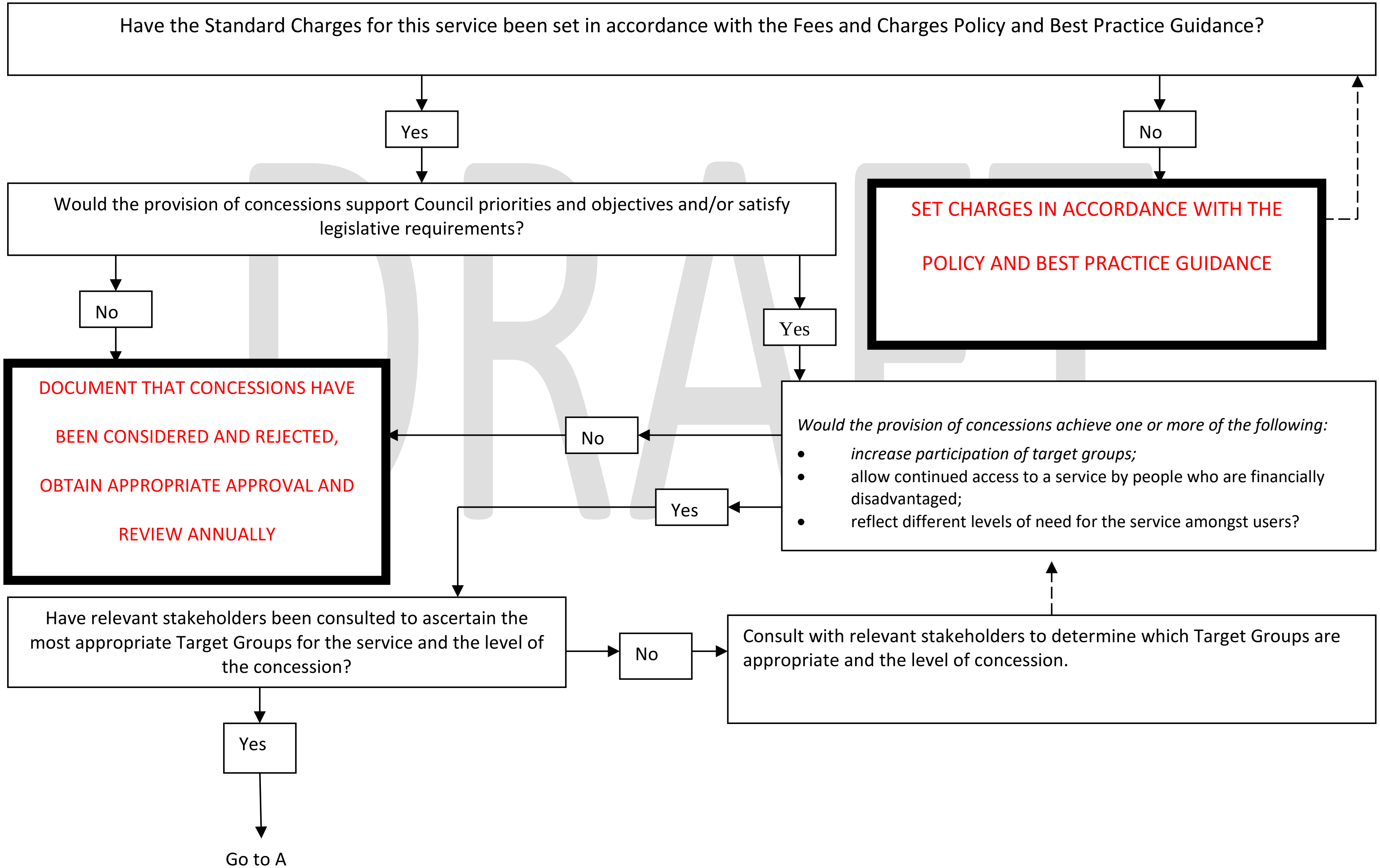
UNDER/OVERACHIEVEMENT OF FEES AND CHARGES.

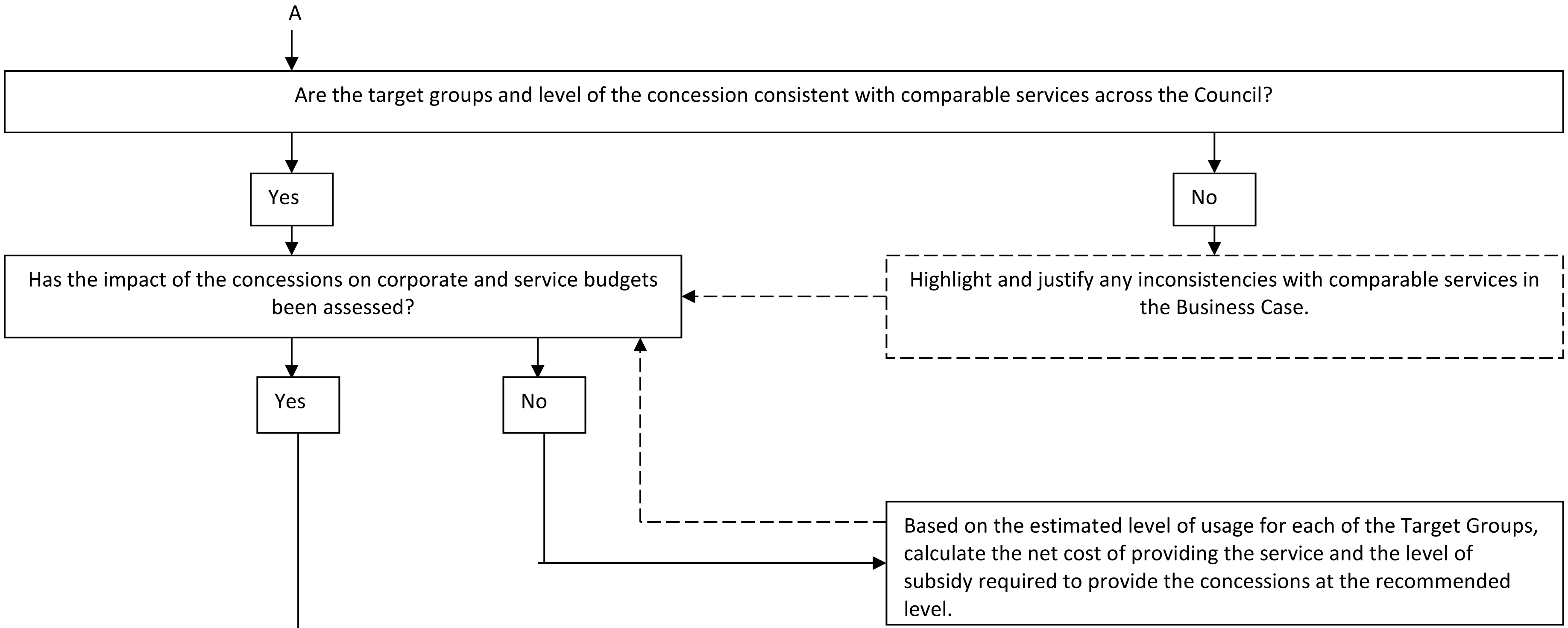
At a level deemed appropriate by the relevant service, a clear escalation process should be in place for the under or overachievement of charges.

For an overachievement of a charge, the simple process should be for budget holders to inform the Head of Service, the Director of Service and the Financial Advisor. Within the year, if there is an overachievement of fees and charges, then the budget holder, head of service and director should discuss how to use this surplus to offset any areas running an overspend within the budget/service. At the end of the year, an overachievement in charges should result in discussions with the budget holder, head of service and director to increase the target of that particular fee or charge, in line with the Council’s income generation aim.

For an underachievement of a fee or charge within a service, the budget holder, and their financial advisor, should attempt to mitigate this underachievement as much as possible within their own service. If a budget holder is unable to mitigate a failure, then the Head of service should mitigate the underachievement within their service. Failing this, the director should attempt to do the same for the directorate, before further escalating the underachievement to the Chief Finance Officer should the directorate be unable to mitigate the failure to meet an income target for any fee or charge. Again, if this underachievement takes place at the end of the year, this should be reflected within the schedule of fees and charges, with an amendment for a more realistic and achievable target.

FEES AND CHARGES: CONCESSIONS





- UPDATE DIRECTORY OF CHARGES
- OBTAIN APPROVAL FOR THE BUSINESS CASE WHICH DETAILS THE RATIONALE FOR DIRECTING THE PROPOSED LEVEL OF SUBSIDY TOWARDS A TARGET GROUP. THE BUSINESS CASE MUST BE EXPLICIT IN TERMS OF THE TARGET GROUPS THAT ARE RECOMMENDED TO RECEIVE THE CONCESSIONS AND THE LEVEL OF SUBSIDY THE COUNCIL IS PROVIDING TO FUND THE CONCESSIONS.
- MONITOR THE TAKE-UP OF CONCESSIONS AND IDENTIFY HOW WELL CONCESSION SCHEMES ARE PROMOTING ACCESS TO FACILITIES

Section 3 - A: People & Communities

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2021-22 to 2025-26

Net Revised Opening Budget 2020-21 £000	Policy Line	Gross Budget 2021-22 £000	Fees, Charges & Ring-fenced Grants 2021-22 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000
	Director of Adults and Safeguarding							
-22,679	Strategic Management - Adults	-18,924	-519	-19,443	-19,419	-19,519	-19,521	-19,523
1,997	Transfers of Care	2,002	-1	2,001	2,001	2,001	2,001	2,001
8,993	Prevention & Early Intervention	9,802	-467	9,335	9,325	9,203	9,153	9,153
1,300	Principal Social Worker, Practice and Safeguarding	1,808	-226	1,582	1,462	1,342	1,342	1,342
1,223	Autism and Adult Support	1,608	-43	1,565	1,841	2,124	2,410	2,702
150	Carers	150	-	150	150	150	150	150
802	Finance Assessments	803	-	803	803	803	803	803
	Learning Disability Partnership							
5,411	Head of Service	9,300	-146	9,154	10,872	12,114	14,228	16,416
36,904	LD - City, South and East Localities	39,832	-2,226	37,606	38,750	39,814	40,671	41,528
30,108	LD - Hunts and Fenland Localities	32,719	-2,072	30,647	31,674	32,629	33,398	34,167
8,303	LD - Young Adults Team	8,660	-256	8,404	8,558	8,701	8,816	8,931
7,137	In House Provider Services	7,352	-180	7,172	7,172	7,172	7,172	7,172
-20,213	NHS Contribution to Pooled Budget	-593	-20,382	-20,975	-24,083	-24,413	-24,813	-25,213
	Older People and Physical Disability Services							
12,703	Physical Disabilities	16,955	-2,409	14,546	15,600	16,480	17,416	18,149
22,726	OP - City & South Locality	34,625	-7,984	26,641	28,678	30,954	33,266	35,557
9,031	OP - East Cambs Locality	13,761	-3,449	10,312	11,270	12,500	13,787	15,060
10,715	OP - Fenland Locality	15,959	-3,563	12,396	13,629	15,008	16,431	17,839
13,347	OP - Hunts Locality	21,327	-5,618	15,709	17,161	18,815	20,531	22,230
	Mental Health							
1,863	Mental Health Central	1,892	-20	1,872	1,872	1,872	1,872	1,872
5,457	Adult Mental Health Localities	6,406	-393	6,013	6,304	6,608	6,881	7,156
6,219	Older People Mental Health	7,338	-967	6,371	6,829	7,294	7,747	8,211
141,497	**Subtotal Director of Adults and Safeguarding**	**212,782**	**-50,921**	**161,861**	**170,449**	**181,652**	**193,741**	**205,703**
	Director of Commissioning							
234	Strategic Management - Commissioning	235	-	235	235	235	235	235
1,247	Access to Resource & Quality	1,251	-	1,251	1,251	1,251	1,251	1,251
300	Local Assistance Scheme	300	-	300	300	300	300	300
	Adults Commissioning							
11,997	Central Commissioning - Adults	46,505	-34,150	12,355	12,431	12,501	12,558	12,615
1,070	Integrated Community Equipment Service	7,554	-5,536	2,018	2,051	2,485	2,519	2,554
3,730	Mental Health Commissioning	4,099	-342	3,757	3,757	3,757	3,757	3,757
	Childrens Commissioning							
21,703	Children in Care Placements	21,078	-	21,078	21,810	22,565	23,343	24,145
245	Commissioning Services	245	-	245	245	245	245	245
40,526	**Subtotal Director of Commissioning**	**81,267**	**-40,028**	**41,239**	**42,080**	**43,339**	**44,208**	**45,102**

Section 3 - A: People & Communities

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2021-22 to 2025-26

Net Revised Opening Budget 2020-21 £000	Policy Line	Gross Budget 2021-22 £000	Fees, Charges & Ring-fenced Grants 2021-22 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000
	Director of Communities and Partnerships							
181	Strategic Management - Communities and Partnerships	275	-296	-21	47	47	47	47
3,444	Public Library Services	4,086	-587	3,499	3,499	3,549	3,599	3,599
-	Cambridgeshire Skills	2,311	-2,311	-	-	-	-	-
368	Archives	472	-103	369	369	369	369	369
109	Cultural Services	357	-247	110	110	110	110	110
-640	Registration & Citizenship Services	1,189	-1,823	-634	-634	-634	-634	-634
1,533	Coroners	2,400	-831	1,569	1,629	1,693	1,762	1,837
694	Trading Standards	694	-	694	694	694	694	694
845	Domestic Abuse and Sexual Violence Service	1,476	-555	921	847	847	847	847
469	Think Communities	549	-79	470	480	480	480	480
376	Youth and Community Services	1,020	-637	383	383	383	383	383
7,379	**Subtotal Director of Communities and Partnerships**	**14,829**	**-7,469**	**7,360**	**7,424**	**7,538**	**7,657**	**7,732**
	Director of Children & Safeguarding							
3,055	Strategic Management - Children & Safeguarding	2,903	-72	2,831	2,831	2,831	2,831	2,831
2,396	Safeguarding and Quality Assurance	2,516	-205	2,311	2,561	2,561	2,561	2,561
13,353	Children in Care	16,556	-3,302	13,254	13,472	13,697	13,929	14,169
2,013	Integrated Front Door	2,337	-316	2,021	2,021	2,021	2,021	2,021
6,699	Children's Disability Service	7,380	-595	6,785	6,770	6,759	6,852	6,949
-170	Children's Centres Strategy	-	-170	-170	-	-	-	-
61	Support to Parents	1,144	-1,082	62	62	62	62	62
6,106	Adoption	6,011	-43	5,968	6,263	6,595	6,968	7,387
2,010	Legal Proceedings	2,050	-	2,050	2,050	2,050	2,050	2,050
1,112	Youth Offending Service	2,280	-1,159	1,121	1,121	1,121	1,121	1,121
	District Delivery Service							
3,776	Safeguarding Hunts and Fenland	3,780	-	3,780	3,780	3,780	3,780	3,780
2,716	Safeguarding East & South Cambs and Cambridge	3,081	1,240	4,321	4,321	4,321	4,321	4,321
4,460	Early Help District Delivery Service - North	4,516	-19	4,497	4,497	4,497	4,497	4,497
4,679	Early Help District Delivery Service - South	4,746	-36	4,710	4,710	4,710	4,710	4,710
52,266	**Subtotal Director of Children & Safeguarding**	**59,300**	**-5,759**	**53,541**	**54,459**	**55,005**	**55,703**	**56,459**
	Director of Education							
888	Strategic Management - Education	2,225	-1,334	891	891	891	891	891
2,257	Early Years Service	3,046	-794	2,252	2,252	2,252	2,252	2,252
1,009	School Improvement Service	1,809	-803	1,006	1,021	1,021	1,021	1,021
566	Schools Partnership Service	1,947	-1,369	578	578	578	578	578
-77	Outdoor Education (includes Grafham Water)	1,914	-1,991	-77	-77	-77	-77	-77
-	Cambridgeshire Music	1,832	-1,832	-	-	-	-	-

Section 3 - A: People & Communities

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2021-22 to 2025-26

Net Revised Opening Budget 2020-21 £000	Policy Line	Gross Budget 2021-22 £000	Fees, Charges & Ring-fenced Grants 2021-22 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000
2,896	Redundancy & Teachers Pensions	3,385	-504	2,881	2,881	2,881	2,881	2,881
	SEND Specialist Services (0 - 25 years)							
11,391	SEND Specialist Services	11,608	-204	11,404	11,411	11,411	11,411	11,411
32,404	Funding to Special Schools and Units	32,404	-	32,404	32,404	32,404	32,404	32,404
25,657	High Needs Top Up Funding	25,657	-	25,657	25,657	25,657	25,657	25,657
11,306	SEN Placements	12,197	-891	11,306	11,306	11,306	11,306	11,306
4,084	Out of School Tuition	4,084	-	4,084	4,084	4,084	4,084	4,084
7,103	Alternative Provision and Inclusion	7,138	-35	7,103	7,103	7,103	7,103	7,103
-12,744	SEND Financing - DSG	-12,744	-	-12,744	-12,744	-12,744	-12,744	-12,744
	0-19 Place Planning & Organisation Service							
3,267	0-19 Organisation & Planning	4,371	-1,108	3,263	3,263	3,263	3,263	3,263
179	Education Capital	294	-115	179	179	179	179	179
12,014	Home to School Transport - Special	14,980	-111	14,869	16,418	18,306	20,416	22,776
1,785	Children in Care Transport	1,588	-	1,588	1,638	1,690	1,744	1,798
9,481	Home to School Transport - Mainstream	10,705	-594	10,111	10,581	10,897	11,090	11,263
113,466	**Subtotal Director of Education**	**128,440**	**-11,685**	**116,755**	**118,846**	**121,102**	**123,459**	**126,046**
	Executive Director							
992	P&C Executive Director	2,725	-331	2,394	2,441	2,691	2,691	2,691
91	Central Financing	91	-	91	91	91	91	91
-	Pandemic Related Income Pressures	-	1,266	1,266	179	-	-	-
1,083	**Subtotal Executive Director**	**2,816**	**935**	**3,751**	**2,711**	**2,782**	**2,782**	**2,782**
-81,977	DSG Adjustment	-	-81,977	-81,977	-81,977	-81,977	-81,977	-81,977
	Future Years							
-	Inflation	-	-	-	5,233	10,642	16,150	21,760
-	Savings	-	-	-				
274,240	**P&C BUDGET TOTAL**	**499,434**	**-196,904**	**302,530**	**319,225**	**340,083**	**361,723**	**383,607**

Section 3 - A: People & Communities

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2021-22

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Director of Adults and Safeguarding							
Strategic Management - Adults	-22,679	23	1,532	743	93	845	-19,443
Transfers of Care	1,997	4	-	-	-	-	2,001
Prevention & Early Intervention	8,993	75	-	-	417	-150	9,335
Principal Social Worker, Practice and Safeguarding	1,300	-3	-	45	240	-	1,582
Autism and Adult Support	1,223	4	329	9	-	-	1,565
Carers	150	-	-	-	-	-	150
Finance Assessments	802	1	-	-	-	-	803
Learning Disability Partnership							
Head of Service	5,411	9	3,962	22	-	-250	9,154
LD - City, South and East Localities	36,904	250	-	452	-	-	37,606
LD - Hunts and Fenland Localities	30,108	154	-	385	-	-	30,647
LD - Young Adults Team	8,303	29	-	72	-	-	8,404
In House Provider Services	7,137	35	-	-	-	-	7,172
NHS Contribution to Pooled Budget	-20,213	-94	-454	-214	-	-	-20,975
Older People and Physical Disability Services							
Physical Disabilities	12,703	276	1,441	126	-	-	14,546
OP - City & South Locality	22,726	2,176	1,406	353	107	-127	26,641
OP - East Cambs Locality	9,031	401	817	185	-	-122	10,312
OP - Fenland Locality	10,715	669	882	215	-	-85	12,396
OP - Hunts Locality	13,347	1,036	1,120	258	-	-52	15,709
Mental Health							
Mental Health Central	1,863	9	-	-	-	-	1,872
Adult Mental Health Localities	5,457	34	462	84	-	-24	6,013
Older People Mental Health	6,219	256	-220	116	-	-	6,371
Subtotal Director of Adults and Safeguarding	**141,497**	**5,344**	**11,277**	**2,851**	**857**	**35**	**161,861**
Director of Commissioning							
Strategic Management - Commissioning	234	1	-	-	-	-	235
Access to Resource & Quality	1,247	4	-	-	-	-	1,251
Local Assistance Scheme	300	-	-	-	-	-	300
Adults Commissioning							
Central Commissioning - Adults	11,997	25	-	59	-	274	12,355
Integrated Community Equipment Service	1,070	16	32	900	-	-	2,018
Mental Health Commissioning	3,730	3	-	24	-	-	3,757
Childrens Commissioning							
Children in Care Placements	21,703	433	188	-	-	-1,246	21,078
Commissioning Services	245	-	-	-	-	-	245
Subtotal Director of Commissioning	**40,526**	**482**	**220**	**983**	**-**	**-972**	**41,239**

Section 3 - A: People & Communities

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2021-22

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Director of Communities and Partnerships							
Strategic Management - Communities and Partnerships	181	-2	-	-	-	-200	-21
Public Library Services	3,444	6	-	49	-	-	3,499
Cambridgeshire Skills	-	-	-	-	-	-	-
Archives	368	1	-	-	-	-	369
Cultural Services	109	1	-	-	-	-	110
Registration & Citizenship Services	-640	6	-	-	-	-	-634
Coroners	1,533	18	55	-37	-	-	1,569
Trading Standards	694	-	-	-	-	-	694
Domestic Abuse and Sexual Violence Service	845	2	74	-	-	-	921
Think Communities	469	1	-	-	-	-	470
Youth and Community Services	376	7	-	-	-	-	383
Subtotal Director of Communities and Partnerships	**7,379**	**40**	**129**	**12**	**-**	**-200**	**7,360**
Director of Children & Safeguarding							
Strategic Management - Children & Safeguarding	3,055	26	-	-	-	-250	2,831
Safeguarding and Quality Assurance	2,396	-	-	-85	-	-	2,311
Children in Care	13,353	143	58	-	-	-300	13,254
Integrated Front Door	2,013	8	-	-	-	-	2,021
Children's Disability Service	6,699	55	81	-	-	-50	6,785
Children's Centres Strategy	-170	-	-	-	-	-	-170
Support to Parents	61	1	-	-	-	-	62
Adoption	6,106	99	263	-	-	-500	5,968
Legal Proceedings	2,010	40	-	-	-	-	2,050
Youth Offending Service	1,112	8	-	-	-	-	1,121
District Delivery Service							
Safeguarding Hunts and Fenland	3,776	4	-	-	-	-	3,780
Safeguarding East & South Cambs and Cambridge	2,716	5	-	-	-	1,600	4,321
Early Help District Delivery Service - North	4,460	37	-	-	-	-	4,497
Early Help District Delivery Service - South	4,679	31	-	-	-	-	4,710
Subtotal Director of Children & Safeguarding	**52,266**	**457**	**402**	**-85**	**-**	**500**	**53,541**
Director of Education							
Strategic Management - Education	888	3	-	-	-	-	891
Early Years Service	2,257	-5	-	-	-	-	2,252
School Improvement Service	1,009	-3	-	-	-	-	1,006
Schools Partnership Service	566	12	-	-	-	-	578
Outdoor Education (includes Grafham Water)	-77	-	-	-	-	-	-77
Cambridgeshire Music	-	-	-	-	-	-	-

Section 3 - A: People & Communities

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2021-22

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Redundancy & Teachers Pensions	2,896	-15	-	-	-	-	2,881
SEND Specialist Services (0 - 25 years)							
SEND Specialist Services	11,391	13	-	-	-	-	11,404
Funding to Special Schools and Units	32,404	-	-	-	-	-	32,404
High Needs Top Up Funding	25,657	-	-	-	-	-	25,657
SEN Placements	11,306	-	-	-	-	-	11,306
Out of School Tuition	4,084	-	-	-	-	-	4,084
Alternative Provision and Inclusion	7,103	-	-	-	-	-	7,103
SEND Financing - DSG	-12,744	-	-	-	-	-	-12,744
0-19 Place Planning & Organisation Service							
0-19 Organisation & Planning	3,267	-4	-	-	-	-	3,263
Education Capital	179	-	-	-	-	-	179
Home to School Transport - Special	12,014	406	1,649	800	-	-	14,869
Children in Care Transport	1,785	56	47	-	-	-300	1,588
Home to School Transport - Mainstream	9,481	299	534	200	-	-403	10,111
Subtotal Director of Education	**113,466**	**762**	**2,230**	**1,000**	**-**	**-703**	**116,755**
Executive Director							
P&C Executive Director	992	2	-	1,400	-	-	2,394
Central Financing	91	-	-	-	-	-	91
Pandemic Related Income Pressures	-	-	-	-	-	1,266	1,266
Subtotal Executive Director	**1,083**	**2**	**-**	**1,400**	**-**	**1,266**	**3,751**
DSG Adjustment	-81,977	-	-	-	-		-81,977
P&C BUDGET TOTAL	**274,240**	**7,087**	**14,258**	**6,161**	**857**	**-74**	**302,530**

Section 3 - A: People and Communities

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

		Detailed Plans	Outline Plans				
Ref	**Title**	**2021-22 £000**	**2022-23 £000**	**2023-24 £000**	**2024-25 £000**	**2025-26 £000**	**Description**
1	**OPENING GROSS EXPENDITURE**	**461,304**	**499,434**	**517,583**	**539,282**	**561,426**	
A/R.1.001	Permanent Virements and budget preparation adjustments	2,814	-	-	-	-	Increase in expenditure budgets (compared to published 2020-25 Business Plan) as advised during the budget preparation period and permanent in-year changes made during 2020-21.
A/R.1.002	Transfer of Traded Services from C&I	3,668	-	-	-	-	Transfer of Traded Services from C&I to P&C.
A/R.1.003	Base Adjustment - High Needs Block DSG	6,128	-	-	-	-	Increase in High Needs Block DSG (Dedicated Schools grant) baseline managed within P&C, following increases in funding and transfers from Schools Block in 2020/21.
A/R.1.004	Transferred Function - Independent Living Fund (ILF)	-34	-	-	-	-	The ILF, a central government funded scheme supporting care needs, closed in 2015. Since then the local authority has been responsible for meeting eligible social care needs for former ILF clients. The government has told us that their grant will be based on a 5% reduction in the number of users accessing the service each year, with none remaining past 2021/22.
A/R.1.008	Transferred Function - Repatriation of Financial Assessments Team	602	-	-	-	-	Repatriation of Financial Assessments Team from LGSS to P&C
A/R.1.009	Transferred Function - Joint Recruitment Team	-290	-	-	-	-	Transfer of the cross-function Recruitment Team to HR within Corporate Services
A/R.1.010	Increase in expenditure funded from ringfenced grants	-1,600	-	-	-	-	Increase in expenditure budgets funded from ringfenced grants (compared to published 2020-25 Business Plan) as advised during the budget preparation period and permanent in-year changes made during 2020-21.
A/R.1.011	Base adjustment - Increase in Retained Duties grant	546	-	-	-	-	Budget increase funded by increase in Retained Duties grant.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**473,138**	**499,434**	**517,583**	**539,282**	**561,426**	
2	**INFLATION**						
A/R.2.001	Centrally funded inflation - Staff pay and employment costs	465	1,923	1,923	1,923	1,923	Forecast pressure from inflation relating to pay and employment costs. 2% pay inflation has been budgeted for years 1 and 2, with 1% for years 3-5.
A/R.2.002	Centrally funded inflation - Care Providers	3,375	787	2,158	2,223	2,290	Forecast pressure from general inflation relating to care providers, particularly on residential and nursing care for older people, which has seen around 7% of inflation through 2019/20 and 2020/21. Further pressure funding is provided below to enable the cost of the rising minimum wage to be factored into rates paid to providers. This line includes a challenging trajectory to bring care home inflation back to RPI by 2024/25.
A/R.2.003	Centrally funded inflation - Children in Care placements	639	653	666	680	694	Inflation is currently forecast at 1.8%.
A/R.2.004	Centrally funded inflation - Transport	770	497	507	517	527	Forecast pressure for inflation relating to transport. This is estimated at 3.2%.
A/R.2.005	Centrally funded inflation - Miscellaneous other budgets	1,460	1,449	653	669	687	Forecast pressure from inflation relating to miscellaneous other budgets, on average this is calculated at 0.2% increase.
A/R.2.006	Centrally funded inflation - Recommissioning of existing blocks	847	425	-	-	-	The Council's 360 historic block residential and nursing beds are reaching the end of the original contract period and need to be recommissioned. These beds are below the current market rate because of fixed uplifts over the contract life. While this has saved the council money, when recommissioned these beds will likely cost similar to current market rates, and so result in a pressure. If this was not done, the cost of 360 spot beds would be higher, and would be subject to greater inflationary increases each year.
2.999	**Subtotal Inflation**	**7,556**	**5,734**	**5,907**	**6,012**	**6,121**	

Section 3 - A: People and Communities

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans 2021-22 £000	Outline Plans 2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
3	**DEMOGRAPHY AND DEMAND**						
A/R.3.002	Funding for additional Physical Disabilities demand	740	717	658	618	415	The needs of people with physical disabilities are increasing and so care packages are becoming more complex. In particular, more hours of domiciliary care are being provided per person, and there is expected to be a rise in the number of residential placements. Funding has been redicrected from the Older People's demand bid to allow service users over 65 to continue being supported within the Physical Disabilities service.
A/R.3.003	Additional funding for Autism and Adult Support demand	303	264	269	274	280	Additional funding to ensure we meet the rising level of needs amongst people with autism and other vulnerable people. It is expected that 33 people will enter this service in 2021/22 with 8 leaving and so, based on the anticipated average cost, we are investing an additional £195k to ensure we give them the help they need. We are also investing an additional £64k to meet the increasing complexity in the needs of the people already cared for by the service and a further £45k to employ an additional social worker to help the team manage an unprecedented increase in the number of people accessing the service. This brings the total demand funding requested to £303k for 2021/22.
A/R.3.004	Additional funding for Learning Disability Partnership (LDP) demand	1,989	1,972	2,041	2,112	2,186	Additional funding to ensure we meet the rising level of needs amongst people with learning disabilities - We need to invest an additional £707k in 2021/22 to provide care for a projected 51 new service users (primarily young people) who outnumber the number of people leaving services. We also need to invest £1,768k in the increasing needs of existing service users and the higher complexity we are seeing in adults over age 25. A further £83k is neeed to increase the number of social workers, which has remained static for a number of years as service user numbers have increased. We're therefore allocating a total of £1,989k as the council's share to this pooled budget to ensure we provide the right care for people with learning disabilities.
A/R.3.005	Funding for Adult Mental Health Demand	212	217	204	189	191	Additional funding to ensure we meet the increased demand for care amongst working age adults with mental health needs. The current pattern of activity and expenditure is modelled forward using population forecasts and data relating to the prevalence of mental health needs, and we estimate that numbers will increase by about 1.5% each year.Some account is taken of the recovery over time of clients in receipt of section 117 aftercare and the additional demand this is placing on social care funding streams. This work has supported the case for additional funding of £212k in 2021-22 to ensure we can continue to provide the care for people who need it.
A/R.3.006	Additional funding for Older People demand	5,137	5,526	6,091	6,105	5,980	Additional funding to ensure we meet the increased demand for care amongst older people, providing care at home as well as residential and nursing placements. Population growth in Cambridgeshire and the fact that people are living longer results in steeply increasing numbers of older people requiring care. We estimate that numbers will increase by around 5.6% each year and the current pattern of activity and expenditure is modelled forward to estimate the additional budget requirement for each age group and type of care. Account is then taken of increasing complexity of cases coming through the service. This work has supported the case for additional funding of £6,225k in 2021-22 to ensure we can continue to provide the care for people who need it.

Section 3 - A: People and Communities

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans 2021-22 £000	Outline Plans 2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
A/R.3.007	Funding for Older People Mental Health Demand	305	313	328	341	352	Additional funding to ensure we meet the increased demand for care amongst older people with mental health needs, providing care at home as well as residential and nursing placements.The current pattern of activity and expenditure is modelled forward using population forecasts to estimate the additional budget requirement for each age group and type of care. We estimate that numbers will increase by about 3.3% each year. Some account is then taken of the recovery over time of clients in receipt of section 117 aftercare and the additional demand this is placing on social care funding streams. This work has supported the case for additional funding of £305k in 2021-22 to ensure we can continue to provide the care for people who need it.
A/R.3.008	Home to school transport mainstream	270	331	317	193	173	Additional funding required to provide home to school transport for pupils attending mainstream schools. This additional funding is required due to the anticipated 2.8% increase in the number of pupils attending Cambridgeshire's schools in 2021-22.
A/R.3.009	Home to school transport Children in Care	47	50	52	54	54	Additional funding required to provide home to school transport for Children in Care. This additional funding is required due to an anticipated 3.1% increase in the number of school-aged Children in Care in 2021-22.
A/R.3.010	Funding for Home to School Special Transport demand	1,510	1,688	1,888	2,110	2,360	Additional funding required to provide transport to education provision for children and young people with special educational needs (SEN). The additional funding is needed as there are increasing numbers of children with SEN and there is a trend towards increasingly complex needs, often requiring bespoke transport solutions.
A/R.3.011	Funding for rising numbers and need of Children in Care	246	950	980	1,010	1,042	Additional budget required to provide care for children who become looked after. As with many local authorities we have experienced a steady rise in the number of Children in Care in recent years, and an increase in the complexity of need and therefore the cost of suitable placements. The additional investment will ensure we can fully deliver our responsibilities as corporate parents and fund suitable foster, residential or other supported accommodation placements for all children entering care.
A/R.3.016	Funding for additional Special Guardianship Orders demand costs	263	295	332	373	419	Additional funding required to cover the cost of placing children with extended family and other suitable guardians. For children who come into the care system we need to invest in guardianship placements which provide stable, loving and permanent care for these children.
A/R.3.017	Funding for additional demand for Community Equipment	32	33	34	34	35	Over the last five years, our social work strategy has been successful in supporting a higher proportion of older people and people with disabilities to live at home (rather than requiring residential care). Additional funding is required to maintain the proportion of service users supported to live independently, through the provision of community equipment and home adaptations. This requirement is patent in the context of a rising population and the increasing complexity of the needs of the people in question.
A/R.3.018	Coroner Service	55	60	64	69	75	Extra costs associated with an increasing population and thus a higher number of deaths.
A/R.3.019	Children with Disabilities	81	85	89	93	97	Additional funding required for the increase in care packages provided for children and young people with disabilities under the age of 18 years.

Section 3 - A: People and Communities

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans 2021-22 £000	Outline Plans 2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
A/R.3.022	COVID Impact - Adult Social Care Demand	2,591	-514	-1,166	-345	-273	Adult social care is expected to face additional costs from Covid-19 mainly due to increased need over 2020/21. Within working age adults with disabilities, there has been some deconditioning over the pandemic period and more breakdowns in placements resulting in increased need. In Older People's services, there is some additional cost faced by more people being in more expensive care than would otherwise have been the case; but there has been a reduction in the overall numbers of people receiving care that has offset this. In addition, it is anticipated that need increase resulting from day centre closures and the need to maintain social distancing will result in additional pressure. This day centres pressure should no longer be present from 2023/24.
A/R.3.023	COVID Impact - Home to School Transport Mainstream demand	264	-264	-	-	-	It is assumed that additional costs for ensuring that no LA transport serves multiple schools will continue into summer term 2021.
A/R.3.024	COVID Impact - Home to School Transport Special demand	139	-139	-	-	-	It is assumed that some pupils at special schools will continue to travel in bubbles in the summer term of 2021.
A/R.3.025	COVID Impact - Domestic Abuse Service	74	-74	-	-	-	It is assumed that we will see increased referrals for Domestic Abuse services in 2021-22 requiring additional staffing capacity.
3.999	**Subtotal Demography and Demand**	**14,258**	**11,510**	**12,181**	**13,230**	**13,386**	
4	**PRESSURES**						
A/R.4.009	Impact of National Living Wage (NLW) on Adult Social Care Contracts	2,490	4,625	4,184	3,372	3,372	Following announcements in November 2020, the NLW will rise 18p (2.2%) in 2021/22. This will have an impact on the cost of purchasing care from external providers, but lower than originally expected as plans had assumed a 5.6% increase. This affects around 70% of most care costs. Pressures in later years assume the minimum wage rising by an amount each year closer to 5.5%.
A/R.4.012	Sleep-ins	400	-	-	-	-	Pressure due to the need, should the resolution to an ongoing court case require, to ensure external care providers are funded sufficiently to pay care staff at least the minimum wage for working hours spent sleeping. Currently a flat, per-night rate amounting to less than the minimum wage is commonly used.
A/R.4.013	Deprivation of Liberty Safeguards	45	-	-	-	-	The council has seen rising costs due to the need to progress a large number of best interest assessments where people are subject to deprivation of liberty safeguards. This has resulted in an increased level of spend on independent assessors. As legislation changes over coming years, the level of resource needed will be kept under review.
A/R.4.014	Personal Protective Equipment	900	-900	-	-	-	Due to Covid-19, the amount of PPE being used by frontline council staff has increased considerably. These are staff working in Reablement, council-run day centres and supported living units, schools and others. The pressure is an estimate based on experience and prices in 2020/21.
A/R.4.022	Dedicated Schools Grant Contribution to Combined Budgets	500	750	250	-	-	Based on historic levels of spend, an element of the Dedicated Schools Grant (DSG) spend is retained centrally and contributes to the overall funding for the LA. Schools Forum is required to approve the spend on an annual basis and, following national changes, these historic commitments/arrangements will unwind over time. This pressure reflects the reduction in the contribution to combined budgets, which is subject to an annual decision by Schools Forum.
A/R.4.023	Libraries to serve new developments	49	-	50	50	-	Revenue costs of providing library services to new commuities.

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Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans	Outline Plans				Description
		2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	
A/R.4.028	Independent reviewing officers	-85	-	-	-	-	Reversal of temporary investment into additional Independent Review Officer (IRO) capacity.
A/R.4.029	Coroner Service	-37	-	-	-	-	Reversal of temporarily funded posts in the Coroner Service.
A/R.4.032	Home to School Transport - Special	800	-	-	-	-	A greater than anticipated increase in the number of pupils with Education, Health and Care Plans (EHCPs) requiring transport to school, especially in the post-19 cohort, has resulted in an ongoing pressure of £800k on the Home to School - Special budget.
A/R.4.035	Home to School Transport - Mainstream	200	-	-	-	-	Additional funding to cover inflationary market pressures in prior years.
A/R.4.036	Decapitalisation of Community Equipment	900	-	400	-	-	Decapitalisation of Community Equipment
4.999	**Subtotal Pressures**	**6,162**	**4,475**	**4,884**	**3,422**	**3,372**	
5	**INVESTMENTS**						
A/R.5.001	Permanent Funding for Investments into Social Work	510	-	-	-	-	As part of the Adults Positive Challenge Programme, a number of investments were made from the Transformation Fund to deliver an ambitious package of demand management measures. This funding in 2021/22 is to provide a permanent basis for those investments that will need to continue, particularly investment in additional staff and equipment in Technology Enabled Care, and the ongoing costs of a mobile working system for Reablement.
A/R.5.003	Flexible Shared Care Resource	-	174	-	-	-	Ending of five year investment repayment period, for previous invest to save bid to bridge the gap between fostering, community support and residential provision. Investment repaid over 5 years, at £174k pa from 17/18 to 21/22, from savings in placement costs.
A/R.5.005	Investment in additional block beds	107	-	-	-	-	Following review by Adults Committee, a large number of additional block beds are being commissioned to replace spot purchases. This investment is the small increase in cost that results as newly commisisoned beds will replace older ones that had lower prices. OVer the medium term, this will save the council money as price increases will be managed, reflected in saving A/R.6.185 below
A/R.5.006	Care Homes Team	240	-120	-120	-	-	A two year pilot starting as part of the Covid response in October 2020, using a dedicated team of social workers to provide support to care homes.
A/R.5.008	Family Group Conferencing	-	250	-	-	-	Permanent investment in Family Group Conferencing service to replace temporary grant funding.
5.999	**Subtotal Investments**	**857**	**304**	**-120**	**-**	**-**	
6	**SAVINGS**						
	Adults						
A/R.6.114	Learning Disabilities Commissioning	-250	-	-	-	-	A programme of work commenced in Learning Disability Services in 2016/17 to ensure service-users had the appropriate level of care; some additional work remains, particularly focussing on high cost placements outside of Cambridgeshire and commissioning approaches, as well as the remaining part-year impact of savings made part-way through 2020/21, though at a lower level than originally anticipated.
A/R.6.174	Review of Supported Housing Commissioning	224	-	-	-	-	An ambitious saving was included in the 2018-23 Business Plan linked to a review of commissioning arrangements for supported housing. In 2021/22 there remains £224k of this saving left. Due to Covid-19 and other changes in legislation, it is not possible to deliver the rest of this saving.

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Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans 2021-22 £000	Outline Plans 2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
A/R.6.176	Adults Positive Challenge Programme	1,095	-100	-100	-	-	Through the Adults Positive Challenge Programme, the County Council has set out to design a new service model for Adult Social Care, which will continue to improve outcomes whilst also being financially sustainable in the face of the huge pressure on the sector. This programme had a savings target of £7.6m over two years, but delivery in 2020/21 was severely impacted by Covid-19. A full review of what opportunities identified by the programme remain deliverable has taken place, with estimates suggesting part of the saving is permanently impaired. In later years, the Preparing for Adulthood workstream will continue to have an effect by reducing the level of demand on services from young people transitioning into adulthood.
A/R.6.177	Cambridgeshire Lifeline Project	-	-10	-122	-50	-	The aim of this project is for Cambridgeshire Technology Enabled Care (TEC) to become a Lifeline provider so that the income from the charges to customers funds the provision of the Lifeline service, as well as additional savings.
A/R.6.179	Mental Health Commissioning	-24	-24	-	-	-	A retender of supported living contracts gives an opportunity to increase capacity and prevent escalation to higher cost services, over several years. In addition, a number of contract changes took place in 2019/20 that have enabled a saving to be taken.
A/R.6.180	Review of commissioning approaches for accommodation based care	-	-350	-375	-	-	We are exploring alternative models of delivery for residential and nursing care provision, including a tenancy based model that should deliver savings to the council.
A/R.6.181	Review of commissioned domiciliary care	300	-	-	-	-	A saving was identified for 2020/21 around reviewing packages of domiciliary care to ensure that they were appropriate to meet people's needs. Following the impact of the Covid-19 pandemic, this saving is no longer achievable. The pandemic has highlighted that domiciliary care needs to be commissioned in a more outcomes focussed way, which minimises the savings opportunity originally identified. A further efficiency should be achieved once outcome focussed commissioning is established.
A/R.6.185	Additional block beds - inflation saving	-606	-583	-456	-470	-484	Through commissioning additional block beds, referred to in A/R.5.005, we can reduce the amount of inflation funding needed for residential and nursing care. Block contracts have set uplifts each year, rather than seeing inflationary increases each time new spot places are commissioned.
A/R.6.186	Adult Social Care Transport	-250	-	-	-	-	Savings can be made in transport costs through a project to review commissioning arrangements, best value, route optimisation and demand management opportunities. This may require transformation funded resource to achieve fully.
A/R.6.187	Additional vacancy factor	-150	-	-	-	-	Whilst effort is made to ensure all critical posts are filled within People and Communities, slippage in staffing spend always occurs. For many years, a vacancy factor has existed in P&C budgets to account for this; following a review of the level of vacancy savings achieved in recent years we are able to increase that vacancy factor.
A/R.6.188	Micro-enterprises Support	-30	-133	-	-	-	Transformation funding has been agreed for new approach to supporting the care market, focussing on using micro-enterprises to enable a more local approach to domiciliary care and personal assistants. As well as benefits to an increased local approach and competition, this work should result in a lower cost of care overall.

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Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans 2021-22 £000	Outline Plans 2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
A/R.6.189	Learning Disability Partnership Pooled Budget Rebaselining	-	-2,574	-	-	-	The Learning Disability Partnership is a pooled budget with the NHS covering most spend on people with learning disabilities by the NHS and Council in Cambridgeshire. In November 2019, Adults Committee agreed funding for a programme of work to review the relative health and social care needs of people with learning disabilities to establish if the Council and NHS contributions to the pool should be rebaselined. While this work has been delayed due to Covid and is now expected to be completed in 2021/22, early work on a sample of cases suggests a rebaselining will likely be in the Council's favour. This line is based on the outcomes for that sample being representative, with some dampening.
	C&YP						
A/R.6.210	Unaccompanied Asylum Seeking Young People: Support Costs	-300	-	-	-	-	During 2020/21, the Government increased the weekly amount it provides to local authorities to support unaccompanied asylum seeking young people. This means that the grant now covers more of the costs of meeting the accommodation and support needs of unaccompanied asylum seeking young people and care leavers. Accordingly, it is possible to make a saving in the contribution to these costs that the Council has historically made from core budgets of £300K per annum. Also the service has worked to ensure that placement costs are kept a minimum, without compromising quality, and that young people move from their 'care' placement promptly at age 18 to appropriately supported housing provision.
A/R.6.211	Adoption and Special Guardianship Order Allowances	-500	-	-	-	-	A reduction in the number of children coming into care , due to implementation of the Family Safeguarding model and less active care proceedings, means that there are fewer children progressing to adoption or to permanent arrangements with relatives under Special Guardianship Orders. This in turn means that there are fewer carers who require and/or are entitled to receiving financial support in the form of adoption and Special Guardianship Order allowances.
A/R.6.212	Clinical Services; Children and young people	-250	-	-	-	-	Changes to the clinical offer will include a reduction in clinical staff input in the Family Safeguarding Service (previously social work Units) due to changes resulting form the implementation of the Family Safeguarding model, including the introduction of non-case holding Team Managers and Adult practitioners. Additional investment is to be made in developing a shared clinical servicefor Cambridgeshire and Peterborough for corporate parenting, however a residual saving of £250k can be released. In 2022-23 this will be re-invested in the Family Group Conferencing Service (see proposal A/R.5.008)
A/R.6.255	Children in Care - Placement composition and reduction in numbers	-246	-	-	-	-	Through a mixture of continued recruitment of our own foster carers (thus reducing our use of Independent Foster Agencies) and a reduction in overall numbers of children in care, overall costs of looking after children and young people can be reduced in 2021/22.
A/R.6.266	Children in Care Stretch Target - Demand Management	-1,000	-	-	-	-	Please see A/R.6.255 above.
A/R.6.267	Children's Disability 0-25 Service	-50	-100	-100	-	-	The Children's Disability 0-25 service has been restructured into teams (from units) to align with the structure in the rest of children's social care. This has released a £50k saving on staffing budgets. In future years, ways to reduce expenditure on providing services to children will be explored in order to bring our costs down to a level closer to that of our statistical neighbours.
A/R.6.268	Transport - Children in Care	-300	-	-	-	-	The impact of ongoing process improvements in the commissioning of transport for children in care.
	C&P						
A/R.6.269	Communities and Partnership Review	-200	-	-	-	-	A review of services within C&P where efficiencies, or increased income, can be found.

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Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	2021-22 £000 (Detailed Plans)	2022-23 £000 (Outline Plans)	2023-24 £000	2024-25 £000	2025-26 £000	Description
6.999	**Subtotal Savings**	**-2,537**	**-3,874**	**-1,153**	**-520**	**-484**	
	TOTAL GROSS EXPENDITURE	**499,434**	**517,583**	**539,282**	**561,426**	**583,821**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
A/R.7.001	Previous year's fees, charges & ring-fenced grants	-186,208	-196,904	-198,358	-199,199	-199,703	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
A/R.7.002	Changes to fees and charges compared to 2021-21	-2,900	-	-	-	-	Adjustment for changes to income expectation from decisions made during budget preparation period and permanent changes made during 2020-21.
A/R.7.003	Fees and charges inflation	-469	-501	-498	-504	-511	Increase in external charges to reflect inflation pressures on the costs of services.
A/R.7.004	Transfer of Traded Services income from C&I to P&C	-3,740	-	-	-	-	Transfer of Traded Services income from C&I to P&C
A/R.7.005	Transferred Function - Joint Recruitment Team	78	-	-	-	-	Transfer of the cross-function Recruitment Team from P&C to HR within Corporate Services
	Changes to fees & charges						
A/R.7.107	COVID Impact - Education income	107	-107	-	-	-	We anticipate a reduction in various traded income streams across Education in the summer term of 2021.
A/R.7.108	COVID Impact - Outdoor Centres	880	-766	-114	-	-	A reduction of income in the summer term of 2021 is expected at the Outdoor Centres. If guidance around residential visits is updated then this position may improve.
A/R.7.109	COVID Impact - School Absence Penalty Notices	150	-150	-	-	-	We anticipate a reduced income from Absence Penalty Notices in 2021-22.
A/R.7.110	COVID Impact - Registration Service	129	-64	-65	-	-	We anticipate a reduced number of weddings and civil partnerships in the early part of 2021-22 resulting in a corresponding reduction in income.
A/R.7.111	Client Contributions Policy Changes	-	-562	-164	-	-	The contributions policy for adult social care was revised by Adults Committee in 2020. This line reflects the additional income into 2022/23 as reassessments are carried out, including a projected re-pahsing needed due to the impact of Covid on the reassessment plan.
	Changes to ring-fenced grants						
A/R.7.201	Change in Public Health Grant	-	293	-	-	-	Change in ring-fenced Public Health grant to reflect expected treatment as a corporate grant from 2022-23, due to removal of ring-fence.
A/R.7.202	Home to School Transport - grant funding	-403	403	-	-	-	An assumption that increased Home to School Transport costs realating to Covid-19 will continue to be met from DfE grant funding.
A/R.7.205	Strengthening Families Protecting Children Grant	1,600	-	-	-	-	To improve work with families and safely reduce the number of children entering care through adopting the Family Safeguarding approach
A/R.7.209	High Needs Block DSG funding	-6,128	-	-	-	-	Revised High Needs Block Dedicated schools grant (DSG) baseline, following increases in funding and transfers from Schools Block in 2020/21.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-196,904**	**-198,358**	**-199,199**	**-199,703**	**-200,214**	
	TOTAL NET EXPENDITURE	**302,530**	**319,225**	**340,083**	**361,723**	**383,607**	

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Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	2021-22 £000 (Detailed Plans)	2022-23 £000 (Outline Plans)	2023-24 £000 (Outline Plans)	2024-25 £000 (Outline Plans)	2025-26 £000 (Outline Plans)	Description
FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
A/R.8.001	Budget Allocation	-302,530	-319,225	-340,083	-361,723	-383,607	Net spend funded from general grants, business rates and Council Tax.
A/R.8.002	Fees & Charges	-66,915	-69,065	-69,906	-70,410	-70,921	Fees and charges for the provision of services.
A/R.8.003	Expected income from Cambridgeshire Maintained Schools	-7,783	-7,783	-7,783	-7,783	-7,783	Expected income from Cambridgeshire maintained schools.
A/R.8.004	Dedicated Schools Grant (DSG)	-81,977	-81,977	-81,977	-81,977	-81,977	Elements of the DSG centrally managed by P&C to support High Needs and central services.
A/R.8.005	Better Care Fund (BCF) Allocation for Social Care	-16,950	-16,950	-16,950	-16,950	-16,950	The NHS and County Council pool budgets through the Better Care Fund (BCF), promoting joint working. This line shows the revenue funding flowing from the BCF into Social Care.
A/R.8.006	Home to School Transport - grant funding	-403	-	-	-	-	An assumption that increased Home to School Transport costs relating to Covid-19 will continue to be met from DfE grant funding.
A/R.8.007	Youth Justice Board Good Practice Grant	-500	-500	-500	-500	-500	Youth Justice Board Good Practice Grant.
A/R.8.009	Social Care in Prisons Grant	-339	-339	-339	-339	-339	Care Act New Burdens funding.
A/R.8.011	Improved Better Care Fund	-14,725	-14,725	-14,725	-14,725	-14,725	Improved Better Care Fund grant.
A/R.8.012	Education and Skills Funding Agency Grant	-2,080	-2,080	-2,080	-2,080	-2,080	Ring-fenced grant funding for the Adult Learning and Skills service.
A/R.8.015	Staying Put Implementation Grant	-175	-175	-175	-175	-175	DfE funding to support young people to continue to live with their former foster carers once they turn 18
A/R.8.016	Unaccompanied Asylum Seeking Children (UASC)	-3,400	-3,400	-3,400	-3,400	-3,400	Home Office funding to reimburse costs incurred in supporting and caring for unaccompanied asylum seeking children
A/R.8.018	Pupil Premium Grant	-1,364	-1,364	-1,364	-1,364	-1,364	Deployment of Pupil Premium Grant to support the learning outcomes of care experienced children
A/R.8.401	Public Health Funding	-293	-	-	-	-	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-499,434**	**-517,583**	**-539,282**	**-561,426**	**-583,821**	

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Table 4: Capital Programme
Budget Period: 2021-22 to 2030-31

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
Ongoing	35,817	-	5,097	-6,704	-3,352	4,481	7,838	28,457
Committed Schemes	295,911	132,993	28,624	64,939	50,586	16,643	2,082	44
2020-2021 Starts	11,380	40	350	6,600	4,100	290	-	-
2021-2022 Starts	110,503	2,010	10,630	63,306	29,543	4,934	80	-
2022-2023 Starts	16,384	1	-	1,385	11,850	3,015	133	-
2023-2024 Starts	30,445	59	-	200	10,091	13,600	6,155	340
2025-2026 Starts	11,860	-	-	-	-	-	520	11,340
2026-2027 Starts	13,300	-	-	-	-	-	-	13,300
TOTAL BUDGET	**525,600**	**135,103**	**44,701**	**129,726**	**102,818**	**42,963**	**16,808**	**53,481**

Summary of Schemes by Category	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
Basic Need - Primary	191,620	50,986	12,351	44,926	52,909	16,250	898	13,300
Basic Need - Secondary	236,548	65,996	11,080	74,146	44,591	21,293	7,762	11,680
Basic Need - Early Years	6,973	6,007	665	301	-	-	-	-
Adaptations	6,988	613	1,475	4,535	350	15	-	-
Condition & Maintenance	23,500	-	3,000	3,250	3,250	3,250	3,250	7,500
Building Schools for the Future	-	-	-	-	-	-	-	-
Schools Managed Capital	7,317	-	813	813	813	813	813	3,252
Specialist Provision	24,661	8,796	2,894	6,400	6,350	221	-	-
Site Acquisition & Development	1,355	-	305	1,050	-	-	-	-
Temporary Accommodation	8,000	-	1,000	750	750	750	750	4,000
Children Support Services	5,875	-	675	650	650	650	650	2,600
Adult Social Care	54,511	565	12,029	9,024	4,699	4,699	4,699	18,796
Cultural & Community Services	6,285	2,140	3,353	300	492	-	-	-
Capital Programme Variation	-48,033	-	-4,939	-16,419	-12,036	-4,978	-2,014	-7,647
Corporate Services	-	-	-	-	-	-	-	-
TOTAL BUDGET	**525,600**	**135,103**	**44,701**	**129,726**	**102,818**	**42,963**	**16,808**	**53,481**

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Table 4: Capital Programme

Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
A/C.01	**Basic Need - Primary**											
A/C.01.021	North West Cambridge (NIAB site) primary	New 2 form entry school with 52 Early Years provision: £8,877k Basic Need requirement 420 places £1,700k Early Years Basic Need 52 places £1,200k Community facilities - Children's Centre		Committed	11,777	646	40	6,852	4,000	239	-	-
A/C.01.029	Confidential Scheme	Confidential Scheme		Committed	10,570	50	200	3,500	4,500	2,150	170	-
A/C.01.034	St Neots, Wintringham Park primary	New 3 form entry school with 78 Early Years provision: £11,517k Basic Need requirement 630 places £2,665k Early Years Basic Need 78 places		Committed	14,182	13,940	170	72	-	-	-	-
A/C.01.040	Confidential Scheme	Confidential Scheme		Committed	3,350	6		46	1,798	1,300	200	-
A/C.01.041	Barrington Primary	Expansion to 1 form of entry: £2,800k Basic Need requirement		Committed	2,800	2,800		-	-	-	-	-
A/C.01.043	Confidential Scheme	Confidential Scheme		2021-22	5,565	21	650	3,000	1,800	94	-	-
A/C.01.044	Confidential Scheme	Confidential Scheme		2021-22	10,580	-	290	7,400	2,600	290	-	-
A/C.01.048	Histon Additional Places	Expansion of 2 form entry primary and 2 form entry Early Years in the Histon area: £15,026k Basic Need requirement 210 places £2,000k Early Years Basic Need 52 places		Committed	17,026	16,718	308	-	-	-	-	-
A/C.01.049	Confidential Scheme	Confidential Scheme		2023-24	14,315	-		200	9,500	4,300	315	-
A/C.01.052	Confidential Scheme	Confidential Scheme		2026-27	13,300	-		-	-	-	-	13,300
A/C.01.056	Confidential Scheme	Confidential Scheme		2022-23	11,133	-		300	7,700	3,000	133	-
A/C.01.062	Waterbeach Primary School	Expansion of 1 form of entry due to in-catchment development: £6,611 Basic Need requirement 120 places		Committed	6,611	6,446	165	-	-	-	-	-
A/C.01.065	New Road Primary	Expansion to 2 form of entry: £6,559k Basic Need requirement		Committed	6,559	6,188	371	-	-	-	-	-
A/C.01.066	Bassingbourn Primary School	Expansion		Committed	2,765	2,698	67	-	-	-	-	-
A/C.01.067	WING Development - Cambridge (new primary)	New 2 form entry school with 52 Early Years provision and community facilities: £9,734k Basic Need requirement 420 places £1,560k Early Years Basic Need 52 places		Committed	11,294	817	7,100	3,200	177	-	-	-
A/C.01.068	St Philips Primary School	Expansion of 0.5 form of entry: £1,627k Basic Need requirement 60 places		Committed	1,627	96	890	600	41	-	-	-

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Table 4: Capital Programme
Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
A/C.01.069	Confidential Scheme	Confidential Scheme		Committed	3,890	10	100	150	2,700	930	-	-
A/C.01.070	Confidential Scheme	Confidential Scheme		Committed	1,390	440	950	-	-	-	-	-
A/C.01.071	Confidential Scheme	Confidential Scheme		2020-21	6,380	20	200	3,300	2,600	260	-	-
A/C.01.072	Confidential Scheme	Confidential Scheme		2021-22	6,595	-	230	3,456	2,643	266	-	-
A/C.01.073	Confidential Scheme	Confidential Scheme		2021-22	2,400	-	20	200	2,000	180	-	-
A/C.01.074	Confidential Scheme	Confidential Scheme		2020-21	5,000	20	150	3,300	1,500	30	-	-
A/C.01.075	Confidential Scheme	Confidential Scheme		2021-22	5,160	-	20	200	3,000	1,890	50	-
A/C.01.076	Confidential Scheme	Confidential Scheme		2021-22	3,850	-	50	350	2,450	970	30	-
A/C.01.077	Confidential Scheme	Confidential Scheme		2021-22	11,701	70	300	7,600	3,400	331	-	-
A/C.01.078	Confidential Scheme	Confidential Scheme		2021-22	1,800	-	80	1,200	500	20	-	-
	Total - Basic Need - Primary				**191,620**	**50,986**	**12,351**	**44,926**	**52,909**	**16,250**	**898**	**13,300**
A/C.02	**Basic Need - Secondary**											
A/C.02.006	Northstowe secondary	New 4 form entry school (with 12 form entry core facilities) & 100 place SEN Provision: £49,101k Basic Need requirement 600 places		Committed	49,101	48,153	500	448	-	-	-	-
A/C.02.007	Confidential Scheme	Confidential Scheme		Committed	21,700	18	300	1,500	15,000	4,500	382	-
A/C.02.009	Alconbury Weald secondary and Special	New 4 form entry school (with 8 form entry core facilities): £30,500k Basic Need requirement 600 places £15,000k SEN 110 places		Committed	45,500	880	1,400	22,000	14,000	6,200	1,020	-
A/C.02.011	New secondary capacity to serve Wisbech	New 4 form entry school with 8FE core and SEMH provision: £26,500k Basic Need requirement 750 places £12,300 SEMH Provision		2021-22	38,800	1,083	1,700	27,500	7,800	717	-	-
A/C.02.012	Cromwell Community College	Expansion to accomodate the development of an all-through school with a 2-19 age range. £9,202k Basic Need Secondary requirement 150 places 7 to 8 form entry £7,115k Basic Need Primary requirement 210 places		Committed	16,317	15,269	950	98	-	-	-	-
A/C.02.013	Confidential Scheme	Confidential Scheme		2023-24	11,130	59		-	441	6,500	3,940	190
A/C.02.014	Confidential Scheme	Confidential Scheme		2025-26	11,860	-		-	-	-	520	11,340
A/C.02.015	Confidential Scheme	Confidential Scheme		2021-22	8,840	34	230	5,100	3,300	176	-	-
A/C.02.016	Cambourne Village College Phase 3b	New 2 form entry secondary places with new 350 place sixth form provision: £28,300k Basic Need requirement 650 place		Committed	28,300	500	6,000	17,500	3,900	400	-	-

Section 3 - A: People and Communities
Table 4: Capital Programme
Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
A/C.02.017	Confidential Scheme	Confidential Scheme		2023-24	5,000	-		-	150	2,800	1,900	150
	Total - Basic Need - Secondary				**236,548**	**65,996**	**11,080**	**74,146**	**44,591**	**21,293**	**7,762**	**11,680**
A/C.03	**Basic Need - Early Years**											
A/C.03.003	LA Early Years Provision	Funding which enables the Council to increase the number of free Early Years funded places to ensure the Council meets its statutory obligation. This includes providing one-off payments to external providers to help meet demand as well as increasing capacity attached to Cambridgeshire primary schools.		Committed	6,164	5,710	454	-	-	-	-	-
A/C.03.004	Cottenham Early Years	Full Day Nursery Provision - Cottenham		Committed	809	297	211	301	-	-	-	-
	Total - Basic Need - Early Years				**6,973**	**6,007**	**665**	**301**	**-**	**-**	**-**	**-**
A/C.04	**Adaptations**											
A/C.04.007	Confidential Scheme	Confidential Scheme		2022-23	351	1		35	300	15	-	-
A/C.04.008	Confidential Scheme	Confidential Scheme		2021-22	6,000	600	850	4,500	50	-	-	-
A/C.04.009	Sawtry Infants Adaptations	Works to address long standing deficiencies and condition issues.		2021-22	637	12	625	-	-	-	-	-
	Total - Adaptations				**6,988**	**613**	**1,475**	**4,535**	**350**	**15**	**-**	**-**
A/C.05	**Condition & Maintenance**											
A/C.05.001	School Condition, Maintenance & Suitability	Funding that enables the Council to undertake work that addresses condition and suitability needs identified in schools' asset management plans, ensuring places are sustainable and safe.		Ongoing	23,500	-	3,000	3,250	3,250	3,250	3,250	7,500
	Total - Condition & Maintenance				**23,500**	**-**	**3,000**	**3,250**	**3,250**	**3,250**	**3,250**	**7,500**
A/C.07	**Schools Managed Capital**											
A/C.07.001	School Devolved Formula Capital	Funding is allocated directly to Cambridgeshire Maintained schools to enable them to undertake low level refurbishments and condition works.		Ongoing	7,317	-	813	813	813	813	813	3,252
	Total - Schools Managed Capital				**7,317**	**-**	**813**	**813**	**813**	**813**	**813**	**3,252**
A/C.08	**Specialist Provision**											
A/C.08.003	SEN Pupil Adaptations	This budget is to fund child specific adaptations to facilitate the placement of children with SEND in line with decisions taken by the County Resourcing Panel.		Ongoing	300	-	150	150	-	-	-	-
A/C.08.004	Confidential Scheme	Confidential Scheme		2022-23	4,000	-		150	3,850	-	-	-

Section 3 - A: People and Communities

Table 4: Capital Programme

Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
A/C.08.005	Spring Common Special School	Replace mobile classrooms with permanent accommodation. Create specialist rooms to meet the needs of pupils with Special Education Needs, including therapy and hygiene rooms in accordance with government guidelines		Committed	3,068	1,768	1,200	100	-	-	-	-
A/C.08.006	Highfields Special School Phase 2	This scheme is provide essential ancillary facilities recommended for a school of this size and nature		Committed	6,983	6,789	194	-	-	-	-	-
A/C.08.007	Confidential Scheme	Confidential Scheme		Committed	10,310	239	1,350	6,000	2,500	221	-	-
	Total - Specialist Provision				**24,661**	**8,796**	**2,894**	**6,400**	**6,350**	**221**	**-**	**-**
A/C.09	**Site Acquisition & Development**											
A/C.09.001	Site Acquisition, Development, Analysis and Investigations	Funding which enables the Council to undertake investigations and feasibility studies into potential land acquisitions to determine their suitability for future school development sites.		Ongoing	300	-	150	150	-	-	-	-
A/C.09.003	Confidential Scheme	Confidential Scheme		2021-22	155	-	155	-	-	-	-	-
A/C.09.004	Confidential Scheme	Confidential Scheme		2022-23	900	-		900	-	-	-	-
	Total - Site Acquisition & Development				**1,355**	**-**	**305**	**1,050**	**-**	**-**	**-**	**-**
A/C.10	**Temporary Accommodation**											
A/C.10.001	Temporary Accommodation	Funding which enables the Council to increase the number of school places provided through use of mobile accommodation. This scheme covers the cost of purchasing new mobiles and the transportation of provision across the county to meet demand.		Ongoing	8,000	-	1,000	750	750	750	750	4,000
	Total - Temporary Accommodation				**8,000**	**-**	**1,000**	**750**	**750**	**750**	**750**	**4,000**
A/C.11	**Children Support Services**											
A/C.11.001	Children's Minor Works and Adaptions	Funding which enables remedial and essential work to be undertaken, maintaining the Council's in-house LAC provision.		Ongoing	25	-	25	-	-	-	-	-
A/C.11.003	P&C Buildings & Capital Team Capitalisation	Salaries for the Buildings and Capital Team are to be capitalised on an ongoing basis. These are budgeted as one line, but are eventually capitalised against individual schemes.		Ongoing	5,850	-	650	650	650	650	650	2,600
	Total - Children Support Services				**5,875**	**-**	**675**	**650**	**650**	**650**	**650**	**2,600**

Section 3 - A: People and Communities
Table 4: Capital Programme
Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
A/C.12	**Adult Social Care**											
A/C.12.004	Disabled Facilities Grant	Funding provided through the Better Care Fund, in partnership with local housing authorities. Disabled Facilities Grant enables accommodation adaptations so that people with disabilities can continue to live in their own homes.		Ongoing	42,291	-	4,699	4,699	4,699	4,699	4,699	18,796
A/C.12.005	Integrated Community Equipment Service	Funding to continue annual capital investment in community equipment that helps people to sustain their independence. The Council contributes to a pooled budget purchasing community equipment for health and social care needs for people of all ages		Ongoing	800	-	400	400	-	-	-	-
A/C.12.006	East Cambridgeshire Adult Service Development	Provision of 6 units of accommodation on one site to provide a specialist Supported Living Service for adults with learning disabilities and /or autism.		Committed	3,000	375	1,500	1,125	-	-	-	-
A/C.12.007	Care Suites : East Cambridgeshire	Care suite accommodation in Ely for 65 people and an additional 15 health beds		2021-22	8,420	190	5,430	2,800	-	-	-	-
	Total - Adult Social Care				**54,511**	**565**	**12,029**	**9,024**	**4,699**	**4,699**	**4,699**	**18,796**
A/C.13	**Cultural & Community Services**											
A/C.13.004	Community Fund	A £5m fund that will help to deliver a range of community based investments that support the Council's aspiration of "Making Cambridgeshire a great place to live".		Committed	5,000	2,000	3,000	-	-	-	-	-
A/C.13.005	Histon Library Rebuild	New library provision to meet the community needs and emulates a welcoming central venue for the Histon community.		Committed	113	10	103	-	-	-	-	-
A/C.13.006	Confidential Scheme	Confidential Scheme		Committed	1,172	130	250	300	492	-	-	-
	Total - Cultural & Community Services				**6,285**	**2,140**	**3,353**	**300**	**492**	**-**	**-**	**-**
A/C.14	**Capital Programme Variation**											
A/C.14.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-52,566	-	-5,790	-17,566	-13,514	-5,681	-2,324	-7,691

Section 3 - A: People and Communities

Table 4: Capital Programme

Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
A/C.14.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	4,533	-	851	1,147	1,478	703	310	44
	Total - Capital Programme Variation				**-48,033**	**-**	**-4,939**	**-16,419**	**-12,036**	**-4,978**	**-2,014**	**-7,647**
	TOTAL BUDGET				**525,600**	**135,103**	**44,701**	**129,726**	**102,818**	**42,963**	**16,808**	**53,481**

Funding	Total Funding £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
Government Approved Funding								
Basic Need	51,714	33,539	-	-	4,496	5,139	4,800	3,740
Capital Maintenance	21,959	346	3,113	3,000	3,000	2,500	2,500	7,500
Devolved Formula Capital	7,317	-	813	813	813	813	813	3,252
Specific Grants	47,436	3,145	5,699	5,699	4,699	4,699	4,699	18,796
Total - Government Approved Funding	**128,426**	**37,030**	**9,625**	**9,512**	**13,008**	**13,151**	**12,812**	**33,288**
Locally Generated Funding								
Agreed Developer Contributions	99,928	10,541	8,753	29,833	31,358	13,392	287	5,764
Anticipated Developer Contributions	65,509	6,691	7,389	22,218	17,740	3,822	-	7,649
Prudential Borrowing	218,228	57,678	21,569	63,087	48,051	17,354	3,709	6,780
Prudential Borrowing (Repayable)	2,118	12,972	-2,635	3,876	-7,339	-4,756	-	-
Other Contributions	11,391	10,191	-	1,200	-	-	-	-
Total - Locally Generated Funding	**397,174**	**98,073**	**35,076**	**120,214**	**89,810**	**29,812**	**3,996**	**20,193**
TOTAL FUNDING	**525,600**	**135,103**	**44,701**	**129,726**	**102,818**	**42,963**	**16,808**	**53,481**

Section 3 - A: People and Communities

Table 5: Capital Programme - Funding

Budget Period: 2021-22 to 2030-31

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	35,817	71,221	-24,839	-	-	-10,565
Committed Schemes	295,911	41,453	110,134	10,191	-	134,133
2020-2021 Starts	11,380	260	4,107	-	-	7,013
2021-2022 Starts	110,503	3,620	33,216	1,200	-	72,467
2022-2023 Starts	16,384	-	11,133	-	-	5,251
2023-2024 Starts	30,445	8,322	14,841	-	-	7,282
2025-2026 Starts	11,860	225	7,300	-	-	4,335
2026-2027 Starts	13,300	3,325	9,545	-	-	430
TOTAL BUDGET	**525,600**	**128,426**	**165,437**	**11,391**	**-**	**220,346**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.01	**Basic Need - Primary**									
A/C.01.021	North West Cambridge (NIAB site) primary		-	Committed	11,777	90	7,327	-	-	4,360
A/C.01.029	Confidential Scheme		-	Committed	10,570	50	2,029	-	-	8,491
A/C.01.034	St Neots, Wintringham Park primary		-	Committed	14,182	2,271	10,462	-	-	1,449
A/C.01.040	Confidential Scheme		-	Committed	3,350	-	3,350	-	-	-
A/C.01.041	Barrington Primary		-	Committed	2,800	1,580	419	-	-	801
A/C.01.043	Confidential Scheme		-	2021-22	5,565	21	519	-	-	5,025
A/C.01.044	Confidential Scheme		-	2021-22	10,580	1,199	8,801	-	-	580
A/C.01.048	Histon Additional Places		-	Committed	17,026	9,652	-	-	-	7,374
A/C.01.049	Confidential Scheme		-	2023-24	14,315	-	12,714	-	-	1,601
A/C.01.052	Confidential Scheme		-	2026-27	13,300	3,325	9,545	-	-	430
A/C.01.056	Confidential Scheme		-	2022-23	11,133	-	11,133	-	-	-
A/C.01.062	Waterbeach Primary School		-	Committed	6,611	620	381	-	-	5,610
A/C.01.065	New Road Primary		-	Committed	6,559	606	2,265	-	-	3,688
A/C.01.066	Bassingbourn Primary School		-	Committed	2,765	1,010	-	2	-	1,753
A/C.01.067	WING Development - Cambridge (new primary)		-	Committed	11,294	-	8,642	-	-	2,652
A/C.01.068	St Philips Primary School		-	Committed	1,627	-	1,620	-	-	7
A/C.01.069	Confidential Scheme		-	Committed	3,890	2,037	280	-	-	1,573
A/C.01.070	Confidential Scheme		-	Committed	1,390	-	-	-	-	1,390
A/C.01.071	Confidential Scheme		-	2020-21	6,380	260	4,090	-	-	2,030
A/C.01.072	Confidential Scheme		-	2021-22	6,595	-	6,595	-	-	-
A/C.01.073	Confidential Scheme		-	2021-22	2,400	-	427	-	-	1,973
A/C.01.074	Confidential Scheme		-	2020-21	5,000	-	17	-	-	4,983
A/C.01.075	Confidential Scheme		-	2021-22	5,160	-	1,469	-	-	3,691
A/C.01.076	Confidential Scheme		-	2021-22	3,850	-	1,236	-	-	2,614
A/C.01.077	Confidential Scheme		-	2021-22	11,701	-	11,701	-	-	-

Section 3 - A: People and Communities

Table 5: Capital Programme - Funding

Budget Period: 2021-22 to 2030-31

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.01.078	Confidential Scheme		-	2021-22	1,800	-	-	-	-	1,800
	Total - Basic Need - Primary		**-**		**191,620**	**22,721**	**105,022**	**2**	**-**	**63,875**
A/C.02	**Basic Need - Secondary**									
A/C.02.006	Northstowe secondary		-	Committed	49,101	8,195	11,309	10,024	-	19,573
A/C.02.007	Confidential Scheme		-	Committed	21,700	-	19,650	-	-	2,050
A/C.02.009	Alconbury Weald secondary and Special		-	Committed	45,500	1,660	23,400	-	-	20,440
A/C.02.011	New secondary capacity to serve Wisbech		-	2021-22	38,800	1,005	164	-	-	37,631
A/C.02.012	Cromwell Community College		-	Committed	16,317	8,537	3,325	-	-	4,455
A/C.02.013	Confidential Scheme		-	2023-24	11,130	8,322	2,127	-	-	681
A/C.02.014	Confidential Scheme		-	2025-26	11,860	225	7,300	-	-	4,335
A/C.02.015	Confidential Scheme		-	2021-22	8,840	1,395	2,304	-	-	5,141
A/C.02.016	Cambourne Village College Phase 3b		-	Committed	28,300	-	14,810	-	-	13,490
A/C.02.017	Confidential Scheme		-	2023-24	5,000	-	-	-	-	5,000
	Total - Basic Need - Secondary		**-**		**236,548**	**29,339**	**84,389**	**10,024**	**-**	**112,796**
A/C.03	**Basic Need - Early Years**									
A/C.03.003	LA Early Years Provision		-	Committed	6,164	1,600	56	165	-	4,343
A/C.03.004	Cottenham Early Years		-	Committed	809	-	809	-	-	-
	Total - Basic Need - Early Years		**-**		**6,973**	**1,600**	**865**	**165**	**-**	**4,343**
A/C.04	**Adaptations**									
A/C.04.007	Confidential Scheme		-	2022-23	351	-	-	-	-	351
A/C.04.008	Confidential Scheme		-	2021-22	6,000	-	-	1,200	-	4,800
A/C.04.009	Sawtry Infants Adaptations		-	2021-22	637	-	-	-	-	637
	Total - Adaptations		**-**		**6,988**	**-**	**-**	**1,200**	**-**	**5,788**
A/C.05	**Condition & Maintenance**									
A/C.05.001	School Condition, Maintenance & Suitability		-	Ongoing	23,500	21,500	-	-	-	2,000
	Total - Condition & Maintenance		**-**		**23,500**	**21,500**	**-**	**-**	**-**	**2,000**
A/C.07	**Schools Managed Capital**									
A/C.07.001	School Devolved Formula Capital		-	Ongoing	7,317	7,317	-	-	-	-
	Total - Schools Managed Capital		**-**		**7,317**	**7,317**	**-**	**-**	**-**	**-**

Section 3 - A: People and Communities

Table 5: Capital Programme - Funding

Budget Period: 2021-22 to 2030-31

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.08	**Specialist Provision**									
A/C.08.003	SEN Pupil Adaptations		-	Ongoing	300	-	-	-	-	300
A/C.08.004	Confidential Scheme		-	2022-23	4,000	-	-	-	-	4,000
A/C.08.005	Spring Common Special School		-	Committed	3,068	-	-	-	-	3,068
A/C.08.006	Highfields Special School Phase 2		-	Committed	6,983	1,545	-	-	-	5,438
A/C.08.007	Confidential Scheme		-	Committed	10,310	-	-	-	-	10,310
	Total - Specialist Provision		**-**		**24,661**	**1,545**	**-**	**-**	**-**	**23,116**
A/C.09	**Site Acquisition & Development**									
A/C.09.001	Site Acquisition, Development, Analysis and Investigations		-	Ongoing	300	-	-	-	-	300
A/C.09.003	Confidential Scheme		-	2021-22	155	-	-	-	-	155
A/C.09.004	Confidential Scheme		-	2022-23	900	-	-	-	-	900
	Total - Site Acquisition & Development		**-**		**1,355**	**-**	**-**	**-**	**-**	**1,355**
A/C.10	**Temporary Accommodation**									
A/C.10.001	Temporary Accommodation		-	Ongoing	8,000	113	-	-	-	7,887
	Total - Temporary Accommodation		**-**		**8,000**	**113**	**-**	**-**	**-**	**7,887**
A/C.11	**Children Support Services**									
A/C.11.001	Children's Minor Works and Adaptions		-	Ongoing	25	-	-	-	-	25
A/C.11.003	P&C Buildings & Capital Team Capitalisation		-	Ongoing	5,850	-	-	-	-	5,850
	Total - Children Support Services		**-**		**5,875**	**-**	**-**	**-**	**-**	**5,875**
A/C.12	**Adult Social Care**									
A/C.12.004	Disabled Facilities Grant		-	Ongoing	42,291	42,291	-	-	-	-
A/C.12.005	Integrated Community Equipment Service		-	Ongoing	800	-	-	-	-	800
A/C.12.006	East Cambridgeshire Adult Service Development		-	Committed	3,000	2,000	-	-	-	1,000
A/C.12.007	Care Suites : East Cambridgeshire		-	2021-22	8,420	-	-	-	-	8,420
	Total - Adult Social Care		**-**		**54,511**	**44,291**	**-**	**-**	**-**	**10,220**
A/C.13	**Cultural & Community Services**									
A/C.13.004	Community Fund			Committed	5,000	-	-	-	-	5,000
A/C.13.005	Histon Library Rebuild		-	Committed	113	-	-	-	-	113
A/C.13.006	Confidential Scheme		-	Committed	1,172	-	-	-	-	1,172
	Total - Cultural & Community Services		**-**		**6,285**	**-**	**-**	**-**	**-**	**6,285**

Section 3 - A: People and Communities
Table 5: Capital Programme - Funding
Budget Period: 2021-22 to 2030-31

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.14	**Capital Programme Variation**									
A/C.14.001	Variation Budget		-	Ongoing	-52,566	-	-24,839	-	-	-27,727
A/C.14.002	Capitalisation of Interest Costs		-	Committed	4,533	-	-	-	-	4,533
	Total - Capital Programme Variation		**-**		**-48,033**	**-**	**-24,839**	**-**	**-**	**-23,194**
	TOTAL BUDGET				**525,600**	**128,426**	**165,437**	**11,391**	**-**	**220,346**

Section 3 - B: Place & Economy

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2021-22 to 2025-26

Net Revised Opening Budget 2020-21 £000	Policy Line	Gross Budget 2021-22 £000	Fees, Charges & Ring-fenced Grants 2021-22 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000
	Executive Director							
592	P&E Executive Director	1,317	-725	592	592	592	592	592
-	Pandemic Related Income Pressures	-	3,113	3,113	1,557	-	-	-
592	**Subtotal Executive Director**	**1,317**	**2,388**	**3,705**	**2,149**	**592**	**592**	**592**
	Highways							
161	Asst Dir - Highways	161	-	161	1,161	2,161	3,161	3,161
7,496	Local Infrastructure Maintenance and Improvement	9,000	-136	8,864	8,864	8,864	8,864	8,864
-165	Traffic Management	3,574	-3,801	-227	-107	-107	-107	-107
487	Road Safety	893	-403	490	494	494	494	494
6,358	Street Lighting	10,661	-4,019	6,642	6,642	6,642	6,642	6,642
461	Highways Asset Management	1,094	-635	459	459	459	459	459
-	Parking Enforcement	6,719	-6,719	-	-	-	-	-
2,664	Winter Maintenance	2,744	-	2,744	2,744	2,744	2,744	2,744
7	Bus Operations including Park & Ride	1,420	-1,413	7	7	7	7	7
17,469	**Subtotal Highways**	**36,266**	**-17,126**	**19,140**	**20,264**	**21,264**	**22,264**	**22,264**
	Environment & Commercial Services							
381	County Planning, Minerals & Waste	619	-303	316	316	316	316	316
50	Historic Environment	409	-361	48	48	48	48	48
424	Flood Risk Management	920	-508	412	412	412	412	412
32	Energy Projects Director	204	-172	32	32	32	32	32
115	Energy Programme Manager	121	-2	119	390	688	956	1,196
35,388	Waste Management	41,372	-4,164	37,208	37,208	37,208	37,208	37,208
36,390	**Subtotal Environment & Commercial Services**	**43,645**	**-5,510**	**38,135**	**38,406**	**38,704**	**38,972**	**39,212**
	Infrastructure & Growth							
163	Asst Dir - Infrastructure & Growth	163	-	163	-1,137	-1,137	-1,137	-1,137
1,300	Major Infrastructure Delivery	1,453	-153	1,300	1,300	1,300	1,300	1,300
34	Transport Strategy and Policy	20	-	20	20	20	20	20
557	Growth & Development	801	-246	555	555	555	555	555
-	Highways Development Management	1,310	-1,310	-	-	-	-	-
2,054	**Subtotal Infrastructure & Growth**	**3,747**	**-1,709**	**2,038**	**738**	**738**	**738**	**738**

Section 3 - B: Place & Economy

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2021-22 to 2025-26

Net Revised Opening Budget 2020-21 £000	Policy Line	Gross Budget 2021-22 £000	Fees, Charges & Ring-fenced Grants 2021-22 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000
	Future Years							
-	Inflation	-	-	-	1,982	4,073	6,218	8,445
-	Savings	-	-	-				
56,505	**P&E BUDGET TOTAL**	**84,975**	**-21,957**	**63,018**	**63,539**	**65,371**	**68,784**	**71,251**

Section 3 - B: Place & Economy
Table 2: Revenue - Net Budget Changes by Operational Division
Budget Period: 2021-22

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Executive Director							
P&E Executive Director	592	-	-	-	-	-	592
Pandemic Related Income Pressures	-	-	-	-	-	3,113	3,113
Subtotal Executive Director	**592**	**-**	**-**	**-**	**-**	**3,113**	**3,705**
Highways							
Asst Dir - Highways	161	-	-	-	-	-	161
Local Infrastructure Maintenance and Improvement	7,496	368	-	-	1,000	-	8,864
Traffic Management	-165	-58	-	-	-	-4	-227
Road Safety	487	3	-	-	-	-	490
Street Lighting	6,358	282	-	-	-	2	6,642
Highways Asset Management	461	-2	-	-	-	-	459
Parking Enforcement	-	-	-	-	-	-	-
Winter Maintenance	2,664	93	-	-	4	-17	2,744
Bus Operations including Park & Ride	7	-	-	-	-	-	7
Subtotal Highways	**17,469**	**686**	**-**	**-**	**1,004**	**-19**	**19,140**
Environment & Commercial Services							
County Planning, Minerals & Waste	381	-11	-	-54	-	-	316
Historic Environment	50	-2	-	-	-	-	48
Flood Risk Management	424	-13	-	-	-	-	412
Energy Projects Director	32	-	-	-	-	-	32
Energy Programme Manager	115	1	-	-	-	-	119
Waste Management	35,388	1,040	780	-	-	-	37,208
Subtotal Environment & Commercial Services	**36,390**	**1,015**	**780**	**-54**	**-**	**-**	**38,135**
Infrastructure & Growth							
Asst Dir - Infrastructure & Growth	163	-	-	-	-	-	163
Major Infrastructure Delivery	1,300	-	-	-	-	-	1,300
Transport Strategy and Policy	34	-14	-	-	-	-	20
Growth & Development	557	-2	-	-	-	-	555
Highways Development Management	-	-	-	-	-	-	-
Subtotal Infrastructure & Growth	**2,054**	**-16**	**-**	**-**	**-**	**-**	**2,038**
P&E BUDGET TOTAL	**56,505**	**1,685**	**780**	**-54**	**1,004**	**3,094**	**63,018**

Section 3 - B: Place and Economy

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	2021-22 £000 (Detailed Plans)	2022-23 £000 (Outline Plans)	2023-24 £000 (Outline Plans)	2024-25 £000 (Outline Plans)	2025-26 £000 (Outline Plans)	Description
1	**OPENING GROSS EXPENDITURE**	**90,241**	**84,975**	**87,060**	**90,578**	**94,124**	
B/R.1.001	Base adjustments	-8,837	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2020-21. This also includes an adjustment for the Combined Authority levy for which Services will transfer to the Combined Authority in 2021-22.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**81,404**	**84,975**	**87,060**	**90,578**	**94,124**	
2	**INFLATION**						
B/R.2.001	Inflation	1,860	2,110	2,220	2,278	2,364	Some County Council services have higher rates of inflation than the national level. For example, this is due to factors such as increasing oil costs that feed through into services like road repairs. This overall figure comes from an assessment of likely inflation in all P&E services.
2.999	**Subtotal Inflation**	**1,860**	**2,110**	**2,220**	**2,278**	**2,364**	
3	**DEMOGRAPHY AND DEMAND**						
B/R.3.007	Waste Disposal	142	271	298	268	240	Extra cost of landfilling additional waste produced by an increasing population.
B/R.3.008	COVID impact - Waste Disposal demand	638	-	-	-	-	A mixture of pressures due to COVID. These include restricted use of Household Waste recycling centres, recycling levels higher than normal, a loss of trade waste income and possible shutdown of the Waste MBT plant due to COVID.
3.999	**Subtotal Demography and Demand**	**780**	**271**	**298**	**268**	**240**	
4	**PRESSURES**						
B/R.4.009	Cambridgeshire and Peterborough Minerals and Waste Local Plan	-54	-	-	-	-	This is the removal of the short-term investment made in previous years. Work was undertaken on a new Minerals and Waste Plan with Peterborough City Council.
B/R.4.013	Guided Busway Defects	-	-1,300	-	-	-	This is the removal of the short-term investment made in previous years. The Council is in dispute with the contractor over defects in the busway construction. This was to fund repairs to defects and legal costs in support of the Council's legal action against the Contractor. The Council expects to recover these costs.
4.999	**Subtotal Pressures**	**-54**	**-1,300**	**-**	**-**	**-**	
5	**INVESTMENTS**						
B/R.5.102	Investment in enhanced regional forecasting for gritting domains	4	-	-	-	-	Investment to increase the number of forecasting domains for winter gritting. Linked to saving B/R.6.201.
B/R.5.104	Investment in Highways Services	1,000	1,000	1,000	1,000	-	Investment in Highways Services to increase funding for proactive treatment and maintenance of roads, bridges and footpaths.
5.999	**Subtotal Investments**	**1,004**	**1,000**	**1,000**	**1,000**	**-**	

Section 3 - B: Place and Economy

Table 3: Revenue - Overview

Budget Period: 2021-22 to 2025-26

Ref	Title	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
		Detailed Plans	Outline Plans				
6	**SAVINGS**						
	H&T						
B/R.6.201	Review winter operations	-17	-	-	-	-	Review winter operations – increase number of weather domains from 3 to 5
B/R.6.202	Removal of old VAS signs	-4	-	-	-	-	Removal of old VAS signs
B/R.6.214	Street Lighting - contract synergies	2	4	-	-	-	Every year the budget is changed to reflect the level of synergy savings which will be achieved from the joint contract. This will not lead to any reduction in street lighting provision.
6.999	**Subtotal Savings**	**-19**	**4**	**-**	**-**	**-**	
	TOTAL GROSS EXPENDITURE	**84,975**	**87,060**	**90,578**	**94,124**	**96,728**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
B/R.7.001	Previous year's fees, charges & ring-fenced grants	-24,096	-21,957	-23,521	-25,207	-25,340	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
B/R.7.002	Fees and charges inflation	-175	-128	-129	-133	-137	Additional income for increases to fees and charges in line with inflation.
B/R.7.006	Changes to fees, charges & ring-fenced grants	-799	-	-	-	-	Adjustment for changes to fees, charges & ring-fenced grants reflecting decisions made in 2020-21.
	Changes to fees & charges						
B/R.7.121	COVID Impact - Park & Ride	300	-150	-150	-	-	Government Covid grant to bus service operators ends and only a small recovery in Park & Ride contractual income and other ad hoc income.
B/R.7.122	COVID Impact - Guided Busway	400	-200	-200	-	-	Government Covid grant to bus service operators ends and reduction in services.
B/R.7.123	COVID Impact - Traffic Management	603	-301	-302	-	-	Expected reduction in traffic management service income including streetworks permits, licences and policy regulation fees.
B/R.7.124	COVID Impact - Parking	1,000	-500	-500	-	-	Demand for on street parking expected to be less than previous years. Also less income from Parking enforcement.
B/R.7.125	COVID Impact - Bus Lane Enforcement	500	-250	-250	-	-	Bus lane enforcement income projected to only recover to 75% of previous levels.
B/R.7.126	COVID Impact - Other	310	-155	-155	-	-	Expected reduction in income including planning fees, planning monitoring income, search fees and income for historic environment services.
	Changes to ring-fenced grants						
B/R.7.202	Change in Public Health Grant	-	120	-	-	-	Change in ring-fenced Public Health grant to reflect change of function and expected treatment as a corporate grant from 2022-23 due to removal of ring-fence.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-21,957**	**-23,521**	**-25,207**	**-25,340**	**-25,477**	
	TOTAL NET EXPENDITURE	**63,018**	**63,539**	**65,371**	**68,784**	**71,251**	

Section 3 - B: Place and Economy

Table 3: Revenue - Overview

Budget Period: 2021-22 to 2025-26

Ref	Title	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
		Detailed Plans	Outline Plans				
FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
B/R.8.001	Budget Allocation	-63,018	-63,539	-65,371	-68,784	-71,251	Net spend funded from general grants, business rates and Council Tax.
B/R.8.002	Public Health Grant	-120	-	-	-	-	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
B/R.8.003	Fees & Charges	-15,069	-16,753	-18,439	-18,572	-18,709	Fees and charges for the provision of services.
B/R.8.004	PFI Grant - Street Lighting	-3,944	-3,944	-3,944	-3,944	-3,944	PFI Grant from DfT for the life of the project.
B/R.8.005	PFI Grant - Waste	-2,611	-2,611	-2,611	-2,611	-2,611	PFI Grant from DEFRA for the life of the project.
B/R.8.007	Bikeability Grant	-213	-213	-213	-213	-213	DfT funding for the Bikeability cycle training programme
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-84,975**	**-87,060**	**-90,578**	**-94,124**	**-96,728**	

Section 3 - B: Place and Economy
Table 4: Capital Programme
Budget Period: 2021-22 to 2030-31

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
Ongoing	137,740	75,977	10,424	12,589	14,180	14,185	14,185	-3,800
Committed Schemes	271,491	219,710	21,721	8,050	1,010	1,000	1,000	19,000
2019-2020 Starts	11,200	4,644	5,434	1,122	-	-	-	-
2020-2021 Starts	2,080	388	1,692	-	-	-	-	-
2021-2022 Starts	1,830	-	1,830	-	-	-	-	-
TOTAL BUDGET	**424,341**	**300,719**	**41,101**	**21,761**	**15,190**	**15,185**	**15,185**	**15,200**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
B/C.01	**Integrated Transport**											
B/C.1.002	Air Quality Monitoring	Funding towards supporting air quality monitoring work in relation to the road network with local authority partners across the county.		Ongoing	115	-	23	23	23	23	23	-
B/C.1.009	Major Scheme Development & Delivery	Resources to support the development and delivery of major schemes.		Ongoing	1,000	-	200	200	200	200	200	-
B/C.1.011	Local Infrastructure improvements	Provision of the Local Highway Improvement Initiative across the county, providing accessibility works such as disabled parking bays and provision of improvements to the Public Rights of Way network.		Ongoing	4,410	-	882	882	882	882	882	-
B/C.1.012	Safety Schemes	Investment in road safety engineering work at locations where there is strong evidence of a significantly high risk of injury crashes.		Ongoing	2,970	-	594	594	594	594	594	-
B/C.1.015	Strategy and Scheme Development work	Resources to support Transport & Infrastructure strategy and related work across the county, including long term strategies and District and Market Town Transport Strategies, as well as funding towards scheme development work.		Ongoing	1,725	-	345	345	345	345	345	-
B/C.1.019	Delivering the Transport Strategy Aims	Supporting the delivery of Transport Strategies and Market Town Transport Strategies to help improve accessibility and mitigate the impacts of growth.		Ongoing	6,572	-	1,188	1,346	1,346	1,346	1,346	-
B/C.1.020	Bar Hill to Northstowe cycle route	Bar Hill to Longstanton		2020-21	930	170	760	-	-	-	-	-
B/C.1.021	Girton to Oakington Cycle Route	Girton to Oakington Cycle Route		2020-21	1,000	200	800	-	-	-	-	-
B/C.1.022	Busway to Science Park cycle route	Busway to Science Park cycle route		2020-21	150	18	132	-	-	-	-	-
B/C.1.023	Boxworth to A14 Cycle Route	Boxworth to A14 Cycle Route		2021-22	550	-	550	-	-	-	-	-
B/C.1.024	Dry Drayton to NMU link cycle route	Dry Drayton to NMU link cycle route		2019-20	300	28	272	-	-	-	-	-
B/C.1.025	Hardwick path widening	Hardwick Path widening		2019-20	400	115	285	-	-	-	-	-
B/C.1.026	Hilton to Fenstanton Cycle Route	Hilton to Fenstanton Cycle Route		2021-22	500	-	500	-	-	-	-	-
B/C.1.027	Buckden to Hinchingbrooke cycle route	Buckden to Hinchingbrooke cycle route funded by Highways England		2021-22	780	-	780	-	-	-	-	-

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Table 4: Capital Programme

Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
B/C.1.050	A14	Improvement of the A14 between Cambridge and Huntingdon. This is a scheme led by the Highways Agency but in order to secure delivery a local contribution to the total scheme cost, which is in excess of £1bn, is required. The Council element of this local contribution is £25m and it is proposed that it should be paid in equal instalments over a period of 25 years commencing in 2020.		Committed	25,200	1,200	1,000	1,000	1,000	1,000	1,000	19,000
	Total - Integrated Transport				**46,602**	**1,731**	**8,311**	**4,390**	**4,390**	**4,390**	**4,390**	**19,000**
B/C.02	**Operating the Network**											
B/C.2.001	Carriageway & Footway Maintenance including Cycle Paths	Allows the highway network throughout the county to be maintained. With the significant backlog of works to our highways well documented, this fund is crucial in ensuring that we are able to maintain our transport links.		Ongoing	53,360	-	10,672	10,672	10,672	10,672	10,672	-
B/C.2.002	Rights of Way	Allows improvements to our Rights of Way network which provides an important local link in our transport network for communities.		Ongoing	700	-	140	140	140	140	140	-
B/C.2.004	Bridge strengthening	Bridges form a vital part of the transport network. With many structures to maintain across the county it is important that we continue to ensure that the overall transport network can operate and our bridges are maintained.		Ongoing	12,820	-	2,564	2,564	2,564	2,564	2,564	-
B/C.2.005	Traffic Signal Replacement	Traffic signals are a vital part of managing traffic throughout the county. Many signals require to be upgraded to help improve traffic flow and ensure that all road users are able to safely use the transport network.		Ongoing	4,250	-	850	850	850	850	850	-
B/C.2.006	Smarter Travel Management - Integrated Highways Management Centre	The Integrated Highways Management Centre (IHMC) collects, processes and shares real time travel information to local residents, businesses and communities within Cambridgeshire. In emergency situations the IHMC provides information to ensure that the impact on our transport network is mitigated and managed.		Ongoing	1,000	-	200	200	200	200	200	-
B/C.2.007	Smarter Travel Management - Real Time Bus Information	Provision of real time passenger information for the bus network.		Ongoing	825	-	165	165	165	165	165	-
	Total - Operating the Network				**72,955**	**-**	**14,591**	**14,591**	**14,591**	**14,591**	**14,591**	**-**

Section 3 - B: Place and Economy

Table 4: Capital Programme

Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
B/C.03	**Highways**											
B/C.3.001	Highways Maintenance (carriageways only from 2015/16 onwards)	This fund allows the Council to increase its investment in the transport network throughout the county. With the significant backlog of works to our transport network well documented, this fund is crucial in ensuring that we reduce the rate of deterioration of our highways.		Ongoing	78,700	75,977	2,723	-	-	-	-	-
	Total - Highways				**78,700**	**75,977**	**2,723**	**-**	**-**	**-**	**-**	**-**
B/C.04	**Infrastructure & Growth**											
B/C.4.001	Ely Bypass	The project has now been completed and the brand-new bypass opened to traffic on 31 October 2018.		Committed	49,006	48,975	18	3	10	-	-	-
B/C.4.006	Guided Busway	Guided Busway construction contract retention payments.		Committed	149,791	145,612	4,179	-	-	-	-	-
B/C.4.021	Abbey - Chesterton Bridge	The Chisolm Trail cycle route scheme is being delivered as part of the City Deal Programme and will link together three centres of employment in the city along a North / South axis, including Addenbrooke's hospital, the CB1 Area and the Science Park. The Abbey - Chesterton Bridge scheme is one element of the trail that is not included within the City Deal scheme.		Committed	6,890	4,827	2,063	-	-	-	-	-
B/C.4.023	Confidential Scheme	Confidential Scheme		Committed	33,500	18,895	10,900	3,705	-	-	-	-
B/C.4.025	Wisbech Town Centre Access Study	Wisbech Town Centre Access Study - fully funded by CPCA		2019-20	10,500	4,501	4,877	1,122	-	-	-	-
	Total - Infrastructure & Growth				**249,687**	**222,810**	**22,037**	**4,830**	**10**	**-**	**-**	**-**
B/C.05	**Environment & Commercial Services**											
B/C.5.012	Confidential Scheme	Confidential Scheme		Committed	6,634	201	3,188	3,245	-	-	-	-
	Total - Environment & Commercial Services				**6,634**	**201**	**3,188**	**3,245**	**-**	**-**	**-**	**-**

Section 3 - B: Place and Economy
Table 4: Capital Programme
Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
B/C.07	**Capital Programme Variation**											
B/C.7.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-30,707	-	-10,122	-5,392	-3,801	-3,796	-3,796	-3,800
B/C.7.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	470	-	373	97	-	-	-	-
	Total - Capital Programme Variation				**-30,237**	**-**	**-9,749**	**-5,295**	**-3,801**	**-3,796**	**-3,796**	**-3,800**
	TOTAL BUDGET				**424,341**	**300,719**	**41,101**	**21,761**	**15,190**	**15,185**	**15,185**	**15,200**

Funding	Total Funding £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
Government Approved Funding								
Department for Transport	173,217	101,558	16,537	16,972	13,980	13,985	13,985	-3,800
Specific Grants	40,500	34,501	4,877	1,122	-	-	-	-
Total - Government Approved Funding	**213,717**	**136,059**	**21,414**	**18,094**	**13,980**	**13,985**	**13,985**	**-3,800**
Locally Generated Funding								
Agreed Developer Contributions	19,886	16,537	3,349	-	-	-	-	-
Anticipated Developer Contributions	15,238	969	3,772	787	1,010	1,000	1,000	6,700
Prudential Borrowing	139,720	119,647	4,823	2,950	-	-	-	12,300
Other Contributions	35,780	27,507	7,743	-70	200	200	200	-
Total - Locally Generated Funding	**210,624**	**164,660**	**19,687**	**3,667**	**1,210**	**1,200**	**1,200**	**19,000**
TOTAL FUNDING	**424,341**	**300,719**	**41,101**	**21,761**	**15,190**	**15,185**	**15,185**	**15,200**

Section 3 - B: Place and Economy
Table 5: Capital Programme - Funding
Budget Period: 2021-22 to 2030-31

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	137,740	76,159	-1,532	-2,914	-	66,027
Committed Schemes	271,491	126,483	35,126	36,314	-	73,568
2019-2020 Starts	11,200	11,075	-	125	-	-
2020-2021 Starts	2,080	-	1,530	550	-	-
2021-2022 Starts	1,830	-	-	1,705	-	125
TOTAL BUDGET	**424,341**	**213,717**	**35,124**	**35,780**	**-**	**139,720**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
B/C.01	**Integrated Transport**									
B/C.1.002	Air Quality Monitoring		-	Ongoing	115	115	-	-	-	-
B/C.1.009	Major Scheme Development & Delivery		-	Ongoing	1,000	1,000	-	-	-	-
B/C.1.011	Local Infrastructure improvements		-	Ongoing	4,410	3,410	-	1,000	-	-
B/C.1.012	Safety Schemes		-	Ongoing	2,970	2,970	-	-	-	-
B/C.1.015	Strategy and Scheme Development work		-	Ongoing	1,725	1,725	-	-	-	-
B/C.1.019	Delivering the Transport Strategy Aims		-	Ongoing	6,572	6,572	-	-	-	-
B/C.1.020	Bar Hill to Northstowe cycle route		-	2020-21	930	-	930	-	-	-
B/C.1.021	Girton to Oakington Cycle Route		-	2020-21	1,000	-	450	550	-	-
B/C.1.022	Busway to Science Park cycle route		-	2020-21	150	-	150	-	-	-
B/C.1.023	Boxworth to A14 Cycle Route		-	2021-22	550	-	-	550	-	-
B/C.1.024	Dry Drayton to NMU link cycle route		-	2019-20	300	175	-	125	-	-
B/C.1.025	Hardwick path widening		-	2019-20	400	400	-	-	-	-
B/C.1.026	Hilton to Fenstanton Cycle Route		-	2021-22	500	-	-	500	-	-
B/C.1.027	Buckden to Hinchingbrooke cycle route		-	2021-22	780	-	-	655	-	125
B/C.1.050	A14		-	Committed	25,200	-	-	200	-	25,000
	Total - Integrated Transport		**-**		**46,602**	**16,367**	**1,530**	**3,580**	**-**	**25,125**
B/C.02	**Operating the Network**									
B/C.2.001	Carriageway & Footway Maintenance including Cycle Paths		-	Ongoing	53,360	53,360	-	-	-	-
B/C.2.002	Rights of Way		-	Ongoing	700	700	-	-	-	-
B/C.2.004	Bridge strengthening		-	Ongoing	12,820	12,820	-	-	-	-
B/C.2.005	Traffic Signal Replacement		-	Ongoing	4,250	4,250	-	-	-	-
B/C.2.006	Smarter Travel Management - Integrated Highways Management Centre		-	Ongoing	1,000	1,000	-	-	-	-
B/C.2.007	Smarter Travel Management - Real Time Bus Information		-	Ongoing	825	825	-	-	-	-
	Total - Operating the Network		**-**		**72,955**	**72,955**	**-**	**-**	**-**	**-**

Section 3 - B: Place and Economy
Table 5: Capital Programme - Funding
Budget Period: 2021-22 to 2030-31

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
B/C.03	**Highways**									
B/C.3.001	Highways Maintenance (carriageways only from 2015/16 onwards)		-	Ongoing	78,700	4,932	-	-	-	73,768
	Total - Highways		**-**		**78,700**	**4,932**	**-**	**-**	**-**	**73,768**
B/C.04	**Infrastructure & Growth**									
B/C.4.001	Ely Bypass		-	Committed	49,006	22,000	1,000	5,944	-	20,062
B/C.4.006	Guided Busway		-	Committed	149,791	94,667	29,488	9,282	-	16,354
B/C.4.021	Abbey - Chesterton Bridge			Committed	6,890	1,816	4,088	986	-	-
B/C.4.023	Confidential Scheme		-	Committed	33,500	8,000	-	19,902	-	5,598
B/C.4.025	Wisbech Town Centre Access Study		-	2019-20	10,500	10,500	-	-	-	-
	Total - Infrastructure & Growth		**-**		**249,687**	**136,983**	**34,576**	**36,114**	**-**	**42,014**
B/C.05	**Environment & Commercial Services**									
B/C.5.012	Confidential Scheme		-	Committed	6,634	-	550	-	-	6,084
	Total - Environment & Commercial Services		**-**		**6,634**	**-**	**550**	**-**	**-**	**6,084**
B/C.07	**Capital Programme Variation**									
B/C.7.001	Variation Budget		-	Ongoing	-30,707	-17,520	-1,532	-3,914	-	-7,741
B/C.7.002	Capitalisation of Interest Costs		-	Committed	470	-	-	-	-	470
	Total - Capital Programme Variation		**-**		**-30,237**	**-17,520**	**-1,532**	**-3,914**	**-**	**-7,271**
	TOTAL BUDGET				**424,341**	**213,717**	**35,124**	**35,780**	**-**	**139,720**

Section 3 - C: Corporate and Managed Services

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2021-22 to 2025-26

Net Revised Opening Budget 2020-21 £000	Policy Line	Gross Budget 2021-22 £000	Fees, Charges & Ring-fenced Grants 2021-22 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000
	Customer & Digital Services							
540	Director, Corporate and Customer Services	893	-360	533	612	612	612	612
129	Chief Executive	133	-3	130	130	130	130	130
743	Communication and Information	762	-22	740	740	740	740	740
2,013	Customer Services	2,193	-253	1,940	1,940	1,940	1,940	1,940
2,298	IT & Digital Service	2,485	-61	2,424	2,424	2,424	2,424	2,424
6,727	IT Managed	7,917	-391	7,526	7,148	7,148	7,148	7,148
165	Elections	170	-	170	170	170	170	170
846	Redundancy, Pensions & Injury	1,019	-173	846	846	846	846	846
1,761	Human Resources	1,857	-97	1,760	1,760	1,760	1,760	1,760
143	Health, Safety & Wellbeing	202	-61	141	141	141	141	141
1,937	Learning & Development	2,299	-364	1,935	1,935	1,935	1,935	1,935
17,302	**Subtotal Customer & Digital Services**	**19,930**	**-1,785**	**18,145**	**17,846**	**17,846**	**17,846**	**17,846**
	Business Improvement & Development							
664	Transformation Team	692	-76	616	2,298	2,298	2,298	2,298
863	Business Intelligence	1,195	-337	858	880	880	880	880
1,527	**Subtotal Business Improvement & Development**	**1,887**	**-413**	**1,474**	**3,178**	**3,178**	**3,178**	**3,178**
	Resources Directorate							
338	Resources Directorate	426	-87	339	339	339	339	339
1,840	Professional Finance	2,196	-353	1,843	1,843	1,843	1,843	1,843
466	Procurement	722	-102	620	620	620	620	620
868	Finance Operations	949	-77	872	872	872	872	872
75	External Audit	75	-	75	75	75	75	75
2,207	Insurance	2,276	-	2,276	2,276	2,276	2,276	2,276
5,794	**Subtotal Resources Directorate**	**6,644**	**-619**	**6,025**	**6,025**	**6,025**	**6,025**	**6,025**
	Legal & Governance							
103	Legal & Governance Services	103	-	103	103	103	103	103
552	Information Management	687	-5	682	682	682	682	682
330	Democratic & Member Services	425	-98	327	327	327	327	327
1,054	Members' Allowances	1,054	-	1,054	1,054	1,054	1,054	1,054
2,039	**Subtotal Legal & Governance**	**2,269**	**-103**	**2,166**	**2,166**	**2,166**	**2,166**	**2,166**

Section 3 - C: Corporate and Managed Services

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2021-22 to 2025-26

Net Revised Opening Budget 2020-21 £000	Policy Line	Gross Budget 2021-22 £000	Fees, Charges & Ring-fenced Grants 2021-22 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000
	Corporate & Miscellaneous							
2,169	Central Services and Organisation-Wide Risks	3,255	-	3,255	3,133	3,133	3,133	3,133
-	Pandemic risks provision	1,800	-	1,800	600	-	-	-
-279	PCC Shared Services	-279	-	-279	-279	-279	-279	-279
110	Subscriptions	110	-	110	110	110	110	110
48	Authority-wide Miscellaneous	167	-119	48	148	148	148	148
-	Corporate Redundancies	-	-	-	300	300	300	300
5,194	Transformation Fund	1,429	-	1,429	1,118	92	-	-
-	Connecting Cambridgeshire	658	-658	-	-	-	-	-
2,600	Investment in Social Care Capacity	1,300	-	1,300	-	-	-	-
9,842	**Subtotal Corporate & Miscellaneous**	**8,440**	**-777**	**7,663**	**5,130**	**3,504**	**3,412**	**3,412**
	Greater Cambridge Partnership							
649	City Deal with Greater Cambridge Partnership	2,354	-2,354	-	-	-	-	-
649	**Subtotal Greater Cambridge Partnership**	**2,354**	**-2,354**	**-**	**-**	**-**	**-**	**-**
-9,612	**UNIDENTIFIED SAVINGS TO BALANCE BUDGET**	**-9,612**	**-**	**-9,612**	**-27,249**	**-40,133**	**-53,771**	**-64,382**
	Future Years							
-	Inflation	-	-	-	405	812	1,218	1,622
-	Council Tax: Counter Fraud & Compliance	-	-	-	-650	-650	-650	-650
27,540	**CS BUDGET TOTAL**	**31,912**	**-6,052**	**25,860**	**6,850**	**-7,253**	**-20,577**	**-30,784**

Section 3 - C: Corporate and Managed Services

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2021-22

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Customer & Digital Services							
Director, Corporate and Customer Services	540	-7	-	-	-	-	533
Chief Executive	129	1	-	-	-	-	130
Communication and Information	743	-3	-	-	-	-	740
Customer Services	2,013	12	-	-	-	-85	1,940
IT & Digital Service	2,298	-4	-	-	130	-	2,424
IT Managed	6,727	17	-	782	-	-	7,526
Elections	165	5	-	-	-	-	170
Redundancy, Pensions & Injury	846	-	-	-	-	-	846
Human Resources	1,761	-1	-	-	-	-	1,760
Health, Safety & Wellbeing	143	-2	-	-	-	-	141
Learning & Development	1,937	-2	-	-	-	-	1,935
Subtotal Customer & Digital Services	**17,302**	**16**	**-**	**782**	**130**	**-85**	**18,145**
Business Improvement & Development							
Transformation Team	664	-48	-	-	-	-	616
Business Intelligence	863	-5	-	-	-	-	858
Subtotal Business Improvement & Development	**1,527**	**-53**	**-**	**-**	**-**	**-**	**1,474**
Resources Directorate							
Resources Directorate	338	1	-	-	-	-	339
Professional Finance	1,840	3	-	-	-	-	1,843
Procurement	466	-	-	154	-	-	620
Finance Operations	868	4	-	-	-	-	872
External Audit	75	-	-	-	-	-	75
Insurance	2,207	69	-	-	-	-	2,276
Subtotal Resources Directorate	**5,794**	**77**	**-**	**154**	**-**	**-**	**6,025**
Legal & Governance							
Legal & Governance Services	103	-	-	-	-	-	103
Information Management	552	3	-	127	-	-	682
Democratic & Member Services	330	-3	-	-	-	-	327
Members' Allowances	1,054	-	-	-	-	-	1,054
Subtotal Legal & Governance	**2,039**	**-**	**-**	**127**	**-**	**-**	**2,166**

Section 3 - C: Corporate and Managed Services

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2021-22

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Corporate & Miscellaneous							
Central Services and Organisation-Wide Risks	2,169	-424		2,074	-	-564	3,255
Pandemic risks provision	-	-	-	1,800	-	-	1,800
PCC Shared Services	-279	-	-	-	-	-	-279
Subscriptions	110	-	-	-	-	-	110
Authority-wide Miscellaneous	48	-	-	-	-	-	48
Corporate Redundancies	-	-	-	-	-	-	-
Transformation Fund	5,194	-	-	-	-3,765	-	1,429
Connecting Cambridgeshire	-	-	-	-	-	-	-
Investment in Social Care Capacity	2,600	-	-	-	-1,300	-	1,300
Subtotal Corporate & Miscellaneous	**9,842**	**-424**	**-**	**3,874**	**-5,065**	**-564**	**7,663**
Greater Cambridge Partnership							
City Deal with Greater Cambridge Partnership	649	-	-	-	-649	-	-
Subtotal Greater Cambridge Partnership	**649**	**-**	**-**	**-**	**-649**	**-**	**-**
UNIDENTIFIED SAVINGS TO BALANCE BUDGET	**-9,612**	**-**	**-**	**-**	**-**	**-**	**-9,612**
CS BUDGET TOTAL	**27,540**	**-384**	**-**	**4,937**	**-5,584**	**-649**	**25,860**

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans 2021-22 £000	Outline Plans 2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
1	**OPENING GROSS EXPENDITURE**	**33,338**	**31,912**	**13,395**	**-664**	**-13,943**	
C/R.1.001	Base Adjustments	-9	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2020-21.
C/R.1.003	Social Worker Recruitment & Retention	290	-	-	-	-	Transferred Function - Social Worker Recruitment & Retention
C/R.1.005	Transfer of Function - Repatriation of LGSS Services	9,045	-	-	-	-	Repatriation of services from LGSS including: Human Resources, Health, Safety & Wellbeing, Learning & Development, Finance Operations, Procurement and IT & Digital Services.
C/R.1.007	Base funding for the Transformation Team	500	1,682	-	-	-	Funding for the Transformation Team
C/R.1.008	Base funding for redundancy costs	-	300	-	-	-	Base funding for redundancy costs relating to savings
1.999	**REVISED OPENING GROSS EXPENDITURE**	**43,164**	**33,894**	**13,395**	**-664**	**-13,943**	
2	**INFLATION**						
C/R.2.001	Inflation	80	449	451	451	451	Some services have higher rates of inflation than the national level. For example, this is due to factors such as increasing running costs of Council properties. This overall figure comes from an assessment of likely inflation in all Corporate services. Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures.
C/R.2.002	Provision for administrative staff pay award	-424	-	-	-	-	A budget provision for the administrative staff pay award was held centrally in 2020-21 as a one-off measure due to uncertainty around the national pay settlement at the point at which the budget was set. Inflationary increases have instead been provided for within individual service budgets in 2021-22 and reflect the national settlement awarded in 2020-21.
2.999	**Subtotal Inflation**	**-344**	**449**	**451**	**451**	**451**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
C/R.4.001	Repatriation of LGSS services	374	-500	-	-	-	Cost of services for which responsibility is to move out of LGSS and into Corporate Services.
C/R.4.018	IT - Continued Remote Working	378	-378	-	-	-	With the move to the majority of staff working remotely in response to the Covid Pandemic, we have seen a 200% increase in the use of data and a 300% increase in the use of Voice. If a higher level of remote working continues into next year the cost will remain high.
C/R.4.019	IT - New Connections	102	-	-	-	-	When the Mobile Contract was originally let in May 2015, CCC had 3,459. In the paper presented to GPC it was agreed that new connections would require funding to be agreed through Business Planning. Currently CCC has 11,583, having added 1,500 connections since March 20. There has never been additional fundng provided since the contract was let.
C/R.4.021	IT - Microsoft Enterprise Agreement	302	-	-	-	-	Cambridgeshire County Council uses Microsoft software extensively across all Directorates and their services. The Council is licensed to do so under the terms of its Microsoft Enterprise Agreement, which was renewed in September. The cost of the new contract has increased and exceeds the budget.
C/R.4.022	Information Management	127	-	-	-	-	Increase in permanent staffing is required to meet our obligations and maintain compliance.

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans	Outline Plans				Description
Ref	Title	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
C/R.4.023	Procurement	154	-	-	-	-	Additional resource is required to ensure the service has the capacity to deliver the transaction and compliance function required of a procurement function. The capacity to improve and optimise the systems currently in place to allow for more informed strategic decision making during the transition period. A reduction in income is expected due to the demands on the service.
C/R.4.024	Staff pay restraint in Local Government	1,700	-	-	-	-	Reduction in Council wide provision for staff pay inflation following the announcement of a public sector pay freeze for 2021-22.
C/R.4.025	Pandemic risks provision	1,800	-1,200	-600	-	-	Pandemic risks provision
4.999	**Subtotal Pressures**	**4,937**	**-2,078**	**-600**	**-**	**-**	
5	**INVESTMENTS**						
C/R.5.002	Demand risk in social care	-1,300	-1,300	-	-	-	Demand is expected to increase for both adult and children's social care services over the medium term. There are some ambitious plans to mitigate this through the Adults Positive Challenge Programme and the Children in Care strategy, but there remains a risk that this does not work quickly enough. This line provides some further short-term mitigation should that be the case, to be offset as the demand management work delivers over a longer time period.
C/R.5.003	IT - TotalMobile	130	-	-	-	-	As part of the Adults Positive Challenge Programme, a number of investments were made from the Transformation Fund to deliver an ambitious package of demand management measures. This funding in 2021/22 is to provide a permanent basis for those investments that will need to continue, particularly investment in technology and the cost of a mobile working system for reablement.
C/R.5.108	Financing the Energy Investment Unit	-	-224	-	-	-	A Transformation Fund investment to support the development of strategic energy policy, market shaping approaches and a growing portfolio of sustainable energy projects, helping the Council to deliver its target of net zero carbon emissions for Cambridgeshire by 2050.
C/R.5.109	Financing the Commercial Team	-257	-	-	-	-	A Transformation Fund investment in establishing a Commercial Team to provide additional capacity and expertise to deliver the 2019 - 2021 Commercial Strategy.
C/R.5.110	Home to Schools and Adults Social Care Transport	-58	-71	-	-	-	A Transformation Fund investment in specialist capacity to support a review of transport policy, processes and procedures across services and to develop and embed an Independent Travel Training Programme.
C/R.5.111	Learning Disability Partnership Pooled Budget Review	-300	-	-	-	-	Dedicated capacity to review the level of health needs of people within the Learning Disability Partnership.
C/R.5.112	Developing a joint approach for preventing and addressing adolescent risk	-28	-	-	-	-	Developing a joint approach for preventing and addressing adolescent risk through a unique and innovative model that supports our most vulnerable children and young people with the intention of dramatically improving their life chances.
C/R.5.113	Demand Management in Special Educational Needs and Disability (SEND)	-80	-	-	-	-	An investment to fund specialist capacity within the SEND service to explore different ways of working in order to manage demand for specialist services.
C/R.5.114	Increase in Financial Assessment Team capacity	-89	-64	-	-	-	Increase in Financial Assessment Team capacity to enable delivery of revised constributions policy approved by Adults Committee in January 2020
C/R.5.115	Think Communities - Creating a Unified Approach	658	370	-1,028	-	-	Investment in our approach to Think Communities, sustaining the infrastructure that has been developed during the pandemic, subject to consideration by the September GPC.

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
		Detailed Plans	Outline Plans				
C/R.5.116	Cambridgeshire Lifeline Project	31	-31	-	-	-	A Transformation Fund investment to support the business case for the Cambridgeshire Technology Enabled Care Service to become a Lifeline Provider
C/R.5.117	Micro-Enterprise Development Pilot	60	-60	-	-	-	A project to enable the Council to test and evaluate the impact of developing the micro-enterprise care market in Cambridgeshire.
C/R.5.119	Development of an Asset-Based Area Approach to Commissioning and Delivery	88	2	2	-92	-	Development of a sustainable model of community-based care and support for adults using an Asset-Based Area approach to commissioning and delivery. The project aims to delay demand for long term adult social care and improve outcomes for adults with care and support needs in the community.
C/R.5.120	Adult Social Care Transport	70	-70	-	-	-	A Transformation Fund investment to enable Adult Social Care Transport saving A/R.6.186.
C/R.5.121	LGA Behavioural Insights Programme 2021-22	20	-20	-	-	-	Development of behavioural insights-based interventions to reduce and prevent incidents of hate crime.
C/R.5.901	Reversal of 18-19 Transformation Fund Investments	-142	-143	-	-	-	Transformation funded projects are provided with investments for 1-3 years in order to deliver ongoing savings. This is the reversal of the investment for schemes funded in 2018-19. It is anticipated that further transformation funds will come through for funding in 2019-20.
C/R.5.902	Removal of 19-20 Transformation Fund Investments	-3,738	-	-	-	-	Transformation funded projects are provided with investments for 1-3 years in order to deliver ongoing savings. This is the reversal of the investment for schemes funded in 2019-20. It is anticipated that further transformation funds will come through for funding in 2020-21.
C/R.5.953	Greater Cambridge Partnership's Revenue Costs	-649	-	-	-	-	The Council's contribution to the Greater Cambridge Partnership's revenue costs funded by the growth in New Homes Bonus, revised following a reduction in the number of payment years.
5.999	**Subtotal Investments**	**-5,584**	**-1,611**	**-1,026**	**-92**	**-**	
6	**SAVINGS**						
	GPC						
C/R.6.104	Reduction in staff mileage	-564	378	-	-	-	A reduction in staff travel is expected to continue.
C/R.6.105	Customer Services	-85	-	-	-	-	Customer Services have scrutinised their budget, and trends over recent years, and have determined a reduction of £85k is achievable from their base revenue. This is the equivalent to 3 full-time Customer Service Advisors. This reduction will be delivered by removing vacant posts.
6.999	**Subtotal Savings**	**-649**	**378**	**-**	**-**	**-**	
	UNIDENTIFIED SAVINGS TO BALANCE BUDGET	**-9,612**	**-17,637**	**-12,884**	**-13,638**	**-10,611**	
	TOTAL GROSS EXPENDITURE	**31,912**	**13,395**	**-664**	**-13,943**	**-24,103**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
C/R.7.001	Previous year's fees, charges & ring-fenced grants	-3,898	-6,052	-6,545	-6,589	-6,634	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
C/R.7.002	Changes to Fees and Charges from previous years	-884	-	-	-	-	Changes to Fees and Charges from previous years
C/R.7.003	Fees and charges inflation	-40	-44	-44	-45	-47	Uplift in external charges to reflect inflation pressures on the costs of services.
C/R.7.004	Social Worker Recruitment & Retention	-78	-	-	-	-	Transferred Function - Social Worker Recruitment & Retention

Section 3 - C: Corporate and Managed Services

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

		Detailed Plans	Outline Plans				
Ref	**Title**	**2021-22 £000**	**2022-23 £000**	**2023-24 £000**	**2024-25 £000**	**2025-26 £000**	**Description**
C/R.7.006	Transfer of Function - Repatriation of LGSS Services	-1,152	-	-	-	-	Repatriation of services from LGSS including: Human Resources, Health, Safety & Wellbeing, Learning & Development, Finance Operations, Procurement and IT & Digital Services.
	Changes to fees & charges						
C/R.7.101	Council Tax: Counter Fraud & Compliance	-	-650	-	-	-	We will seek to work with Cambridgeshire District Councils to develop a joint action plan to increase the Council tax collected in Cambridgeshire. We will invest in more effective identification of fraudulent or incorrectly claimed Council tax discounts and in compliance activity to ensure residents are paying the correct levels of Council tax. We will establish a gain sharing mechanism to ensure that extra income generated as a result of the scheme is shared fairly between District Councils and the County Council.
	Changes to ring-fenced grants						
C/R.7.201	Change in Public Health Grant	-	201	-	-	-	Change in ring-fenced Public Health grant to reflect expected treatment as a corporate grant from
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-6,052**	**-6,545**	**-6,589**	**-6,634**	**-6,681**	
	TOTAL NET EXPENDITURE	**25,860**	**6,850**	**-7,253**	**-20,577**	**-30,784**	

FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
C/R.8.001	Budget Allocation	-25,860	-6,850	7,253	20,577	30,784	Net spend funded from general grants, business rates and Council Tax.
C/R.8.002	Public Health Grant	-201	-	-	-	-	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
C/R.8.003	Fees & Charges	-5,851	-6,545	-6,589	-6,634	-6,681	Fees and charges for the provision of services.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-31,912**	**-13,395**	**664**	**13,943**	**24,103**	

Section 3 - C: Corporate and Managed Services

Table 4: Capital Programme

Budget Period: 2021-22 to 2030-31

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
Ongoing	8,971	11,751	-2,527	-227	-26	-	-	-
Committed Schemes	47,692	31,826	15,561	173	132	-	-	-
2019-2020 Starts	8,667	3,673	3,994	1,000	-	-	-	-
TOTAL BUDGET	**65,330**	**47,250**	**17,028**	**946**	**106**	**-**	**-**	**-**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
C/C.01	**Corporate Services**											
C/C.1.001	Essential CCC Business Systems Upgrade	Upgrades and replacements to key business systems that are at the end of life.		Committed	750	600	150	-	-	-	-	-
C/C.1.006	Confidential Scheme	Confidential Scheme		2019-20	5,408	2,968	2,440	-	-	-	-	-
C/C.1.007	IT Strategy	Implementation of the first phase of the IT Strategy to support sharing of services across Cambridgeshire and Peterborough. To include: - CRM and Digital - Shared Data - Shared Infrastructure - Office 365		2019-20	3,259	705	1,554	1,000	-	-	-	-
C/C.2.010	IT Infrastructure Refresh	Upgrades/refresh of the core CCC IT systems that underpin use of IT across the Council. This essential work will ensure that the critical IT Infrastructure continues to be fit for purpose and supports changes in technology and business requirements		Committed	674	273	135	134	132	-	-	-
C/C.6.001	Investment in Connecting Cambridgeshire	Connecting Cambridgeshire is working to ensure businesses, residents and public services can make the most of opportunities offered by a fast-changing digital world. Led by the Council, this ambitious partnership programme is improving Cambridgeshire's broadband, mobile and Wi-Fi coverage, whilst supporting online skills, business growth and technological innovation to meet future digital challenges.		Committed	24,337	24,337		-	-	-	-	-
C/C.6.001.1	Investment in Connecting Cambridgeshire - Fixed Connectivity	This is part of the main Connecting Cambridgeshire scheme		Committed	16,145	4,026	12,119	-	-	-	-	-
C/C.6.001.2	Investment in Connecting Cambridgeshire - Mobile Connectivity	This is part of the main Connecting Cambridgeshire scheme		Committed	225	25	200	-	-	-	-	-
C/C.6.001.3	Investment in Connecting Cambridgeshire - Public Access WiFi	This is part of the main Connecting Cambridgeshire scheme		Committed	605	605		-	-	-	-	-

Section 3 - C: Corporate and Managed Services
Table 4: Capital Programme
Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
C/C.6.001.4	Investment in Connecting Cambridgeshire - Smart Work Streams	This is part of the main Connecting Cambridgeshire scheme		Committed	1,613	1,038	575	-	-	-	-	-
C/C.6.001.5	Investment in Connecting Cambridgeshire - Programme Delivery	These are the overall staff costs to deliver all elements of the Connecting Cambridgeshire programme		Committed	2,965	922	2,043	-	-	-	-	-
	Total - Corporate Services				**55,981**	**35,499**	**19,216**	**1,134**	**132**	**-**	**-**	**-**
C/C.03	**Transformation**											
C/C.3.001	Capitalisation of Transformation Team	Funding the Transformation team from capital instead of revenue, by using the flexibility of capital receipts direction.		Ongoing	8,382	6,700	1,682	-	-	-	-	-
C/C.3.002	Capitalisation of Redundancies	Funding the cost of redundancies from capital instead of revenue, using the flexibility of capital receipts direction.		Ongoing	5,351	5,051	300	-	-	-	-	-
	Total - Transformation				**13,733**	**11,751**	**1,982**	**-**	**-**	**-**	**-**	**-**
C/C.10	**Capital Programme Variation**											
C/C.10.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-4,762	-	-4,509	-227	-26	-	-	-
C/C.10.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	378	-	339	39	-	-	-	-
	Total - Capital Programme Variation				**-4,384**	**-**	**-4,170**	**-188**	**-26**	**-**	**-**	**-**
	TOTAL BUDGET				**65,330**	**47,250**	**17,028**	**946**	**106**	**-**	**-**	**-**

Section 3 - C: Corporate and Managed Services

Table 4: Capital Programme

Budget Period: 2021-22 to 2030-31

Funding	Total Funding £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
Government Approved Funding								
Specific Grants	19,448	12,644	6,804	-	-	-	-	-
Total - Government Approved Funding	**19,448**	**12,644**	**6,804**	**-**	**-**	**-**	**-**	**-**
Locally Generated Funding								
Prudential Borrowing	18,569	13,934	3,583	946	106	-	-	-
Ring-Fenced Capital Receipts	13,102	11,751	1,351	-	-	-	-	-
Other Contributions	14,211	8,921	5,290	-	-	-	-	-
Total - Locally Generated Funding	**45,882**	**34,606**	**10,224**	**946**	**106**	**-**	**-**	**-**
TOTAL FUNDING	**65,330**	**47,250**	**17,028**	**946**	**106**	**-**	**-**	**-**

Section 3 - C: Corporate and Managed Services

Table 5: Capital Programme - Funding

Budget Period: 2021-22 to 2030-31

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	8,971	-90	-	-1,353	13,102	-2,688
Committed Schemes	47,692	19,538	-	15,564	-	12,590
2019-2020 Starts	8,667	-	-	-	-	8,667
TOTAL BUDGET	**65,330**	**19,448**	**-**	**14,211**	**13,102**	**18,569**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
C/C.01	**Corporate Services**									
C/C.1.001	Essential CCC Business Systems Upgrade		-	Committed	750	-	-	-	-	750
C/C.1.006	Confidential Scheme		-	2019-20	5,408	-	-	-	-	5,408
C/C.1.007	IT Strategy		-	2019-20	3,259	-	-	-	-	3,259
C/C.2.010	IT Infrastructure Refresh		-	Committed	674	-	-	-	-	674
C/C.6.001	Investment in Connecting Cambridgeshire		-	Committed	24,337	8,750	-	6,499	-	9,088
C/C.6.001.1	Investment in Connecting Cambridgeshire - Fixed Connectivity		-	Committed	16,145	8,345	-	6,700	-	1,100
C/C.6.001.2	Investment in Connecting Cambridgeshire - Mobile Connectivity		-	Committed	225	225	-	-	-	-
C/C.6.001.3	Investment in Connecting Cambridgeshire - Public Access WiFi		-	Committed	605	605	-	-	-	-
C/C.6.001.4	Investment in Connecting Cambridgeshire - Smart Work Streams		-	Committed	1,613	1,613	-	-	-	-
C/C.6.001.5	Investment in Connecting Cambridgeshire - Programme Delivery		-	Committed	2,965	-	-	2,365	-	600
	Total - Corporate Services		**-**		**55,981**	**19,538**	**-**	**15,564**	**-**	**20,879**
C/C.03	**Transformation**									
C/C.3.001	Capitalisation of Transformation Team		-	Ongoing	8,382	-	-	-	8,382	-
C/C.3.002	Capitalisation of Redundancies		-	Ongoing	5,351	-	-	-	5,351	-
	Total - Transformation		**-**		**13,733**	**-**	**-**	**-**	**13,733**	**-**
C/C.10	**Capital Programme Variation**									
C/C.10.001	Variation Budget		-	Ongoing	-4,762	-90	-	-1,353	-631	-2,688
C/C.10.002	Capitalisation of Interest Costs		-	Committed	378	-	-	-	-	378
	Total - Capital Programme Variation		**-**		**-4,384**	**-90**	**-**	**-1,353**	**-631**	**-2,310**
	TOTAL BUDGET				**65,330**	**19,448**	**-**	**14,211**	**13,102**	**18,569**

Section 3 - C: Corporate and Managed Services

Table 6: Revenue - Financing Debt Charges Overview
Budget Period: 2021-22 to 2025-26

		Detailed Plans	Outline Plans				
Ref	**Title**	**2021-22 £000**	**2022-23 £000**	**2023-24 £000**	**2024-25 £000**	**2025-26 £000**	**Description**
1	**OPENING GROSS EXPENDITURE**	**29,570**	**32,649**	**38,083**	**41,509**	**42,648**	
G/R.1.001	Base Adjustments	862	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2020-21.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**30,432**	**32,649**	**38,083**	**41,509**	**42,648**	
2	**INFLATION**						
2.999	**Subtotal Inflation**	**-**	**-**	**-**	**-**	**-**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
4.999	**Subtotal Pressures**	**-**	**-**	**-**	**-**	**-**	
5	**INVESTMENTS**						
G/R.5.001	Revenue impact of Capital decisions	2,402	3,546	3,155	3,072	1,212	Change in borrowing costs as a result of changes to levels of prudential borrowing in the capital programme.
5.999	**Subtotal Investments**	**2,402**	**3,546**	**3,155**	**3,072**	**1,212**	
6	**SAVINGS**						
	GPC						
G/R.6.003	MRP: Accountable Body	-436	1,217	540	-2,857	1,143	As Accountable Body the Council incurs certain administrative costs in undertaking this role. However it also holds the cash on an interim basis pending utilisation by those parties. The Council maximises the use of these resources whilst not detrimentally affecting those resources. This is only possible where the body or partnership does not use the funds that have been awarded in the financial year in which they are provided. This is an adverse effect, it is the reversal of savings made in previous years as the cash received in prior years is utilised by the parties for whom we hold the funds and can no longer be used to offset borrowing requirements
G/R.6.004	Capitalisation of interest on borrowing	251	671	-269	924	568	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.
6.999	**Subtotal Savings**	**-185**	**1,888**	**271**	**-1,933**	**1,711**	
	TOTAL GROSS EXPENDITURE	**32,649**	**38,083**	**41,509**	**42,648**	**45,571**	

Section 3 - C: Corporate and Managed Services

Table 6: Revenue - Financing Debt Charges Overview

Budget Period: 2021-22 to 2025-26

Ref	Title	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
		Detailed Plans	Outline Plans				
7	**FEES, CHARGES & RING-FENCED GRANTS**						
G/R.7.001	Previous year's fees & charges	-	-862	-862	-862	-862	Previous year's fees and charges for the provision of services rolled forward.
G/R.7.003	Changes to brought forward Fees and Charges due to decisions made in 2020-21	-862	-	-	-	-	Expected interest receivable on cash deposits held in money market funds and call accounts
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-862**	**-862**	**-862**	**-862**	**-862**	
	TOTAL NET EXPENDITURE	**31,787**	**37,221**	**40,647**	**41,786**	**44,709**	

FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
G/R.8.101	Budget Allocation	-31,787	-37,221	-40,647	-41,786	-44,709	Net spend funded from general grants, business rates and Council Tax.
G/R.8.102	Fees and Charges	-862	-862	-862	-862	-862	Fees and charges for the provision of services.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-32,649**	**-38,083**	**-41,509**	**-42,648**	**-45,571**	

Section 3 - E: Public Health

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2021-22 to 2025-26

Net Revised Opening Budget 2020-21 £000	Policy Line	Gross Budget 2021-22 £000	Fees, Charges & Ring-fenced Grants 2021-22 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000
	Children Health							
6,929	Children 0-5 PH Programme	9,995	-3,066	6,929	6,929	6,929	6,929	6,929
1,627	Children 5-19 PH Programme - Non Prescribed	1,627	-	1,627	1,627	1,627	1,627	1,627
271	Children Mental Health	341	-	341	341	341	341	341
8,827	**Subtotal Children Health**	**11,963**	**-3,066**	**8,897**	**8,897**	**8,897**	**8,897**	**8,897**
	Drugs & Alcohol							
5,355	Drug & Alcohol Misuse	5,579	-287	5,292	5,292	5,292	5,292	5,292
5,355	**Subtotal Drugs & Alcohol**	**5,579**	**-287**	**5,292**	**5,292**	**5,292**	**5,292**	**5,292**
	Sexual Health & Contraception							
3,818	SH STI testing & treatment - Prescribed	3,818	-	3,818	3,818	3,818	3,818	3,818
1,096	SH Contraception - Prescribed	1,096	-	1,096	1,096	1,096	1,096	1,096
146	SH Services Advice Prevention/Promotion - Non-Prescribed	146	-	146	146	146	146	146
5,060	**Subtotal Sexual Health & Contraception**	**5,060**	**-**	**5,060**	**5,060**	**5,060**	**5,060**	**5,060**
	Behaviour Change / Preventing Long Term Conditions							
2,032	Integrated Lifestyle Services	1,978	54	2,032	2,032	2,032	2,032	2,032
397	Other Health Improvement	605	-178	427	427	427	427	427
683	Smoking Cessation GP & Pharmacy	683	-	683	683	683	683	683
625	NHS Health Checks Programme - Prescribed	625	-	625	625	625	625	625
3,737	**Subtotal Behaviour Change / Preventing Long Term Conditions**	**3,891**	**-124**	**3,767**	**3,767**	**3,767**	**3,767**	**3,767**
	Falls Prevention							
82	Falls Prevention	82	-	82	82	82	82	82
82	**Subtotal Falls Prevention**	**82**	**-**	**82**	**82**	**82**	**82**	**82**
	General Prevention Activities							
13	General Prevention, Traveller Health	13	-	13	13	13	13	13
13	**Subtotal General Prevention Activities**	**13**	**-**	**13**	**13**	**13**	**13**	**13**
	Adult Mental Health & Community Safety							
256	Adult Mental Health & Community Safety	256	-	256	256	256	256	256
256	**Subtotal Adult Mental Health & Community Safety**	**256**	**-**	**256**	**256**	**256**	**256**	**256**

Section 3 - E: Public Health

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2021-22 to 2025-26

Net Revised Opening Budget 2020-21 £000	Policy Line	Gross Budget 2021-22 £000	Fees, Charges & Ring-fenced Grants 2021-22 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000
	Public Health Directorate							
1,731	Public Health - Admin & Salaries	2,241	-205	2,036	2,036	2,036	2,036	2,036
425	Public Health Strategic Management	1,011		1,011	1,011	1,011	1,011	1,011
2,156	**Subtotal Public Health Directorate**	**3,252**	**-205**	**3,047**	**3,047**	**3,047**	**3,047**	**3,047**
-25,485	Public Health Ring-fenced Grant	-	-26,414	-26,414	-	-	-	-
	Future Years							
-	Inflation	-	-	-	34	69	103	137
-	Savings	-	-	-				
-	**PUBLIC HEALTH TOTAL**	**30,095**	**-30,095**	**-**	**26,448**	**26,483**	**26,517**	**26,551**

Section 3 - E: Public Health

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2021-22

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Children Health							
Children 0-5 PH Programme	6,929	-	-	-	-	-	6,929
Children 5-19 PH Programme - Non Prescribed	1,627	-	-	-	-	-	1,627
Children Mental Health	271	-	-	-	70	-	341
Subtotal Children Health	**8,827**	**-**	**-**	**-**	**70**	**-**	**8,897**
Drugs & Alcohol							
Drug & Alcohol Misuse	5,355	-	-	-	-	-63	5,292
Subtotal Drugs & Alcohol	**5,355**	**-**	**-**	**-**	**-**	**-63**	**5,292**
Sexual Health & Contraception							
SH STI testing & treatment - Prescribed	3,818	-	-	-	-	-	3,818
SH Contraception - Prescribed	1,096	-	-	-	-	-	1,096
SH Services Advice Prevention/Promotion - Non-Prescribed	146	-	-	-	-	-	146
Subtotal Sexual Health & Contraception	**5,060**	**-**	**-**	**-**	**-**	**-**	**5,060**
Behaviour Change / Preventing Long Term Conditions							
Integrated Lifestyle Services	2,032	-	-	-	-	-	2,032
Other Health Improvement	397	-	-	-	30	-	427
Smoking Cessation GP & Pharmacy	683	-	-	-	-	-	683
NHS Health Checks Programme - Prescribed	625	-	-	-	-	-	625
Subtotal Behaviour Change / Preventing Long Term Conditions	**3,737**	**-**	**-**	**-**	**30**	**-**	**3,767**
Falls Prevention							
Falls Prevention	82	-	-	-	-	-	82
Subtotal Falls Prevention	**82**	**-**	**-**	**-**	**-**	**-**	**82**
General Prevention Activities							
General Prevention, Traveller Health	13	-	-	-	-	-	13
Subtotal General Prevention Activities	**13**	**-**	**-**	**-**	**-**	**-**	**13**
Adult Mental Health & Community Safety							
Adult Mental Health & Community Safety	256	-	-	-	-	-	256
Subtotal Adult Mental Health & Community Safety	**256**	**-**	**-**	**-**	**-**	**-**	**256**

Section 3 - E: Public Health

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2021-22

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Public Health Directorate							
Public Health - Admin & Salaries	1,731	6	-	-	300	-	2,037
Public Health Strategic Management	425	-	-		569	16	1,010
Subtotal Public Health Directorate	**2,156**	**6**	**-**	**-**	**869**	**16**	**3,047**
Public Health Ring-fenced Grant	-25,486			-		-928	-26,414
PUBLIC HEALTH TOTAL	**-**	**6**	**-**	**-**	**969**	**-975**	**-**

Section 3 - E: Public Health

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

		Detailed Plans	Outline Plans				
Ref	**Title**	**2021-22 £000**	**2022-23 £000**	**2023-24 £000**	**2024-25 £000**	**2025-26 £000**	**Description**
1	**OPENING GROSS EXPENDITURE**	**25,666**	**30,095**	**30,138**	**30,180**	**30,222**	
E/R.1.002	Changes to opening budgets made in 2020/21	2,941	-	-	-	-	This line reflects permanent virements made in 2020/21. This is mostly around accounting for the joint Children's Health contract with Peterborough City Council, the income for which is shown in section 7.
E/R.1.003	New Public Health burdens in 2020/21	612	-	-	-	-	Part of the increase in the Public Health Grant in 2020/21 has been committed to fund a number of new burdens around pay increases in NHS providers.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**29,219**	**30,095**	**30,138**	**30,180**	**30,222**	
2	**INFLATION**						
E/R.2.001	Inflation	11	43	42	42	42	Forecast pressure from inflation in the Public Health Directorate, excluding inflation on any costs linked to the standard rate of inflation where the inflation rate is assumed to be 0%. Inflation appears low due to the majority of public health spend being committed to external contracts. Providers are expected to meet inflationary and demographic pressures within the agreed contract envelope.
2.999	**Subtotal Inflation**	**11**	**43**	**42**	**42**	**42**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
4.999	**Subtotal Pressures**	**-**	**-**	**-**	**-**	**-**	
5	**INVESTMENTS**						
E/R.5.001	Healthy Weight Strategy	400	-	-	-	-	Estimated investment required for implementation of healthy weight strategy
E/R.5.002	Public Health Staffing	300	-	-	-	-	During the response to Coivd a number of additional posts have been created, or existing posts expanded, funded through reserves or grants. It would be beneficial to have this additional capacity on a permanent basis.
E/R.5.004	Child and Adolescent Mental Health	70	-	-	-	-	A targetted investment to bolster CAMH provision
E/R.5.005	Healthy Fenland	30	-	-	-	-	A further investment into Healthy Fenland provision
E/R.5.006	Public Health provider sustainability	128	-	-	-	-	This is an estimated provision for some targeted uplifts to contracts where it is demonstrated that it would be beneficial for sustainability of delivery.
5.999	**Subtotal Investments**	**928**	**-**	**-**	**-**	**-**	

Section 3 - E: Public Health

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans 2021-22 £000	Outline Plans 2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
6	**SAVINGS**						
	Health						
E/R.6.033	Drug & Alcohol service - funding reduction built in to new service contract	-63	-	-	-	-	This saving has been built into the contract for Adult Drug and Alcohol Treatment Services which was awarded to Change Grow Live (CGL) and implemented in October 2018. The savings are being achieved through a new service model with strengthened recovery services using cost effective peer support models to avoid readmission, different staffing models, and a mobile outreach service.
6.999	**Subtotal Savings**	**-63**	**-**	**-**	**-**	**-**	
	TOTAL GROSS EXPENDITURE	**30,095**	**30,138**	**30,180**	**30,222**	**30,264**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
E/R.7.001	Previous year's fees, charges, other income & ring-fenced grants	-25,666	-30,095	-3,690	-3,697	-3,705	Fees and charges expected to be received for services provided and Public Health ring-fenced grant from Government.
E/R.7.002	Changes to income budgets made in 2020/21	-2,884	-	-	-	-	Along with E/R.1.002 above, this line reflects changes made to income budgets in 2020/21, mainly to reflect new shared contracts with Peterborough City Council where CCC is the lead commissioner
E/R.7.003	Fees, Charges and Other Income Inflation	-5	-9	-7	-8	-8	Inflation on external income.
	Changes to fees & charges						
E/R.7.200	Previous year's Public Health Grant increase	-1,540	-	-	-	-	Due to late announcement of the Public Health Grant uplift, the 2020-25 business plan did not include a budget adjustment for it. This line corrects the starting point for 2021/22.
E/R.7.201	Change in Public Health Grant	-	26,414	-	-	-	It is assumed that the Public Health Grant will remain at its 2020/21 level, and that the ring-fence will be removed in 2022/23.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-30,095**	**-3,690**	**-3,697**	**-3,705**	**-3,713**	
	TOTAL NET EXPENDITURE	**-**	**26,448**	**26,483**	**26,517**	**26,551**	

FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
E/R.8.001	Budget Allocation	-	-26,448	-26,483	-26,517	-26,551	Net spend funded from general grants, business rates and Council Tax.
E/R.8.101	Public Health Grant	-26,414	-	-	-	-	Direct expenditure funded from Public Health grant. As the ring-fence is assumed to be removed in 2022/23, the grant will be treated corporately and replaced with budget allocation for Public Health services.
E/R.8.102	Fees, Charges and Other Income	-3,681	-3,690	-3,697	-3,705	-3,713	Income generation (various sources).
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-30,095**	**-30,138**	**-30,180**	**-30,222**	**-30,264**	

Section 3 - F: Commercial & Investments

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2021-22 to 2025-26

Net Revised Opening Budget 2020-21 £000	Policy Line	Gross Budget 2021-22 £000	Fees, Charges & Ring-fenced Grants 2021-22 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000
	Commercial Activity							
-3,665	Property Investments	3,826	-7,917	-4,091	-4,282	-4,486	-4,682	-4,972
-456	Shareholder Company Dividends	-	-456	-456	-456	-552	-552	-552
-5,796	Housing Investment (This Land Company)	2,117	-8,180	-6,063	-6,063	-6,063	-6,063	-6,063
-249	Contract Efficiencies	-	-	-	-249	-249	-249	-249
58	Commercial	258	-201	57	-443	-1,193	-1,943	-1,943
-1,560	Collective Investment Funds	-	-2,318	-2,318	-2,318	-2,318	-2,318	-2,318
-265	Renewable Energy Investments	812	-1,094	-282	77	-381	-829	-968
-	Pandemic Related Income Pressures	-	1,624	1,624	1,916	957	789	795
-11,933	**Subtotal Commercial Activity**	**7,013**	**-18,542**	**-11,529**	**-11,818**	**-14,285**	**-15,847**	**-16,270**
	Property Services							
5,835	Facilities Management	7,344	-2,088	5,256	5,356	5,356	5,356	5,356
787	Property Services	788	-	788	788	788	788	788
206	Property Compliance	282	-77	205	205	205	205	205
6,828	**Subtotal Property Services**	**8,414**	**-2,165**	**6,249**	**6,349**	**6,349**	**6,349**	**6,349**
	Strategic Assets							
-4,211	County Farms	749	-5,240	-4,491	-4,666	-4,666	-4,666	-4,666
702	Strategic Assets	703	-	703	703	703	703	703
-3,509	**Subtotal Strategic Assets**	**1,452**	**-5,240**	**-3,788**	**-3,963**	**-3,963**	**-3,963**	**-3,963**
	Traded Services							
-	Traded Services - Central	-	-	-	-	-	-	-
-200	ICT Service (Education)	1,949	-2,149	-200	-200	-200	-200	-200
-71	Professional Development Centres	-50	-21	-71	-71	-71	-71	-71
-271	**Subtotal Traded Services**	**1,899**	**-2,170**	**-271**	**-271**	**-271**	**-271**	**-271**
	Future Years							
-	Inflation		-	-	147	298	473	679
-	Savings	-	-	-				
-8,885	**COMMERCIAL & INVESTMENTS TOTAL**	**18,778**	**-28,117**	**-9,339**	**-9,556**	**-11,872**	**-13,259**	**-13,476**

Section 3 - F: Commercial & Investments

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2021-22

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Commercial Activity							
Property Investments	-3,665	-	-	-	-260	-166	-4,091
Shareholder Company Dividends	-456	-	-	-	-	-	-456
Housing Investment (This Land Company)	-5,796	-	-	-	-79	-188	-6,063
Contract Efficiencies	-249	-	-	-	-	249	-
Commercial	58	-1	-	-	-	-	57
Collective Investment Funds	-1,560	-	-	-	-	-758	-2,318
Renewable Energy Investments	-265	-	-	5	-9	-13	-282
Pandemic Related Income Pressures	-	-	-	-	-	1,624	1,624
Subtotal Commercial Activity	**-11,933**	**-1**	**-**	**5**	**-348**	**748**	**-11,529**
Property Services							
Facilities Management	5,835	173	-	-75	-	-677	5,256
Property Services	787	1	-	-	-	-	788
Property Compliance	206	-1	-	-	-	-	205
Subtotal Property Services	**6,828**	**173**	**-**	**-75**	**-**	**-677**	**6,249**
Strategic Assets							
County Farms	-4,211	7	-	3	-	-290	-4,491
Strategic Assets	702	1	-	-	-	-	703
Subtotal Strategic Assets	**-3,509**	**8**	**-**	**3**	**-**	**-290**	**-3,788**
Traded Services							
Traded Services - Central	-	-	-	-	-	-	-
ICT Service (Education)	-200	-	-	-	-	-	-200
Professional Development Centres	-71	-	-	-	-	-	-71
Subtotal Traded Services	**-271**	**-**	**-**	**-**	**-**	**-**	**-271**
COMMERCIAL & INVESTMENTS TOTAL	**-8,885**	**180**	**-**	**-67**	**-348**	**-219**	**-9,339**

Section 3 - F: Commercial and Investments

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	2021-22 £000 (Detailed Plans)	2022-23 £000 (Outline Plans)	2023-24 £000 (Outline Plans)	2024-25 £000 (Outline Plans)	2025-26 £000 (Outline Plans)	Description
1	**OPENING GROSS EXPENDITURE**	**22,678**	**18,778**	**22,118**	**22,582**	**22,443**	
F/R.1.001	Base adjustment reserves	288	-	-	-	-	Budget pre adjustments and PVs
F/R.1.002	Budget Prep Adjustments - Traded Services	-3,668	-	-	-	-	Traded Services transferred to P&C
F/R.1.003	Commercial Team	258	-	-	-	-	Establishment of a dedicated commercial resource to deliver the Council's Commercial Strategy; the Commercial Team will be base funded from 2021-22.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**19,556**	**18,778**	**22,118**	**22,582**	**22,443**	
2	**INFLATION**						
F/R.2.001	Inflation	191	163	166	190	222	Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures.
2.999	**Subtotal Inflation**	**191**	**163**	**166**	**190**	**222**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
F/R.4.001	East Barnwell Community Centre	-	100	-	-	-	Operating costs for the proposed new community centre in East Barnwell, Cambridge.
F/R.4.007	LGSS Law dividend expectation	-	-	-96	-	-	LGSS Law Ltd was in deficit in 2017-18 and 2018-19, and the company has retained losses as result. Following significant changes including improvements in fee earner utilisation and in management and direction, the company has returned to profitability in 2020, however this line reflects that a dividend is unlikely to be payable from the company before 2024. The primary financial purpose of the company is to provide cost effective services, which is achieved through fees, rather than the delivery of dividend.
F/R.4.008	Spokes buildings operating costs	115	-	-	-	-	The acquisition, development and change of use of spokes buildings will lead to an increase in the operating costs of those buildings. This will be offset by the savings from the Cambs 2020 programme in 2021-22. (Bernard Sunley & Eastfield House)
F/R.4.010	St Ives Smart Energy Grid - operating costs	-	39	1	1	1	The Council is building a Smart Energy Grid at the St Ives Park & Ride site, capital project reference F/C.2.118. These are the expected operating costs.
F/R.4.011	Babraham Smart Energy Grid - operating costs	-	-	45	2	3	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. These are the expected operating costs.
F/R.4.012	Trumpington Smart Energy Grid - operating costs	-	-	63	2	-	The Council is building a Smart Energy Grid at the Trumpington Park & Ride site, capital project reference F/C.2.120. These are the expected operating costs.
F/R.4.013	Stanground Closed Landfill Site - operating costs	-	120	3	3	3	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. These are the expected operating costs.
F/R.4.015	North Angle Solar Farm, Soham - operating costs	-	499	14	15	15	The Council is installing a solar park facility at North Angle Farm, Soham, capital project reference F/C.2.123. These are the expected operating costs.
F/R.4.017	Babbage House dilapidation costs	-190	-	-	-	-	One-off repair and reinstatement costs associated with restoring Babbage House to its original pre-let state following the end of the Council's tenancy.

Section 3 - F: Commercial and Investments

Table 3: Revenue - Overview

Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans 2021-22 £000	Outline Plans 2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
F/R.4.018	County Farms	3	-	-	-	-	Increase in maintenance costs for the county farms estate.
F/R.4.903	Renewable Energy - Soham	5	40	6	6	-	Operating costs associated with the capital investment in Renewable Energy, at the Soham Solar Farm. Links to capital proposal C/C.2.102 in BP 2016-17.
4.999	**Subtotal Pressures**	**-67**	**798**	**36**	**29**	**22**	
5	**INVESTMENTS**						
F/R.5.001	Invest to Save Housing Schemes - Interest Costs	-79	-	-	-	-	Revenue costs associated with the development of the Cambridge Housing and Investment Company in order to generate long-term income streams.
F/R.5.002	St Ives Smart Energy Grid - Interest Costs	-	143	-44	-1	-1	The Council is building a Smart Energy Grid at St Ives Park & Ride site, capital project reference F/C.2.118. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
F/R.5.003	Babraham Smart Energy Grid - Interest Costs	-	-	515	-173	-4	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
F/R.5.004	Trumpington Smart Energy Grid - Interest Costs	-	-	495	-118	-4	The Council is building a Smart Energy Grid at the Trumpington & Ride site, capital project reference F/C.2.120. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
F/R.5.005	Stanground Closed Landfill Site - Interest Costs	-	589	-141	-5	-5	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy and provision of grid services.
F/R.5.007	North Angle Solar Farm, Soham - Interest Costs	-	1,941	-519	-16	-16	The Council is installing a solar park facility at North Angle Farm, Soham, capital project reference F/C.2.123. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
F/R.5.008	Renewable Energy Soham - Interest Costs	-9	-10	-9	-10	-	The Council has invested in building a solar park at Triangle Farm, Soham. These are the borrowing costs associated with the scheme to be repaid using income from the sale of energy.
F/R.5.009	Commercial Investments - Interest Costs	-260	-35	-35	-35	-	The Council is developing a portfolio of commercial property investments. These are the associated borrowing costs to be repaid using rental income generated from the leases of these properties.
5.999	**Subtotal Investments**	**-348**	**2,628**	**262**	**-358**	**-30**	
6	**SAVINGS**						
	C&I						
F/R.6.003	Babbage House closure	-198	-	-	-	-	The lease on Babbage House is due to end in 2020-21, and will not be renewed.
F/R.6.109	Cambs 2020 Operational Savings	-605	-	-	-	-	Savings to the running costs of corporate buildings as a result of the Cambs 2020 programme.
F/R.6.111	Contract Savings	249	-249	-	-	-	The ability to renegotiate or procure to achieve contracual savings is likely to remain compromised in 2021.
6.999	**Subtotal Savings**	**-554**	**-249**	**-**	**-**	**-**	

Section 3 - F: Commercial and Investments

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans 2021-22 £000	Outline Plans 2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
	TOTAL GROSS EXPENDITURE	**18,778**	**22,118**	**22,582**	**22,443**	**22,657**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
F/R.7.001	Previous year's fees, charges & ring-fenced grants	-31,955	-28,117	-31,674	-34,454	-35,702	Previous year's fees and charges for the provision of services and ring-fenced grant funded rolled forward.
F/R.7.002	Changes to fees and charges	-226	-	-	-	-	Previous years, from PV and budget prep
F/R.7.003	Fees and charges inflation	-11	-16	-15	-15	-16	Uplift in external charges to reflect inflation pressures on the cost of services.
	Changes to fees & charges						
F/R.7.1004	Transfer of Traded Services to P&C	3,740	-	-	-	-	Transfer of Traded Services to P&C
F/R.7.105	Renewable Energy Soham - Income Generation	-13	-13	-14	-13	-	Income generation resulting from capital investment in solar farm at Soham. Links to capital proposal C/C.2.102 in BP 2016-17.
F/R.7.113	Invest to Save Housing Schemes - Income Generation	-188	-	-	-	-	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.
F/R.7.114	St Ives Smart Energy Grid - Income Generation	-	-117	-5	-6	-6	The Council is building a Smart Energy Grid at St Ives Park & Ride site, capital project reference F/C.2.118. This is the expected income to be generated from the sale of energy.
F/R.7.116	Babraham Smart Energy Grid - Income Generation	-	-	-304	-16	-18	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. This is the expected income to be generated from the sale of energy.
F/R.7.118	Trumpington Smart Energy Grid - Income Generation	-	-	-463	-15	-	The Council is building a Smart Energy Grid at the Trumpington Park & Ride site, capital project reference F/C.2.120. This is the expected income to be generated from the sale of energy.
F/R.7.120	Stanground Closed Landfill Site - Income Generation	-	-510	-23	-24	-25	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. This is the expected income to be generated from the sale of energy and provision of grid services.
F/R.7.125	North Angle Solar Farm, Soham - Income Generation	-	-2,362	-78	-80	-82	The Council is installing a solar park facility at North Angle Farm, Soham, capital project reference F/C.2.123. This is the expected income to be generated from the sale of energy.
F/R.7.127	County Farms - Commercial uses	-250	-175	-	-	-	Conversion of barns on the County Farms Estate for non-agricultural commercial uses, including storage and distribution.
F/R.7.131	Commercial Income	-758	-500	-750	-750	-	Commercial return from the Council's Commercial Strategy, to be generated by the newly developed Commercial Team.
F/R.7.132	Shire Hall Car Park Income	126	-	-	-	-	Loss of income due to the closure of the Shire Hall site car park.
F/R.7.133	COVID Impact - Cromwell Leisure	124	-124	-	-	-	Cromwell Leisure consists of a cinema and three restaurant units. We anticipate that in the current climate, two of the restaurant units will remain empty during the first half of 2021-22. However, this impact does take into account the CVA now in place for one of the units, providing guaranteed rent until 2023-24.
F/R.7.134	COVID Impact - County Farms	205	87	-117	-175	-	An additional income from the County Farms Estate was included in the 2020-21 Business Plan, £250k - 2021-22 and £175k - 2022-23. Specifically this was to identify buildings for development which could be let at a higher value. This scenario forecasts a reduction in income from new investments & a small decline on existing income due to COVID.

Section 3 - F: Commercial and Investments

Table 3: Revenue - Overview
Budget Period: 2021-22 to 2025-26

Ref	Title	Detailed Plans 2021-22 £000	Outline Plans 2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description
F/R.7.135	COVID Impact - Pooled Property Fund Investment	21	-21	-	-	-	The Pooled Property Fund Investment (CCLA) is expected to start recovery in late 2020-21, but with the risk of further challenges ahead a forecast of 5% income reduction is likely.
F/R.7.136	COVID Impact - Multi-Class-Credit	560	-	-	-	-	The impact of COVID on fund assets and the Council's requirements for a high level of Environment, Social and Governance (ESG) criteria have resulted in updated forecasts for this asset with an overall reduction in the value of the returns from 5.7% to 2.9%.
F/R.7.137	COVID Impact - Brunswick House	423	-208	7	7	6	Brunswick House (BH) has 251 direct let student beds. This scenario is forecastinga 10% reduction in the occupancy levelsindue the fact that some students will stay at home and opt for online learning and a drop in international student numbers is expected.
F/R.7.139	COVID Impact - Commercial Income	291	558	-849	-	-	For the additional income expected across the Commercial Strategy, based on the current funds for investments, we forecast that the 2021-22 & 2022-23 target will be achieved in full by 2023-24.
F/R.7.140	Tesco - Income Generation	-77	-81	-84	-88	-92	Estimated annual rent increase.
F/R.7.141	Evolution Business Park - Income Generation	-12	-8	-15	-11	-38	Estimated annual rent increase.
F/R.7.142	Kingsbridge - Income Generation	-11	-	-	-	-95	Estimated annual rent increase.
F/R.7.143	Brunswick House - Income Generation	-66	-67	-70	-62	-65	Estimated annual rent increase.
F/R.7.144	County Farms	-40	-	-	-	-20	Increase in rental income for the county farms estate.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-28,117**	**-31,674**	**-34,454**	**-35,702**	**-36,153**	
	TOTAL NET EXPENDITURE	**-9,339**	**-9,556**	**-11,872**	**-13,259**	**-13,496**	

FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
F/R.8.001	Budget Surplus	9,339	9,556	11,872	13,259	13,476	Net surplus from Commercial and Investment activities contributed to funding other Services.
F/R.8.003	Fees & Charges	-27,335	-30,892	-33,672	-34,920	-35,351	Fees and charges for the provision of services.
F/R.8.004	Arts Council Funding	-782	-782	-782	-782	-782	Ring-fenced grant from the Arts Council to part-fund Cambridgeshire Music
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-18,778**	**-22,118**	**-22,582**	**-22,443**	**-22,657**	

Section 3 - F: Commercial and Investments
Table 4: Capital Programme
Budget Period: 2021-22 to 2030-31

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
Ongoing	-7,564	-	-7,617	-328	-1,210	-480	760	1,311
Committed Schemes	178,175	154,125	13,275	250	324	3,175	-	7,026
2018-2019 Starts	50,326	6,647	32,612	8,621	-	-	-	2,446
2019-2020 Starts	6,387	4,724	1,663	-	-	-	-	-
2020-2021 Starts	19,200	6,950	2,425	3,200	3,200	3,200	225	-
2021-2022 Starts	2,400	-	1,000	350	350	350	350	-
TOTAL BUDGET	**248,924**	**172,446**	**43,358**	**12,093**	**2,664**	**6,245**	**1,335**	**10,783**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
F/C.01	**Commercial Activity**											
F/C.1.118	Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	Low carbon energy generation assets with battery storage on Council assets at St Ives Park and Ride	F/R.7.114, F/R.7.115	Committed	3,645	511	3,134	-	-	-	-	-
F/C.1.119	Babraham Smart Energy Grid	The project is to develop a high level assessment, then an Investment Grade Proposal for a renewable energy scheme on the Babraham Park and Ride site. This project at Babraham will look to build on the skills developed in the St Ives project to replicate on other Park and Ride sites. A 2.1 MW solar canopy project is proposed at the HLA stage.	F/R.7.116, F/R.7.117	2018-19	6,306	338	3,999	1,969	-	-	-	-
F/C.1.120	Trumpington Smart Energy Grid	The project is to develop a high level assessment, then an Investment Grade Proposal for a renewable energy scheme on the Trumpington Park and Ride site. This project at Trumpington will look to build on the skills developed in the St Ives project to replicate on other Park and Ride sites. A 2.1 MW solar canopy project is proposed at the HLA stage.	F/R.7.118, F/R.7.119	2018-19	6,969	48	269	6,652	-	-	-	-
F/C.1.121	Stanground Closed Landfill Energy Project	The project is to develop a high level assessment, then an Investment Grade Proposal for a clean energy scheme on the closed landfill site in Stanground. Bouygues propose a 2.25MWp Solar PV ground mounted array on the site together with a 10MW 2C battery storage system for demand side response.	F/R.7.120, F/R.7.121	2018-19	8,267	479	7,788	-	-	-	-	-

Section 3 - F: Commercial and Investments

Table 4: Capital Programme

Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
F/C.1.122	Woodston Closed Landfill Energy Project	The project is to develop a high level assessment, then an Investment Grade Proposal for a clean energy scheme on the closed landfill site in Woodston. A tailored 3MW 2C Battery Storage for Demand Side Response services is proposed. This would provide a steady revenue stream, while being respectful of the local environment in terms of disruption and visual amenity.	F/R.7.122, F/R.7.123	2018-19	2,526	80		-	-	-	-	2,446
F/C.1.123	North Angle Solar Farm, Soham	Investment in a second solar farm at Soham, bordering the Triangle Farm solar farm site. The scheme aims to maximise potential revenue from Council land holdings, help to secure national energy supplies and help meet Government carbon reduction targets.	F/R.7.125, F/R.7.126	2018-19	26,258	5,702	20,556	-	-	-	-	-
F/C.1.240	Housing schemes	The Council is a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. CCC has moved from being not only a seller of sites, but also a developer of sites, through a Housing Company. CCC is continuing to make the best use of its sites with development potential in a co-ordinated and planned manner, developing them for a range of options, generating capital receipts to support site development and also significant revenue and capital income to support services and communities.	F/R.7.113	Committed	152,395	140,659	1,736	-	-	3,000	-	7,000
F/C.1.243	Development Funding	Capital expenditure related to planning applications.		2021-22	1,600	-	200	350	350	350	350	-
F/C.1.244	Lower Portland Farm	To replenish the rural portfolio with agricultural land that has the opportunity for diversification in renewable energy projects, commercial and residential development whilst receiving regular income from agricultural land let to tenant farmers. Long Term (10 years) plan to obtain planning permissions for development leading to a significant increase in value across 68 acres of agricultural land.		2020-21	4,000	3,750	25	-	-	-	225	-
	Total - Commercial Activity				**211,966**	**151,567**	**37,707**	**8,971**	**350**	**3,350**	**575**	**9,446**
F/C.02	**Property Services**											
F/C.2.112	Building Maintenance	This budget is used to carry out replacement of failed elements and maintenance refurbishments.		Ongoing	5,400	-	600	600	600	600	600	2,400

Section 3 - F: Commercial and Investments
Table 4: Capital Programme
Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
F/C.2.113	Decarbonisation Fund	An investment in the decarbonisation of Council owned and occupied buildings (approximately 69 buildings). All Council buildings will be taken off fossil fuels (primarily oil and gas) and will be replaced with low carbon heating solutions such as Air or Ground Source Heat Pumps. This investment is expected to be recouped in full from savings delivered on the Council's energy bills.		2020-21	15,000	3,000	2,400	3,200	3,200	3,200	-	-
F/C.2.114	Electric Vehicle chargers	An investment in Electric Vehicle (EV) charging infrastructure for main offices to host Cambridgeshire County Council electric pool cars/vans and staff vehicles.		2020-21	200	200		-	-	-	-	-
F/C.2.115	Oil Dependency Fund	Provision of financial support for oil dependent schools and communities to come off oil and onto renewable sources of energy. The initial investment of £500k will be paid back through business case investments into heat infrastructure.		2021-22	500	-	500	-	-	-	-	-
F/C.2.116	Climate Action Fund	A fund to support the delivery of projects brought forward by services to improve the carbon efficiency of Council assets and services.		2021-22	300	-	300	-	-	-	-	-
	Total - Property Services				**21,400**	**3,200**	**3,800**	**3,800**	**3,800**	**3,800**	**600**	**2,400**
F/C.03	**Strategic Assets**											
F/C.3.101	County Farms investment (Viability)	To invest in projects which protect and improve the County Farms Estate's revenue potential, asset value and long term viability.	F/R.7.103	Ongoing	2,700	-	300	300	300	300	300	1,200
F/C.3.103	Local Plans - representations	Making representations to Local Plans and where appropriate following through to planning applications with a view to adding value to County Farms and other Council land, whilst meeting Council objectives through the use / development of such land.		Ongoing	900	-	100	100	100	100	100	400
F/C.3.109	Confidential Scheme	Confidential Scheme		Committed	1,981	497	1,484	-	-	-	-	-
F/C.3.116	Shire Hall Relocation	As part of the Cambs 2020 vision, the Council plans to vacate Shire Hall and relocate to outside of Cambridge.	TBC	Committed	18,737	12,458	6,279	-	-	-	-	-

Section 3 - F: Commercial and Investments

Table 4: Capital Programme

Budget Period: 2021-22 to 2030-31

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
F/C.3.119	Cambs 2020 Spokes Asset Review	The Cambs 2020 Programme will see the current Shire Hall site will be disposed, moving to a 'Hub and Spokes' model with a central purpose built Hub in Alconbury Weald and Spokes sites across the County. This was an opportunity to review our asset portfolio based on organisational needs. This project includes: - acquisition of a new freehold asset - disposal of properties surplus to requirements - major refurbishment works - minor refurbishment works - move related costs (i.e. staff relocation allowance)		2019-20	6,387	4,724	1,663	-	-	-	-	-
	Total - Strategic Assets				**30,705**	**17,679**	**9,826**	**400**	**400**	**400**	**400**	**1,600**
F/C.04	**Capital Programme Variation**											
F/C.4.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-16,564	-	-8,617	-1,328	-2,210	-1,480	-240	-2,689
F/C.4.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	1,417	-	642	250	324	175	-	26
	Total - Capital Programme Variation				**-15,147**	**-**	**-7,975**	**-1,078**	**-1,886**	**-1,305**	**-240**	**-2,663**
	TOTAL BUDGET				**248,924**	**172,446**	**43,358**	**12,093**	**2,664**	**6,245**	**1,335**	**10,783**

Section 3 - F: Commercial and Investments

Table 4: Capital Programme

Budget Period: 2021-22 to 2030-31

Funding	Total Funding £000	Previous Years £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Later Years £000
Government Approved Funding								
Specific Grants	4,017	1,500	2,517	-	-	-	-	-
Total - Government Approved Funding	**4,017**	**1,500**	**2,517**	**-**	**-**	**-**	**-**	**-**
Locally Generated Funding								
Agreed Developer Contributions	260	-	260	-	-	-	-	-
Capital Receipts	21,913	5,913	-	-	2,000	2,000	2,000	10,000
Prudential Borrowing	78,849	32,884	38,845	12,093	664	1,245	-665	-6,217
Prudential Borrowing (Repayable)	373	120,849	-304	-	-	3,000	-	-123,172
Other Contributions	143,512	11,300	2,040	-	-	-	-	130,172
Total - Locally Generated Funding	**244,907**	**170,946**	**40,841**	**12,093**	**2,664**	**6,245**	**1,335**	**10,783**
TOTAL FUNDING	**248,924**	**172,446**	**43,358**	**12,093**	**2,664**	**6,245**	**1,335**	**10,783**

Section 3 - F: Commercial and Investments
Table 5: Capital Programme - Funding
Budget Period: 2021-22 to 2030-31

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	-7,564	-325	-	-	16,000	-23,239
Committed Schemes	178,175	1,822	260	143,512	5,913	26,668
2018-2019 Starts	50,326	-	-	-	-	50,326
2019-2020 Starts	6,387	-	-	-	-	6,387
2020-2021 Starts	19,200	2,520	-	-	-	16,680
2021-2022 Starts	2,400	-	-	-	-	2,400
TOTAL BUDGET	**248,924**	**4,017**	**260**	**143,512**	**21,913**	**79,222**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
F/C.01	**Commercial Activity**									
F/C.1.118	Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	F/R.7.114, F/R.7.115	-2,022	Committed	3,645	1,822	-	-	-	1,823
F/C.1.119	Babraham Smart Energy Grid	F/R.7.116, F/R.7.117	-10,571	2018-19	6,306	-	-	-	-	6,306
F/C.1.120	Trumpington Smart Energy Grid	F/R.7.118, F/R.7.119	-7,001	2018-19	6,969	-	-	-	-	6,969
F/C.1.121	Stanground Closed Landfill Energy Project	F/R.7.120, F/R.7.121	-8,898	2018-19	8,267	-	-	-	-	8,267
F/C.1.122	Woodston Closed Landfill Energy Project	F/R.7.122, F/R.7.123	-8,816	2018-19	2,526	-	-	-	-	2,526
F/C.1.123	North Angle Solar Farm, Soham	F/R.7.125, F/R.7.126	-40,112	2018-19	26,258	-	-	-	-	26,258
F/C.1.240	Housing schemes	F/R.7.113	-57,793	Committed	152,395	-	-	143,512	5,851	3,032
F/C.1.243	Development Funding		-	2021-22	1,600	-	-	-	-	1,600
F/C.1.244	Lower Portland Farm		-15,134	2020-21	4,000	-	-	-	-	4,000
	Total - Commercial Activity		**-150,347**		**211,966**	**1,822**	**-**	**143,512**	**5,851**	**60,781**
F/C.02	**Property Services**									
F/C.2.112	Building Maintenance		-	Ongoing	5,400	-	-	-	-	5,400
F/C.2.113	Decarbonisation Fund		-	2020-21	15,000	2,520	-	-	-	12,480
F/C.2.114	Electric Vehicle chargers		-	2020-21	200	-	-	-	-	200
F/C.2.115	Oil Dependency Fund		-	2021-22	500	-	-	-	-	500
F/C.2.116	Climate Action Fund		-	2021-22	300	-	-	-	-	300
	Total - Property Services		**-**		**21,400**	**2,520**	**-**	**-**	**-**	**18,880**

Section 3 - F: Commercial and Investments
Table 5: Capital Programme - Funding
Budget Period: 2021-22 to 2030-31

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
F/C.03	**Strategic Assets**									
F/C.3.101	County Farms investment (Viability)	F/R.7.103	-7,400	Ongoing	2,700	-	-	-	-	2,700
F/C.3.103	Local Plans - representations		-	Ongoing	900	-	-	-	-	900
F/C.3.109	Confidential Scheme		-	Committed	1,981	-	260	-	62	1,659
F/C.3.116	Shire Hall Relocation	TBC	-45,200	Committed	18,737	-	-	-	-	18,737
F/C.3.119	Cambs 2020 Spokes Asset Review		-	2019-20	6,387	-	-	-	-	6,387
	Total - Strategic Assets		**-52,600**		**30,705**	**-**	**260**	**-**	**62**	**30,383**
F/C.04	**Capital Programme Variation**									
F/C.4.001	Variation Budget		-	Ongoing	-16,564	-325	-	-	-	-16,239
F/C.4.002	Capitalisation of Interest Costs		-	Committed	1,417	-	-	-	-	1,417
	Total - Capital Programme Variation		**-**		**-15,147**	**-325**	**-**	**-**	**-**	**-14,822**
F/C.9.001	Excess Corporate Services capital receipts used to reduce total prudential borrowing			Ongoing	-	-	-	-	16,000	-16,000
	TOTAL BUDGET				**248,924**	**4,017**	**260**	**143,512**	**21,913**	**79,222**

Business Planning: Business Case proposal

Project Title: Additional Block Bed Tender

Committee:	Adults Committee
2021-22 Saving:	-£682,000
Brief Description of proposal:	This proposal outlines savings associated with the purchase of an increased number of block beds. By tendering for block contracts, CCC is able to control the level of inflation, limiting the rise in care costs over a period of time. The savings are, in effect, avoided inflation costs and are forecast to be greater over a longer period of time.

The policy was approved by Adults Committee in June 2020 so this proposal is to formally recognise the associated saving in the business plan.

Date of version: 19 November 2020	BP Reference: A/R.6.185
Business Leads / Sponsors:	Jo Melvin, Senior Commissioner / Will Patten, Service Director, Commissioning

1. Please describe what the proposed outcomes are:

The Older People’s Accommodation approach was approved by Adults Committee in January 2020. The overarching aim of the approach is to obtain sufficient, affordable and high quality residential and nursing care to meet the needs of the local community.

A key factor in achieving sustainable local authority provision is reducing reliance on spot purchased care home provision through an increase in block contracted provision. This approach will be more cost effective in Cambridgeshire in the long term. A commitment to offer longer term contracts for a larger volume of block beds will also support the care home market in managing the ongoing financial pressures of the pandemic.

The proposal outlining the tender of 810 block beds and 12 planned respite beds for older people and people with a physical disability in Cambridgeshire was approved at Adults Committee in June 2020[1]. The tender process is currently underway with contracts due to be awarded at the end of January 2021. Due to commercial sensitivity concerning the ongoing block bed tender the full details of this proposal will remain undisclosed in this outline of savings.

The block bed tender aims to:

- increase the number of quality residential and nursing care beds on a block contract basis, at an affordable rate and focused on localities and care types with most demand
- mitigate long term costs pressures associated with the rising cost of spot placements
- support the financial stability of local care homes and minimise the risk of provider failure, particularly pertinent now that pressure on the care sector has been exacerbated by COVID-19
- maintain an effective, sustainable local market which continues to offer choice and competition to all requiring long term care
- enable people and their families to access quality, planned respite care in their local area whilst delivering better value for money for the council
- reduce spend on spot purchased respite placements
- signal a longer-term move away from traditional residential care home models to more creative and cost effective delivery options such as care suites. This will be informed by the outcome of the pilot in Huntingdonshire

In addition to the above outcomes, the tender aligns with Cambridgeshire County Council's corporate priorities in the following ways:

- A good quality of life for everyone
    - o Re-commissioning existing care home provision will enable the Council to provide individuals with more choice and control over arrangements to meet their long term ongoing needs within high quality settings.

- Thriving places for people to live
    - o Ensuring block contract capacity in the care home market will secure employment for local care workers and the ongoing financial sustainability of these organisations.

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

The block bed tender is a key action within the Older People's Accommodation Strategy, approved by Adults Committee in January 2020.

The evidence base for the block bed tender was approved by Adults committee in June 2020 as part of the governance process.

[1] https://cambridgeshire.cmis.uk.com/ccc_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1440/Committee/3/Default.aspx.

In preparing the tender approach, commissioners undertook a full review of the Council's current bed supply and future requirements, determining the number of beds sought within each district and reflecting differences in supply and demand across the county and the ratio of block to spot beds in each district.

Finance colleagues developed inflation forecast models and commissioners applied these to the Council's future bed requirements, concluding block contracting with specific inflation terms would result in cost avoidance compared to ongoing spot purchasing. Detailed evidence of this was provided in the Adults Committee report which, due to commercial sensitivity, was not made public.

Given the comparatively low level of block provision in East Cambridgeshire, a higher percentage than other districts has been sought. Fenland is geographically vast, and beds will therefore be sought across a number of homes to ensure adequate spread. A reduced number of block beds is also recommended within Huntingdonshire to account for the success of previous tenders and the fact a care suite is being developed here. Intensive communication with the market will be undertaken to encourage all local providers to bid and secure a distribution of block bed provision that maximises choice and support to the market.

Whilst a variety of beds is required to ensure, wherever possible, people have a home for life as their needs increase, emphasis has been placed on increasing nursing and nursing dementia provision as demand for these services is rising. The proportion of residential beds sought is deliberately lower as we forecast increasing trends towards domiciliary care and away from residential care, particularly in light of COVID-19 pandemic.

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

Alternative options considered when developing the commissioning strategy included:

- **Take no action** – this was discounted due to the impact of increasing care costs upon the Council's budget and the significant increase in older people requiring care forecasted in the next five to 15 years. Steps to establish a sustainable and affordable supply of care home beds is essential to the Council
- **Deliver/Make** – this was discounted as the Council does not operate any care home provision. The costs of doing so are likely to be higher than market prices. Even if considered, this option could not deliver the required beds within the timescales needed
- **Spot purchase all beds** – this was discounted as the Council's financial modelling suggested this option would be more costly and leave the Council exposed to market inflation.

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

An overview of the key milestones of the procurement are summarised below. To mitigate the risk of small providers being unable to engage within this process and therefore missing an opportunity to ensure increased financial sustainability, it is proposed the tender remains open for slightly longer than usual. This will give commissioners the time to work with providers to ensure they are in a position to submit a good quality response.

High Level Timetable

Task	Start Date	End Date	Overall Responsibility
Tender Clarification, Evaluation and Moderation	24 September 2020	6 November 2020	Shauna Torrance, Head of Adults Commissioning
Stage 2: Final Submission	23 November 2020	27 November 2020	Shauna Torrance, Head of Adults Commissioning
Final Submission Date	23 November 2020	27 November 2020	Shauna Torrance, Head of Adults Commissioning
Contract Start Date	N/A	18 January 2021	Shauna Torrance, Head of Adults Commissioning
Final cost avoidance figures confirmed	N/A	March 2021	Shauna Torrance, Head of Adults Commissioning

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

There are no significant Equality and Diversity implications associated with this proposal.

The proposal will ensure the Council is able to source high quality residential care from across the market at an affordable price and ultimately ensure people continue to access affordable, quality, choice-based care.

By procuring an increased number of block beds the Council is also supporting the sustainability of the local care home market which has been adversely affected by COVID-19. This will help to protect existing care home residents who have been disproportionately affected by COVID-19 and protect jobs within the local care workforce in a time of economic recession.

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

Financial Benefits

By block contracting beds the Council can control the level of inflation, limiting the rise in care costs over a period of time. New block beds will have maximum of 3% annual uplift; whereas spot rates in the market have risen by an average of 10% per annum since 2016, reducing to 7% in 2020/1 and forecast to reduce to 6.7% in 2021/22.

Increasing block contract arrangements with providers will mitigate against the financial risk associated with rising spot prices and will help to meet pre-existing budget commitment. The risk of inflation flattening after 2025/25 is mitigated through the use of a break clause at year 5.

Savings for future years have been estimated and approved at Adults Committee, though these will need refining each year. The saving proposed for 2021/22 has been calculated at £682,000. This is an estimation as the true figure cannot be calculated until the tender award is completed and all beds activated.

The estimate is based upon realistic ‘good scenario’ assumptions about the tender outcome. However, the tender may deliver a lower level of savings due to several variable factors such as:

- Higher than forecasted void levels arising from temporary care home closures due to COVID-19 cases or a general reduction in people seeking residential care due to anxieties about contracting COVID-19
- Higher than forecast numbers of spot placements which convert to a block contract as part of the tender, adding potential cost initially
- Fewer than forecast bed numbers activated during the financial year

Accordingly, a ‘dampener’ has been applied to the estimated savings figure to mitigate the above variables.

Saving Estimation	**£000**
Original saving (as stated in the June 2020)	-412
Correction of original saving from further calculations	230
Additional saving around spot -> block effect	-818
Dampening	318
New revised saving for 2021/22	**-682**

Non-Financial Benefit

All non-financial benefits are offered in section 1 above.

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

The risks below have already been signed off at Committee in June 2020 and will continue to be monitored via the implementation work.

Risk	**Mitigation**	**RAG** (should the risk occur)	**Overall Responsibility**
Small providers are unsuccessful/do not bid due to COVID-19 pressures and therefore do not benefit from increased financial security. Block beds are awarded to larger providers and several small providers exit the market as a result, reducing competition and driving up prices.	Ensure tender is accessible to all providers: • Intensive market engagement to find out what and how we can support them • Light touch procurement to minimise work involved for providers. • Ensure distribution of block beds across all providers the market • Set limits on max beds per setting	Amber	Shauna Torrance, Head of Adults Commissioning
Risks arising from mass blocking: a. Risk of monopoly and associated increases in price and risk to the Council in the event of provider failure	Limit number of beds each provider can bid for. Effective void management: • Flexible use terms to use voids for short term emergency	Amber	Shauna Torrance, Head of Adults Commissioning

b. Reduction of choice / continued spot purchasing Increased voids.	placements or unplanned respite • Strict processes to utilise block provision flexibly and avoid spot purchasing.		
Risk of over-commissioning / fall in demand	Minimal notice period of c.6 months to allow decommissioning or rapid shift to care suite model if opportunities become available Quarterly review of block utilisation Requirement to convert to care suite model where feasible (whole homes/wings only).	Green	Shauna Torrance, Head of Adults Commissioning / Leesa Murray, Head of Brokerage
Ceiling rates are affordable to the LA but unattractive to the market resulting in fewer bids and beds	Set annual uplift calculation so the market are aware of longer term income and can plan against the risk of increased costs associated with inflation and the national living wage.	Green	Shauna Torrance, Head of Adults Commissioning
Annual uplift linked to National Living Wage and CPI (but capped at 3%) is not sufficient to meet inflationary costs	View as sharing inflation risk with providers, requiring efficiencies from them too. Potential to vary contractual uplift to give a higher amount is possible.	Green	Shauna Torrance, Head of Adults Commissioning
Cost of 28 day minimum Health Protection Agency closures following COVID-19 outbreak in mass blocked setting	Ensure distribution of block beds across all providers in the market - set limits on max beds per setting. Maintain robust Contract & Quality support to Care Homes to prevent	Amber	Shauna Torrance, Head of Adults Commissioning / Leesa Murray, Head of Brokerage

	outbreaks in subsequent waves		
This will not address immediate sustainability issues beyond the 10% resilience payment already committed. Feedback suggests this a particular pressure within homes with low spot placement fees where self-funder placements have reduced.	Consideration is being given to extending the current resilience fund beyond June 2020.	Green	Shauna Torrance, Head of Adults Commissioning

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

The accommodation approach also aims to investigate and test the benefits of developing new delivery models for care home provision, and care suites is a key example of this. Care suites is a tenancy based model which gives individuals a home for life whilst also having the potential to significantly reduce the cost of care for the Council. This saving proposal does not include other areas of the Accommodation Strategy such as care suites and is solely stated from the savings to the block bed purchase inflation savings. Other aspects of the strategy and their associated benefits will be documented separately.

Business Planning: Business Case proposal

Project Title: Adults Social Care Transport Services

Committee:	Adults Committee
2021-22 Savings:	- £250,000
Brief Description of proposal:	On review and thorough analysis of the council's Adults Transport Services, including contracts, expenditure and payments, it was identified that there is a need for a refreshed Transport Policy with the purpose to provide a fairer and consistent approach to the provision of transport that fits with CCC's strategic aims and desired outcomes for Adult Social Care. When implemented, a number of key financial benefits and efficiencies can be achieved which are outlined in this proposal.
Date of version: 12 Jan 2021	BP Reference: A/R.6.186
Business Leads / Sponsors:	Tracy Gurney, Head of Learning Disability Partnership Gurdev Singh, Head of Commercial Commissioning for People and Communities.

1. Please describe what the proposed outcomes are:

A transport transformation project group has been established in order to analyse the council's Adults Transport Services, including contracts, expenditure, payments, current routes, the rationalisation of these and potential future demand. It was identified through this group that there is a need for a refresh of the Adults Transport Policy to reflect strengths based practice and to give more clarity by updating the language in the policy and therefore making it easier for practitioners to implement in a fair and consistent way and that continues to fit with Cambridgeshire County Council's (CCC) strategic aims, the Care Act and desired outcomes for Adult Social Care. In particular, the Transport Policy aims to ensure "a good quality of life for everyone", and help work towards "zero carbon emissions for Cambridgeshire by 2050".

A comprehensive policy is necessary to provide the following key objectives:

1. Make clear that the council should only provide transport where no alternative solution is practical. This includes using family and friend networks and public transport;
2. Specify how and when charges will be levied for services provided to those who are assessed to contribute to their cost, as well as people who are funding their own day opportunities arrangements;
3. Where an alternative solution is not available the policy sets out clear criteria, which staff responsible for support planning will use to determine any transport assistance from the Council.

It is important to remember that promoting well-being and meeting needs is not always about direct service provision. In many cases maintaining an individual's independence is more conducive to their wellbeing and other means of support may be more appropriate to meet an individual's needs. Such other means of support could include information and advice, universal services, preventative interventions, community resources, carers and direct payments. Risk is managed at the assessment stage. It considers the possibilities of harm and countermeasures to mitigate the harm. The resulting care plan would document the appropriate support needs. Intervention is as mimimal as necessary to maintain independence.

The refreshed policy will drive initial improvements, but as noted there is an ongoing Transformation project that will analyse further data and provide further recommendations for improvements that will also include savings. This will include looking at the self-funder cohort, but at present the information is not known, and therefore we suggest the policy is reviewed again once the transformation work is complete to ensure it address the correct needs. This may include future developments such as encouraging people where possible to meet their transport needs independently through means such as walking, mobilising with the use of aids (either independently or with support), using their own vehicle, utilising transport assistance monies (e.g. PIP) or taking advantage of concessionary rates on public transport, using a strengths-based approach. This will be assessed once the current situation is identified.

CCC provides transport using a range of methods including its own fleet of (leased) minibuses, contracts with external providers and (for urgent/exceptional circumstances only) taxis. Drivers and passenger assistants can be part of CCC's permanent establishment, external contractors or volunteers. These transport services help people to access things including but not limited to day opportunities and respite care where alternatives are not available.

The overall objective of the policy is to ensure identified assessed need for transport is provided safety and efficiently whilst offering value for money and limiting the impact on the environment.

This proposal outlines the savings that have been calculated via the expenditure analysis. Where a charge is levied for council services the refreshed policy will ensure that the most competitive procurement and commercial decisions are made to ensure best value (as per objective 2 and 3 above). The refreshed policy will be presented to Adults Committee in January 2021, with full timescales detailed later in this report.

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

Commissioning and Finance teams conducted detailed research of published Adults Transport policies amongst local authorities. As a result the development of CCC's policy document has benchmarked the work from Hereford Council, Warwickshire County Council, Worcestershire County Council, and Milton Keynes Council.

The expenditure review, carried out by Finance and Transport teams, analysed transport payments and categorised them by where the activity took place and what the money was used for.

The analysis of 2019/20 data showed £2,850k of expenditure was made to external providers where:

- 56% of the expenditure is under central transport management control; and
- 44% of expenditure was incurred at district level through a combination of central and local contracts.

When analysing further the research found the following discrepancies:

- some transport payments incurred supporting self-funders who lived in the same residential care homes as CCC service users;
- some direct payments being made where the market could not provide capacity leading to higher costs;
- some service users being supported to travel to a day service which was further afield from a suitable alternative; and
- 97% of the expenditure was not linked to service users in Mosaic (CCC's Adult Case Management system) but instead it was linked to travel routes. This means there could be occasions when changes to service user packages did not result in corresponding changes to transport contracts.

The discrepancies are a result of the nature of the expenditure management and will be addressed in a refreshed transport policy. Anecdotally the centrally managed contracts enjoyed stronger relationships with commissioners which in turn resulted in business developments, for example exploring the use of more efficient vehicles. Consequently there is a case to centralise more expenditure as this would accelerate help towards CCC's goal to achieve "zero carbon emissions for Cambridgeshire by 2050".

Reviewing this feasibility work alongside benchmarking the expenditure profile is part of this business case.

The primary users of the Adults Transport Policy are the service users attending day services. There is an active project to review day services and so this business case would run alongside that work with a shared governance arrangement that is advantageous to provide consistency and transparency.

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

A feasibility study was conducted by staff to identify the potential opportunities for improvement. This formed the basis of the business case justification. The options analysis considered how we take this study into detailed design and implementation.

A hybrid approach is recommended from the three options considered:

1. An in-house approach;
2. A bought-in approach; and
3. A hybrid approach.

The advantage of the in-house approach is cost is already budgeted and consequently the funding required is available to implement the project. The in-house approach would require staff to be available throughout the duration of the project without the risk of work being re-prioritised as a result of emergencies such as COVID-19 response or other projects. Furthermore it is acknowledged that we do not have all the expertise available on site across all the disciplines required. The disadvantage of this approach is that CCC misses the opportunity to learn from best practice achieved elsewhere.

The advantage of the bought-in approach is that subject matter experts bring in best practice achieved elsewhere which can be readily available and after a scoping phase, can work at pace thereby maximising the benefits. The approach would require some access to in-house staff, but limit the impact of staff unavailability throughout the implementation. The disadvantage is the cost required and that the knowledge transfer and learning from consultants to staff is not always realised.

The advantage of the hybrid-in approach is that it will limit the expenditure and focus the expertise on gaps in CCC’s project. Consequently we anticipate there is a requirement to benchmark the findings to date, assist with detail design, identify further benefits and optionally facilitate implementation. This reduces the effort required to transfer learning from consultants to staff.

In order to successfully implement the policy and to provide longer-term outcomes outlined there will be a requirement for Transformation Fund investment of £90k. It should be caveated that it is the detailed design work that requires the biggest support and is the highest risk to full delivery, due to limited capacity of staff. It is suggested this will help buy in specialist support to ensure that the design work is robust, sustainable and offers significant consultation with service-users who will be affected.

Scope and tasks	In-House Lead	Amount
Detailed design work • Verify savings opportunities by benchmarking with other LA's • Detailed design building on CCC's feasibility work • Identify new benefits • Consultation with service-users	Gurdev Singh / Tracy Gurney	£40k
Implementation support • Advice and guidance on new standard operating procedures • Advice and guidance on transport route optimisation • Advice and guidance on Mosaic changes/use • Advice and guidance on vehicle selection and financing • Updating care plans to incorporate transport details	Martin Kemp / Tracy Gurney	£50k

The Transformation Fund bid will be presented to Adults Committee alongside the refreshed policy in January 2021, and then to General Purposes Committee for a formal decision, also in January 2021, as per council governance.

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

The policy is being finalised with a formal decision on this to follow, as per the summary below:

High Level Timetable

Task	Start Date	End Date	Lead Officer
Finalise Transport Policy document	September 2020	December 2020	Tracy Gurney
Complete expenditure analysis including market analysis	November 2020	December 2020	Gurdev Singh
Align work plans with Day Services project	November 2020	February 2021	Shauna Torrance / Tracy Gurney
Quick wins (a) unused transport	December 2020	February 2021	Tracy Gurney

(from service user changes)			
Quick wins (b) optimise routes (from transport changes)	December 2020	February 2021	Martin Kemp
Transport Policy document at Adults Committee	January 2021	January 2021	Tracy Gurney
Transformation Fund Bid at Adults and GPC Committee	January 2021	January 2021	Tracy Gurney
Benchmark with Home to Schools Transport	February 2021	March 2021	Martin Kemp
Review centralising budgets	March 2021	April 2021	Tracy Gurney / Shauna Torrance
Implementation details for 2021/22 activities	March 2021	March 2021	Gurdev Singh

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

The policy applies to any of the following Adult Service areas, all of which cover people with protected characteristics:

- Older People's Services
- Physical Disability and Sensory Services
- Mental Health Services
- Learning Disability Services.

The refreshed policy is therefore being developed in line with current legal and equalities frameworks and policies to ensure it is fair and proportionate. A full Equalities Impact Assessment is ongoing to support the transformation project to outline any implications that may impact citizens if any subsequent changes are made.

This cohort has been significantly affected by COVID-19 as national lockdowns and social distancing rules have led to disruptions in regular activities such as attending day services. In turn this has meant fewer people using transport.

Transport assistance is not automatically provided by the Council as part of other service provisions. Transport assistance is a separate consideration and will only be provided when the assessor determines such provision is necessary as the adult could not otherwise be reasonably expected to safely access facilities or services in the local community.

There is no single definition of what is reasonable distance, time or expense to expect someone to cover in travelling to access services or activities that meet social care needs. An assessor should be able, having information about an individual's abilities and the transport options available, to define 'reasonable' for that individual (co-producing that decision where possible).

The full policy will outline CCC's understanding on reasonableness that will enable assessors to accurately and confidently use their professional judgement to apply the policy to improve outcomes for the individual. It is noted that all assisted transport provided, or arranged by CCC, is potentially subject to a charge in line with our charging policy. It is a key objective of this review of Transport Services to ensure that this charge is in line with other areas and provides best value for money.

Legal Framework

The Care Act 2014 and associated regulatory and statutory guidance provide the legal framework for the assessment of social care and support needs and for determining eligibility for Adult Social Care support from local authorities nationwide (with effect from 1st April 2015).

The Chronically Sick and Disabled Persons Act (Section 2) together require local authorities to arrange various welfare services, including providing or assisting with facilities to travel, where they are satisfied it is necessary to do so to meet the needs of disabled people. This means transport for Adult Social Care service users will typically be considered as part of a broader assessment of needs, based on the national eligibility criteria for adults and carers, and on the duty to meet needs through a care and support plan.

Equality

In making this policy, due regard has also been given to the Equality Act 2010, and in particular the local authority's public sector duties under this act.

Precisely, whether an individual receives a service directly from the Council or makes alternative travel arrangements for themselves, they have rights not to be discriminated against as a service user under The Equality Act 2010. Furthermore, service providers have obligations to make reasonable adjustments to ensure their provision is accessible.

The aim of the policy is to ensure a fair, consistent and transparent approach is taken to identifying and meeting the transport needs of service users where these have been clearly identified in the Care and Support Plan, and all other suitable alternatives to meet their needs have been explored and exhausted.

During Social Care and Support Planning, all relevant transport options will be considered and Assisted Transport will be offered as a last resort, where it is appropriate to needs and circumstances. Full details will be outlined in the final policy.

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

Financial and Non-Financial Benefits

By applying a set of commercial levers, the opportunities identified are expected to deliver benefits ranging from £180k to £315k. Delivery of these benefits require key enablers to be in place, including:

1. Centralising contract (and potentially budget) management;
2. Adopting Mosaic as the primary repository for information; and
3. Developing even stronger provider relationships.

The summary table below details the areas of which are determined by the analysis to offer savings, as well as income and cost avoidance. The proposal estimates that in total there will be a saving of £250,000 to go into the Council's business plan.

Adult Social Care Transport Services benefits area			
Key Benefit	**Approach**	**Issues**	**Evaluation and saving**
Right number of providers from volume concentration	▪ Supplier fragmentation currently high particularly in localities. Over 80 providers delivering c£500k of transport per annum ▪ Explore moving higher volume local providers into the central transport management framework to obtain better rates ▪ Consolidating spend by increasing use of framework contracts can be expected to deliver savings.	▪ Increased volumes cannot be guaranteed to providers in future but could be encouraged and accrue naturally and through placement review	Further analysis required to assess levels of likely savings, given increased freedom of service users to select care through personalisation agenda. Estimated saving: £50,000 to £100,000
Right price per mile from Best Price benchmarking	▪ Consider if a mileage rate payment is more cost effective than a transport fee focusing on Direct Payment service users ▪ Analyse if top 20% of providers by expenditure offer preferential rates	▪ May be attractive in present economic environment ▪ COVID-19 may mean family transport method increases in preferences	Over £300k in Direct Payments. Estimated saving: £30,000 to £60,000

	▪ Explore "Uber" approach to travel time/rate efficiency	▪ Will require policy change	
Reduce pressure from effective demand management	▪ Ensure Transport policy levers of mobility vehicles are applied before awarding transport packages ▪ Code all service user records into localities e.g. re-label Young Adult Team service users ▪ Review demand to check if self funders are being supported	▪ The work may be resource intensive resulting in protracted negotiations with service users families/ advocates ▪ May require policy change	Based on 3-4% reduction in spend = Estimated saving: £70,000 to £100,000
Greater efficiency from process optimisation	▪ Analyse locality expenditure to determine if more centrally managed routes can be developed.to substitute multiple taxi routes ▪ Establish a central contracts register. Upload all providers into Mosaic. All transport request form should feedback into care and support plans. Implement an efficiency measure with key providers ▪ Independent Travel Training 2 year pilot project. We are at the stage of evaluating the tender submissions ▪ Joint Dynamic Purchasing System for Education and Social Care Transport to be operational from Spring 2021, subject to approval from the Children & Young People's Committee and Peterborough's Cabinet	▪ Difficult to assess size of opportunity as over 90% of service users are not linked to a provider and route ▪ This work is resource intensive and may affect establishment staffing levels. There is no measurement of maximum, planned and actual route utilisation	Based on 1-2% reduction in spend = Estimated saving: £25,000 to £50,000 Few financial benefits, but will help CCC to improve service performance and develop provider relationships Cost avoidance
Innovation from relationship restructuring	▪ Review key contracts to ensure active users are billed for and that every invoice contains service user details; all invoices	▪ Likely to be well received given current economic climate	Further analysis required to assess levels of likely savings

	(which include service user details) should be routed to Adults Finance Team ▪ Negotiate with Age UK for larger grant contribution		Estimated income: £5,000
Total			**Range between £180,000 - £315,000**

Non-Financial Benefits

Full non-financial benefits associated with the policy will be presented with the full policy to committee in January 2021, but some initial benefits are highlighted below:

Key Benefit	**Measure**	**Baseline**	**Target & Timescale**
Improved process compliance leading to fewer care discrepancies	Value of transport activity tracked using service user care and support plans reportable by Social Workers	3% as at Oct 2020	80% in 2 years
Increased levels of planned expenditure leading to a fewer year-end financial audit queries	Value of transport expenditure reportable through BI Inform by Finance team	£1,800,000 pa in 2019/20	£2,600,000 within 18 months
Increased numbers of providers with details in Mosaic (in system contracts register) leading to fewer manual payments and easier communications	Number of providers with expenditure reported in full through BI Inform by Transport team	c50%	c90% within 18 months

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

It is important to note the accessible transport market is very limited at the present time, particularly in the large 16 seater vehicles sector and has caused inflation in costs. That said, the savings have been calculated below the upper limit of the estimated range to allow for this. Consequently the opportunities identified help to offset the pressures brought about from COVID-19 related transport covid-secure measures and demand changes.

It is also caveated that as per section 3 above, that in order to successfully implement the policy and to provide longer-term outcomes outlined there will be a requirement for Transformation Fund investment of £90k. It should be caveated that is the detailed design work that requires the biggest support and is the highest risk to full delivery, due to limited capacity of staff. It is suggested this will help buy in specialist support to ensure that the design work is robust, sustainable and offers significant consultation with service-users who will be affected.

Risk	**Mitigation**	**RAG (should the risk occur)**	**Overall Responsibility**
Personalisation may make provider consolidation and leverage challenging ▪ Ensure service user choice and control is maintained in routes ▪ Prioritise route utilisation risk by ease of change.	▪ Switch / renegotiate / build relationships with key providers. ▪ Need to ensure CCC has a robust contracts database with easy access to rates and terms.	Amber	Martin Kemp
Volume driven contracts may prove less effective in the future. ▪ Linked to both the personalisation agenda coupled with large provider base in all localities. Contracts committing to volume blocks may prove resource inefficient.	▪ Explore the scope for more agile and flexible contracts. ▪ Harmonise spend across like for like services and consider awarding work based on service provision.	Amber	Martin Kemp
May be difficult to renegotiate terms with key providers because of our dependency upon them. ▪ Establish which localities have least	▪ This needs to be driven by transport management within CCC. ▪ The changing climate to personalisation	Red	Martin Kemp

competition and determine if centrally managed providers can offer alternative solution to drive down rates while maintaining quality and safety of service Prioritise in Hunts.	must provide negotiation levers and an improvement incentive for the Providers.		
Locality care managers do not have commercial and analysis skills. ▪ Care Managers need to have access to Brokerage Team who are trained in negotiation tools and techniques to enable a successful implementation.	▪ Care Managers to receive appropriate signposting. Brokerage team to agree to manage transport negotiations.	Amber	Tracy Gurney
Lack of business intelligence (BI) awareness and internal league tables of top performing partners. ▪ BI is not currently available in a format to support local contracting decisions in relation to provider performance/rates. ▪ Providers may be being awarded work without consideration to all commercial factors.	▪ BI should be collected to build a picture of provider performance to support the awarding of future contracts and in sign-posting future care. ▪ Transport discussions should be delegated to Brokerage team.	Green	Martin Kemp

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

This policy applies to all adults aged 18 years and above who have an assessed eligible need for support and require transport to access their service and where there are no other alternatives available.

The policy applies to any of the following Adult Service areas:

- Older People's Services
- Physical Disability and Sensory Services
- Mental Health Services

- Learning Disability Services.

This policy does not cover travel assistance for service users under the age of 18 who need assistance to travel to and from education establishments, for which more details can be found in the Home to School Transport Policy.

Business Planning: Business Case proposal

Project Title: Additional Vacancy Factor

Committee:	Adults
2021-22 Savings:	-£150,000
Brief Description of proposal	For many years, a vacancy factor has existed in P&C budgets to account for this; following a review of the level of vacancy savings achieved in recent years we are able to increase that vacancy factor.
Date of version: 6 Nov 2020	BP Reference: A/R.6.187
Business Leads / Sponsors:	Debbie McQuade, Assistant Director Adult Social Care Operations

1. Please describe what the proposed outcomes are:

Whilst every effort is made to ensure critical posts are filled across the Council, some element of slippage in staffing spend always occurs. This results in underspends against staffing budgets, and is caused generally by things such as:

- Staff reducing hours, or leaving pension schemes
- Staff turnover, which often results in a period of days or weeks between previous and new members of staff
- New members of staff being paid on lower pay scales than more experienced staff who have left.

For over a decade, People and Communities has budgeted for a vacancy factor to capture this effect (termed 'vacancy savings'). Following a review of achievement of that budget factor over recent and current years, particularly across Adults Services, it is clear that the factor can be slightly increased as it has generally been over-achieved.

This does not result in fewer posts in the establishment, and doesn't impose any requirement on managers to delay recruitment. It therefore does not have an impact on the delivery of services.

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

The achievement of the vacancy factor in budgets is monitored regularly. The factor was substantially over-achieved for a number of years; the recruitment drive in Reablement and in social work teams has reduced this over-achievement but it is still clear that the factor can be increased.

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

This reflects in the budget an inherent level of underspend that usually becomes apparent in-year.

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

This will be kept under-review, and if recruitment and retention increases it may risk achievement of this saving. If any issues are projected, this will be reported in-year and if necessary corrected in future business planning.

High Level Timetable

Task	Start Date	End Date	Overall Responsibility
Quarterly review of the vacancy factor in 2021/22	1/4/20	31/3/21	Budget managers and finance support

5. Could this have any effects on people with Protected Characteristics?

No. This vacancy saving does not result in fewer posts in the establishment, and doesn't impose any requirement on managers to delay recruitment, thereby affecting no potential candidates (either with or without protected characteristics). As a consequence of this, it does not have an impact on the delivery of services either, which in turn means no impact on citizens with protected characteristics.

6. What financial and non-financial benefits are there and how will you measure the performance of these? Are there any dis-benefits?

Financial Benefits

- Reflects in the budget a level of underspend (£150,000) that usually appears in-year.

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

Risk	**Mitigation**	**RAG** (should the risk occur)	**Overall Responsibility**
Future recruitment and retention levels improve, resulting in vacancy factor not being achieved	Quarterly review of achievement of the factor is normal; if it looks likely to under-achieve it will be reported	Green	Service Directors and Strategic Finance Manager

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

This is focussed in Adults Services, but the vacancy factor across all of People and Communities is usually reviewed at the same time.

Business Planning Business Case Proposal

Project Title: Micro-Enterprises Support

Committee:	Adults Committee and General Purposes Committee
2021-22 Savings	-£30,000
Brief description of Proposal:	Delivery of two-year roll-out to increase the home care micro-enterprise market in Cambridgeshire.
Date of version: 11 Nov 2020	BP ref: A/R.6.188
Business Leads / Sponsors:	Will Patten and Caroline Townsend

1. Please describe what the proposed outcomes are:

This Business Case Proposal outlines a request for transformation funding to deliver a two-year project to develop the care micro-enterprise market in Cambridgeshire.

It is anticipated that this project will result in cost avoidance, whilst also releasing capacity in the homecare market and increasing the pool of Personal Assistants (PA's) within Cambridgeshire (see section 7).

Traditionally mainstream providers deliver a solution based on their capabilities in line with LA commissioning specifications and are incentivised to charge for work carried out on an hourly basis. This does not necessarily build on the inherent assets of the service users and does not lend itself to working flexibly.

There are a range of challenges within the current market:

- Sustainability for providers and cost of care to the local authority
- High numbers of people waiting for mainstream care who are in 'pending arrangements' such as:
  - Bridging in reablement
  - Utilising block car time for longer than six weeks
  - Using interim or residential beds due to lack of availability of mainstream care in the community.

People tell us this shortfall in flexibility and responsiveness means they do not have as much choice and control as they would need to remain independent and well at home, and thus prevent or reduce their need for longer term care. This means we need to change the nature and type of some provisions available to people.

Commissioners can fill the gap in the market by:

1. Changing the specifications and payment incentives
2. Finding and commissioning different and specialist providers such as micro-enterprises, to meet the specific needs
3. Adopting a Community Catalysts model to demonstrate different ways of working while supporting the development of a market which provides early intervention and prevention options from the local micro-enterprise, voluntary and community sector (see Section 3)
4. Ensuring the specifications and contract arrangements allow for a more flexible, holistic approach which blends statutory and non-statutory solutions.

Research undertaken by the University of Birmingham* found that micro-enterprise provision within care and support offers a more personalised approach than larger providers which stems from three main aspects:

- autonomy of frontline staff (often the sole worker) to vary the service being offered.
- greater continuity of frontline staff compared to larger providers.
- high level of accessibility of staff member to people using the service.

Micro-enterprises are a small but growing sector of the care market. In Somerset where micro-enterprises have been promoted by the local authority, they have risen in numbers from around 50 to more than 450 over five years.

*(Source: Community Micro-enterprise: As a driver of local economic development in social care, NEF, 2020 https://neweconomics.org/2020/05/community-micro-enterprise).

Research and evidence from partnerships with Community Catalysts in other local authorities, such as Hertfordshire and Central Bedfordshire, indicates that micro-enterprises can add choice and diversity to the care and support market whilst also increasing employment opportunities for people in our local communities. This is further supported by the recent publication of the LGA "Adults Social Care: Seven Principles for Reform"** which highlights the need for traditional services (such as residential care, domiciliary care and day centres) to be part of a "much broader local offer including smaller, more bespoke providers, micro-enterprises and wider community assets. These help bolster community resilience and their potential to help secure a more preventative approach to wellbeing that supports people to live safely and well at home must be harnessed".

**(Source: https://www.local.gov.uk/adult-social-care-seven-principles-reform#:~:text=%20Adult%20social%20care%3A%20seven%20principles%20for%20reform,should%20be%20a%20far%20more%20prominent...%20More%20)

Anecdotal evidence has found that such micro-enterprises:

1. Deliver £1.30 benefits for every £1 invested (which improves on mainstream providers). This is based on comparing the current domiciliary care rates paid to mainstream providers with the typical direct payment rates made to PA's and micro-enterprises.
2. Suffer from many barriers to entry into mainstream markets i.e.
   - Do not have experience of delivering similar LA contracts
   - Do not have the knowledge or experience to undertake a LA bid process

- Do not have all required policies and procedures to meet LA expectations
- May not have the financial records to meet due diligence.

3. Do not have the experience of entering into LA contracts as they are predominantly care/health professionals with less experience or expertise in business skills.

We therefore have an unmet need and a potential solution which we cannot connect because of market barriers and wish to undertake the project, supported by Community Catalysts who are the only expert organisation specialising in this area with evidenced results, to test and prove the concept can work in Cambridgeshire.

Regarding the unique expertise of Community Catalysts to deliver the roll-out of care micro-enterprises, the following statement confirms the findings of ASC Commissioners at CCC who undertook extensive desktop research to determine if other potential partners exist in the UK:

'I can confirm categorically that the micro enterprise development model is associated with Community Catalysts and was designed by them. To the best of my knowledge there is no other organisation who can provide a comparable service.'

Les Billingham (Interim Director Adult Social Care & Community Development - Adults, Housing and Health, **Thurrock Council;** lbillingham@thurrock.gov.uk)

The outcome of a recent review and development of the *Vision for Homecare in the Future* has identified that the stimulation of a buoyant micro-enterprise market could support the homecare market, particularly in some of the identified hard-to-reach localities.

This, in turn, will enable the Council to meet the corporate objectives of a good quality of life for everyone, thriving places for people to live and the best start for Cambridgeshire's children (since many of those requiring Home Care are young people). By supporting these objectives, the care micro-enterprise project outlined in this business case will support the Council in attaining its vision to make Cambridgeshire a great place to call home.

Learning from our Neighbourhood Cares pilot and the Innovate & Cultivate funded Connected Communities project suggests that building reliable and sustainable social enterprises within the care market is a specialist skill. Knowledge of the care sector, alongside understanding of business and CQC regulations (especially in regards to regulated activity) is paramount.

We know that acting as a sole trader in a one-to-one working relationship does not require people to be CQC registered. However, the Community Catalysts model works within the regulations whilst providing support and ensuring that quality provision is in place through their own systems of checks and balances as well as ensuring that policies and processes are compliant with other legislation such as the Care Act (2014) and the Equality Act (2010). Support is also given in forming collaborative networks of micro-enterprises, who work together to provide cover for holiday, sickness, maternity and other planned and unplanned absences.

Working with Community Catalysts will allow us to access specialist support, giving the programme a high chance of success. Developing a healthy micro-enterprise market may also make the option of a direct payment more attractive as there would be an increase in the availability of local services.

The project is seeking to fund a roll-out that will enable the council to demonstrate the positive impact of implementing the proven Community Catalysts model to develop the micro-enterprise market in a specified area of Cambridgeshire, whilst acquiring the necessary expertise within Commissioning for the process to replicated without recourse to external parties in future. The aims of the project will be to increase the range and supply of micro-enterprises, which in turn will deliver the following outcomes:

- Delaying and reducing the need for regulated care, which could therefore release capacity in the mainstream homecare market
- Increase the choice, diversity and options available to people who need care and support, or who have been identified as on the fringes of meeting assessed need criteria and would benefit from low levels of support to retain their independence; reducing or delaying their need for long term regulated care, whilst those with more complex needs and requiring long-term personal care, can also be catered for by self-employed care workers or MEs.
- Person-centred, co-produced, place-based care and support plans/options for people (blended statutory and non-statutory solutions)
- Develop the personal assistant market and supply (by focusing on recruitment of new Personal Assistants rather than “poaching” staff from established care providers)
- Providing further choice for people who access a personal budget via direct payments, but who prefer not to directly employ a PA due to concern over the responsibilities and processes associated with calculating holiday entitlement, payroll, insurance, time sheets etc.
- Target an area where gaps in the regulated care and support market have been identified, such as East Cambridgeshire, although final location will only be confirmed following diagnostics phase of implementation.
- Develop the in-house skills and knowledge (in Commissioning) required to support and grow the micro-enterprise market to enable scale up.
- Support a place-based ethos (Area-Based Approach), developing the assets within a local community to remain sustainable in the longer term, whilst reducing carbon footprint due to excessive car travel from further afield. The project will also generate much-needed employment opportunities at a community level.

Taking the outcomes identified into account, the brief to Community Catalysts will be to achieve the following deliverables; based on the outcomes achieved in Somerset:

By the end of year 1:

- Survey the current micro-enterprise market in Cambridgeshire and provide a ”state of health report” which identifies barriers to success, levels of micro-enterprise already in the market and which gaps in the care and support market have been identified. Once we understand the base-line levels the following targets will be finalised and agreed:
- Record 200+ enquires from local people expressing interest in running micro-enterprises

- Add 50+ new community micro-enterprises delivering 250 help and care hours to people at home (per week)
- Produce an interim lessons learnt report for Commissioners to help shape the micro-enterprise market for year 2. This will include recommendations about the skills and knowledge required by commissioners to support and grow the micro-enterprise market to enable scale up.

By the end of year 2 (tbc after analysis of performance at end year 1):

- Record 400+ enquires from local people expressing interest in running micro-enterprises
- Add 125+ new community micro-enterprises delivering 750 help and care hours a week to people at home
- Put in place a sustainable approach to continue to grow and develop the micro-enterprise market place including peer-to-peer network meetings. it is anticipated that this will form part of the infrastructure of Library Services linking with the Think Communities team
- Produce a lessons learnt report for Commissioners to help shape the micro-enterprise market of the future.

The effect of the intervention to the micro-enterprise market will in turn deliver the following outcomes:

- At least 50% of people who receive care and support in the project area:
    - agree they now have increased choice available to them;
    - agree they have more person-centred, co-produced, place-based care and support options;
    - agree they better understand and have considered access to a personal budget via direct payments for services such as PA’s.
- At least 67% of the new micro-enterprises:
    - agree the facilitation from Community Catalysts has positively helped their business.
- Develop the personal assistant market and supply. This will be measured against a base line to show the numerical increase in PAs and will be accompanied by feedback from regulated providers with regard to recruitment.
- Support a place-based ethos, developing the assets within a local community.

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

During late 2019 and early 2020 a review was undertaken of the homecare contract and provision across Cambridgeshire and Peterborough from which a range of key themes were identified. Those themes included market capacity gaps in rural locations and around Cambridge City, recruitment in the care and PA market and low engagement from providers in certain locations. Previous research undertaken when developing the Market Position Statement also identified the potential positive impact that supporting and increasing the diversity of provider types in the market could have in our communities.

People who use homecare services tell us the current range of providers do not always adequately meet their needs, particularly in terms of flexibility or where support required is outside of, or in addition to, assessed care and support needs, including the Access to Work scheme (https://www.gov.uk/access-to-work).

Traditionally mainstream providers deliver a solution based on their capabilities in line with LA commissioning specifications and are incentivised to charge for work carried out on an hourly basis. This does not necessarily build on the inherent abilities and capacity of the service users and does not lend itself to working flexibly.

Research undertaken by the University of Birmingham* found that micro-enterprise provision within care and support offers a more personalised approach than larger providers which stems from four main aspects:

- autonomy of frontline staff (often the sole worker) to vary the service being offered, showing greater flexibility in availability/time slots.
- greater continuity of frontline staff compared to larger providers since self-employed workers come from the local community and are generally able to earn more than in large providers that pay only the National Minimum Wage.
- high level of accessibility to service provider decision-makers by people using the service.
- Formation of local informal partnerships between self-employed care workers, enabling mutual cover for holidays, sickness, maternity and other absences.

*(Source: Community Micro-enterprise: As a driver of local economic development in social care, NEF, 2020 https://neweconomics.org/2020/05/community-micro-enterprise).

This project will incorporate the learning from the Neighbourhood Cares and Connected Communities pilots with the Think Communities aims and outcomes from the work already completed and work still being undertaken in our community hubs whilst dealing with the Coronavirus pandemic.

Commissioning Intentions

The project will link with the vision and strategy for direct payments and homecare (homecare vision and actions are also included in the recovery and resilience strategy) and supports the ongoing market shaping and actions identified in the Market Position Statement.

Think Communities

The proposal is aligned with the Think Communities programme, which puts our citizens at the heart of collective decision-making, with a greater emphasis on 'place-based' delivery to ensure there is a deep understanding of local needs, challenges, assets and opportunities.

Changing the Conversation

The current proposal sits comfortably within this approach (devised by Partners4Change), the aim of which is to remove the traditional 'assessment for services' model and create a new culture where practice is based on three conversations:

Conversation 1

How can I connect you to things that will help you get on with your life – based on your assets and strengths, and those of your family and neighbourhood?

What do you want to do? What can I connect you to?

Conversation 2

Applicable to people who are at risk.

What needs to change to make you safe? How do I help to make that happen?

What offers do I have at my disposal – including small amounts of money and my knowledge of the community – to support you? How can I pull them together in an 'emergency plan' and stay with you to make sure it works?

Conversation 3

What is a fair personal budget and where do the sources of funding come from?

What does a good life look like? How can I help you use your resources to support your chosen life? Who do you want to be involved in good support planning?

Adults Positive Challenge

The project will support Cambridgeshire County Council's stated priority outcome of "A good quality of life for everyone" and the Peterborough City Council vision of improving quality of life for all its people. The Adults Positive Challenge Programme supports better outcomes for individuals, carers and communities, whilst managing demand and this proposal clearly fosters these outcomes.

Net zero carbon emissions for Cambridgeshire by 2050

Enabling people to work as self-employed care workers or in a micro-enterprise, however small, means less traffic on the road and subsequent reduction in carbon emissions as people are able to walk or cycle to work in their own community.

Community Catalysts Model

Community Catalysts are a social enterprise who specialise in micro-enterprise development and community led support within the health and social care market. They have developed successful programmes previously, for example in Somerset (https://www.communitycatalysts.co.uk/wp-content/uploads/2019/09/Somerset-Year-3-report-final-public.pdf). In partnership with the LA, they can ensure our best practices and policies in Equality & Diversity, Safeguarding and Health & Safety are all replicated in the micro-enterprises they are supporting. The roll-out will conclude with an independent evaluation to ensure that we have an evidence base which will support the council to use the learning to scale up.

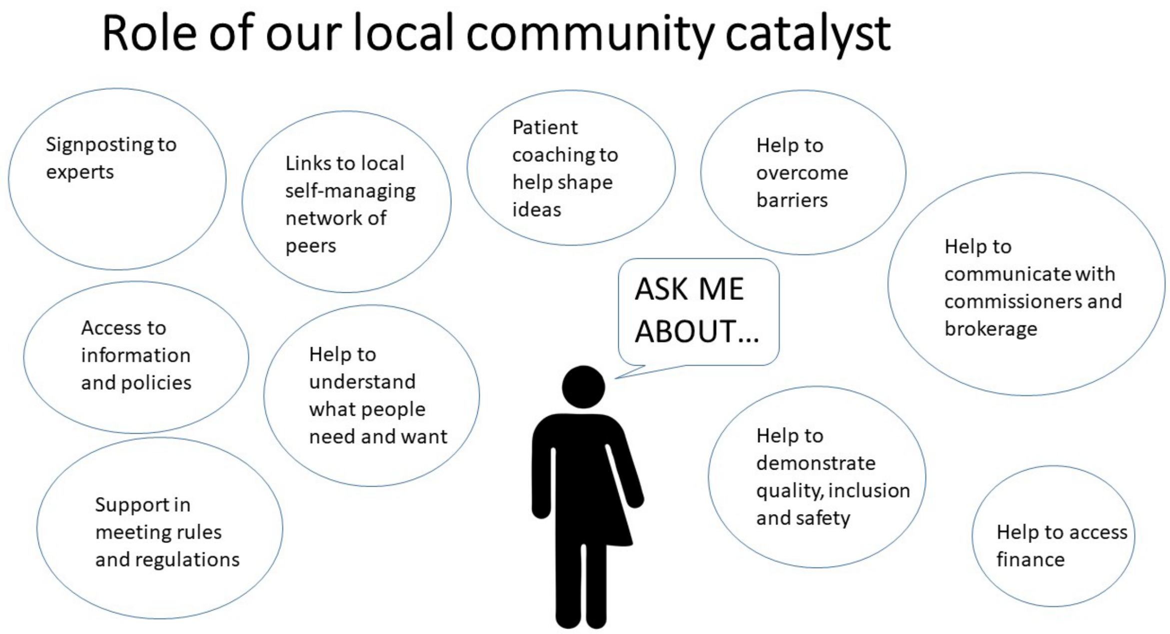
To date, Community Catalysts have worked in 49 areas, supporting the development of more than 1,800 community enterprises. Community Catalysts use a proven model which scales through a single coordinator or catalyst supporting up to 200 small, self-organising enterprises.

Independent evaluation of the Community Catalysts approach suggests that their method works across any demography, is replicable and delivers good outcomes. Evidence also suggests that this approach creates local choice and will typically, over two years, help nearly 125 would-be entrepreneurs and see nearly 60 community enterprises successfully established.

These successful community enterprises will support on average over 700 older or disabled people. Alongside this the Community Catalysts model can create over 100 jobs and 70 volunteering opportunities. Working alongside Community Catalysts mitigates the risk of failure which was experienced through the Connected Communities pilot and turn around the failure rate for micro-enterprise - over 2 years fewer than 4% compared with an average failure rate for micro-business of 90%. This is due to the specialist support, skills and knowledge that the Community Catalysts model brings in supporting enterprises in the health and social care marketplace.

Somerset County Council challenged Community Catalysts to support home-care start-ups in the most rural parts of the county. They had already made substantial investment in community infrastructure and that, together with courageous leadership and a decision to provide everyone who needed homecare with a direct payment and full information about what was available (and an extremely talented catalyst/coordinator) led to rapid growth in the numbers of community enterprises. Over the 4 years Community Catalysts were there, their employee supported 362 ‘start-up’ enterprises. The enterprises in Somerset supported 1500 people and created 372 local jobs. Collectively they provided 12000 hours of care or support a week.

The model below illustrates the role of the community catalyst employee and the skills and knowledge they need to have:



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

The following options were considered and discarded:

a. Do nothing: This option has been discounted as a review of the market has identified the immediate need to address shortfalls and supply issues in the mainstream homecare market and this action is included in the homecare vision and recovery and resilience strategy.

b. Cambridgeshire County Council carries out the market facilitation work: This option has been discounted because of a lack of capacity and expertise for the requirements of this project in the existing LA workforce.

c. Tendering for the market facilitation work: This option has been discounted as Community Catalysts are the only provider operating in this specific segment of care micro-enterprise development nationally. For this reason, it is proposed that a direct award is viable.

d. Delay the start of the activities: This option has been discounted as there is an immediate need to address the supply issues in the Home Care market. However, if the project is implemented immediately, we will be able to transfer skills to Cambridgeshire County Council Commissioning and Libraries to enable a more sustainable approach to be taken in the future.

e. Use Transformation Funding to work with Community Catalysts to develop care micro-enterprises in a 2-year roll-out: This is the preferred option and reason for the current bid.

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

The business case has been developed working with the Transformation Team, Commissioning, Strategic Development, Think Communities, Finance, Commercial and Contracts; this group will also form the Project Board who will oversee the development and progress of the roll-out.

It is anticipated that ongoing resource/support from the Transformation Team will be required to work with the project group to implement, engage with stakeholders, deliver and monitor the project; this would in the region of 2/3 days a month, in addition to the commissioning team resource that will be made available.

There will also be a service user and provider group set up to ensure that we continue to shape the delivery and outcomes of the project and identify any impact on groups with protected characteristics. This feedback will then be reviewed regularly within the project board and with Community Catalysts; also feeding into the transformation bid/review process.

There will be regular communication with Healthwatch to ensure that feedback can also be facilitated from the community via their regular countywide forums and partnership boards.

Task	Start Date	End Date	Lead Responsibility
Set up Project Board	Aug 2020	Dec 2020	Karen Chambers
Advice and guidance from transformation team	Sep 2020	Nov 2020	Transformation Team
Develop business case and financial information for JCB.	Aug 2020 Submitted to JCB 19th Aug	Aug 2020	Project Group: Graeme Hodgson, Ekta Patel, Sundeep Singh, Louise Tranham, Gurdev Singh.
Business case to Adults Committee	22 Sept 2020	End Sep 2020	Karen Chambers
Business case to General Purposes Committee	20 Oct 2020	Oct 2020	Graeme Hodgson
Develop detailed specification/outcomes	26 Aug 2020	Nov 2020	Project Group
Procure/award	Nov 2020	Dec 2020	Graeme Hodgson
Implementation plan	Dec 2021	Jan 2021	Project Group
Commence project	Jan 2021	Jan 2023	Community Catalysts
Quarterly progress reviews	Apr 2021	Jan 2023	Transformation Team Project Team
Evaluation	Feb 2022	Feb 2023	Internal resource in partnership with Healthwatch

5. Could this have any effects on people with Protected Characteristics or the other two groups protected by the Council of poverty and rural isolation? If so please provide as much detail as possible.

The risks should be potential risks in accordance with the Full Equality Impact Assessment completed and submitted with this Business Case.

We are mindful of the emerging data and evidence of the disproportionate adverse effects of COVID-19 on people with protected characteristics specifically Gender, Pregnancy and Maternity, Black, Asian, and Minority Ethnic (BAME) people, LGBTQ+ people, Disabled People and Older People. These impacts must be born in mind when making decisions about business planning and recovery.

This proposal seeks to develop a network of micro-enterprises (exact location to be confirmed during the diagnostics phase of implementation). This will develop a more diverse care and support market which in turn will create more choice and enable control over how an individual's care needs are met. The table below outlines the impact this project will have on the following groups:

Category	Positive	Negative	Neutral impact
Age	X		
Disability	X		
Gender reassignment			X
Marriage and civil partnership			X
Pregnancy and maternity			X
Race			X
Religion or belief			X
Sex			X
Sexual orientation			X
Poverty	X		X
Rural isolation	X		

To ensure that the project has considered what the needs of people who access services with protected characteristics will need/want, the project team will engage with relevant groups/advocates during implementation and throughout the life of the project by working closely with Healthwatch and by holding feedback sessions and focus groups with service users.

POSITIVE IMPACT to key groups/ localities of protected characteristics and those adversely affected by COVID-19:

1. Older people and those with physical disabilities and care support needs living at home in roll-out areas – increase and diversification of care supply in market, increased choice and flexibility.

2. Project area communities – stimulation of economic activity and new job opportunities for minimum wage sector which is likely to be hardest hit by forecasted COVID-related recession and redundancy/unemployment; particularly applicable in rural communities.

NO NEGATIVE IMPACT to those with protected characteristics as provision will be open to all and will seek to ensure community catalysts are inclusive and fully representative of the communities they serve.

Mitigating actions: N/A

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

Financial Benefits

Levers to deliver cost avoidances

There are a number of ways that the proposed Community Catalysts approach could achieve cost avoidances:

1. Delay/Diverting ASC demand for long term care
2. Channel shifting some home care work from DPS to micro-enterprise (lower overheads)
3. Reduced travel cost of carers in rural areas where project is supporting MEs.
4. Reduction in high-cost Direct Payments to entice providers to pick up packages in these areas
5. Reduced of block cars/interim beds/respite beds with early intervention/ support options available within their local community. Ensuring the people can access low level support at an earlier stage to maintain their independence for longer and delay their need for long term care.

We would expect that by investing in the Community Catalysts approach we would be better able to support older and vulnerable people to maintain independence as long as possible, thus diverting some people away from needing long term social care intervention.

There may well be increased options for social inclusion/befriending/work experience/ volunteering and Community Catalysts can support the development of enterprises to meet the needs of people with mental health needs and learning disabilities in the home or community. They are also moving into the disabled children space and their initial diagnostic analysis would help identify the real areas of need.

To support the case for investing in this model the project will demonstrate how the service has helped manage demand for long-term statutory social care services.

Cost avoidance breakeven point

The cost of the service over two years is expected to be £160,000 which will be funded by the Transformation Fund. This amount is broken down as follows:

	1st Year	**2nd Year**
Set-up costs (recruitment, induction, training, equipment e.g. laptop, phone etc)	£40,000	
Staff costs	£60,000	£60,000
TOTAL	£100,000	£60,000

The following section establishes a financial breakeven point considering only the channel shifting method of cost avoidance. As other methods may bring forward the breakeven date there is a margin of safety built in.

It is assumed with the facilitation work of Community Catalysts the traditional hour of support would be replaced with that from a micro-enterprise. The difference in hourly rates is estimated to be nominally £4.50ph (this is based on the current difference between the CCC framework hourly rates and Direct Payment rates for Personal Assistants). Given a steady rise to 750 hours per week of delivery from micro-enterprises over the two years we would expect the project to break-even in Q4 Y2 (as per the cash flow table below).

Element	Frequency	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Work delivered by enterprises	Hours per week	0	100	175	250	375	500	650	750
Work delivered by enterprises	Hours per quarter	0	1300	2275	3250	4875	6500	8450	9750
Cost avoidance using £4.50ph	£ per quarter	£0	£5,850	£10,238	£14,625	£21,938	£29,250	£38,025	£43,875
Expenditure from C/Catalysts	£ per quarter	£25,000	£25,000	£25,000	£25,000	£15,000	£15,000	£15,000	£15,000
Net cash flow	£ per quarter	-£25,000	-£19,150	-£14,763	-£10,375	£6,938	£14,250	£23,025	£28,875
Cum cash flow	£ per quarter	-£25,000	-£44,150	-£58,913	-£69,288	-£62,350	-£48,100	-£25,075	£3,800
									Break Even

This suggests the project would generate cost avoidance savings of £30,713 in 2021/22 and £133,088 in 2022/23. Further investment may be required to sustain this approach beyond the two year roll-out and this will be identified in year one and built into future development plans.

Non-Financial Benefits

The primary non-financial benefit is to grow the micro-enterprise market to deliver 750 hours a week of support by the end of the second year. This will prove the validity and necessity of this market sector.

Key Benefit	Measure	Baseline	Target & Timescale
Development of new and established micro-enterprises	Micro-enterprise numbers (existing and new)	To be established during month 1 of the project	125 more in delivering 750 hours of support per week at the end of the second year
Local employment opportunities for people to become self-employed	Number of new micro-enterprises	First 3 months to identify baseline	20 WTE by the end of Year 2
Satisfaction rates for people who use the provision. Include a questionnaire for people who use current services	Independent survey	NIL To be established	Greater than 50% when asked at the end of the first year and the second year
Satisfaction rates for people who are supported by Community Catalysts	Independent survey	NIL	Greater than 67% at the end of the first year and the second year
Reduction in the number of people on the pending list for care	Current information	To be established and target for impact agreed	Estimated to reduce pending list by 25% (to be confirmed)

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

Risk	**Mitigation**	**RAG** (should the risk occur)	**Overall Responsibility**
We know that acting as a sole trader in a one-to-one working relationship does not require people to be CQC registered however there is a risk that people in this situation can go unchecked and quality of service can be poor.	The Community Catalyst model works within the regulations but also ensures that quality provision is in place, compliant with CCC safeguarding, health & safety and equality & diversity policies through their own systems of checks and balances.	GREEN	CC
Governance process related to exemptions completed as appropriate	See below	GREEN	LGSS/KC
Risk of challenge from other providers due to a direct award of contract.	Committee Approval Issue a VEAT notice	AMBER	LGSS/KC
Recruitment risk in mainstream care market from increasing number of Personal Assistants recruited	Community Catalysts will work pro-actively with the market to manage this risk	AMBER	CC
Drop-out risk / financial risk if further COVID waves (i.e. cost of PPE etc.)	Community Catalysts specification will include working with micro-enterprise/sole traders to support development of	AMBER	CC/ LA

	policies/procedures/business continuity plans etc. LA to provide relevant support.		
Quality and contract management of Community Catalysts and ME's etc.	*This will be incorporated in the specification and subject to relevant monitoring.*	*GREEN*	
Failure to meet agreed targets	*Quarterly performance review meeting*	*GREEN*	*Project Group and Transformation Team*

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

The location of the project will be identified based on current intelligence relating to market capacity gaps and input from Community Catalysts based on prior experiences.

The people who will benefit from the roll-out will be across the whole child and adult population of the identified location and who would receive homecare through the current contractual arrangements of the Dynamic Purchasing System in CCC, where an early intervention has been identified through the appropriate channels, or where they are in receipt of a personal budget via direct payments, this will also include people who self-fund.

Early conversations indicate that the preferred location may be in East Cambridgeshire (tbc following diagnostics phase of implementation), also linking with the Think Communities programme.

Equality Impact Assessment
For employees and/or communities

This EqIA form will assist you to ensure we meet our duties under the Equality Act 2010 to take account of the needs and impacts of the proposal or function in relation to people with protected characteristics. Please note, this is an ongoing duty. This means you must keep this EqIA under review and update it as necessary to ensure its continued effectiveness.

Section 1: Proposal details

Directorate / Service Area:		**Person undertaking the assessment:**	
People & Communities / Adult Social Care Commissioning		**Name:**	Graeme Hodgson
Proposal being assessed:		**Job Title:**	Commissioner, ASC
Community Catalysts Care Micro-Enterprise Development Project		**Contact details:**	graeme.hodgson@cambridgeshire.gov.uk 07448 379944
Business Plan Proposal Number: (if relevant)		**Date commenced:**	10/11/2020
		Date completed:	12/11/2020

Key service delivery objectives:

There are a range of challenges within the current Home Care market:

- Sustainability for providers and cost of care to the local authority
- High numbers of people waiting for mainstream care who are in ‘pending arrangements’ such as:
  - Bridging in reablement
  - Utilising block car time for longer than six weeks
  - Using interim or residential beds due to lack of availability of mainstream care in the community.

Key service outcomes:

Commissioners can fill the gap in the Home Care market by:

a) Changing the specifications and payment incentives.
b) Finding and commissioning different and specialist providers such as micro-enterprises, to meet the specific needs.
c) Rolling-out a Community Catalysts model to test and evaluate different ways of working while supporting the development of a market which provides early intervention and prevention options from the local micro-enterprise, voluntary and community sector.
d) Ensuring the specifications and contract arrangements allow for a more flexible, holistic approach which blends statutory and non-statutory solutions.

Furthermore, the flexible and holistic approach of community catalysts allows for a more person-centred approach. This would have a positive impact on protected groups including older people, disabled people, young people, Black and minority

Equality Impact Assessment
For employees and/or communities

ethnic (BAME) people and LGBTQ+ people. Some BAME, disabled, older and LGBTQ people report barriers to accessing services tailored to their individual needs. Community catalysts provides the opportunity to increase representation from people with protected characteristics in the workforce, offering inclusive services while working with voluntary sector partners to meet the diverse needs of people with protected characteristics.

What is the proposal?

The proposal is to commission Community Catalysts to roll-out a Care Micro-Enterprise Development project in East Cambs. The funds are for the employment of a full time community catalyst to provide support to micro-entrepreneurs and self-employed care workers in complying with the legislation and establishing successful micro-enterprises to increase the offer of competitively-priced care services and develop the market.

The business case has been developed working with the Transformation Team, Commissioning, Strategic Development, Finance, Operations Commercial and Contracts; this group will also form the Project Board who will oversee the development and progress of the pilot.

It is anticipated that ongoing resource/support from the Transformation Team will be required to work with the project group to implement, engage with stakeholders, deliver and monitor the roll-out; this would be in the region of 2/3 days a month.

There will also be a service user and provider group set up to ensure that we continue to shape the delivery and outcomes of the project; this feedback will then be reviewed regularly within the project board and with Community Catalysts; also feeding into the transformation bid/review process.

There will be regular communication with Healthwatch to ensure that feedback can also be facilitated from the community via their regular countywide forums and partnership boards.

The service-user group will be inclusive and representative of people with protected characteristics.

What information did you use to assess who would be affected by this proposal?

The proposal was based on learning from the Neighbourhood Cares pilot and informed by the findings of the comprehensive Home Care Review, concluded in early 2020. It was also presented to service users through several Partnership Boards run by Healthwatch in Cambridgeshire and Peterborough.

Extensive information was also made available on the success of the collaboration between Community Catalysts and Somerset County Council, including information on service user groups affected by the implementation of the same project there.

Equality Impact Assessment
For employees and/or communities

Are there any gaps in the information you used to assess who would be affected by this proposal?
No gaps were found in the information used but to avoid undue bias from Somerset, other Local Authorities in the East of England who have worked with Community Catalysts were also contacted and the references provided for Community Catalysts were outstanding. Notably, from Central Bedfordshire, who kindly provided the specifications used to ensure Community Catalysts were aligned with Council Safeguarding and Equality & Diversity priorities.

Who will be affected by this proposal?

The proposal will be rolled-out initially in an area yet to be defined during the diagnostics phase of implementation, with subsequent expansion to wider geographical area.

The specific service user groups who will benefit are those in receipt of commissioned home care services. There will also be a positive impact on care workers seeking to establish a micro-enterprise or work as a self-employed care worker in a network of peers who can provide cover for one another in the event of sickness, holiday, maternity leave etc.

There is not expected to be any over-representation of people with protected characteristics amongst the affected groups. Furthermore, those with disabilities – who may depend on care packages currently provided by large providers with higher hourly rates and who charge for travel from the larger urban centres - will be positively impacted by the greater choice and supply of services on offer locally after roll-out of the micro-enterprise development project.

This proposal relates to services that have been identified as being important to people with particular protected characteristics such as older people and those with physical and learning disabilities as well as those who are rurally isolated and experiencing poverty.

The proposal relates to the equality objectives set by the Council's Single Equality Strategy as indicated below:

- Developing the local economy for the benefit of all;
    - Providing expert support and guidance on how to set up a Micro-Enterprise in the care sector will develop the local economy and benefit not only the service user, who will have more choice and potentially lower-cost services due to the lower overheads and infrastructure of a micro-enterprise compared to a large national provider. It will also benefit local care workers who can increase their earnings by becoming self-employed as well as attaining a more positive work-life balance by negotiating the hours they visit clients and working in partnership with a local network of similar MEs who

Equality Impact Assessment
For employees and/or communities

can provide cover during holidays, sickness and other periods of absence.

- Helping people to live independent and healthy lives;
  - The service users who are currently reliant on limited supply/variety of providers of Home Care frequently complain about delayed care visits (e.g. due to traffic from far afield) and the amount of turnover and “new faces” of those delivering care. A preference has frequently been expressed in Service-User Partnership Boards (run on behalf of the County by Healthwatch) for more choice and control. This proposal to develop care micro-enterprises in rural areas will support the objective of helping people to live happy, healthy and independent lives at home.
- Supporting and protecting vulnerable people;
  - By definition, the provision of Home Care services is geared towards vulnerable people who can be broadly categorized into the following service user groups: Mental Health Service, Physical Support, Sensory Support, Memory and Cognition and Learning Disability Support. By increasing the supply/offer of providers of Home Care to users of these services, we are positively impacting those with the associated protected characteristics under the Equality Act (2010).

Workforce:
BAME workers and young workers are more likely to be affected by precarious employment and experience poverty. These challenges have been further exacerbated by Covid-19. Community Catalysts provides an opportunity for sustainable employment that would positively affect these groups by making the labour market more inclusive, allowing people to work locally, reducing costs incurred from transport and improve access to training etc. This could have similar positive impacts for excluded groups where flexible working is crucial including disabled people and people with caring responsibilities (most often women).

Equality Impact Assessment
For employees and/or communities

Section 2: Scope of Equality Impact Assessment

Scope of Equality Impact Assessment					
*Check the boxes to show which group(s) is/are considered in this assessment. Note: * = protected characteristic under the Equality Act 2010.*					
*	Age	☒	*	Disability	☒
*	Gender reassignment	☐	*	Marriage and civil partnership	☐
*	Pregnancy and maternity	☐	*	Race	☐
*	Religion or belief (including no belief)	☐	*	Sex	☐
*	Sexual orientation	☐			
	Rural isolation	☒		Deprivation	☒

Section 3: Equality Impact Assessment

The Equality Act requires us to meet the following duties:

Duty of all employers and service providers:

- *Not to directly discriminate and/or indirectly discriminate against people with protected characteristics.*
- *Not to carry out / allow other specified kinds of discrimination against these groups, including discrimination by association and failing to make reasonable adjustments for disabled people.*
- *Not to allow/support the harassment and/or victimization of people with protected characteristics.*

Duty of public sector organisations:

- *To advance equality of opportunity and foster good relations between people with protected characteristics and others.*
- *To eliminate discrimination*

For full details see the [Equality Act 2010.]

We will also work to reduce social deprivation via procurement choices.

Research, data and/or statistical evidence
List evidence sources, research, statistics etc., used. State when this was gathered / dates from. State which potentially affected groups were considered. Append data, evidence or equivalent.
During late 2019 and early 2020 a review was undertaken of the homecare contract and provision across Cambridgeshire and Peterborough from which a range of key themes were identified. Those themes included market capacity gaps in rural locations and around Cambridge City, recruitment in the care and PA market and low engagement from providers in certain locations. Previous research undertaken when developing the Market Position Statement also identified the potential positive impact that

supporting and increasing the diversity of provider types in the market could have in our communities.

People who use homecare services tell us the current range of providers do not always adequately meet their needs, particularly in terms of flexibility or where support required is outside of, or in addition to, assessed care and support needs.

Research and evidence from pilots in other local authorities indicates that micro-enterprises can add choice and diversity to the care and support market whilst also increasing employment opportunities for people in our local communities. This is further supported by the recent publication of the LGA *Adults Social Care: Seven Principles for Reform* which highlights the need for traditional services (such as residential care, domiciliary care and day centres) to be part of a “much broader local offer including smaller, more bespoke providers, micro-enterprises and wider community assets. These help bolster community resilience and their potential to help secure a more preventative approach to wellbeing that supports people to live safely and well at home must be harnessed”.

Consultation evidence

State who was consulted and when (e.g. internal/external people and whether they included members of the affected groups). State which potentially affected groups were considered. Append consultation questions and responses or equivalent.

The Community Catalysts Care Micro-Enterprise proposal was presented to several Healthwatch Partnership Boards including Carers’ PB, Physical Disability PB, Health and Social Care PB and Sensory Impairment PB. Participants, who represent service users in their communities, were supportive of the proposal to develop the care market, especially in rural areas, offering greater choice and potentially lower costs to self-funders.

Based on consultation evidence or similar, what positive impacts are anticipated from this proposal?

This includes impacts retained from any previous arrangements. Use the evidence you described above to support your answer.

To date, Community Catalysts have worked in 49 areas, supporting the development of more than 1,800 community enterprises. Community Catalysts use a proven model which scales through a single coordinator or catalyst supporting up to 200 small, self-organising enterprises.

Independent evaluation of the Community Catalysts approach suggests that their method works across any demography, is replicable and delivers good outcomes. Evidence also suggests that this approach creates local choice and will typically,

Equality Impact Assessment
For employees and/or communities

over two years, help nearly 125 would-be entrepreneurs and see nearly 60 community enterprises successfully established.

These successful community enterprises will support on average over 700 older or disabled people. Alongside this the Community Catalysts model can create over 100 jobs and 70 volunteering opportunities. Working alongside Community Catalysts mitigates the risk of failure which was experienced through the Connected Communities pilot and turn around the failure rate for micro-enterprise - over 2 years fewer than 4% compared with an average failure rate for micro-business of 90%. This is due to the specialist support, skills and knowledge that the Community Catalysts model brings in supporting enterprises in the health and social care marketplace.

Based on consultation evidence or similar, what negative impacts are anticipated from this proposal?

This includes impacts retained from any previous arrangements. Use the evidence you described above to support your answer.

No negative impacts are anticipated as mitigation will be in place to avoid any potential negative impact on recruitment and retention of care workers already working in the area for established providers.

This mitigation will be in the form of supporting those individuals who are already working autonomously to succeed in becoming compliant with all legislation and Council processes and requirements, including EDI and H&S.

Furthermore, steps will be taken to recruit school-leavers and those returning to work after a long period of unpaid caring or unemployment so as not to undermine the existing supply of labour in the local care market.

How will the process of change be managed?

We intend to form a Project Board, inclusive of all those with protected characteristics who wish to join. This will comprise not only commissioners and partners, as well as representatives from the Transformation Team, Operations Contracts and Think Communities but also a representative of the Home Care Service Users group. Ideally, this will be on a rotating basis so as many different SUs as possible have the opportunity to contribute their thoughts and lived experience to the process of change management to be undertaken. Furthermore, the community catalyst recruited to deliver the roll-out will also meet with service users in the specific communities to be included in the scope of the project where micro-enterprises are being developed and established.

People with protected characteristics will be invited to participate in events and meetings, including those representing community groups and faith groups. This is to ensure services are co-produced in an inclusive way to meet the diverse needs of our communities.

Equality Impact Assessment
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How will the impacts during the change process be monitored and improvements made (where required)?
How will you confirm that the process of change is not leading to excessive stress/distress to people with protected characteristics / at risk of isolation/deprivation, compared to other people impacted by the change? What will you do if it is discovered such groups are being less well supported than others?
During implementation of the project, there will be events open to the local community to raise awareness of the objectives, expected outcomes and impact on the local population. These are expected to take place in accessible hubs such as libraries and community centres. At these meetings it will be possible for any resident or representative of groups with protected characteristics to contribute and provide feedback, including suggestions on how the project can better cater for their concerns, if necessary.

Equality Impact Assessment
For employees and/or communities

Section 4: Equality Impact Assessment - Action plan

See notes at the end of this form for advice on completing this table.

Details of disproportionate negative impact *(e.g. worse treatment / outcomes)*	**Group(s) affected**	**Severity of impact** *(L/M/H)*	**Action to mitigate impact with reasons / evidence to support this *or* Justification for retaining negative impact**	**Who by**	**When by**	**Date completed**
N/A						

Equality Impact Assessment
For employees and/or communities

Section 5: Approval

Name of person who completed this EIA:	Graeme Hodgson	**Name of person who approves this EIA:**	Will Patten
Signature:	Graeme Hodgson	**Signature:**	
Job title:	Adult Social Care Commissioner	**Job title:** *Must be Head of Service (or equivalent) or higher, and at least one level higher than officer completing EIA.*	Service Director: Commissioning
Date:	12/11/2020	**Date:**	13/11/2020

Guidance on completing the Action Plan

If our EIA shows that people with protected characteristics and/or those at risk of isolation/deprivation will be negatively affected more than other people by this proposal, complete this action plan to identify what we will do to prevent/mitigate this.

Severity of impact
To rate severity of impact, follow the column from the top and row from the side and the impact level is where they meet.

		Severity of impact				**Priority and response based on impact rating**		
		Minor	**Moderate**	**Serious**	**Major**	**High**	**Medium**	**Low**
	Inevitable	**M**	**H**	**H**	**H**	*Amend design, methodology etc. and do not start or continue work until relevant*	*Introduce measures to control/reduce impact. Ensure control measures*	*Impact may be acceptable without changes or lower priority action required.*
	More than likely	**M**	**M**	**H**	**H**			

Equality Impact Assessment
For employees and/or communities

Likelihood of impact	**Less than likely**	**L**	**M**	**M**	**H**	*control measures are in place. Or justify retaining high impact*	*are in use and working. Or justify retaining medium impact*	*Or justify retaining low impact*
	Unlikely	**L**	**L**	**M**	**M**			

Actions to mitigate impact will meet the following standards:

- *Where the Equality Act applies: achieve legal compliance or better, unless justifiable.*
- *Where the Equality Act does not apply: remove / reduce impact to an acceptably low level.*

Justification of retaining negative impact to groups with protected characteristics:
There will be some situations where it is justifiable to treat protected groups less favourably. Where retaining a negative impact to a protected group is justifiable, give details of the justification for this. For example, if employees have to be clean shaven to safely use safety face masks, this will have a negative impact on people who have a beard for religious reason e.g. Sikhism. The impact is justifiable because a beard makes the mask less effective, impacting the person's safety. You should still reduce impact from a higher to a lower level if possible, e.g. allocating work tasks to avoid Sikhs doing tasks requiring face masks if this is possible instead of not employing Sikhs.

Business Planning: Business Case proposal

Project Title: Unaccompanied Asylum Seeking Young People: Support Costs

Committee:	**Children and Young People**
2021/22 Savings:	-£300,000
Brief Description of proposal:	A grant now covers more of the costs of meeting the accommodation and support needs of unaccompanied asylum seeking young people and care leavers. Therefore, it is possible to make a saving in the contribution to these costs that the Council has historically made from core budgets of £300,000 per annum without negatively affecting the level of support we currently provide.
Date of version: 23 Nov 2020	BP Reference: A/R.6.210
Business Leads / Sponsors:	Lou Williams, Service Director Children's and Safeguarding

1. Please describe what the proposed outcomes are

During 2020/21, the Government increased the weekly amount it provides to local authorities to support unaccompanied asylum seeking young people and, importantly, the costs of supporting young people after they have left care. These changes are summarised below:

The Under 18 Grant was originally a tiered allowance based on arrival in UK and age:

- Before 1st July 2016 - Under 16 = £95 per day, 16-17 = £71 per day
- After 1st July 2016 - Under 16 = £114 per day, 16-17 = £91 per day

This has now been consolidated and the rate for all young people under 18 as of the 1 April 2019 is £114 per day.

The Over 18 Grant was also a tiered allowance and there was previously no allowance payable for the first 25 young adults for which a claim was being made:

- Before 1st July 2016 - Over 18 (25+) = £150 per week (£21.37 per day)
- After 1st July 2016 - Over 18 = £200 per week (£28.49 per day)

This has now been consolidated and the new rate for all young people from 1 April 2020 is £34.29 per day.

Importantly, this allowance is paid to all eligible young adults for which a claim is made.

Also during the 2019/20 and 2020/21 financial years, the service has worked closely with colleagues in Commissioning to ensure that placement costs are kept at a minimum, without compromising quality, and that young people move from their ‘care’ placement promptly at the age of 18 to appropriately supported housing provision.

This means that the Grant now covers more of the costs of meeting the accommodation and support needs of unaccompanied asylum seeking young people and care leavers. Therefore, it is possible to make a saving in the contribution to these costs that the Council has historically made from core budgets of £300,000 per annum whilst still providing the same level of support we currently provide.

There is no change in the outcomes for this group of young people. The savings are possible without adverse effect because the level of government funding has increased and now meets a higher proportion of costs.

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

As there are no changes to service delivery, no other actions are required.

3. Could this have any effects on people with Protected Characteristics?

No negative impacts have been identified - there is no change to the level of service being provided.

In general, nationally we are aware of the multiple forms of discrimination and disadvantage faced by unaccompanied minors and people with No Recourse to Public Funds (NRPF). The challenged faced by people with NRPF status exacerbated by COVID-19 have led to much lobbying of central government. There has been data shared about the destitution and poverty experienced by people with NRPF status. Therefore, we cannot assume that to continue to fund services in the same way will produce positive outcomes and would recommended that a policy review could be completed in the future to ensure that the council’s policies affecting this cohort are improved where possible.

There was a notion passed at Full council in October 2020[1] that states: “As part of this work, asylum seekers who face persecution, torture, murder or female mutilation should be helped to find a place of safety in this county.” This business case has been highlighted to the NRPF working group.

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

Financial Benefits

- Immediate saving of £300,000 per annum from 2021/22.

Non-Financial Benefits

- Service delivery will remain the same.

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

No risks identified – the Government funding has already been agreed.

6. Scope - What is within scope? What is outside of scope?

The Over 18 and Under 18 Grants from Government are within scope.

[1] https://cambridgeshire.cmis.uk.com/CCC_live/Document.ashx?czJKcaeAi5tUFL1DTL2UE4zNRBcoShgo=BcESNa8SKu11eaH%2b1koPzxkAA80lo8TiSr3cRo5pGYuZMJG1QJyNCA%3d%3d&rUzwRPf%2bZ3zd4E7Ikn8Lyw%3d%3d=pwRE6AGJFLDNlh225F5QMaQWCtPHwdhUfCZ%2fLUQzgA2uL5jNRG4jdQ%3d%3d&mCTIbCubSFfXsDGW9IXnlg%3d%3d=hFflUdN3100%3d&kCx1AnS9%2fpWZQ40DXFvdEw%3d%3d=hFflUdN3100%3d&uJovDxwdjMPoYv%2bAJvYtyA%3d%3d=ctNJFf55vVA%3d&FgPlIEJYlotS%2bYGoBi5olA%3d%3d=NHdURQburHA%3d&d9Qjj0ag1Pd993jsyOJqFvmyB7X0CSQK=ctNJFf55vVA%3d&WGewmoAfeNR9xqBux0r1Q8Za60lavYmz=ctNJFf55vVA%3d&WGewmoAfeNQ16B2MHuCpMRKZMwaG1PaO=ctNJFf55vVA%3d.

Business Planning: Business Case proposal

Project Title: Special Guardianship Order and Adoption Allowances

Committee:	Children and Young People
2021/22 Savings:	-£500,000
Brief Description of proposal:	The continuing implementation of Family Safeguarding in the Children's and Safeguarding service means that we expect to see a further small reduction in the number of care proceedings and overall number of children in care over the next financial year. This reduction in the number of children coming into care means that there are fewer children progressing to adoption or to permanent arrangements with relatives under Special Guardianship Orders, and in turn means fewer carers who require and/or are entitled to receiving financial support allowances.
Date of version: 23 Nov 2020	BP Reference: A/R.6.211
Business Leads / Sponsors:	Lou Williams, Service Director Children's and Safeguarding

1. Please describe what the proposed outcomes are

Children do best when enabled to remain safely with their families. Supporting more parents to make the changes they need to make in order to enable them to provide good, caring and stable homes for their children is therefore in the best long term interests of those children.

For children who need to come into care, we will continue to seek permanent family arrangements wherever possible, including through adoptive and special guardianship orders, and continue to provide the appropriate level of financial support to those arrangements. This forms part of Cambridgeshire's organisational objective to prioritise the "best start for Cambridgeshire's children".

As Members will be aware, numbers of children in care have been reducing since the summer of 2019.

This has been accompanied by a reduction in the number of children involved in active care proceedings, with fewer than half the number of care proceedings taking place now as compared to the peak in activity.

This decline in proceedings brings the authority much more closely in line with the average of our statistical neighbours, when measured by the rate of care applications per 10,000. In 2017 and 2018, there were 12 care applications per 10,000 population of children and young people. This has reduced to 8 per 10,000, very much in line with the statistical neighbour average of 8.5 per 10,000 in the year ending March 2020.

The continuing implementation of Family Safeguarding in the Children and Safeguarding service means that we expect to see a further small reduction in the number of care proceedings and overall number of children in care over the next financial year. This is because the model is associated with enabling more families to address the issues that they are facing on a sustainable basis, reducing the numbers of children who need to come into care as a consequence. As shown, we have seen a significant reduction in care proceedings and expect this to continue as a result of this continued investment earlier on in the system into Family Safeguarding; the risk is managed in a preventative way. COVID-19 is less likely to impact on this area.

This reduction in the number of children coming into care means that there are fewer children progressing to adoption or to permanent arrangements with relatives under Special Guardianship Orders. This in turn means that there are fewer carers who require and/or are entitled to receiving financial support in the form of adoption and Special Guardianship Order allowances.

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

Demand modelling of likely numbers of allowances required in the 2021/22 financial year and beyond.

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

This is a direct saving from a statutory function within the Council and will not require further feasibility work.

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

This is a saving from modelled reductions and associated improvements with the Family Safeguarding model that has already been implemented. Continuation of this model will deliver the savings.

5. Could this have any effects on people with Protected Characteristics?

No - this saving is from a reduction in those eligible for allowances but as a result of numbers of children in care reducing, not because eligibility criteria has changed. The service do record demographic data for all children and families and ensure that we understand or investigate areas of over and under-representation.

Less children in care usually means families are getting their needs met, preventing the need of more costly interventions further upstream. This will positively impact those with and without protected characteristics.

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

Financial Benefits

- Immediate saving of £500,000 per annum from 2021/22.

Non-Financial Benefits

- Enabling more children to remain safely with their families is associated with better long term outcomes.

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

Risk	**Mitigation**	**RAG** (should the risk occur)	**Overall Responsibility**
Changes in court behaviour in relation to Special Guardianship Orders	Continued advocacy for the child and liaison with the courts	Amber	Lou Williams

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

These are savings associated with allowances for Special Guardianship Orders and Adoption allowances only.

Business Planning: Business Case proposal

Project Title: Clinical Services; Children and Young People

Committee:	Children and Young People
2021/22 Savings:	-£250,000
Brief Description of proposal:	A new shared service will launch in the early part of 2021, and will consist of an increased offer to children in care and foster carers, compared with that which was provided by the previously commissioned service. This increased investment notwithstanding, it is also possible to deliver a saving of £250,000 against the previous level of expenditure in this area.
Date of version: 23 Nov 2020	BP Reference: A/R.6.212
Business Leads / Sponsors:	Lou Williams, Service Director Children's and Safeguarding

1. Please describe what the proposed outcomes are

Children in care do best when they experience consistent relationships with the key people in their lives – including their carers and their social workers – and most will thrive as a result of that consistent support.

Most children in care achieve the best outcomes when they are able to live in stable, loving families. Foster carers therefore play a vital role in supporting children and young people as they cope not only with the usual challenges of growing up, but with the additional challenges resulting from being in care and from their childhood experiences before they came into the care system. It is essential that foster carers have access to training and consultation from suitably qualified clinicians in order to provide them with the tools and strategies to help guide the children and young people for whom they are providing care.

Many children and young people in care have suffered adverse childhood experiences alongside having to manage the impact for them of not being able to live within their birth families. This means that many will require additional specialist support at times during their lives. Sometimes, this will be best provided through

Child and Adolescent Mental Health and similar services. There will also be occasions when it will be important for children and young people, as well as those who care for them, to have direct access to specialist clinical support, as provided by our clinical specialist staff.

Cambridgeshire has historically invested a considerable amount of funding into the clinician service as part of their organisational objective to prioritise the “best start for Cambridgeshire's children”. Prior to the implementation of the Family Safeguarding model, clinical staff were attached to each of the 32 social work units.

Family Safeguarding operates very differently, with adult facing practitioners seconded to the smaller number of social work teams which replaced the former units. These practitioners support adults to address issues such as mental ill health, substance and alcohol misuse and domestic abuse. Social work teams now also have dedicated non-case-holding team managers.

Adult practitioners support change among parents; team mangers now provide case and group supervision in the teams. Taking these issues together means that there is no longer a role for clinical staff in the Family Safeguarding service.

Many local authorities do not have a dedicated clinical service for children and young people in care. Instead, reliance is placed on use of dedicated mental health services including tier 3 Child and Adolescent Mental Health Services, provided by local health services.

The decision has been taken within Cambridgeshire to continue to provide additional and dedicated support for children and young people in care and foster carers.

Accordingly we have developed proposals for a shared clinical service that will provide support to foster carers and individual children and young people in care across both Cambridgeshire and Peterborough. This service will be provided in-house, replacing the former position when each council commissioned some of these services from the Cambridgeshire and Peterborough Foundation Trust, while delivering other aspects of the service.

This new shared service is currently being consulted on and will launch in the early part of 2021. It will consist of an increased offer to children in care and foster carers, compared with that which was provided by the previously commissioned service. This is because we have been able to invest some of the resource that would previously have provided clinical support to the social work units into support for children in care.

This increased investment notwithstanding, it is also possible to deliver a saving of £250,000 against the previous level of expenditure in this area.

Briefly, key areas of priority activities proposed for the new clinical service in Corporate Parenting will include providing:

- A joint service that works with children and young people in care, foster carers and children and young people on the edge of care in both Cambridgeshire and Peterborough authorities;

- A model of practice where clinicians work within an integrative clinical model, where systemic practice is a part, rather than the predominant element of the work;
- A service that works with all children and young people in care, regardless of the stage of their care experience;
- A service that continues to work closely with foster carers, providing training and support, including providing direct advice and support to our foster carers in developing strategies that enable children in their care to settle, reducing the risk of placement breakdown.

The development of Family Safeguarding provides a really exciting and positive opportunity to provide a much more resilient service to support good outcomes for children in care and in respect to placement stability in particular.

We have increased capacity compared with that which was previously available to support the clinical needs of children in care. We are also seeing a continuing reduction in numbers of children in care, meaning that we are confident that the service will be able to meet demand and provide a responsive service.

There are no health and safety concerns associated with this initiative. Providing a bespoke mental and emotional health service to young people in care will have a positive impact for those young people, some of whom will have protected characteristics.

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

We are developing the existing service, building on its strengths, while increasing capacity and growing provision so that it includes a broader range of clinical specialisms, able to meet a broader range of needs among our children and young people in care.

The approach supports our strategy to ensure that as many of our children and young people in care are living with local foster families as possible. Reducing the number of placement moves enables children and young people in care to achieve the best outcomes, as they experience the least disruption. The Council also benefits financially because local, in-house foster placements are a lower cost compared to other placements for children in care.

Our foster carers are clear that they would want to see an improved training and support offer; these clinical staff will deliver both individual support to carers as well as specialist training on areas such as meeting the needs of children who have disorganised attachment styles.

Our social work staff are also clear that being able to access this specialist support at the right time is essential in preventing unplanned placement endings.

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

There has been a great deal of careful thought and consideration given to operating this service.

One key area for consideration was the question of whether to continue to commission part of the service, or whether we should deliver the service wholly in-house.

While commissioning the service has some benefits, these were outweighed by the benefits of providing the service directly.

The principle benefits of direct provision included the flexibility this provides us in the management of the service; making changes to the approach to the work in response to need can be managed without needing to consider whether there is an impact on the service specification or contract, for example. Directly providing the service also means that there is a saving on employment costs, since there is no management fee to pay.

The new service is beginning from a position where we will need to recruit a number of practitioners. While this will affect capacity initially, it does provide the opportunity to recruit a service with a wide ranging skills mix. This is in the long term best interests of our children and young people in care.

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

The 0.3 FTE member of staff eligible to transfer to the local authority and wishing to remain in service under TUPE has now transferred.

Consultation with the staff is being undertaken; with a response due on 14th January 2021.

High Level Timetable

Task	Start Date	End Date	Overall Responsibility
TUPE transfer	September 2020	November 2020	Lou Williams
Consultation	November 2020	December 2020	Lou Williams
Recruitment	January 2021	March 2021	Lou Williams

5. Could this have any effects on people with Protected Characteristics?

Providing a bespoke mental and emotional health service to young people in care will have a positive impact for those young people, some of whom will have protected characteristics.

CCC HR policies and procedures have been followed for this TUPE process and an Equalities Impact Assessment is being completed as part of the consultation response. This will be communicated to staff first and then will be published to committee thereafter. Any recommendations will be discussed with HR for ongoing review to ensure CCC adhere to best practice standards.

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

Financial Benefits

- Immediate saving of £250,000 per annum from 2021/22
- Reductions in unplanned placement moves will reduce placement costs
- Enhanced use of in-house fostering will reduce spend on Independent Fostering Agency placements.

Non-Financial Benefits

- Children who remain in the same fostering household throughout their care journey tend to achieve the best outcomes.
- Where placement changes are required, clinical input into the matching process makes it more likely that the new placement is one that is able to provide the stability that all children need.

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

Risk	**Mitigation**	**RAG** (should the risk occur)	**Overall Responsibility**
Recruitment Challenges	Focused recruitment campaign	Amber	Lou Williams

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

This is a very tightly defined project concerned with the development of clinical services for children in care only.

Provision will, however, be required to fund the family Group Conferencing Service from 2022/23. This is because family group conferencing can be funded through the grant from the Department for Education to deliver Family Safeguarding but this funding will be exhausted by that date.

Business Planning Business Case proposal

Project Title: Transport Savings – Children in Care

Committee**:**	Children and Young People
2021-22 Savings:	-£300,000
Brief Description of proposal:	This proposal is a recognition of savings already achieved through the improvement of processes around the procurement of Home to School Transport for Children in Care.
Date of version: 23 Nov 2020	BP Reference: A/R.6.268
Business Leads / Sponsors:	Hazel Belchamber, Head of Service 0-19 Place Planning and Organisation

1. Please describe what the proposed outcomes are

Work has been undertaken to review and improve the processes around the procurement and route planning of transport for Children in Care. This has yielded savings in the current year which will continue into 2021/22 and this Business Planning proposal is a recognition of this fact.

This work has been formed by the review and modelling of existing reduction in spend.

Our priority outcomes include providing stable placements for children in care and ensuring their needs are met. This proposal supports this outcome whilst achieving best value for money.

The review has already been completed and the improved processes implemented. This business case is to record the financial benefits that will be achieved through sustaining these improvements into 2021/22.

2. Could this have any effects on people with Protected Characteristics?

The improvements have been made to the procurement process rather than the service delivery. Service users will continue to receive the same level of service.

Children in Care disproportionately live in poverty. Reducing carbon emissions will contribute to improved health and greener communities for children with and without protected characteristics.

It is recommended that any future re-routing is monitored and considered with this cohort in mind to ensure that any disproportionate negative changes are mitigated. There is a wider piece of work on Transport policy and any changes to policy will include a full Equality Impact Assessment.

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

Financial Benefits

- Immediate saving of £300,000 per annum from 2021/22

Non-Financial Benefits

- Improved route planning will reduce the number of vehicles on the road (without hindering service delivery), resulting in reduced carbon emissions which supports our corporate priority of achieving net zero carbon emissions by 2050 and reducing our carbon footprint.

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

No risks have been identified in relation to delivery.

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

Included in the scope was improvement of processes around the procurement of Home to School Transport for Children in Care.

Business Planning: Business Case proposal

Project Title: Communities and Partnership Review

Committee:	Communities and Partnership Committee
2021-22 Savings:	-£200k
Brief Description of proposal:	Various areas across the directorate have been identified where efficiencies, resulting in small savings, could be achieved. These areas will be reviewed in more detail in order to realise up to £200k savings in 2021/22.
Date of version: 4 November 2020	BP Reference: A/R.6.269
Business Leads / Sponsors:	Adrian Chapman, Service Director

1. Please describe what the proposed outcomes are:

Realisation of up to £200k savings across the directorate through identification of efficiencies and process improvement. These areas include:

- Review of all budget lines to identify areas of historical underspend
- Review of vacancy savings target recognising increased directorate size in recent years
- Review of support functions across the directorate
- Maximising income in the Registration Service
- Cost reduction and income generation in the library service

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

A detailed review has already begun and identified areas where these efficiencies can be found.

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

These will be undertaken, as required, as the review progresses.

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

Continuation of ongoing review work, with a view to have up to £200k identified by February 2021.

5. Could this have any effects on people with Protected Characteristics including poverty and rural isolation?

Anything that will result in a reduced level of service delivery is out of scope and this will ensure there are no negative effects on people with Protected Characteristics as a result of this proposal.

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

Financial Benefits:

- Saving of up to £200K per annum from 2021/22

Other Benefits:

- Review of the support functions may create more efficient ways of working
- Maximising income in the Registration service will potentially be achieved through increasing the services currently offered thereby providing customers with more choice.

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

Risk	Mitigation	RAG (should the risk occur)	Overall Responsibility
Lack of service capacity due to pandemic response	The majority of this work can be undertaken by support functions	Amber	AC

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

Anything that will result in a reduced level of service delivery is out of scope. This review focusses solely on areas where efficiencies and process improvements can be made.

Cambridgeshire County Council

This EqIA form will assist you to ensure we meet our duties under the Equality Act 2010 to take account of the needs and impacts of the proposal or function in relation to people with protected characteristics. Please note, this is an ongoing duty. This means you must keep this EqIA under review and update it as necessary to ensure its continued effectiveness.

Section 1: Proposal details

<table>
<tr><th colspan="2">Directorate / Service Area:</th><th colspan="2">Person undertaking the assessment:</th></tr>
<tr><td colspan="2">Communities and Partnership</td><td>Name:</td><td>Josie Stone</td></tr>
<tr><td colspan="2">Proposal being assessed:</td><td>Job Title:</td><td>Senior Transformation Advisor</td></tr>
<tr><td colspan="2">Communities and Partnership Review Business Case</td><td>Contact details:</td><td>Josie.stone@cambridgeshire.gov.uk</td></tr>
<tr><td rowspan="2">Business Plan Proposal Number:
(if relevant)</td><td rowspan="2"></td><td>Date commenced:</td><td>07 Dec 2020</td></tr>
<tr><td>Date completed:</td><td>18 Dec 2020</td></tr>
<tr><th colspan="4">Key service delivery objectives:</th></tr>
<tr><td colspan="4">The Communities and Partnership Directorate includes the following service areas:

Adult Learning and Skills: To plan and deliver a programme of adult learning across Cambridgeshire and ensure it meets the standards set by Ofsted.

Cambridgeshire Local/ Think Communities: To build and sustain community resilience and to reduce and manage demand for more costly and / or complex interventions across the public sector.

Libraries: To provide a comprehensive and efficient library service for all persons in Cambridgeshire.

Archives: To provide the community free access to original historical records and resources.

Partnerships and Projects: To enable cultural engagement and education through projects across museums, arts and libraries.

Registration: To provide a comprehensive and efficient registration service.

Coroners: To undertake investigations and inquests.</td></tr>
</table>

Key service outcomes:
Adult Learning and Skills: Skills development drives economic and social sustainability **Cambridgeshire Local/ Think Communities**: Communities are resilient and there is reduced demand for local authority services **Libraries**: Communities are able to access books, IT and community space for leisure and education purposes. **Archives:** Communities are able to access archival material and learn more about local history. **Partnerships and Projects**: Greater community engagement in arts and culture contributing to improved well being and benefiting the local creative economy. **Registration:** Statutory requirements relating to Registrations are met. Residents are able to meet legal requirements for registrations. **Coroners**: Statutory requirements relating to Coroners Services are met. Cases are managed efficiently reducing distress for those effected.
What is the proposal?
Realisation of up to £200k savings across the directorate through identification of efficiencies and process improvement. These areas include: • Review of all budget lines to identify areas of historical underspend • Review of vacancy savings target recognising increased directorate size in recent years • Review of support functions across the directorate • Maximising income in the Registration Service • Cost reduction and income generation in the library service Anything that will result in a reduced level of service delivery is out of scope. This review focusses solely on areas where efficiencies and process improvements can be made.
What information did you use to assess who would be affected by this proposal?
The review began as a financial exercise and the initial focus has been on identifying areas of historic underspend which enable us to reduce budget lines without any impact on service delivery. This part of the proposal has no effect on people with protected characteristics. Benchmarking data was consulted, as part of the annual business planning process, which identified Archives and Libraries as areas where we had higher than average spend. In both of these areas, the benchmarking indicates that some authorities are achieving equivalent outcomes with a lower spend. In the next

stage of the review we will seek to understand how that is being achie
whether it is realistic for us to reduce our budget without reducing out

Are there any gaps in the information you used to assess who would be affected by this proposal?

The review is an ongoing process and for each stage we will compile the relevant information before developing a final proposal. As part of this process we will undertake an EqIA Screening Form at each stage and update the EqIA when required.

Who will be affected by this proposal?

The Community and Partnership Directorate delivers many services that are accessed by people with protected characteristics. Any proposals that may result in a reduced service delivery will not be implemented and our service users will not be adversely affected by any of the changes.

This business case will consider the vacancy savings targets and directorate support functions. This process will not result in any redundancies, restructuring or reduction in staff hours. The focus will be on processes and identifying efficiency savings from improved ways of working. This may require staff to adapt to the changes but support and training will be provided where needed. As part of this process we will ensure the training is inclusive of staff with protected characteristics. This will be achieved by agreeing training plans with HR and the EDI team.

The business case will consider how to maximise income in the Registration Service. This service has been adversely impacted by COVID-19 and the focus will be on be lining up income budget with income received. There will be a separate Registration Services Review, at a later date when the service has stabilized, which will look in more detail at opportunities for additional income generation. This will generate a separate Business Case and Equality Impact Assessment.

The area of the business case exploring cost reduction and income generation in the library service will progress as part of the Future Libraries Initiative. This initiative is focused on improving library provision by positioning libraries as community hubs that provide access to a variety of services and enabling communities to be actively involved in commissioning services for their locality. Any cost reductions will likely be realized as part of efficiency savings and income generation will be through the introduction of new services and opportunities. This project is still in the development stages, with progress having been delayed by COVID-19. This equality impact assessment will be updated as it progresses, particularly in relation to any community consultation that takes place.

Section 2: Scope of Equality Impact Assessment

Scope of Equality Impact Assessment					
*Check the boxes to show which group(s) is/are considered in this assessment. Note: * = protected characteristic under the Equality Act 2010.*					
*	Age	☒	*	Disability	☒
*	Gender reassignment	☒	*	Marriage and civil partnership	☒
*	Pregnancy and maternity	☒	*	Race	☒
*	Religion or belief (including no belief)	☒	*	Sex	☒
*	Sexual orientation	☒			
	Rural isolation	☒		Deprivation	☒

Section 3: Equality Impact Assessment

The Equality Act requires us to meet the following duties:

Duty of all employers and service providers:

- *Not to directly discriminate and/or indirectly discriminate against people with protected characteristics.*
- *Not to carry out / allow other specified kinds of discrimination against these groups, including discrimination by association and failing to make reasonable adjustments for disabled people.*
- *Not to allow/support the harassment and/or victimization of people with protected characteristics.*

Duty of public sector organisations:

- *To advance equality of opportunity and foster good relations between people with protected characteristics and others.*
- *To eliminate discrimination*

For full details see the Equality Act 2010.

We will also work to reduce social deprivation via procurement choices.

Research, data and/or statistical evidence
List evidence sources, research, statistics etc., used. State when this was gathered / dates from. State which potentially affected groups were considered. Append data, evidence or equivalent.
• Revenue Accounts- 2020-21 • LG Inform- 2018-19 data • iMPOWER Index Tool- August 2020 • Central Services Benchmarking Survey 2019

Consultation evidence

State who was consulted and when (e.g. internal/external people and whether they included members of the affected groups). State which potentially affected groups were considered. Append consultation questions and responses or equivalent.

We haven't yet identified any areas where consultation with staff and/or communities and service users may be required. If this need arises we will ensure that all consultation is inclusive of people with protected characteristics. This will be achieved by working with BI and the EDI teams to ensure that best practice is met in the consultation process.

Based on consultation evidence or similar, what positive impacts are anticipated from this proposal?

This includes impacts retained from any previous arrangements. Use the evidence you described above to support your answer.

- Review of the support functions may create more efficient ways of working which are beneficial to employees and service users.
- Maximising income in the Registration and Library service swill potentially be achieved through increasing the services currently offered thereby providing customers with more choice.

Based on consultation evidence or similar, what negative impacts are anticipated from this proposal?

This includes impacts retained from any previous arrangements. Use the evidence you described above to support your answer.

We do not expect any negative impacts from this proposal. This equality impact assessment will be regularly reviewed and updated if required.

How will the process of change be managed?

The review will be led by the Service Director. Transformation support will be available to ensure capacity in managing any change processes.

As the directorate responsible for community development, staff are highly skilled in consulting and engaging with communities and the voluntary sector. The Cambridgeshire Local programme provides a county wide infrastructure for consultation and information. However, the service review is primarily focussed on process and systems and is unlikely to generate any actions that will require this level of intervention.

How will the impacts during the change process be monitored and improvements made (where required)?
How will you confirm that the process of change is not leading to excessive stress/distress to people with protected characteristics / at risk of isolation/deprivation, compared to other people impacted by the change? What will you do if it is discovered such groups are being less well supported than others?
Any proposals that result in reduced service delivery will be rejected. Any impacts on staff will only relate to changes in ways of working; there will be no financial impact on staff. We will create opportunities for staff to co-design any new ways of working to ensure that these changes do not have a negative impact. This equality impact assessment is a working document and will be regularly updated as the review progresses.

Section 4: Equality Impact Assessment - Action plan

See notes at the end of this form for advice on completing this table.

Details of disproportionate negative impact *(e.g. worse treatment / outcomes)*	**Group(s) affected**	**Severity of impact** *(L/M/H)*	**Action to mitigate impact with reasons / evidence to support this *or* Justification for retaining negative impact**	**Who by**	**When by**	**Date completed**
Service staff struggle to adapt to new processes	Staff	Low	Staff co-designing changes. Training and support provided.	AC	TBC	18/12/20

Section 5: Approval

Name of person who completed this EIA:	Josie Stone	**Name of person who approves this EIA:**	Adrian Chapman
Signature:	Josie Stone	**Signature:**	Adrian Chapman
Job title:	Senior Transformation Advisor	**Job title:** *Must be Head of Service (or equivalent) or higher, and at least one level higher than officer completing EIA.*	Service Director
Date:	18/12/20	**Date:**	18/12/20

Guidance on completing the Action Plan

If our EIA shows that people with protected characteristics and/or those at risk of isolation/deprivation will be negatively affected more than other people by this proposal, complete this action plan to identify what we will do to prevent/mitigate this.

Severity of impact
To rate severity of impact, follow the column from the top and row from the side and the impact level is where they meet.

		Severity of impact				Priority and response based on impact rating		
		Minor	**Moderate**	**Serious**	**Major**	**High**	**Medium**	**Low**
Likelihood of impact	**Inevitable**	**M**	**H**	**H**	**H**	*Amend design, methodology etc. and do not start or continue work until relevant control measures are in place. Or justify retaining high impact*	*Introduce measures to control/reduce impact. Ensure control measures are in use and working. Or justify retaining medium impact*	*Impact may be acceptable without changes or lower priority action required. Or justify retaining low impact*
	More than likely	**M**	**M**	**H**	**H**			
	Less than likely	**L**	**M**	**M**	**H**			
	Unlikely	**L**	**L**	**M**	**M**			

Actions to mitigate impact will meet the following standards:

- *Where the Equality Act applies: achieve legal compliance or better, unless justifiable.*
- *Where the Equality Act does not apply: remove / reduce impact to an acceptably low level.*

Justification of retaining negative impact to groups with protected characteristics:
There will be some situations where it is justifiable to treat protected groups less favourably. Where retaining a negative impact to a protected group is justifiable, give details of the justification for this. For example, if employees have to be clean shaven to safely use safety face masks, this will have a negative impact on people who have a beard for religious reason e.g. Sikhism. The impact is justifiable because a beard makes the mask less effective, impacting the person's safety. You should still reduce impact from a higher to a lower level if possible, e.g. allocating work tasks to avoid Sikhs doing tasks requiring face masks if this is possible instead of not employing Sikhs.

Business Planning: Business Case proposal

Project Title: Removal of obsolete Vehicle Activated Signs (VAS)

Committee:	Highways and Transport
2021-22 savings:	**-**£4,660 (per year)
Brief Description of proposal:	This proposal is requesting Transformation Funding to remove any obsolete electronic signs and associated power supplies from the Public Highway to reduce future liabilities. Investment in this project will lead to future savings from reduced revenue costs as well as reducing health & safety risks and improving the environment due to reduced street clutter.
Date of version: 6 Nov 2020	BP Reference: B/R.6.202
Business Leads / Sponsors:	Richard Ling, Team Leader, Signals and Systems

1. Please describe what the proposed outcomes are:

Cambridgeshire County Council manages and maintains the local Public Highway, including the numerous road signs. Over the past 25 years a large number of electrically powered signs have been installed on the highway, the majority of these being to flash up a red/white speed limit roundel sign to approaching drivers, these are known as Vehicle Activated Signs (VAS). There are currently around 300 of these units remaining on our roads in various states of repair. As time has gone on this asset has increasingly been failing as the ageing technology fails and repair is no longer possible due to obsolescence of components. This project aims to remove this now obsolete asset from the highway, unlocking a number of financial and non-financial benefits.

The County Council's Highway Operational Standards (HOS) document does not support the direct replacement of the permanent VAS on our network. Replacement is required following either the failure of the unit or due to vehicle damage. Instead the authority promotes the replacement of the asset with either a temporary Moveable Vehicle Activated Sign (MVAS) or a Speed Indicator Device (SID) unit. These new units are sponsored, moved and maintained by the communities in which they are installed. Temporarily located MVAS are shown to provide a larger reduction in speed than the traditional fixed VAS installations. Giving the community the potential to have a MVAS in their area may reduce the need for other more expensive and intrusive highway features in the future.

The issue of obsolete non-working VAS started around 15 years ago and has been increasing year on year as more of the increasingly ageing asset fails. Currently we have around 16 signs requiring removal from the highway, with another 20 awaiting to be confirmed, and a further 13 sites still working but unable to be repaired. The County's Traffic Signals Team have identified that a separately funded project is required to in part resolve this issue, with the current limited maintenance funding not able to meet the requirements.

Removal of the obsolete asset will reduce future revenue maintenance costs, improve health & safety and improve the general environment. Having a non-working asset on the highway still requires annual site visits by the maintenance contractor, leading to increases in CO2 emissions from the required travel. Removing the asset will in turn reduce CO2 emissions.

In addition to our own internal demand for this proposal, some communities have asked for the non-working VAS to be removed in order to reduce street clutter in their parishes. Removing the power supply also allows communities the possibility to install their own MVAS under the Local Highway Improvement Scheme.

The proposal also links to the following Cambridgeshire County Council outcomes:

- Reducing street clutter improves the environment and improves road safety helping to provide 'A good quality of life for everyone'.
- Giving the parish the opportunity to run their own MVAS project helps community engagement, supporting 'Thriving places for people to live in'
- In removing the obsolete VAS the need to travel in maintaining them is eliminated. This contributes towards 'Net zero carbon emissions for Cambridgeshire by 2050'.

In addition to a revenue cost saving over the future there are a number of safety and environmental outcomes - more details follow below. Removing the assets in a controlled manner will remove the future need to remove the asset at short notice due to an emergency need, undoubtedly this would cost more than within a planned programme.

The proposal provides a collective improvement to all using the Public Highway. There would be a marginal benefit to those with sight and mobility related disabilities, in that the footway would be clearer if any sign posts were removed.

Health and Safety

Keeping a mains supply in the bottom of the sign poles retains the risk of electrical shock to the public. Although the site is inspected annually to control this risk the best way to control it is to eliminate it completely by removing the electricity supply.

As the signs continue to age there is a risk of the signposts rusting through which could leave them unstable. At this point, they would need to be removed at short notice to prevent the sign falling, potentially onto a member of the public or from causing electric shock from any subsequently exposed equipment. Removing the signs early on would eliminate this risk as well as reducing the need for emergency action of removal at short notice.

To continue to inspect the signs will retain the current level of risk associated with both driving and inspection. Removing the signs will eliminate those risks for this particular inspection task that would no longer be required.

Keeping a non-working speed sign on the highway could lead to an increase in general speed due to the issue of it never flashing to those who are speeding.

Reducing street clutter improves the environment and allows drivers to be less distracted. Where the signposts are also removed, footways will be clearer and grass verges easier to maintain. (As is standard, any damage or holes left in the ground from removing the signs and poles would be corrected).

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

National guidance from the Department for Transport (DfT) directs us to reduce sign clutter if possible (Traffic Advisory Leaflet 01/13, Reducing Sign Clutter).

The County Council's Highway Operational Standards (HOS) document directs us not to replace the obsolete asset, but rather to promote its replacement with a community sponsored moveable MVAS sign.

The proposal moves forward to support a sustainable public highway, removing assets no longer providing a benefit, eliminating the pressure on resources to support them.

It also matches a number of the Corporate Strategy themes. These include the removal of the signs being requested by the community and improving the environment through CO2 reduction.

The CCC team have already removed some equipment within the highway, this has reduced revenue costs in a limited way.

Communities and local members are asking us to remove broken signs in their areas as they no longer provide any useful purpose. Removing equipment would allow them to re-use the pole, if still stable, to locate their own community based MVAS or SID speed sign on. They then take on responsibility of maintaining the pole along with their MVAS or SID.

Where signs have been removed, communities have already then installed their own MVAS or SID projects under the Local Highway Improvement Scheme. This project will continue this work with the required resources.

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

The County's Traffic Signals Team manage the existing asset and have technical knowledge on the systems. We have great experience of working with electrical systems on the public highway, with a supply chain already in place.

The focus of the proposal is to deliver a project to physically remove the obsolete equipment from the public highway, removing all future risks and with the option of allowing the sign pole to be used by the community.

The alternative option would be to do nothing and continue to manage and maintain the obsolete equipment with the associated risks and costs.

Advantages and disadvantages of each option:

- Remain as we are / do nothing - If we do nothing the current backlog of non-working signs will remain on the network, requiring revenue funding each year to maintain them, with no path to ever finish this cycle. The signals team will continue to use staff resources to field enquiries about the problem, reducing the resource to spend on more worthwhile tasks. There will be a continual risk of the sign posts rusting through and requiring emergency funding to remove them together with the mains voltage power supplies at very short notice, this funding is not annually budgeted for. In this situation the sign would be at risk of falling onto a member of the public or electric shock from any exposed live equipment. There is no benefit in leaving the obsolete equipment on the highway. Having a non-working speed activated sign on site may in some part encourage higher speeds as the sign is not currently triggering for speeding vehicles, providing negative feedback.

- Removing the obsolete signs – this takes away the need to maintain the installation in the future. The electrical risk would no longer exist and the street scene environment would improve from the reduction of street clutter. Sign removal would also improve our reputation of properly maintaining the highway. If the sign post is assessed to be sound then this would be offered to the Parish council to mount a self-funded battery powered speed warning sign onto, with the potential to reduce speed and improve safety. Where sign posts are removed, footways will be clearer and grass verges easier to maintain.

A project to remove the obsolete signs and power supplies is preferred, managed by the Traffic Signals team and delivered through the existing supply chain in place.

Project delivery and capacity

The project would be relatively small with the asset having little connection to other services. The team has already been working with our delivery partner to look at how the project would be delivered. There have been discussions with Parish councils about removing signs in their area, this has generally been accepted well.

The Traffic Signals team already have experience in this work. Some of the required work has already been costed. The team have put a system in place to manage the asset, knowing at this time which of the current 300 signs require removal and those at risk. The existing Traffic Signal Team Maintenance contractor is contracted to carry out this work, and power supplies can be removed by the local power company, UKPN, or our street lighting contractor.

Transformation Funding

This proposal would require upfront funding in order to go ahead and so we are in the process of submitting a bid to GPC to request that Transformation Funds be considered for this project. Transformation investment would provide the financial resources to allow a positive outcome to the current problem as well as savings over the longer term. It would enable us to reduce future revenue costs, eliminate health & safety risks and allow future community based projects.

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

- Agree internally the current outstanding list of obsolete equipment.
- Confirm the resources provided to the project, checking that they match the requirements.
- Programme the removal of individual sites.
- Inform stakeholders on programme, assisting Projects team on future community sign projects.
- Order mains power removals with power company (UKPN).
- Apply for required permits with County's Street works team.
- Order removal of remaining sign faces.
- Remove power supplies to make the site electrical safe.
- Remove existing sign faces and rusted poles, using any spare parts to maintain remaining asset.
- Inform stakeholders that work is complete and any community projects can proceed.
- Review project.

Additionally, regular feedback would be provided throughout to the Transformation team as agreed and required.

There has been discussion with the Traffic Signals team maintenance contractor about the issues and how best to efficiently deal with the situation. The energy supply company has been contacted to receive some estimated costs to provide disconnections.

There are already term maintenance contracts in place so no commercial /procurement contract work is needed. We will ensure the Highway Projects team, local members and parish councils are aware of the individual site projects. We will let communities know about the possibility of them changing the site to use their own funded MVAS or SIDs.

The current traffic signal contract operates between five local authorities, passing on general collective savings. Although some of the project would be procured through this contract the work is relatively small and doesn't link with that in other areas.

Regular email and/or phone updates will be provided by the Signals Team to local members and Parish councils. This will include letting them know why and when the removal will take place. We will work with our colleagues to let them know when the locations are safe as described above in the outline plan.

High Level Timetable

Task	Start Date	End Date	Overall Responsibility
Following possible Full Council approval in Feb '21, prepare project team for start in April 2021. Finalise proposed site scope list, inform stakeholders.	March 2021	March 2021	CCC Signals Team
Request quotations from UKPN for electrical disconnections, order other disconnections from CCC Street lighting. Request estimates from Traffic Signal contractor for sign/post removals.	April 2021	April 2021	CCC Signals Team
Review received costs, adjusting programme to suit budget. Order works with suppliers, book road space permits. Inform stakeholders.	May 2021	May 2021	CCC Signals Team
Carry out required site work, keeping Stakeholders informed.	Summer 2021	Autumn 2021	CCC Signals Team
Project debrief.	Winter 2021	Winter 2021	CCC Signals Team

5. Could this have any effects on people with protected characteristics?

The proposal provides a collective improvement to all using the Public Highway. There would be a marginal benefit to those with sight and mobility related disabilities, as well as those using a wheelchair or with a pram / pushchair, in that the footway would be clearer if any sign posts were removed.

Mitigating actions:

No negative effects have been identified following the removal of the signs.

During any removal works, the usual mitigations around access (such as temporary paths) would be put in place.

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

Financial Benefits

Each year every sign needs an engineer visit to carry out a safety inspection and other maintenance tasks. The cost increases each year however the 2020/21 cost was £76. The number of faulty signs increase monthly but we would estimate there are currently around 35 requiring removal. Until they are removed the authority will pay each year **£2,660** (35 x £76) to maintain this obsolete asset. This is a relatively small amount but will be payable each and every year (in increasing amounts) until the asset is removed, so doing this now would be an investment to reduce future revenue costs.

In addition to the contractor costs the current situation needs to be managed by a member of the County's Traffic Signals Team. Additional time is needed to monitor and discuss the condition of the asset with the contractor together with communicating with local members and the community. An estimate of time taken each year would be around 50 hours per year, costing **£2000** per year (50hrs x £40). Although the cost is not directly recoverable, as the resource is a full time employee, this resource would then have time to support more worthwhile functions.

In summary if all signs are removed the County would benefit by £4,660 per year, or **£93,200** over 20 years. However, realistically the saving would be significantly higher than this as the figure does not allow for inflation of inspection costs each year, or the costs of needing to remove signs at short notice due to safety.

To gain the above benefit requires a capital investment to remove the obsolete assets. The cost will change depending on if the power supply is simply connected into an existing highway street light or if the supply is connected directly onto the UKPN main. In addition, there can be expensive traffic management costs to install temporary traffic lights to allow the work to be completed safely. The traffic signal company will need to remove the sign from the pole and dig out the pole itself if not safe to leave for use by the community.

The figures below list the estimated individual costs based on previous similar schemes.

Remove power connection from UKPN main, £1,200-£2,500, depending on traffic management.
Remove power connection from CCC streetlight, £200-£500, depending on traffic management.
Remove sign and dig out sign posts (2 sites per day), £900.
Remove sign only, leaving posts in situ, (2 sites per day) £400.

The blend of site situations is not fully clear but an estimate for each site would be £2,200. Over the estimated 35 sites to remove, the required funding would be **£77,000.**

The proposal estimate is an investment of £77,000 to recover £93,200 over 20 years. With these figures the financial case for the change runs over an extended period, much longer than would normally be the case. This situation is slightly different however in that at some time in the next 20 years the authority would need to remove the asset anyway due to the post rusting through and becoming too dangerous to allow to remain on the highway. At this time the cost of removal would be much more than above due to it being completed under emergency conditions. It would also be a higher risk approach with potential risk of accidents.

A further financial benefit, although hard to determine, is the possibility of future insurance claims from the public. As a highway authority we have a duty of care to maintain the highway. There is a possibility, if only small, of claims due to collision with this ageing asset or electrocution with the supply. An insurance company may see the unused and obsolete asset as an obstruction of the highway. The claim may not necessarily be payable but we would still have costs in dealing with any claim.

Non-Financial Benefits

Key Benefit	**Measure**	**Baseline**	**Target & Timescale**
Reduction in number of obsolete signs on highway	Number of obsolete pieces of equipment on the Public Highway	35, increasing as more equipment becomes faulty	No obsolete equipment by the end of March 2022
Reduction in number of complaints and general enquiries from the community about street clutter from non-working equipment	Number of previous communications		No complaints generated from sites removed at end of project
Parish council able to use site for community scheme	Number of sites re-used	0	5 sites identified to develop community MVAS scheme, in next round of Local Highway Improvement scheme

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

Risk	**Mitigation**	**RAG** (should the risk occur)	**Overall Responsibility**
Costs for removal are higher than estimated	Send out quotation enquires to contractors early in programme. Reduce number of sites to suit resources if required, requiring additional revenue in future years to maintain remaining assets	AMBER	Traffic Signals Team
Electricity company (UKPN) do not remove connection to programme	Keep in regular contact to manage the disconnections jointly	RED	Traffic Signals Team
Traffic signal company do not remove signs to programme	Keep in regular contact with local depot to manage the programme	AMBER	Traffic Signals Team

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

In scope is the existing obsolete electronic signs on the public highway.

Those on private land or managed by third parties under license are out of scope for the project. All other electrical items on the highway including street lights and traffic signals systems fall out of project scope, being maintained from other resources.

Business Planning: Business Case proposal

Project Title: Review winter operations

Committee:	Highways and Transport
2021-22 Savings:	-£13,500 (per year)
Brief Description of proposal:	The proposal is to increase the winter gritting domains from three domains to five domains.
Date of version: 23 Nov 2020	BP Reference: B/R.6.201
Business Leads / Sponsors:	Jonathan Clarke, Richard Lumley

1. Please describe what the proposed outcomes are:

Cambridgeshire County Council manages and maintains the local Public Highway and an essential part of this management is the winter service. The County Council receives a daily winter weather forecast from the 1 November to the 14 April and makes a decision whether to grit the network based on this forecast. The forecast is split into three current areas known as domains. These are North and East, South and West and Cambridge City. This project aims to increase the number of domains to five thereby unlocking a number of financial and non-financial benefits.

The County Council currently has a good spread of weather forecast stations across the county. Each of the proposed new domains has at least one. This enables the forecast to be accurate and any differences in forecast between domains can then trigger different gritting actions or no action. It is not anticipated that we require any further forecast stations.

By gritting only domains that require gritting gives an immediate financial benefit as well as saving resources such as fuel and salt. The latter having an environmental benefit with the reduction of fuel usage leading to a reduction in CO_2 emissions.

There is an internal demand for this initiative in order to maintain the level of service and also to improve the efficiency of resources to do so.

The proposal also links to the following Cambridgeshire County Council priorities:

- Only deploying gritting vehicles in domains when the forecast of the domain dictates will contribute towards ‘Net zero carbon emissions for Cambridgeshire by 2050’.
- Keeping the highway network open during the winter period helps provide ‘A good quality of life for everyone’.
- Enabling businesses to operate during the winter period on a safe highway network helps ensure ‘Thriving places for people to live in’.

In addition to a revenue cost saving over the future, there are a number of improved environmental outcomes - more details follow below.

The proposal provides no change to people with protected characteristics.

The proposal provides no change to Health and Safety.

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

National guidance from the Institute of Highway Engineers and NRSWG Promotes only carrying out winter gritting when necessary.

The proposal moves forward to support a sustainable public highway reducing the pressure on resources required to support it.

The proposal matches a number of the Corporate Strategy themes such as improving the environment through CO2 reduction.

Cambridgeshire County Council is part of the Eastern Region Winter Maintenance Consortium. This enables us to share in best practice and learn from our neighbouring authorities. Some of these authorities have already increased their weather domains. The authority also increased its own domains from one to three and has been able to identify savings by gritting only the domains that require treatment.

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

The County's Highway Maintenance Team manage the existing winter service. The team has many years of experience of delivering winter service with a supply chain already in place.

The focus of this proposal is to purchase forecasts based on five weather domains. We have looked at the advantages and disadvantages of continuing with three or increasing to five. If we do nothing and continue with just three then we are wasting resources by gritting parts of the highway network when it is not required and the risk of ice is not there. Increasing the domains has the potential to maintain the service as required in the domains needed and save revenue.

The team has already been working with our delivery partner to look at how the project would be delivered. The project could be managed by the Highway Maintenance team as they already have experience in this work and then delivered through the existing supply chain in place. Some of the required work has already been costed. The supply chain is aware of the project proposals and has confirmed that they are able to deliver.

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

- Agree the geographical boundary of the domains.
- Confirm the resources provided to the project, checking that they match the requirements.
- Programme the start of forecasts for the five domains. Inform Highway Service provider regarding increase of domains.
- Training on decision making upon receiving forecasts for five domains. Inform stakeholders on programme, assisting Projects team on future community sign projects.

There has been discussion within the Highway Maintenance Team, and with the current forecast provider around the co-design of this project.

There are already winter forecast contracts in place with the Eastern Region Winter Maintenance Consortium through ESPO so no commercial/procurement contract work is needed.

Engagement would be with the communications team and regular updates as the project progresses. It would be adopted into the Winter Service Plan - this is presented every year to the Highway Committee for approval.

High Level Timetable

Task	Start Date	End Date	Overall Responsibility
Agree domains and receive test forecasts form provider.	Jan 2021	April 2021	CCC Highway Maintenance Team
Evaluate action taken between current and proposed domains	Jan 2021	April 2021	CCC Highway Maintenance Team
Project communications to stakeholders	April 2021	October 2021	CCC Highway Maintenance Team

5. Could this have any effects on people with protected characteristics?

The proposal provides no changes to the service that we provide, although there could be a minor potential impact on staff (including any staff with protected characteristics) if less journeys are completed.

Gritting is carried out by a mixture of Skanska and CCC (Cambridgeshire County Council) staff. Staff get paid a winter allowance on top of their normal salary and the number of journeys varies annually due to weather conditions. By having more targeted gritting means we do not lose staff unnecessarily from their day jobs and the new system will not affect their base salary.

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

Financial Benefits

Cost of the two new forecast domains: £4,000 pa.

Anticipated financial savings through reduction in gritting runs - We have good coverage of weather stations across the county. These are used by the forecaster to drive the forecasts for the domain. We know that there are variances of weather over the current domains and therefore by making them smaller we will only be treating the areas that require it. The number of times that this may happen over the year will depend on the forecasts, there is not a large variance across the domains but a small one on marginal nights. There is an economic saving. For example, to treat north and east week day is approx. £3000 payable to the Highway service provider. Splitting this into two domains will half the cost if we only send out the North domain. On top of this, of course, are the costs of salt and fuel.

Savings across the season are difficult to quantify because we are dealing with the varying weather during the winter season. However, if we can base predicted savings on an average of the previous five years of weather then in a typical season there may be five opportunities to send out some but not all domains This could give savings of up to £17,500 (less the £4,000 costs would be £13,500 per year).

Economic, commercial and financial case for doing this:

The proposal estimate is an investment of £4,000 with the opportunity to save up to, but not guaranteed, (due to the variance of the weather as stated before) £17,500 per year.

A further financial benefit, although yet to determine, is fuel and salt cost saving.

Non-Financial Benefits

Key Benefit	Measure	Baseline	Target & Timescale
Reduction in number of unnecessary gritting runs in	Number of gritting runs against forecast		Introduction of new domains November 2021

domains where it is not required			
Reduction in CO2 emissions through less vehicle movements	Calculation of CO2 emission per vehicle per run saved		Introduction of new domains November 2021

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

Risk	**Mitigation**	**RAG** (should the risk occur)	**Overall Responsibility**
Costs for forecast domains are higher than estimated	Conform geographic location of domains and ensure weather forecast stations coverage is adequate early in programme	AMBER	CCC Highway Maintenance Team
Forecast provider does not establish the new domains in time for start date of project	Keep in regular contact with supply chain to manage the project	RED	CCC Highway Maintenance Team

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

In scope is increasing the existing three winter forecast domains, North and East, South and West and Cambridge City to five new domains North, East, South, West and Cambridge City.

Business Planning: Business Case proposal

Project Title: Reduction in Staff Mileage

Committee**:**	General Purposes Committee
2021-22 Savings:	**-**£564,000
Brief Description of proposal:	We have seen a significant reduction in staff car mileage since the start of the 2020/2021 financial year, predominately due to Council staff having to work from home because of the Coronavirus pandemic. This has resulted in a cultural shift for the organisation towards travelling less and enabling successful remote working with our colleagues while still serving the needs of our residents. This is an opportunity to reduce staff mileage budgets longer term across all Council service areas for 2021/2022.
Date of version: 4 Nov 2020	BP Reference: C/R.6.104
Business Leads / Sponsors:	Jonathan Trayer and Richard Kean, Finance Business Partners, Corporate Finance

1. Please describe what the proposed outcomes are:

This is an opportunity to reduce staff mileage budgets on a permanent basis which will enable a saving of £564,000 to be realised for the 2021/22 financial year and £186,000 thereafter to support the budget deficit.

The current pandemic has accelerated a cultural and behavioural shift for the organisation towards working remotely and travelling less, while still being able to successfully serve the needs of our residents. Working remotely has reduced the commuting time for staff.

A reduction in staff travel will also help the Council to deliver its pledge of net zero carbon emissions by 2050. Low carbon transport is one of the priority areas in the Council's Climate Change and Environment Strategy, which has a specific action to "Encourage staff to use public transport or cycle where possible to minimise other business travel carbon emissions". Data from the mileage and expenses claims system shows that staff travelled over 5 million miles in 2019-20, which accounted for 1,803 tonnes CO_2e greenhouse gas emissions. This is already a sizeable reduction from the previous year (6.3m miles, 2,292 tonnes CO_2e in 2018-19). There is a Council target to reduce our indirect (scope 3) emissions by 50% by 2030 and so future work in this area will look at Sustainable Travel for Work more strategically. This could mean increasing the Council's use of pool or hire cars (which could be electric). Other Councils have already begun trials on these kinds of ideas.

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

This business case proposal is based on the evidence gathered by Finance for quarter one and quarter two of the 2020/21 financial year. The quarter one mileage saving in the People and Communities directorate alone was £300,000.

The 2021-22 savings target of £564,000 has been calculated on the assumption that the combined savings for quarters one and two will be similar to a single quarter of the current year (2020-21) and will fall to 10% of the current level in quarters three and four, remaining at this level thereafter.

These assumptions take into account that there is likely to be a significant increase in travel post-COVID given that many of the Council's services work effectively face-to-face and our operating model is centered on being close to our Communities. However, it is recognised that the pandemic has also rapidly increased usage of digital meeting and video conferencing tools. As such we do not expect that staff mileage will ever return to previously seen levels because of these technological advances.

The Council is investing in Information Technology, digital tools and techniques and our data capabilities to enable improvements to remote working. These investments are set out in the finance tables (section 3) of our Business Plan.

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

An options and feasibility study is not necessary for this business case proposal as it based on the assumption that current working pratices will continue where pratical post-COVID. Business Partners in Finance will work with Budget Managers to review staff mileage budgets and recoup the savings.

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

High Level Timetable

Task	Start Date	End Date	Overall Responsibility
Drafting and issuing of messages to staff encouraging continued remote working where practical and promoting use of fleet vehicles and green methods of travel such as cycling (which can be claimed at 20p a mile – a lower rate than car); utilise Camweb and Friday Focus	February 2021	March 2021	Communications Team
Review mileage budgets for services and incorporate savings	March 2021	April 2021	Finance Business Partners, Budget Managers

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

There are no disproportionate effects on those with protected characteristics. It is recognised that staff are located across the County and beyond, but staff mileage budgets are not being permanently removed, just reduced. Staff are already encouraged to think of alternative modes of transport and these messages can be incorporated into the communication about reduction of staff mileage budgets. This forms part of the wider strategy on How we Work and will continue to be developed as new ways of working emerge.

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

Key Benefit	Measure	Baseline	Target & Timescale
Reduction in spending on staff mileage allowances	Monthly monitoring and reporting of financial position against budgeted spend	2019-20 mileage spend (£3.49m)	£564k saving in 2021-22, £186k ongoing saving from 2022-23
Reduction of our carbon footprint	Greenhouse gases from employee	2,292 tonnes CO_2e (2018-19)	Reduce by 50% by 2030

	mileage (excludes commuting, mileage from pool cars or other council vehicles)		
Key Benefit	**Measure**	**Baseline**	**Target & Timescale**
Increased staff uptake of green travel alternatives such as public transport and cycling	Staff travel survey	Pre-COVID-19 proportion of staff using private cars (baseline figures to be calculated)	See above
Increase in flexible working opportunities and emphasis on alternative meeting options for staff	Staff travel survey and increase in staff satisfaction measureable via the pulse monthly engagement surveys	Pre-COVID-19 staff working patterns	See above.

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

The extensive and abrupt shift in working practices as a result of the pandemic provides a key opportunity to accelerate the cultural shift towards remote working. It is unlikely that such an opportunity will be presented in the future given there will be a gradual return to office based working (albeit likely to be lower than pre-COVID-19 times), and so it is an appropriate time to act and ensure we are encouraging more sustainable ways of working.

However, we need to ensure that the advantages of reducing travel are balanced with the need to work closely with our communities; the financial target for this saving has therefore been set at a conservative level to take full account of this requirement.

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

Staff car mileage budgets across all service areas are within scope, as are the budgets for cycling and motorbike allowances at 20p and 24p per mile respectively. Changes to the per mile allowances are not within scope.

Budget consultation 2021-22

Cambridgeshire County Council

Draft Report V3

January 2020

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Project details and acknowledgements

Title	Budget consultation 2021-22
Client	Cambridgeshire County Council
Project number	20152
Author	Sophi Ducie
Research Manager	Sophi Ducie
Reviewed by	Jenny Chen and Sam Jones

M·E·L Research would like to thank the County Council's communications team in helping to promote the survey during these challenging times as well as all the residents who provided feedback.

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MRS Evidence Matters™ Company Partner

BUDGET CONSULTATION 2021-22

2020

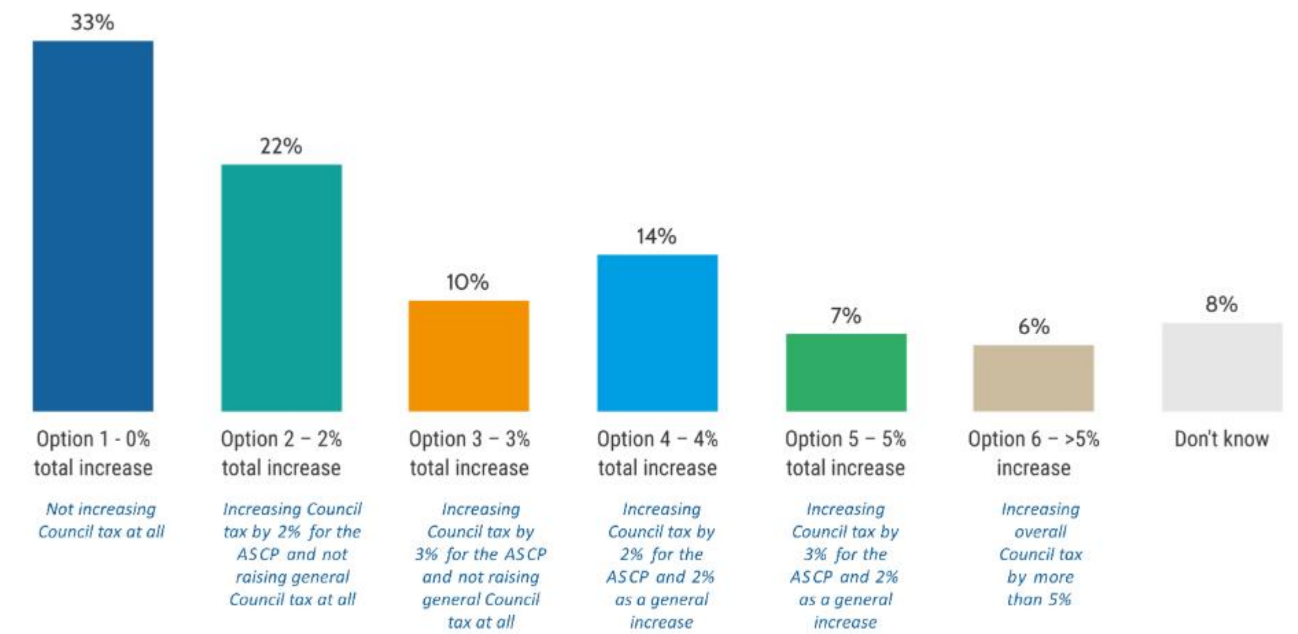
When Members approved this year's budget in February 2020 the council only needed to find savings of £4m to balance next year's budget. The COVID-19 pandemic has changed the situation.

In preparing the budget for 2021-22, the council have estimated the likely impact that the virus will have on planned savings, on their income and the need to support people whose challenges have increased. They now expect to need to find savings in the region of £30m to balance next year's budget.

The council commissioned M.E.L Research to carryout a consultation to explore residents' perceptions of living in Cambridgeshire and to gain feedback on how best to address the financial pressures in 2021-22.

The consultation ran for a period of three weeks from 27th November to 20th December 2020. Overall 1,308 residents took part in the consultation via an online (n=1,179) or booster telephone (n=129) survey.

SUPPORT FOR OPTIONS n=1,308



TOP 3 REASONS WHY RESIDENTS CHOSE THEIR PREFERRED OPTION

Option 1
- Pay enough as it is / already for the services we get
- It's already too expensive
- Can't afford to pay anymore

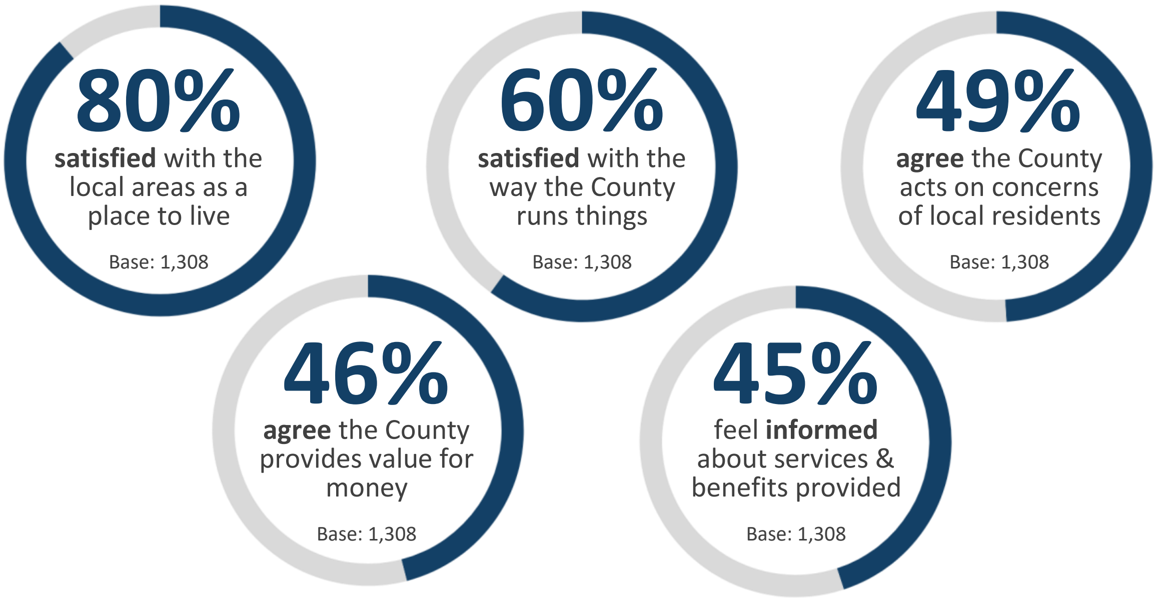
Option 2
- Fair increase / best option for me personally
- Take into account the people have lost their jobs/pay freezes/cuts/low incomes
- Can't afford to pay anymore

Option 3
- Fair increase / best option for me personally
- Can't afford to pay anymore
- Services need the funding to cope / protect services
- Take into account the people have lost their jobs/pay freezes/cuts/low incomes

Option 4
- Fair increase / best option for me personally
- Services need the funding to cope / protect services
- General acceptance that Council tax needs to increase

Option's 5&6
- Services need the funding to cope / protect services
- General acceptance that Council tax needs to increase
- Fair increase / best option for me personally

OVERALL ATTITUDES TOWARDS THE LOCAL AREA



m·e·l research

MRS Evidence Matters™ Company Partner

Results are based on a representative sample (by age group, gender and District area) of Cambridgeshire residents (n=1,308), returning a confidence interval of ±2.7% at the 95% confidence level.
Produced by M·E·L Research, independent research consultants on behalf of Cambridgeshire County Council.

Introduction

Research context

Over the last five years Cambridgeshire County Council have been implementing a range of measures to help mitigate the financial pressures. When Council members approved this year's budget in February 2020 the council only needed to find savings of £4m to balance next year's budget. The COVID-19 pandemic has changed the situation.

Since March 2020, the council has needed to put in place additional support for local communities and has taken steps to maintain critical front line services and support essential suppliers. In preparing the budget for 2021-22, the council have estimated the likely impact that the virus will have on planned savings, on their income and the need to support people whose challenges have increased. They now expect to need to find savings in the region of £30m to balance next year's budget.

The council are grateful for financial support provided by the Government so far, but it is not enough long term. They are working with MPs to make their case to request for more funding to cover the cost of the crisis. If the Government does not fully fund the council's additional costs, and if the council cannot raise additional incomes, they will have to look into measures such as reducing the current levels of service, increasing Council tax, etc.

The council commissioned M·E·L Research to carry out a consultation to explore residents' perceptions of living in Cambridgeshire and to gain feedback on how best to address the financial pressures in 2021-22.

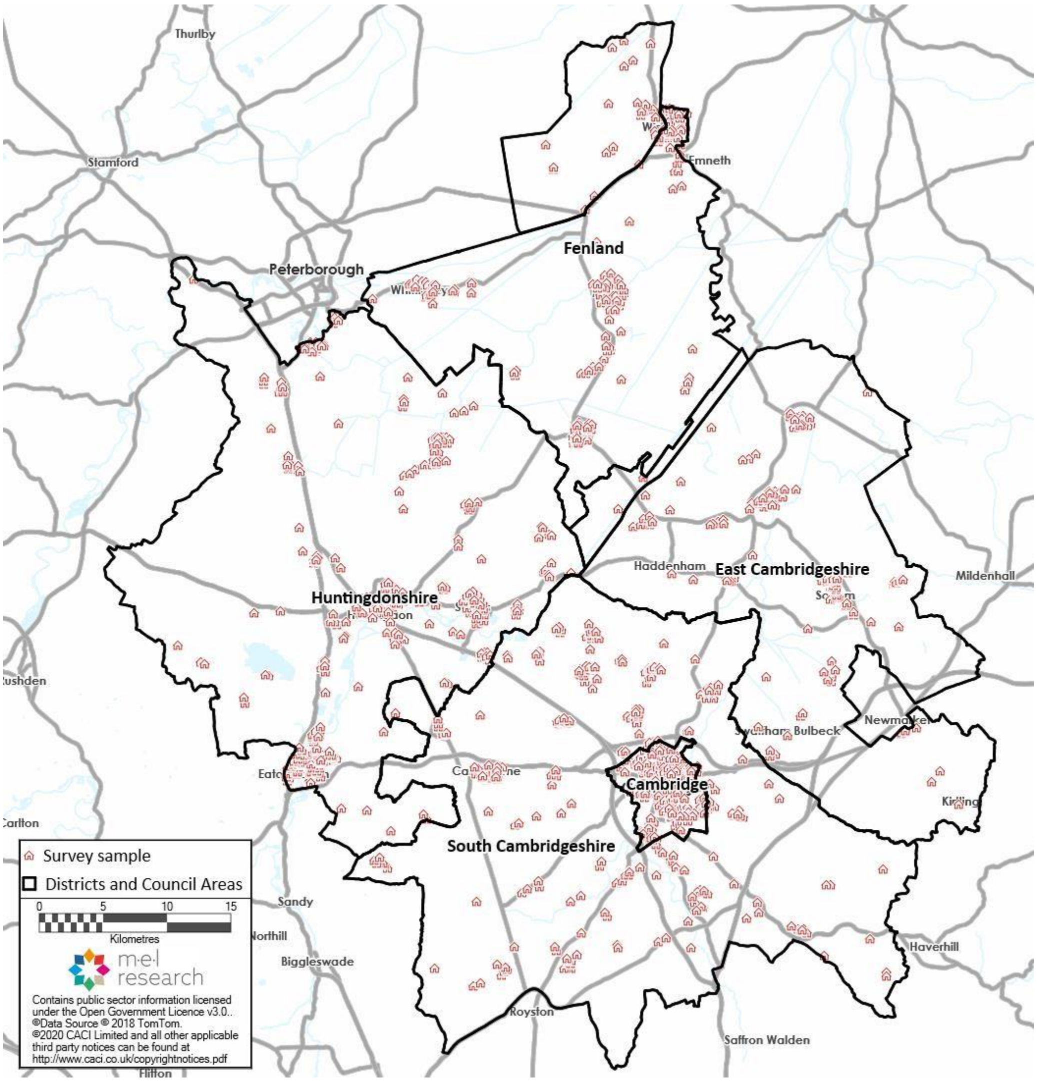
Methodology

The consultation ran for a period of three weeks from 27th November to 20th December 2020. Overall, 1,308 residents took part in the consultation. Below presents a summary of the approaches taken:

	Online survey	**Booster telephone survey**
Target population	Cambridgeshire residents aged 18 or older	
Interview length	Average of 12 minutes	
Survey period	27th November to 20th December 2020	10th to 20th December 2020
Sampling method	✓ Online survey sent to a representative sample of residents via email ✓ Open link circulated via social media	Targeted interviews with underrepresented groups

Data collection method	Self-completion	Interviewer administered
Total sample returned	1,179	129

Map 1: Plotted postcodes of survey sample



Statistical reliability

The survey findings are based on feedback from a sample of Cambridgeshire residents and results are therefore subject to sampling tolerances. Best practice is to gain a sample with a confidence interval of ±3.0% (based on a 95% confidence level using a 50% statistic), which is approximately 1,100 surveys.

With 1,308 residents having completed the survey, this returns a confidence interval of ±2.7% for a 50% statistic at the 95% confidence level. This simply means that if 50% of residents indicated they agreed with a certain aspect, the true figure (had the whole population been surveyed) could in reality lie within the range of 47.3% to 52.7% and that these results would be seen 95 times out of 100.

The lower the confidence interval the greater the confidence you can have in your results. Table 1 below shows the confidence intervals for differing response results (sample tolerance).

Table 1: Surveys completed overall

Size of sample	Approximate sampling tolerances*		
	50%	30% or 70%	10% or 90%
	±	±	±
1,308 surveys	2.7	2.5	1.6

** Based on a 95% confidence level*

Analysis and reporting

The online survey is a self-selection methodology, which means residents were free to choose whether to participate or not. It is therefore anticipated that the demographic profile of the respondents would not necessarily be fully representative of the target population. The booster telephone survey was delivered to try and adjust for the underrepresented groups via the online survey alone, e.g. male, under 35 age group. Although we made some progress in gaining feedback from these groups of residents, we were not able to achieve a sample profile that was fully representative of the population profile of Cambridgeshire. We therefore applied rim weightings to adjust that. For comparative purposes, both the weighed and unweighted results have been presented.

Weighting

The data was weighted by age group, gender and district area. This ensured that it more accurately matches the known profile of Cambridgeshire. The procedure involves adjusting the profile of the sample data to bring it in line with the population profile of Cambridgeshire. For example, in the survey the final sample comprised of 43% men and 57% women. Census data tells us that the proportion should be 50% men and 50% women. To bring the sample in line with the population profile we applied weights to the gender profile. The same process was repeated for the remaining subgroup profiles.

Comparative data

Several questions have been included from the Local Government Association's (LGA) 'Are you being Served?' survey for benchmarking purposes. The regional East of England data and the national survey results are based on the Local Government Reputation Poll Financial Year 2019/20. Each financial year is made up of three waves to provide adequate regional sample sizes. Local Government Reputation Poll is carried out via telephone, therefore, where comparisons are made to the regional and national LGA survey results, these should be seen as indicative due to the difference in data collection methodology. It should be noted that at the time of the writing the report, the regional and national data sets were based on unpublished data.

Statistical tests

Differences in views of sub-groups of the population were compared using a statistical test (z test[1]) and statistically significant results (at the 95% level) are indicated in the text. Statistical significance means that a result is unlikely to happen due to chance (i.e. It is a real difference in the population) and that if you were to replicate the study, you would be 95% certain the same result would be achieved again. As the sample for this research was weighted to be representative by age group, gender and district area, and was naturally representative by Acorn category, analysis for other sub-groups will be indicative only.

Presentation of data

Owing to the rounding of numbers, percentages displayed visually on graphs and charts within this report may not always add up to 100% and may differ slightly when compared with the text. The figures provided in the text should always be used. Where figures do not appear in a graph or chart, these are 3% or less. The 'base' or 'n=' figure referred to in each chart and table is the total number of residents responding to the question with a valid response.

Icon key:


Gender


Acorn classification

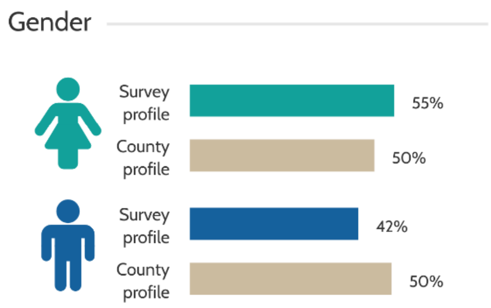

Age group

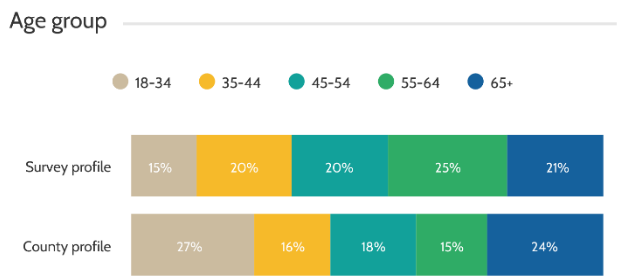

District/City

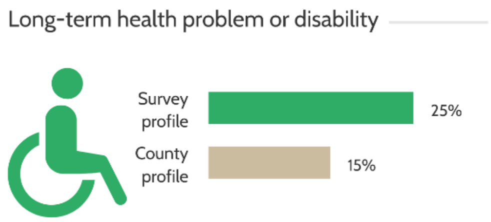
[1] *A statistical test to determine whether two population means are different when the variances are known and the sample size is large.*

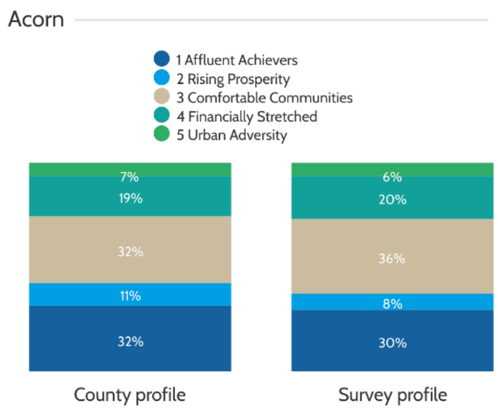
Who provided feedback?

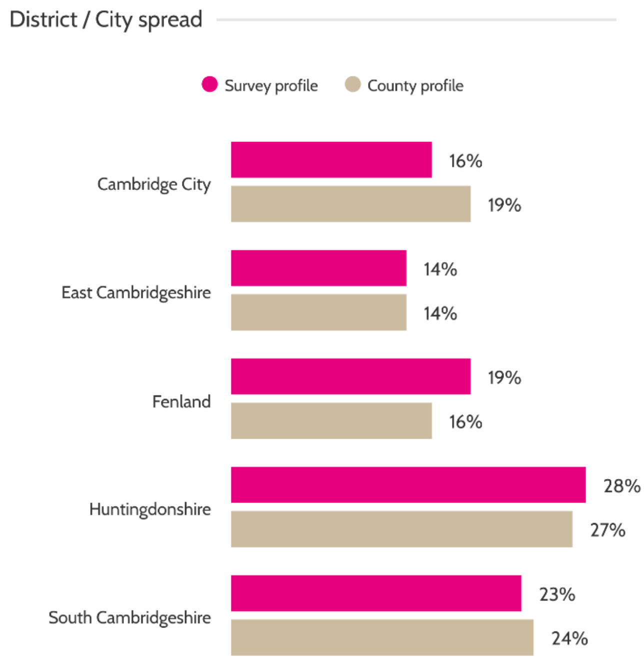
Below are the unweighted socio-demographic results of respondents who took part in the survey and compared against the known profile of Cambridgeshire. The results presented in this report have been weighted by age group, gender and district area to better reflect the profile of Cambridgeshire, although unweighted results have also been presented for readers' information. Data sourced from NOMIS Mid-year 2019 Population estimates and 2011 Census - ONS Crown Copyright Reserved.











Key findings

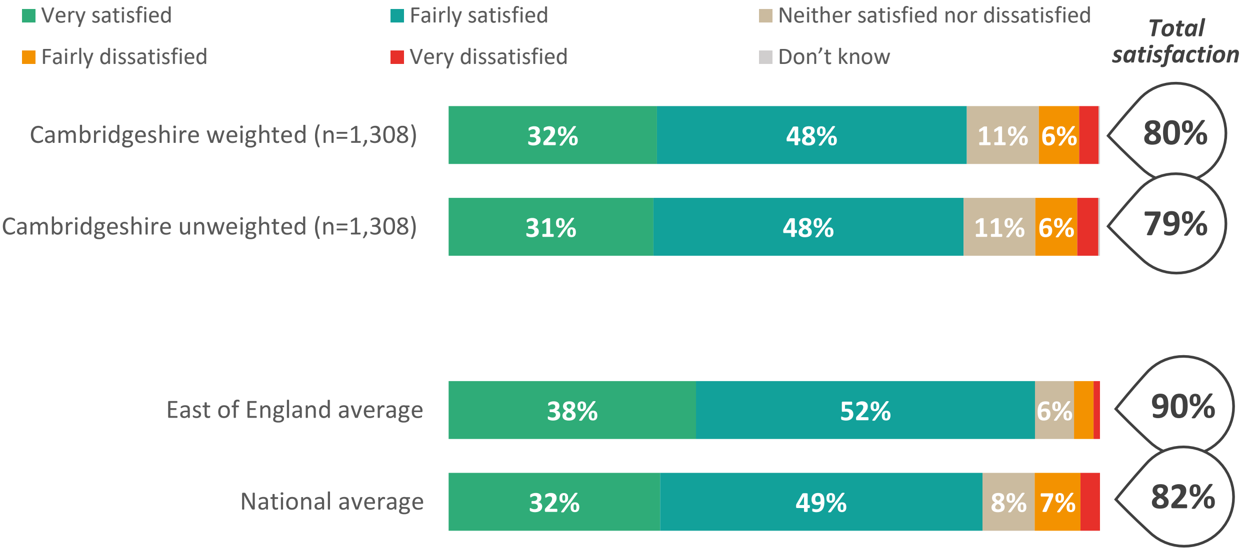
Section A: Living in county

Overall attitudes to the local area

We asked residents to think about how satisfied or dissatisfied they were with their local area as a place to live – with their local area being within a 15-20 minute walk from their home.

- **80%** of residents were 'very' (32%) or 'fairly' (48%) satisfied with their local area as a place to live.
- Cambridgeshire scored 10 percentage points below the regional East of England (90%) and 2 percentage points below the national average score (82%).

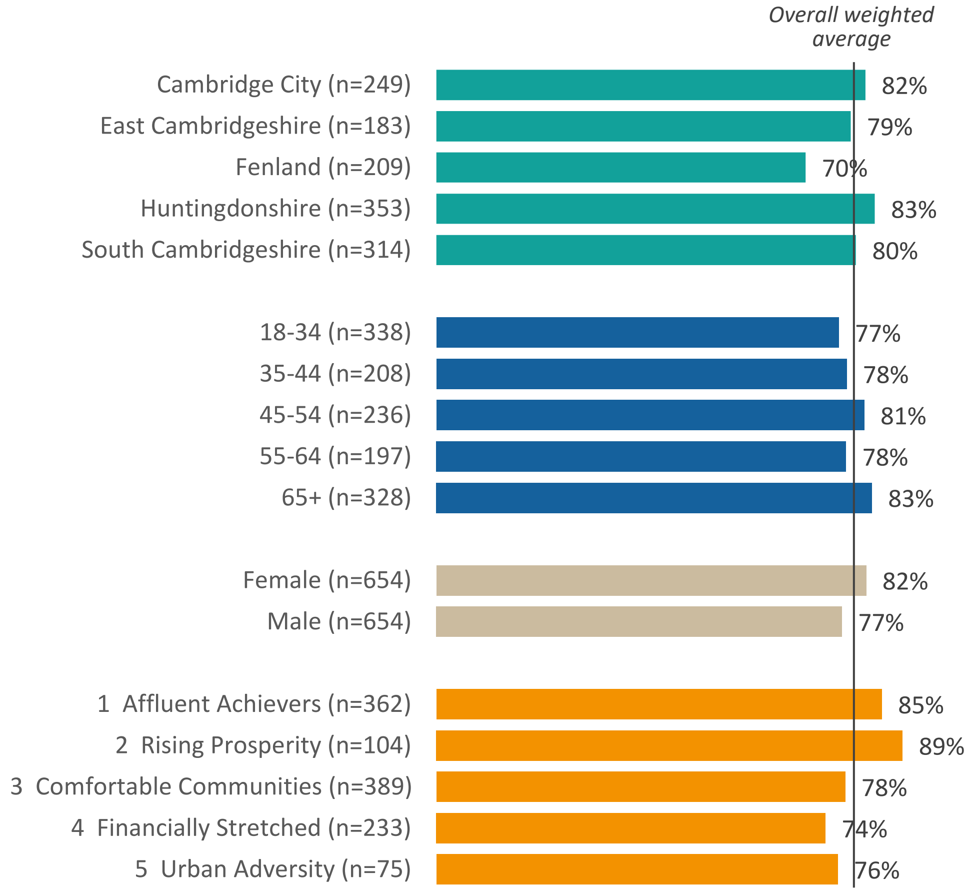
Figure 1: Overall, how satisfied or dissatisfied are you with your local area as a place to live?



Sub-group analysis shows that there were significant variations by district area and age group:

	▪ Residents living in Fenland were less likely to be satisfied (70%) with the local area as a place to live, compared to those in Cambridge City (82%), Huntingdonshire (83%) and South Cambridgeshire (80%).
	▪ The older the resident, the more likely they were to be very satisfied with the local area as a place to live. For example, 26% of those aged 18-34 were very satisfied, compared to 40% of those aged 65 or older.

Figure 2: Total satisfaction with the local area as a place to live by area, age groups, gender and Acorn Category



Indicative sub-group analysis

- Residents with a disability[2] were less likely to be satisfied with the local area as a place to live, compared to those without a disability at 72% and 83% respectively.

[2] *Day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months.*

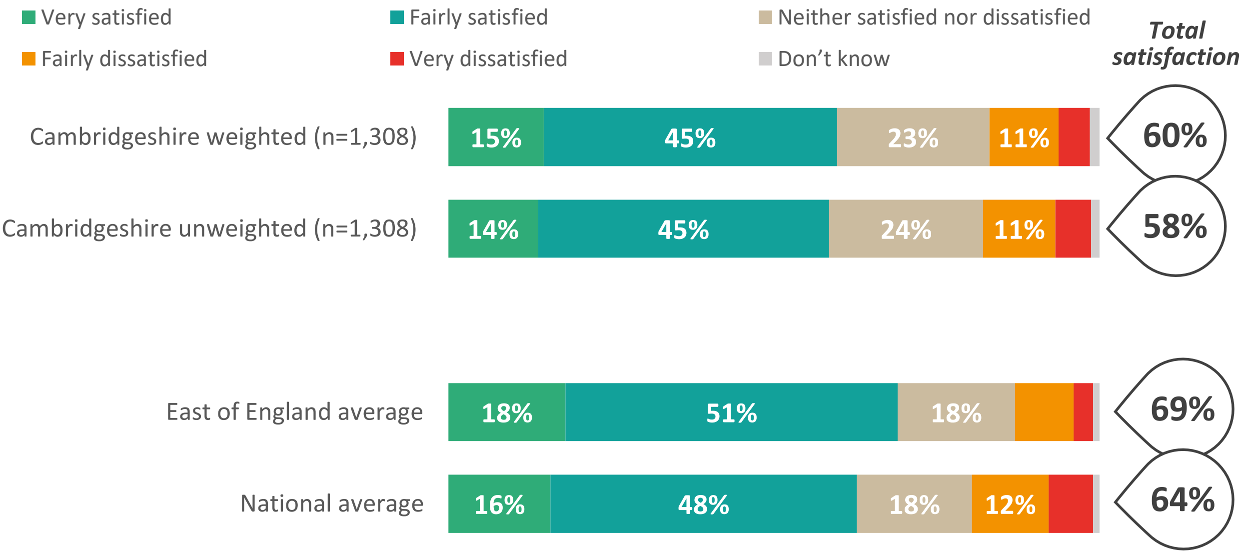
Satisfaction with the way the County runs things

Residents were given the below statement and were then asked how satisfied or dissatisfied they were with the way Cambridgeshire County Council runs things.

> Each year Cambridgeshire County Council delivers a range of services to residents in over 270,000 households, helping to look after your local area and improve the lives of local people. You probably know they do things like look after 2,800 miles of roads, help run and build schools, recycle the County's waste and provide support for older people, residents with disabilities and children who are in care – and by providing social care for over 14,000 people, they look after some of the most vulnerable in Cambridgeshire. The County Council also leads the response into infectious diseases.

- **60%** of residents were either 'very' (15%) or 'fairly' (45%) satisfied with the way the County Council runs things. 23% of residents had no feeling either way.
- The total positive result is 9 percentage points below the East of England average (69%) and 4 percentage points below the national average (64%) scores. Please note that the question set had a tailored preamble so may not be directly comparable to the regional and national scores.

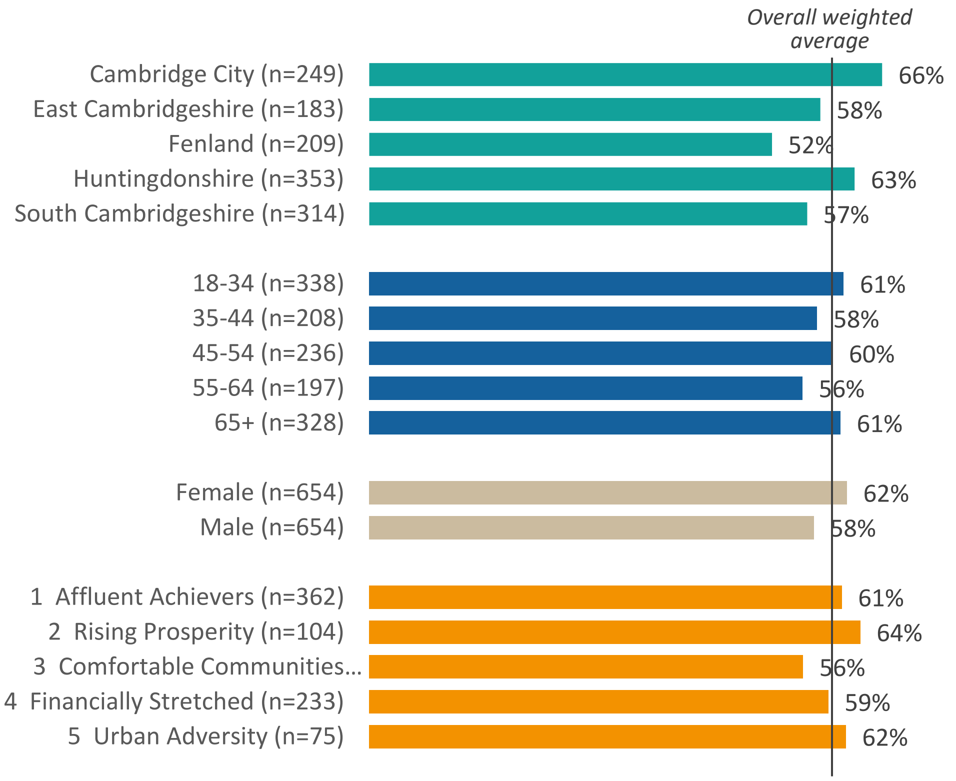
Figure 3: Overall, how satisfied or dissatisfied are you with the way Cambridgeshire County Council runs things?



Sub-group analysis shows that there were significant variations by district area:

- Residents in Fenland were less likely to be satisfied with the way the County Council runs things, with an overall satisfaction score of 52%. This is compared to residents in Cambridge City (66%) and Huntingdonshire (63%).

Figure 4: Satisfaction with the way the County runs things by area, age groups, gender and Acorn Category



Indicative sub-group analysis

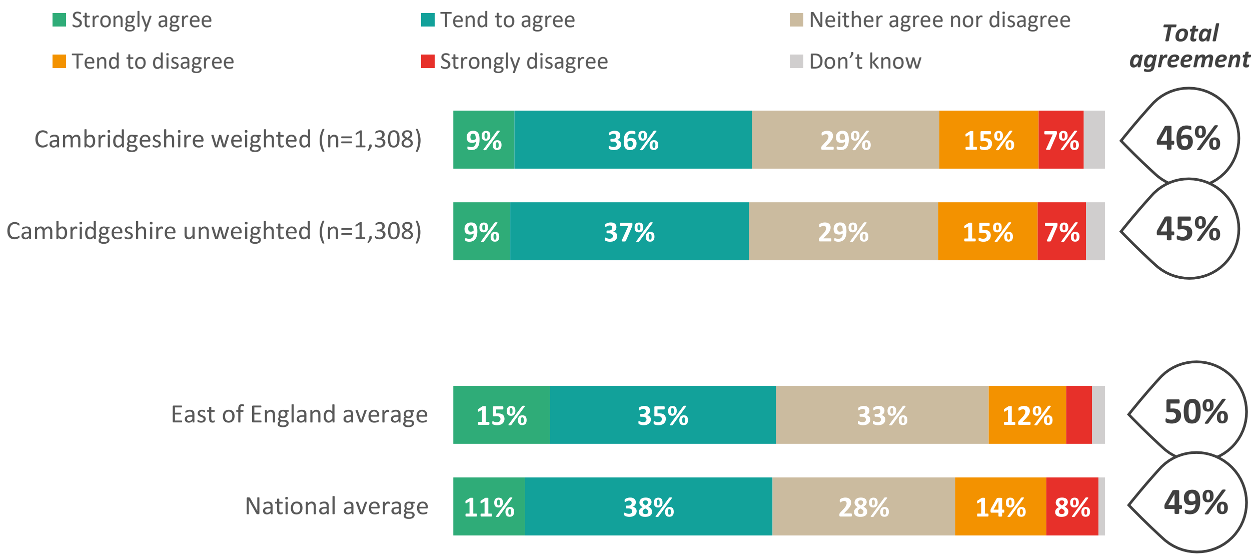
- Residents with a disability were less likely to be satisfied with the way the County Council runs things, compared to those without a disability at 52% and 62% respectively.

Agreement with the County providing value for money

Residents were then asked to think about the range of services Cambridgeshire County Council provides to the community as well as the services their household uses. They were then asked to what extent they agree or disagree that the council provides value for money.

- **46%** of residents either 'strongly' (9%) or 'tended to' (36%) agree that the County Council provides value for money. Almost three in ten (29%) residents had no feeling either way.
- The total agreement for Cambridgeshire is 4 percentage points below the regional East of England score (50%) and 3 percentage points below the national average (49%) score.

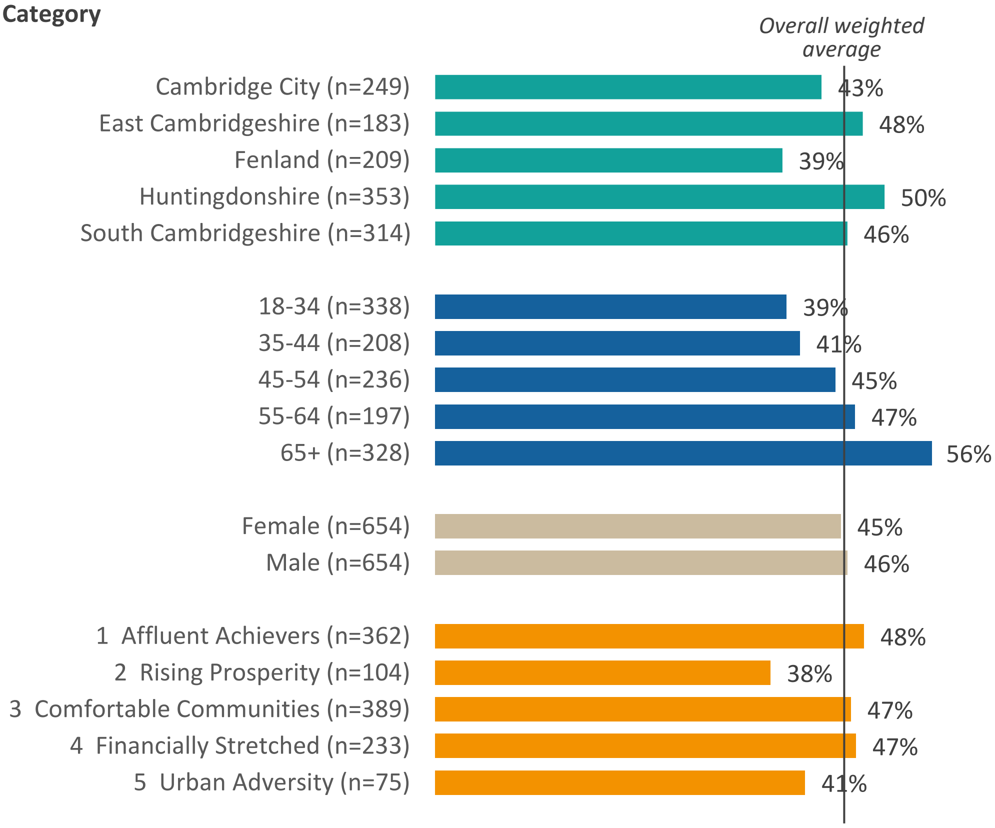
Figure 5: To what extent do you agree or disagree that Cambridgeshire County Council provides value for money?



Sub-group analysis shows that there were significant variations by district area and age group:

	▪ Residents in Huntingdonshire (50%) and East Cambridgeshire (48%) were more likely to agree that the County Council provides value for money, compared to those in Fenland (39%) and Cambridge City (43%).
	▪ The 65 plus age group were more likely to agree that the County Council provides value for money, at 56% total agreement, compared to the younger age groups. For example, 41% of residents aged 35-44 agreed with this.

Figure 6: Agreement that the County providing value for money by area, age groups, gender and Acorn Category



Indicative sub-group analysis

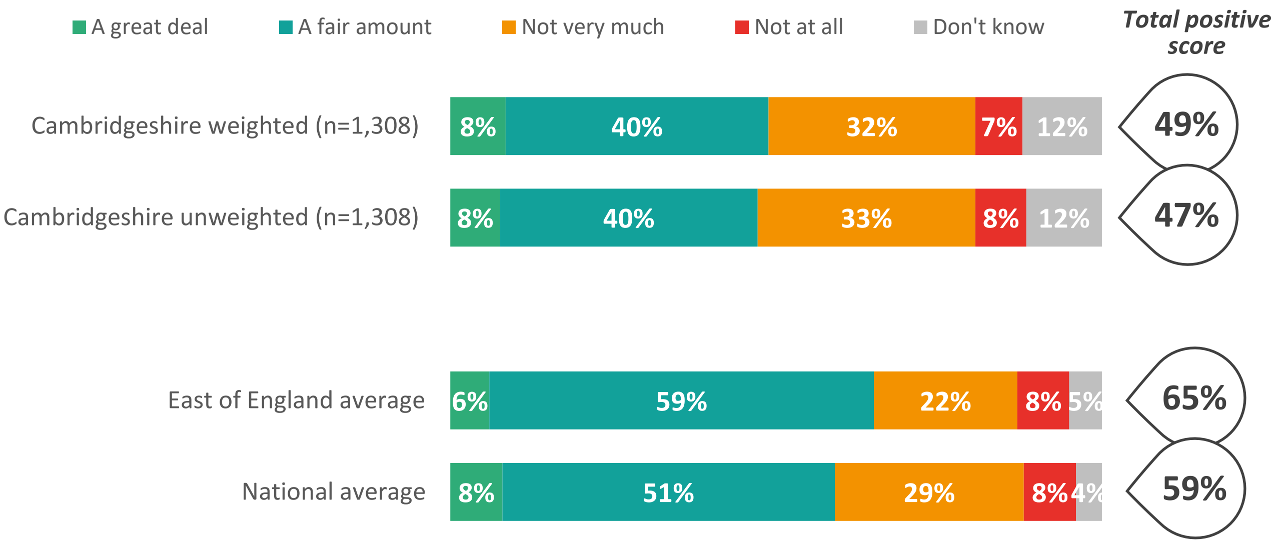
- Residents with a disability were less likely to agree that the County Council provides value for money, compared to those without a disability at 41% and 48% respectively.

Acting on the concerns of local residents

Residents were then asked to what extent that thought that Cambridgeshire County Council acts on the concerns of local residents.

- **49%** of residents felt that the County Council acted on the concerns of local residents either 'a great deal' (8%) or 'a fair amount' (40%). A third (32%) of residents had no feeling either way.
- The total positive score for Cambridgeshire is 16 percentage points below the regional East of England score (65%) and 10 percentage points below the national average score (59%).

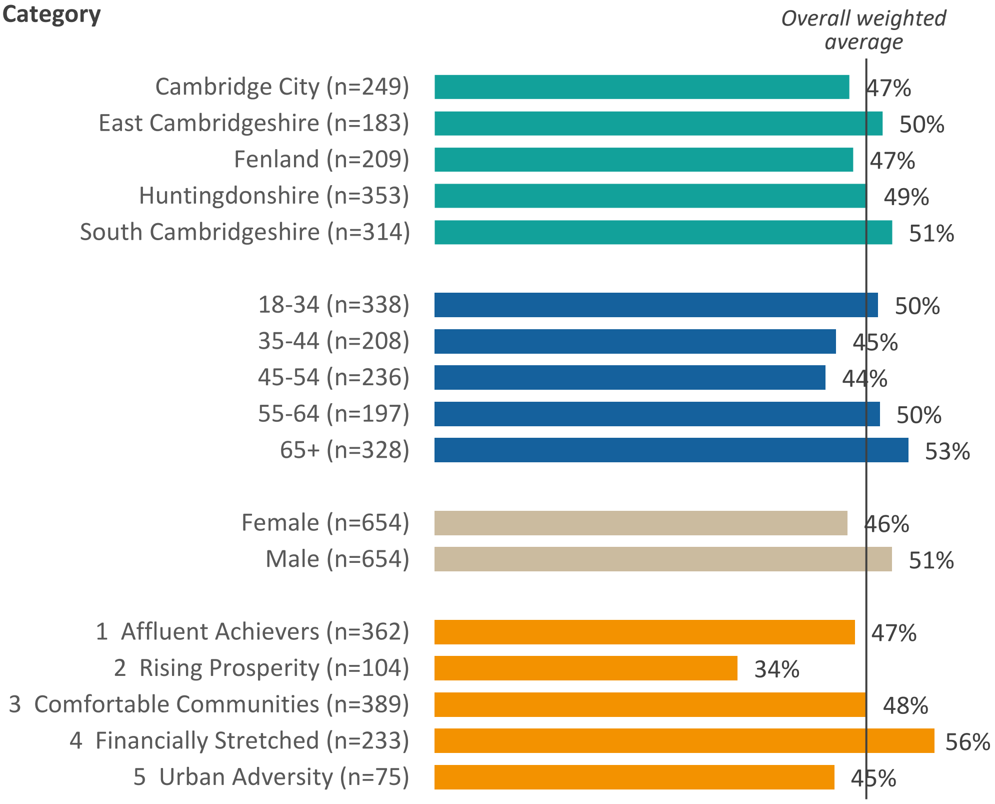
Figure 7: To what extent do you think Cambridgeshire County Council acts on the concerns of local residents?



Sub-group analysis shows that there were significant variations by Acorn category:

	▪ Households classified as Acorn 2 'Rising Prosperity' were less likely to agree that the County Council acts on the concerns of residents compared to the other Acorn categories. For example, 34% of Acorn 2 households said they agree with this, compared to 56% of those classified as Acorn 4 'Financially Stretched'.

Figure 8: Agreement that the acts on the concerns of local residents by area, age groups, gender and Acorn Category

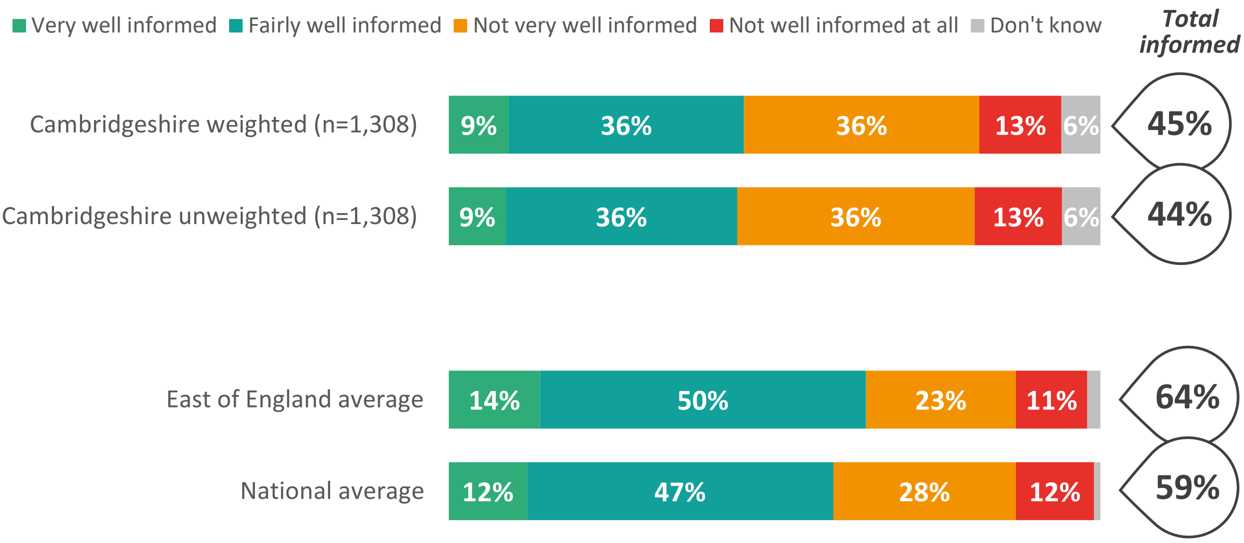


Keeping residents informed about the services and benefits provided

Residents were asked how well-informed they think Cambridgeshire County Council keeps residents about the services and benefits it provides.

- **45%** of residents either felt the County Council keeps them 'very' (9%) or 'fairly' (36%) well informed about the services and benefits it provides.
- The score for this indicator is well below the East of England regional average score (64%) and the national score of 59%.

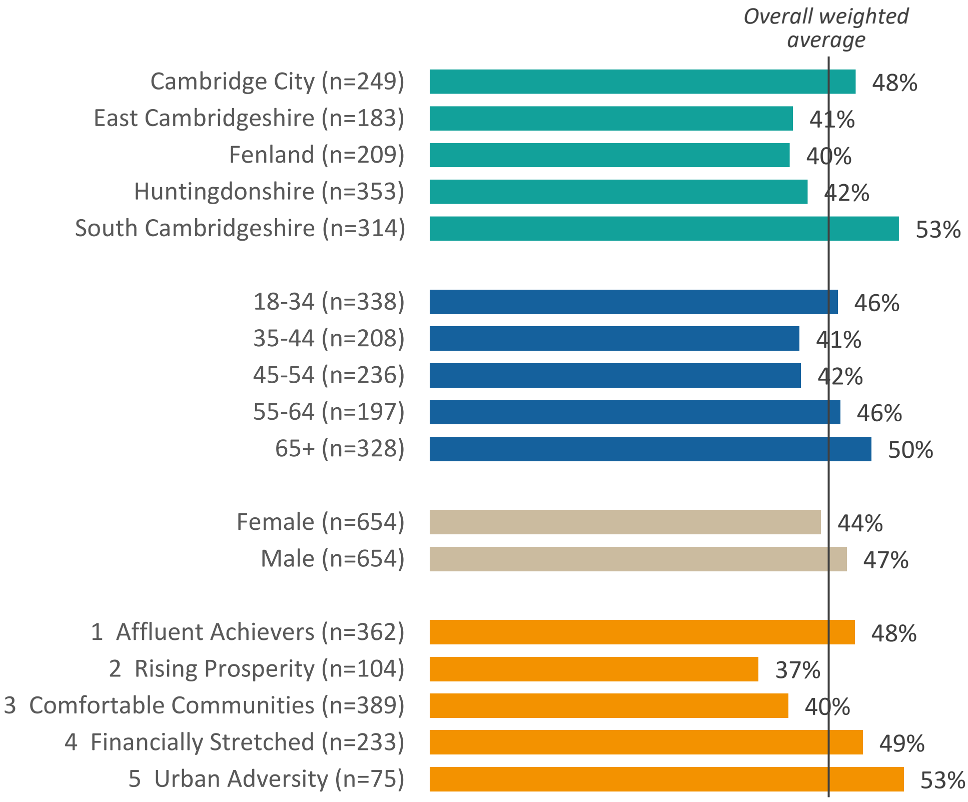
Figure 9: Overall, how well informed do you think Cambridgeshire County Council keeps residents about the services and benefits it provides?



Sub-group analysis shows that there were significant variations by district area and age group:

	Residents in South Cambridgeshire were more likely to feel informed (53%) compared to those in Fenland (40%) and Huntingdonshire (42%).
	The older age groups were more likely to feel informed compared to the middle age groups. For example, 50% of those aged 65 or older felt informed, compared to those aged 35-44 (41%) and 45-54 (42%).

Figure 10: Total who feel informed by area, age groups, gender and Acorn Category



Section B: Preparing the 2021-22 budget

Since March 2020, the County Council has needed to put in place additional support to their communities and has taken steps to maintain critical front-line services and support essential suppliers. They have been encouraged by the huge increase of community activity, coordinated and supported by the Countywide Community Hub, and want to build this more into the way they work in the future. In preparing the budget for 2021-22, they have estimated the likely impact that the virus will have on planned savings, on their income and the need to support people whose challenges have increased.

The County Council expect to need to find savings in the region of £30m to balance next year’s budget, prior to Covid-19 the County Council was in position of only having to find savings of just £4m. The County Council are grateful for financial support provided by the Government so far, but it is not enough in the long term. They are working with MPs to make their case to government on this, but they must prepare now in the event that this support does not fully cover the cost of the crisis. This includes ways to increase their income or through initiatives which may include raising Council Tax.

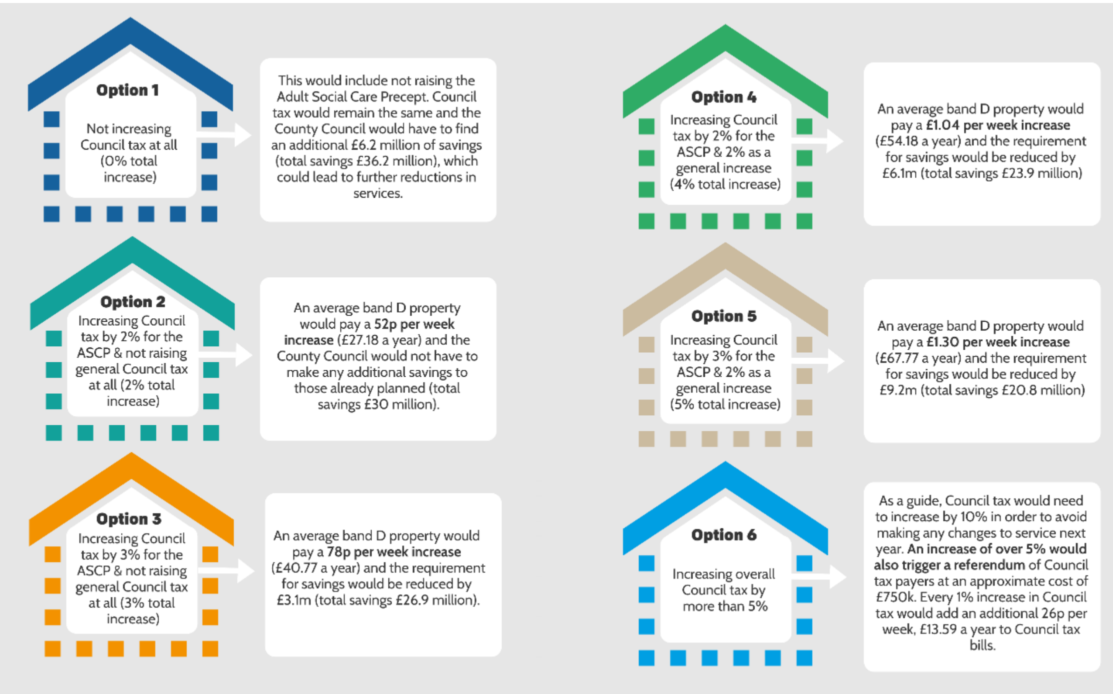
If the Government does not fully fund their additional costs, and they cannot raise additional income, the County Council will have to reduce the current levels of service. Cambridgeshire County Council's plan includes a proposal to increase the Adult Social Care Precept (ASCP) by 2%, however the County Council wanted to resident's views on a number of options.

Residents were provided with the six options below (see Image 1) and what this would mean for an average band D property and the degree to which this would impact on the overall savings required.

Option 1 – Not in increasing Council tax at all (0% total increase)
This would include not raising the Adult Social Care Precept. Council tax would remain the same and the County Council would have to find an additional £6.2 million of savings (total savings £36.2 million), which could lead to further reductions in services.
Option 2 – Increasing Council tax by 2% for the ASCP and not raising general Council tax at all (2% total increase)
An average band D property would pay a 52p per week increase (£27.18 a year) and the County Council would not have to make any additional savings to those already planned (total savings £30 million).

Option 3 – Increasing Council tax by 3% for the ASCP and not raising general Council tax at all (3% total increase)
An average band D property would pay a 78p per week increase (£40.77 a year) and the requirement for savings would be reduced by £3.1m (total savings £26.9 million).
Option 4 – Increasing Council tax by 2% for the ASCP and 2% as a general increase (4% total increase)
An average band D property would pay a £1.04 per week increase (£54.18 a year) and the requirement for savings would be reduced by £6.1m (total savings £23.9 million)
Option 5 – Increasing Council tax by 3% for the ASCP and 2% as a general increase (5% total increase)
An average band D property would pay a £1.30 per week increase (£67.77 a year) and the requirement for savings would be reduced by £9.2m (total savings £20.8 million)
Option 6 – Increasing overall Council tax by more than 5%
As a guide, Council tax would need to increase by 10% in order to avoid making any changes to service next year. An increase of over 5% would also trigger a referendum of Council tax payers at an approximate cost of £750k. Every 1% increase in Council tax would add an additional 26p per week, £13.59 a year to Council tax bills.

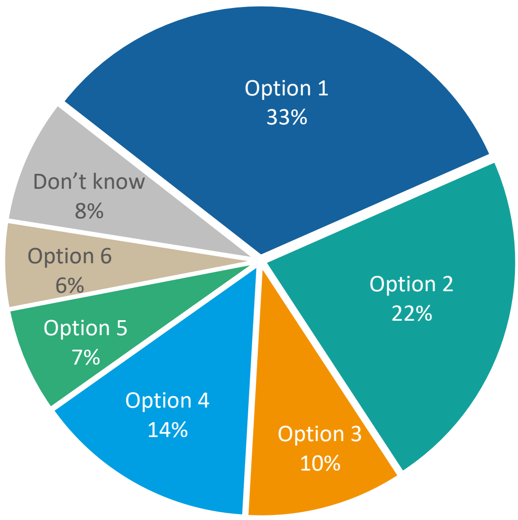
Image 1: Options presented to residents



Residents were asked which option they would support and also why they chose that option.

- Overall, a third (33%) of residents selected option 1 which was not increasing Council tax at all. This was followed by just over a fifth (22%) selecting option 2, which is to increase Council tax by 2% for the Adult Social Care Precept only.

Figure 11: Which option would you support? (weighted results)



Option 1 – Not increasing Council tax at all (0% total increase)

Option 2 – Increasing Council tax by 2% for the ASCP and not raising general Council tax at all (2% total increase)

Option 3 – Increasing Council tax by 3% for the ASCP and not raising general Council tax at all (3% total increase)

Option 4 – Increasing Council tax by 2% for the ASCP and 2% as a general increase (4% total increase)

Option 5 – Increasing Council tax by 3% for the ASCP and 2% as a general increase (5% total increase)

Option 6 – Increasing overall Council tax by more than 5%

Figure 12 compares the options by district area, with results being consistent across the areas. It is worth nothing that significantly more residents in Huntingdonshire (16%) and South Cambridgeshire (17%) preferred option 4 (Increasing Council tax by 2% for the ASCP and 2% as a general increase) compared to residents in Cambridge City (9%).

Figure 12: Which option would you support by district area (weighted results)

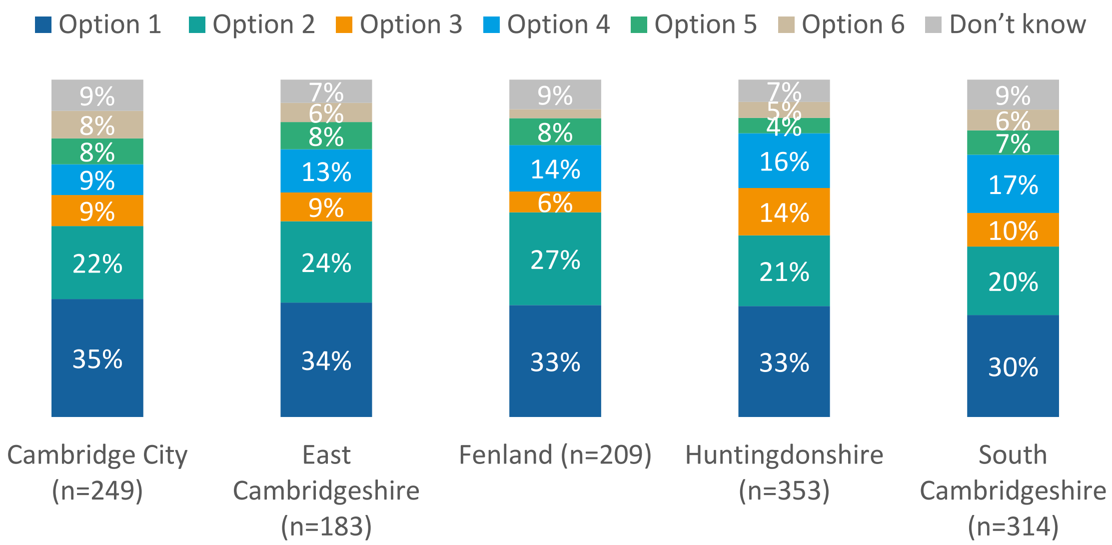
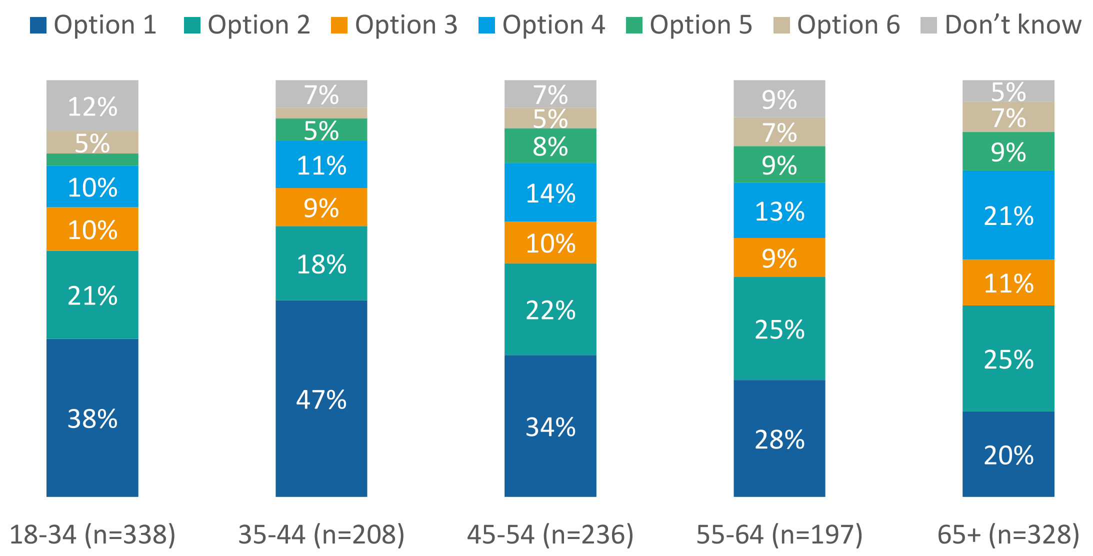


Figure 13 compares the options by age group and there were notable differences with the younger age groups being more likely to select the options with the lowest increases in Council tax. Those aged 65 or older were significantly more likely to have selected option 4 (Increasing Council tax by 2% for the ASCP and 2% as a general increase) (21%), compared to those aged 18-34 (10%) for example.

The younger (18-34) and middle (35-44) age groups were more likely to have selected option 1 (not increasing Council tax at all) at 38% and 47% respectively, compared to those aged 55 or older. For example, 28% of those aged 55-64 selected this option. The younger 18-24 age groups were also more likely to have said that they don't know at 12%, compared to the other groups.

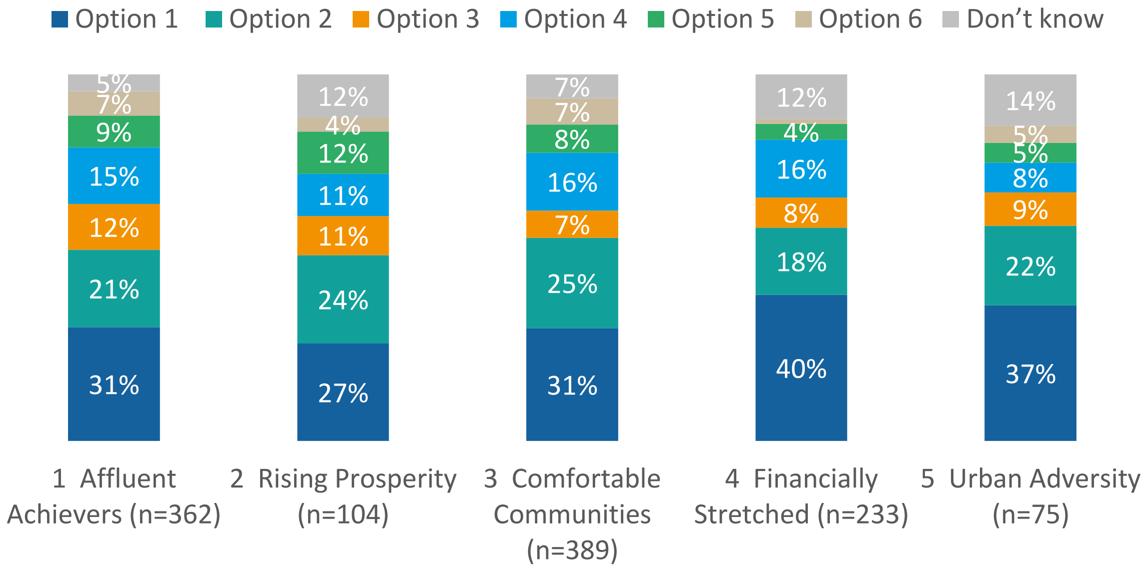
Figure 13: Which option would you support by age group (weighted results)



To assess the support for the options at an economic and socio-demographic level, results have been analysed by Acorn category (Figure 14). Acorn is a classification system that segments the UK population by analysing demographic data, social factors, population and consumer behaviour.

Generally, as affluence increases, so does the support for a greater increase in Council tax. For example, households classified as Acorn 4 'Financially Stretched' were more likely to support option 1 (not increasing Council tax at all) at 40%, compared to households classified as Acorn 1 'Affluent Achievers' with 31% supporting this option.

Figure 14: Which option would you support by Acorn category (weighted results)



Residents were then asked why they chose that option (Table 2). Overall, 902 residents provided further feedback and results have been coded into common themes by the option they supported.

- **Option 1 - Not increasing Council tax at all**

Residents who selected this option were most likely to have done to so because they felt they were already paying enough for the service they get. This was followed by residents stating that Council tax was already too expensive and that they can't afford to pay anymore.

- **Option 2 – Increasing Council tax by 2% for the ASCP and not raising general Council tax at all (2% total increase)**

Residents who selected this option were most likely to have said that they felt it is a fair increase or best option for them personally. This was followed by residents stating this was all they could afford and that the Council tax was already too expensive.

- **Option 3 - Increasing Council tax by 3% for the ASCP and not raising general Council tax at all (3% total increase)**

Residents who selected most commonly said that this was because it was a fair increase or best option for them personally.

- **Option 4- Increasing Council tax by 2% for the ASCP and 2% as a general increase (4% total increase)**

Themes for option 4 were similar to that of option 3, with fair increase or best option for them personally being most commonly mentioned. This was followed by 'service need the funding to cope / protect services'.

- For both **options 5 (Increasing Council tax by 3% for the ASCP and 2% as a general increase (5% total increase)** and **6 (Increasing overall Council tax by more than 5%)** themes were similar with most mentioning either - services need the funding to cope / protect services, fair increase / best option for me personally or general acceptance that Council tax needs to increase.

Table 2: Themes' by option

	Sample size	Option 1 – Not in increasing Council tax at all	Option 2 – Increasing CT by 2% for the ASCP and not raising general CT at all	Option 3 – Increasing CT by 3% for the ASCP and not raising general CT at all	Option 4 – Increasing CT by 2% for the ASCP and 2% as a general increase	Option 5 – Increasing CT by 3% for the ASCP and 2% as a general increase	Option 6 – Increasing overall CT by more than 5%
Fair increase / best option for me personally	*205*	1%	27%	43%	51%	35%	22%
Can't afford to pay anymore	*120*	18%	15%	14%	9%	2%	2%
Pay enough as it is / already for the services we get	*116*	26%	10%	1%	1%	1%	5%
Service need the funding to cope / protect services	*108*	1%	12%	13%	17%	30%	42%
Take into account the people have lost their jobs/pay freezes/cuts/low incomes	*103*	16%	15%	13%	3%	4%	2%
CCC need to address unnecessary spending first / look at savings in other areas first	*98*	16%	13%	4%	6%	5%	5%
It's already too expensive	*93*	21%	9%	2%	2%	0%	0%
General acceptance that Council tax needs to increase	*74*	1%	7%	4%	13%	25%	27%
Other	*49*	6%	4%	5%	4%	6%	7%
Best option given the circumstances	*39*	0%	7%	2%	7%	10%	10%
Need to balance the increase & impact it will have on people	*27*	2%	3%	5%	4%	2%	2%
General disagreement	*19*	5%	1%	0%	0%	1%	0%
No reason provided / Don't know / not sure	*18*	2%	3%	3%	1%	0%	0%
Central government should pay more to support councils	*14*	1%	2%	1%	1%	4%	0%

Conclusion and recommendations

It should be noted that at a national level, the LGA saw levels of satisfaction grow in June 2020 – although to a lesser extent in the polling results for October 2020 – alongside this, recent events e.g. Covid-19, as well as the variation in methodologies should be considered when making comparisons.

Attitudes towards the local area

Eight in ten (80%) residents were satisfied with their local area as a place to live, 11% had no feeling either way and 9% were dissatisfied. Overall satisfaction with this indicator is below the East of England average (90%) and the national average (82%). Subgroup analysis showed that residents in Fenland and the younger age groups were less likely to be satisfied with their local area.

Six in ten (60%) residents were satisfied with the way the County runs things, 23% had no feeling either way and 17% were dissatisfied. Overall satisfaction with this indicator is below the East of England average (69%) and the national average (64%). It should also be noted that a higher proportion of residents in Cambridgeshire said they had no feeling either way, compared to the regional and national scores. Subgroup analysis showed that residents in Fenland were less likely to be satisfied with the way the County runs things.

Just under half (46%) of residents agreed that the County provides value for money, 29% said they had no feeling either way and 22% said they were dissatisfied. Overall satisfaction with this indicator is just below the East of England (50%) and national (49%) average. Subgroup analysis showed that residents in Fenland, Cambridge City and the younger to middle age groups were less likely to agree.

Just under half (49%) of residents felt that the County acts on the concerns of local residents, 39% said they didn't agree with this and 12% didn't know. Overall agreement with this indicator is below the East of England average (65%) and the national average (59%). When compared by subgroup, residents living in homes classified as Acorn 2 'Rising Prosperity' were less likely to agree with this compared to other Acorn classifications. Acorn 2 households are more likely to consist of generally younger, well-educated and mostly prosperous people living in major towns and cities. Most live in converted or modern flats, with a significant proportion of these being recently built executive city flats.

Just under half (45%) of residents felt informed about the services and benefits that the County provides, 49% said they did not feel informed and 6% said they did not know. Overall agreement with feeling informed is below the East of England (64%) and national (59%) average. When compared by subgroup, residents in Fenland, Huntingdonshire and the middle age group felt less informed.

2021-22 budget options

A third (33%) of residents said they did not support any increase in Council tax (option 1). Residents who preferred this option were more likely to have said this because *they feel they already pay enough for the service they get* or that they *just cannot afford it*. When comparing by subgroups, the younger and middle age groups and those living in more deprived areas were more likely to have selected this option.

Just over a fifth (22%) of residents selected option 2 (Increasing Council tax by 2% for the ASCP and not raising general Council tax at all). Residents who preferred this option were more likely to have said this because they felt *it was a fair increase or suited them personally*.

One in ten (10%) residents selected option 3 (Increasing Council tax by 3% for the ASCP and not raising general Council tax at all) and 14% selected option 4 (Increasing Council tax by 2% for the ASCP and 2% as a general increase). Residents who selected these options, said that it was a *fair increase or suited them personally.* In addition, residents who selected option 4 also felt that the *services need the funding to cope and the need to protect services*.

Only a small proportion of residents selected either option 5 (Increasing Council tax by 3% for the ASCP and 2% as a general increase) or option 6 (Increasing overall Council tax by more than 5%) at 7% and 6% respectively. Those who did, where more likely to live in more affluent areas.

Recommendation 1

More in-depth work needs to be done to unpick why residents are dissatisfied with LGA indicators by offering the opportunity for residents to feedback on this. Specially for those living in Fenland and the younger age groups.

Recommendation 2

The County and local councils could consider developing on the concept of 'active citizens' by educating residents, with a focus on young adults - about local democracy and getting them to take a more active interest in their local community and local democracy, therefore bridging the gap between the County, local councils and residents.

m·e·l research

Section 6 – Capital Strategy

Contents

1: Introduction

2: Vision and priorities

3: Operating framework

4: Capital expenditure

5: Capital funding

6: External environment

7: Working in partnership

8: Non-financial Investment Strategy

9: Asset management

10: Development of the Capital Programme

11: Delivering statutory obligations

12: Revenue implications

13: Managing the Capital Programme

14: Summary of the 2021-22 Capital Programme

Appendix 1: Allowable capital expenditure

Appendix 2: Sources of capital funding

Appendix 3: Investment Strategy for Non-financial Investments

1: Introduction

This Capital Strategy describes how the Council's investment of capital resources in the medium-term will optimise the ability of the authority to achieve its overriding vision and priority outcomes. It represents an essential element of the Council's overall Business Plan and is reviewed and updated each year as part of the Business Planning Process.

The Strategy sets out the approach of the Council towards capital investment over the next ten years and provides a structure through which the resources of the Council, and those matched by key partners, are allocated to help meet the priority outcomes outlined within the Council's Corporate Strategy. It is also closely aligned with the remit of the Commercial & Investment (C&I) Committee, and is informed by the Council's Asset Management Strategy and Commercial Strategy. It is concerned with all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding.

During 2019, the Council declared a climate and environment emergency and agreed to develop a Climate Change and Environment Strategy for the Council. Identifying the Council's carbon footprint has been a key area of focus alongside research undertaken by Cambridge University Science and policy Exchange (CUSPE) on the carbon footprint for the whole of Cambridgeshire. Both carbon footprints will now inform future capital and investment strategies and decisions.

2: Vision and outcomes

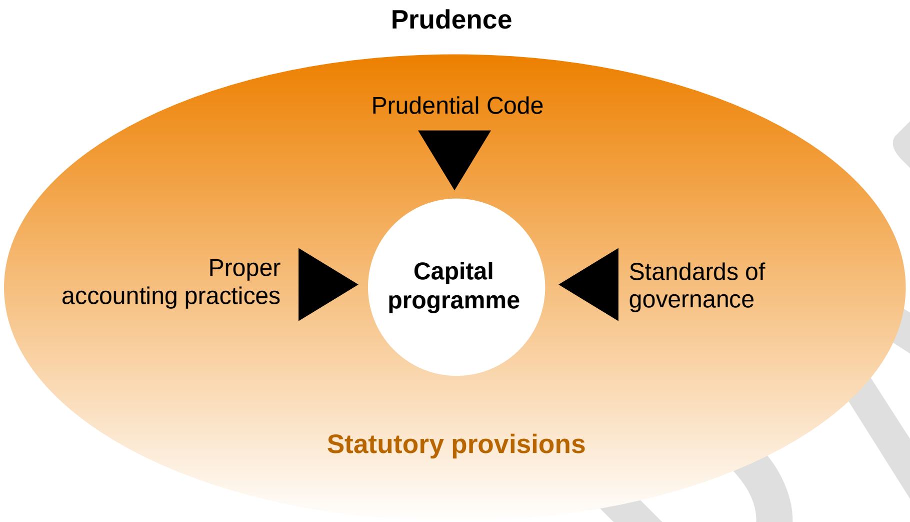
The Council achieves its vision of *"Making Cambridgeshire a great place to call home"* through delivery of its Business Plan which targets key priority outcomes. To assist in delivering the Plan the Council needs to provide, maintain and update long-term assets (often referred to as 'fixed assets'), which are defined as those that have an economic life of more than one year.

Expenditure on these long-term assets is categorised as capital expenditure, and is detailed within the Capital Programme for the Authority. Fixed assets are shaped by the way the Council wants to deliver its services in the long-term and they create future financial revenue commitments, through capital financing and ongoing revenue costs.

3: Operating framework

Local Government capital finance is governed and operates under the Prudential Framework in England, Wales and Scotland. The Prudential Framework is an umbrella term for a number of statutory provisions and professional requirements that allow authorities largely to determine their own plans for capital investment, subject to an authority following due process in agreeing these plans and being able to provide assurance that they are prudent and affordable.

The framework is based on the following foundations:



4: Capital Expenditure

Capital expenditure, in accordance with proper practice (as defined by CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2020-21) results in the acquisition, creation or enhancement of fixed assets with a long-term value to the Council. If expenditure falls outside of this scope[1], it will instead be charged to revenue during the year that the expenditure is incurred. It is therefore crucial that expenditure is analysed against this definition before being included within the Capital Programme to avoid unexpected revenue charges within the year. A guide to what can and cannot be included within the definition of capital expenditure is provided in Appendix 1.

The Council applies a self-determined de minimis limit of £10,000 for capital expenditure. Expenditure below this limit should be charged to revenue in the year that it is incurred. However, as the de minimis is self-imposed, the Code does allow for it to be overridden if the Authority wishes to do so.

All capital expenditure should be undertaken in accordance with the financial regulations; the Scheme of Financial Management, the Scheme of Delegation included within the Council's Constitution and the Contract Procedure Rules. Further, detailed guidance can also be found in the Council's Capital Guidance Notes (currently in draft format).

[1] In addition, expenditure can be classified as capital in the unlikely scenario that:
- It meets one of the definitions specified in regulations made under the 2003 Local Government Act;
- The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

5: Capital funding

Capital expenditure is financed using a combination of the following funding sources:

Earmarked Funding	Central Government and external grants
	Section 106 (S106), Community Infrastructure Levy (CIL and external contributions
	Private Finance Initiative (PFI) / Public Private Partnerships (PPP)[2]
Discretionary Funding	Central Government and external grants
	Prudential borrowing
	Capital receipts
	Revenue funding

Explanation of, and further detail on these funding sources is provided in Appendix 2.

The Council will only look to borrow money to fund a scheme either to allow for schemes that will generate payback and/or reduce future carbon liabilities (via either financial/carbon savings or through income generation), or if all other sources of funding have been exhausted but a scheme is required. Therefore in order to facilitate this, the Council will re-invest 100% of all capital receipts received (after funding costs of disposal up to the allowable limit of 4% of receipt) back into the Capital Programme, focusing these on schemes that generate an ongoing revenue return.

6: External environment

The Council uses a mixture of funding sources to finance its Capital Programme.

Developer Contributions

Whilst the housing and property market across the county had recovered since the economic crisis of 2008, with strong growth particularly in the city of Cambridge where values rose over and above pre-credit crunch levels, the market as a whole was facing a new level of uncertainty with the prospect of the United Kingdom (UK) leaving the European Union on 31st January 2020. Since then, the outbreak of Covid-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy, with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and "lockdowns" applied to varying degrees. Whilst restrictions have now been lifted in some cases, national and local lockdowns are continuing to be deployed as necessary with the emergence of further waves and significant outbreaks in local areas. The pandemic and the measures taken to

[2] This source of funding is no longer available for new schemes

tackle Covid-19 continue to affect economies and real estate markets locally and globally.

Generally, activity in the housing market has recovered with the latest HMRC data pointing to up-tick in the number of sales completed in June 2020. Indicators to the latest RICS Residential Market Survey are consistent with a further pick-up in activity in the second half of 2020. Whether this trend will be sustained is, however, open to question. Average twelve-month sales expectations suggest that the recovery may run out of steam with unemployment looking likely to rise towards the end of 2020 and the stamp duty holiday coming to an end. Feedback to the RICS UK Quarter 2 Commercial Property Survey suggests, generally, that rents and capital values are likely to fall sharply across retail and office sectors in the coming year. Furthermore, there may be significant changes for the office sector moving forward, as it is anticipated that businesses will scale back their office footprint to some extent over the next two years.

Locally, the general pattern of growth across the county is still varied and disparate with the higher demand for housing still largely in the south and lower demand in the north. Despite Cambridge usually outperforming the UK in terms of residential property performance, the latest data seems to indicate that the city is lagging behind much of the rest of the UK. Since the residential property market re-opened following the initial lockdown, Cambridge has recorded the lowest number of new sales and 39% fewer houses on the market than at the same time last year; compared to a reduction of only 15% in the UK as a whole. Cambridge is also amongst the least affordable Cities in the UK as the average house price in Cambridge is over £410,000 compared to the UK City average of £254,000. Agents are not currently widely reporting a drop in house prices; more a reluctance to sell, and those properties that are on the market are taking longer to sell. City centre properties remain more attractive as there is such a shortage of stock and no new developments are occurring in that area. On the fringes of Cambridge, the increased supply of housing following the recent developments has resulted in a stabilising impact on price. Recently, it has been reported that due to Covid-19, there is a lot of interest in Cambridge properties from people wanting to move out of London. South Cambridgeshire has seen the largest increase in house prices, but house price rises have been seen across Fenland, East Cambridgeshire and Huntingdonshire as well.

The outbreak of Covid-19 has created an unprecedented level of uncertainty on a macro and micro-economic level, and across differing sectors of the property market, both nationally and locally. It is hard to predict what the impact will be on the ability of the Council to fund capital investment through the sale of surplus land and buildings, or from contributions by developers.

The Government has also declared a climate emergency and set a target of net-zero carbon emissions for the UK by 2050. Delivering the changes required for the net-zero target will require changes to regulatory frameworks, planning in particular, as this will shape standards for new developments. Whilst the development industry reacts to these changes, some impact may be felt on developer contributions.

Community Infrastructure Levy

Developer contributions have also been affected by the introduction of Community Infrastructure Levies (CIL). CIL works by levying a charge per net additional floor space created on all small-scale developments, instead of requiring developers to pay specific contributions towards individual projects as per the current developer contribution process (Section 106, which is still in place for large developments). Although this is designed to create a more consistent charging mechanism, it also complicates the ability of the Council to fund the necessary infrastructure requirements created by new development due to the changes in process and the involvement of the city and district councils who have exclusive legal responsibility for determining expenditure. The Council also expects that a much lower proportion of the cost of infrastructure requirements will be met by CIL contributions.

Huntingdonshire and East Cambridgeshire District Councils are currently the only districts within Cambridgeshire to have adopted CIL. Both Cambridge City Council and South Cambridgeshire District Council submitted their draft CIL Charging Schedules in 2014 but withdrew them in 2017 due to delays in the examination of their Local Plans; they will therefore consider CIL at a later date. Fenland District Council has no plans to implement CIL at present.

New legislation introduced on the 1st September 2019 has now removed the ‘rule of five’ pooling restriction, where it was not possible to pool more than five developer contributions together on any one scheme; this therefore will have a positive impact on funding flexibility for the Council.

Moving forward, the Council will also need to consider the use of carbon off-set funds, where developers pay into a fund in order to effectively purchase off-set credits, rather than meet their whole carbon reduction obligation through on-site measures. The fund will then pool payments for investment into priority carbon reduction projects. Consideration will need to be given to how these funds could work and the type of regulation that may come forward as a result. Accessing this type of opportunity may be a future means of funding public infrastructure created as a result of development.

Government Grants

The Budget and Spending Review 2015 set out plans to increase Central Government capital spending by £12 billion over the following 5 years; how it intended to do this has been set out in the National Infrastructure Delivery Plan 2016-2021. This brought together for the first time the Government’s plans for economic infrastructure with those to support delivery of housing and social infrastructure. It included a new Pothole Action Fund, for which the Council was allocated an additional £5.2m over the period 2016-17 to 2019-20, specific large-scale schemes such as up to £1.5bn to upgrade the A14 between Cambridge and Huntingdon, as well as potential development of both the A1 East of England and the Oxford to Cambridge Expressway. It also acknowledged the development of Northstowe as a major housing site.

Government Grants - Highways

As part of the National Infrastructure delivery Plan, a National Productivity Investment Fund (NPIF) was created to provide an additional £1.1 billion of funding by 2020-21 to relieve congestion and deliver upgrades on local roads and public transport networks. In 2018-19, a £1.7bn Transforming Cities Fund was created out of the NPIF to target projects that drive productivity by improving connectivity, reducing congestion and utilising mobility services and technology; the Cambridgeshire and Peterborough Combined Authority (CPCA) was allocated £74m from this fund. Key measures in relation to the Cambridge-Milton Keynes-Oxford corridor have also been announced, including; a commitment to build up to 1 million new homes in the area by 2050, £5m to develop the proposals for Cambridge South Station, and construction on key elements of the Expressway between Cambridge and Oxford, ready to be open by 2030. A new discounted interest rate was introduced in 2018, accessible to authorities for 3 years to support up to £1bn of infrastructure projects that are 'high value for money'. The Council submitted two bids to access this discounted interest rate; in November 2019 it was notified that the bids had been successful and the Council can now secure £61m of borrowing at a discount of 1.4% below standard PWLB borrowing rates. This will support a variety of energy investment and community energy schemes to be delivered by 2023-24. The first tranche was accessed in March 2020 when the Council applied for £8m at the discounted rate.

In addition to the Highways Maintenance formula allocation, the Department for Transport (DfT) also created a Challenge Fund and an Incentive Fund. The Challenge Fund was to enable local authorities to bid for major maintenance projects that are otherwise difficult to fund through the normal maintenance funding; this has now been amalgamated into the Pothole Fund. The Incentive Fund is to help reward local highway authorities who can demonstrate they are delivering value for money in carrying out asset management to deliver cost effective improvements. Each authority has to score themselves against criteria that determines which of three bands they are allocated to (Band 3 being the highest performing). The Council continues to be successful in maintaining Band 3 status and for 2020-21 has secured the maximum funding available of £14.6m.

The Autumn Budget 2018 also announced a further £420m of funding in 2018-19 for local authorities to tackle potholes, repair damaged roads, and invest in keeping bridges open and safe; the Council's share of this funding was £6.7m. The 2019 Conservative Manifesto committed to an additional £2bn of additional funding for pothole repair; £500m per annum from 2020-21. Allocations of this funding have not yet been provided by DfT but are expected in early 2021-22. For 2020-21, the funding provided by DfT has come via the new Pothole Fund, which is an amalgamation of Challenge Fund monies and the old Pothole Action Fund and is the result of industry-wide lobbying of Government for increased funding for highway maintenance. This has resulted in additional funding; the Council expected £6m but was allocated £10.2m. The additional £4.2m is anticipated to be spread across 13 schemes located around the county, allocated according to the Council's infrastructure asset management strategy. The Council is also looking to bid for additional funding for the reconstruction of the carriageway at the B1050 Shelford Road, Willingham.

No further detailed capital plans were announced in the one-year Spending Review 2019, other than a total of £241m for the Towns Fund in 2020-21 and £220m to transform bus services; the county has been allocated £384k for the latter. In the Spending Review 2020, the Government announced a £500m allocation for the Potholes Fund, £310m for upgrades to larger roads and £257m for cycling improvements. It is unclear whether this is reconfirming existing funding or is additional; the Council will determine any new allocation in due course. In addition, a new Levelling up Fund worth £4bn nationally has been created in order to invest in local infrastructure; this will be allocated via a competitive bidding exercise.

As the CPCA is now the local transport authority it therefore receives the above DfT local transport authority designated funding, however, the CPCA continues to commission the Council to carry out the required works on the transport network.

Government Grants - Education

The Government has previously announced sufficient capital funding would be available to provide for the increasing numbers of school-aged children to enable authorities to make sure that there are enough school places for every child who needs one, as well as ensuring that longer-term capital allocations are made in order to aid planning for school places. Unfortunately, the new methodology used to distribute funding for additional school places does not always reflect this commitment as the initial allocation of £4.4m across the period 2015-16 to 2016-17 was £32m less than the Council had estimated to receive for those years according to our need. Almost all of this loss related to funding for demographic pressures and new communities, i.e., infrastructure that we have a statutory responsibility to provide, and therefore the Council had limited flexibility in reducing costs for these schemes. Given the growth the county is facing, it was difficult to understand these allocations and as such, the Council has continued to lobby the Department for Education (DfE) for a fairer funding settlement that is more closely in line with the DfE's commitment to enable the Council to provide all of the new places required in the county.

In addition to lobbying the DfE, the Council has also sought in the meantime to maximise its Basic Need funding by establishing how the funding allocation model works and providing the School Capacity (SCAP) data to the DfE in such a way as to maximise the Council's allocation. The allocations were £25.0m for 2018-19, £6.9m for 2019-20, and £20.6m for 2020-21. This went some way to reduce the Council's shortfall, but still did not come close to covering the costs of all of the Council's Basic Need schemes.
For 2020-21 the Council has been allocated zero Basic Need funding based on the Council's SCAP return submitted in July 2019. This took into account the following:

- The number of new places and additional capacity created up to 2020-2021.
- After a period of rising birth rates, these have now peaked and are starting to decline slightly. This is beginning to be reflected in future forecasts of demand for places and the future additional capacity required.
- The major driver for additional capacity in the years ahead is housing growth. The assumption in the SCAP return is that the

capacity in school places generated by these developments will be fully met through developer contributions; either Section 106 or CIL. These places, therefore, do not attract any Basic Need funding.

It is anticipated that further Basic Need funding will not be announced until 2021; and given the 2020 one-year spending review, it is expected that this announcement will only relate to allocations for 2021-22. In addition, the annual SCAP return was cancelled in 2020 due to Covid-19; however based on the SCAP return principles, the Council is anticipating a significantly reduced level of funding than previously anticipated for 2022-23 and beyond. This obviously adds a level of uncertainty to the Council's longer-term capital planning.

The DfE also revised the methodology used to distribute condition allocations in order to target areas of highest condition need. A floor protection was put in place to ensure no authority received more than a 20% cut in the level of funding until 2018. The £1.2m reduction in allocation for Cambridgeshire for 2015-16 hit this floor; therefore it was anticipated that the Council's funding from this area would be reduced further once the protection was removed in 2019-20. However, the DfE have continued to include the protection worth £451k in 2019-20 and 2020-21, but it is unclear whether this will continue moving forward. In June 2020, the Government announced that an additional £560m of condition funding would be made available in 2020-21 to maintain and improve the school estate; the Council's allocation was £1.6m.

The National Infrastructure Delivery Plan commits to investment of £23bn over the period 2016 to 2021 to deliver 500 new free schools, over 600,000 additional school places, rebuild and refurbish over 500 schools and address essential maintenance needs. To date, the Government has given approval to 8 new free schools in Cambridgeshire to pre-implementation stage. Not all of these, however, are in areas where the Council has an identified basic need requirement. There were a further 12 bids applied for in Cambridgeshire for Wave 13, however there was much stricter criteria in place around this wave and none of the bids were successful. The application process for Wave 14 closed in November 2019; there were 2 bids for Cambridgeshire and the Council is expecting to hear whether these are successful in autumn 2020.

The Spending Review 2020 announced a further 500 new schools will be built over the next decade across the country.

External Pressures

Irrespective of the external funding position, the county's population continues to grow. This places additional strain on our infrastructure through higher levels of road maintenance, increased pressure on the transport network, a rise in the demand for school places, a shortage of homes and additional need for libraries, children's centres and community hubs.

As part of the Greater Cambridge City Deal (now Greater Cambridge Partnership) signed with Government in 2014, it was agreed that Government would allocate £500m to Greater Cambridge infrastructure projects. The first tranche of funding was agreed on the basis of five yearly instalments and the second and third tranche is subject to two (2020 and 2025) Gateway Reviews. The purpose of the Deal is to deliver a step change in investment capability; an additional 44,000 jobs and 33,000 homes with benefits for the whole county as well as the wider area. To date, £300m of the funding has been secured, after passing the first Gateway review and unlocking a further £200m during 2020.

Despite this deal, as with the revenue position, the external operating environment poses a significant challenge to the Council as it determines how to invest in order to meet its priority outcomes, whilst facing increasing demands on its infrastructure that are not necessarily matched by increases in external funding.

The Covid-19 pandemic is also having an impact on capital programmes, albeit less severely than with the revenue position. Where the pandemic is anticipated to have an impact on the costs of a capital scheme and this has been quantified, this has been worked into revised budgets based on the current situation. However, work is ongoing in some areas to quantify impact, and as such there is the potential for budgets to continue to be revised over the following months as the situation continues to unfold. Any further changes to Government guidelines in response to the pandemic, or local lockdowns, would also require further revision of costs/timescales, and therefore capital budgets.

7: Working in partnership

The Council is committed to working with partners in the development of the county and the services within it. There are various mechanisms in place that provide opportunities to enhance the investment potential of the Council with support and contributions from other third parties and local strategic partners. One of the most significant partnerships is between the Council, Cambridgeshire's city and district councils, Peterborough City Council and the Greater Cambridge / Greater Peterborough Local Enterprise Partnership (LEP) – relaunched as the Business Board – to set up a Combined Authority for Cambridgeshire and Peterborough in order to deliver the region's devolution deal; this was agreed by all member authorities in November 2016. The proposal included;

- A new £20m annual fund for the next 30 years to support economic growth, development of local infrastructure and jobs,
- A £100m housing fund, and
- A new £70m fund to be used to build more council-rented homes in Cambridge.

The Mayoral Combined Authority was established following Mayoral elections in May 2017.

The Council has also worked closely with Cambridge City Council, South Cambridgeshire District Council, the University of Cambridge and the LEP (now the Business Board) to negotiate the City Deal with Central Government. The deal has resulted in a changed set of governance arrangements for Greater Cambridge, allowing the County, Cambridge City Council and South Cambridgeshire District Council to pool funding, powers and decision making through a joint Executive Board. This structure is leading the joint delivery of a number of major transport schemes and has achieved a more joined-up and efficient approach to tackling the key economic issues facing this rapidly-growing city region.

The Council continues to work with partners and stakeholders to secure commitment to delivery, as well as funding contributions for infrastructure improvements, in order to support continued economic prosperity. For example, the Council worked with the former Greater Cambridge / Greater Peterborough LEP (now the Business Board) plus the New Anglia LEP and the South East Midlands LEP, as well as neighbouring local authorities, the city and district councils and the DfT to agree a funding package for improvements to the A14 between Cambridge and Huntingdon, which was secured with work on the main scheme having completed during 2020. The Council will continue with this approach where infrastructure improvements are shown to have widespread benefits to our partners.

The One Public Estate (OPE) group allows partners, including the district councils, health partners and the emergency services, to effectively collaborate on strategic asset management and rationalise the combined operational property estate within the county. The One Public Estate programme has secured up to £0.5m in funding to bring forward major projects for joint asset rationalisation and land release.

The Local Transport Plan is a key document and is produced in partnership with the city and district councils and the CPCA. There has been a strong working relationship for many years in this area, which has succeeded in bringing together the planning and transport responsibilities of these authorities to ensure an integrated approach to the challenges facing the county.

Due to the introduction of the Community Infrastructure Levy (CIL) on all but large scale developments, the Council also works more closely with the city and district councils on the creation of new infrastructure needed as a result of development. CIL is at the discretion of the Local Planning Authority i.e. the city and district councils, who are responsible for setting the levy and have the final decision on how the funds are spent. However as the County Council has responsibility for the provision of much of the infrastructure resulting from development, it is imperative that it is involved in the CIL governance arrangements of the city and district councils, and that it works closely with these authorities to ensure that it is able to influence investment decisions that affect the Council's services.

The Council is in the fortunate position of continuing to be a major landowner in Cambridgeshire, and as such has established a company, This Land, which enables the Council to develop its own land rather than sell it to third parties. The company has developed an initial 10-year pipeline of sites, with the objective of delivering more than 1,500 homes. The Council is the sole shareholder of This Land Limited (and the ultimate parent of its wholly owned subsidiaries).

Examples of specific capital schemes currently or recently being delivered in partnership include;

- Rolling out and exploiting better broadband infrastructure across the county; with Peterborough City Council, the district councils, the Business Board, local businesses and the universities;

- Housing schemes, being delivered in conjunction with This Land; and
- OPE projects, being delivered in conjunction with OPE partners, including;
  - North Huntingdon Strategic Growth Partnership – Wyton redevelopment of 4,500 homes with Huntingdonshire DC
  - East Cambridge City Redevelopment, East Barnwell with Cambridge City
  - Think Communities Property workstream (previously the Community Hubs project)
  - Oaktree Health Centre Redevelopment, Oxmoor Estate with NHS CCS and Huntingdonshire DC
  - Ely Hospital redevelopment with NHS CCS
  - Wisbech Hospital redevelopment with NHS CCS
  - Joint Highways Depot move
  - Land Commission Board Workshops with CPCA

8: Non-financial Investment Strategy

Part of the Council's approach of dealing with the twinned pressures of reduced central government funding and growing demand for services has been to drive a more commercial approach within the organisation and to deliver better financial returns from property and asset holdings. In July 2016, the Commercial and Investments (C&I) Committee approved a Commercial Acquisitions Strategy to help develop a strategic approach to commercial acquisitions. This has subsequently been replaced by this Investment Strategy in order to reflect updated statutory guidance.

CIPFA's revised Prudential and Treasury Management Codes 2017 requires from 2019-20 onwards that all local authorities prepare an investment strategy, covering both financial and non-financial assets. The Investment Strategy for financial assets is included within the Treasury Management Strategy; for non-financial assets, it is included here and should provide (in addition to a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services):

- An overview of how the associated risk of non-financial investments is managed;
- The implications for future financial sustainability.

Any commercial acquisition carries with it a degree of risk and as this involves the investment of public funds, the rationale for engaging in such activity should be clear. The Council does not intend to invest in commercial activity for the sake of it but to mitigate against the implications of increasing budgetary pressures. The Council will not meet the financial challenges it faces through transforming services alone. The approach will require a mix of transformation, additional revenue sources, and a reduction in service levels. By focussing resources on the first two, the need to utilise the latter option will be minimised.

As with the rest of the Capital Strategy, all commercial activity will be undertaken in line with the Council's vision of 'making

Cambridgeshire a great place to call home'. All commercial activity will therefore be undertaken in order to contribute to the following Priority Outcomes:

- Using our public assets wisely and raising money in a fair and business-like way to reduce their carbon footprint and generate social return for all citizens of Cambridgeshire.
- Growing financial, environmental and social capital place-by-place by stewarding local resources including public, private and voluntary contribution.

This will be achieved through contribution to the following Corporate Strategy theme:

- Developing strength and depth in our commercial activity

Appendix 3 sets out the details of the Council's non-financial Investment Strategy.

9: Asset management

The Council's Capital Strategy inevitably has strong links to the Council's property Asset Management Strategy, which provides detail on the framework for operational asset management; this includes defining the principles which guide asset management, its role in supporting service delivery and carbon reduction, why property is retained, together with the policies, procedures and working arrangements relating to property assets.

The Council's Asset Management Strategy is currently under review and will be developed under the guidance of C&I Committee. The Strategy will continue to focus on the key objectives of:

- Reducing costs
- Co-locating front and/or back-office services
- Reducing carbon emissions
- Adapting assets to build resilience to a changing climate
- Increasing returns on capital
- Opening up investment opportunities
- Improving service delivery to communities
- Taking advantage of lease breaks

This will be developed in line with the Cambs 2020 vision, which will see the Council move out of its current main base in Cambridge and adopt a Hub and Spokes model of office accommodation. There will also be a comprehensive review of existing policy and strategy, and in particular a strengthening of the Corporate Landlord model and its links into corporate strategies such as the Commercial Strategy, Think Communities and Older People's Accommodation.

Specific property initiatives include:

- The establishment of a wholly-owned company which has allowed the Council to become a developer of its own land, principally for housing. This requires significant capital investment through loans to the company for development purposes, but has generated ongoing revenue streams for the Council, as well as significant amounts of capital receipts that have been re-invested;

- Commercial investment, where the Council has developed a portfolio of strategic investments which provide ongoing revenue streams and carbon reductions. These investments have been completed under the framework of the Council's Investment Strategy which is included as Appendix 3;

- The County Farms Estate Strategy has been reviewed by a Member working group, and will feed into both the Asset Management Strategy and the Council's Commercial Activity programme;

- A review of the provision of back office accommodation as part of the Cambs 2020 scheme.

10: Delivering statutory obligations

The majority of the Education Capital Programme, which makes up a significant proportion of the Council's total Capital Programme, is generated in direct response to the statutory requirement to provide sufficient school and early years and childcare places to meet demand. There is, therefore, a limit to the amount of flexibility that can be used to curtail, or reduce the costs for these schemes.

The Education Organisation Plan is refreshed every year and sets out the What, How and Why in relation to planning and delivering the additional school capacity required to meet current and forecast need, including information on how the Education Programme is prioritised.

Although the Programme is largely driven by demographic changes, the Council still has an element of choice or influence over how it develops its Programme to meet those needs as follows:

- General costs of construction

The Council seeks to minimise construction costs on all projects and builds to the latest Government area guidelines that set out accommodation schedules. These detail the specification and size of building required for a given number of pupils. The Council's Design and Build Contractor Framework seeks best value for money and mini competition between framework partners helps to ensure this.

- Quality of build

In general, the Council aims to build at mid-point in terms of quality. This balances the need to ensure that the materials the Council uses are robust and fit for purpose in respect of both an adequate life-cycle for the asset and also maintenance requirements that are not overly burdensome to the end user or operator, whilst at the same time providing Value for Money in terms of initial capital investment. In December 2019, the Council approved Near Zero Energy Standards for new build projects it will own and occupy. One of the Education schemes is being used as a pilot project to identify both higher energy standards for schools and new business models that are needed to deliver these higher standards. Collaboration with government will be important to bring forward these new business models and provide the freedoms for school operators and the Council to enter energy service agreements. These standards set energy performance and renewable energy thresholds for new buildings which over time, will be included in the detailed specification and size of school buildings required for a given number of pupils.

- Future proofing

The Council aims to build in the most efficient manner possible in order to minimise financial risk and also to avoid future disruption to schools. In some cases, building a school or extension in phases may be the best option; in other situations where it is possible that the need for additional places will come forward in the foreseeable future, it can prove more cost effective overall to build in one phase (even if this costs more in the short-term). Early during the review process for each scheme, a recommendation is made as to the most suitable solution; however the Council also tries to be flexible if circumstances change.

- Temporary accommodation

The Council uses temporary classroom accommodation when it is felt that this provides a suitable short-term solution in addressing a need. Such cases include meeting a temporary bulge in population, filling a gap prior to completion of a permanent solution or in an emergency.

- Home to School Transport

If the Council has some places available within the county overall, then it has the option of using Home to School Transport (funded by revenue) to transport children from oversubscribed areas to locations where schools do have capacity. The Council tries to minimise the use of this, as it is often an expensive solution and contributes to our carbon footprint. It is also not ideal to require children to travel longer distances to school, some distance from their local communities, and is not a sustainable option in the longer-term.

- Location (within the geographical area of need)

In many cases there may be a choice available between two or more schools in order to deliver the additional places for a certain geographical area of need. In these circumstances, a full appraisal is carried out, taking into consideration costs, the opinion and endorsement of the schools, pupil forecasts, and the premise and site constraints.

- Type – extension or new build

The type will be dependent on a full appraisal of the situation. New builds are often the solution endorsed by members where a new town or key development location is identified within Cambridgeshire.

- Planning stipulations

National and local planning policies and high aspirations of local members, planners, developers and schools – especially Academy Trusts – to provide a higher specification than is statutorily required can cause costs to increase. Cambridge City Council and South Cambridgeshire District Council also require public art which can add an additional cost of up to 1% of the construction budget. All new schools also have to go through the Design Quality Panel, which adds an additional step into the planning process, extends the design phase and is funded by the project. Some developers require a new school to fulfil its community responsibility and become a landmark building within the development. In this instance, the developer is likely to place an additional premium on the negotiated S106 to afford that vision. Finally, some of the requirements of a S106 can have an impact on the levels of external funding available – for example, an increased requirement for affordable housing will reduce the amount available to fund education schemes for a development.

11: Development of the Capital Programme

The Council operates a five-year rolling revenue budget, and a ten-year rolling capital programme. The very nature of capital planning necessitates alteration and refinement to proposals and funding during the planning period; therefore whilst the early years of the Business Plan provide robust, detailed estimates of schemes, the later years only provide indicative forecasts of the likely infrastructure needs and revenue streams for the Council.

The Council follows a structured framework within which to develop the Capital Programme, which allows for factors such as the external environment and the Council's priority outcomes to be taken into account.

New schemes for inclusion in the Programme are developed by Services (in conjunction with Finance) in line with the Priority Outcomes outlined in the Corporate Strategy. As stated in the financial regulations, any new capital scheme costing more than £250,000 is appraised as to its financial, human resources, property, carbon, environment and economic consequences. The justification and impacts, as well as the expenditure and funding details of these schemes are initially specified in an outline Capital Business Case, which becomes more detailed as the proposal develops. At the same time, all schemes from previous planning periods are reviewed and updated as required. All schemes, whether existing or new, are scrutinised and challenged where appropriate by officers to verify the underlying costs and/or establish whether alternatives methods of delivery have been investigated in order to meet the relevant needs and outcomes of the Council.

An Investment Appraisal of each capital scheme (excluding schemes with 100% ring-fenced funding) is undertaken / revised as part of the Business Case, which allows the scheme to be scored against a weighted set of criteria such as strategic fit, business continuity, joint working, investment payback and resource use. This process will also need to be updated to include carbon emission reductions in future. The criteria allows schemes within and across all Services to be ranked and prioritised against each other, in light of the finite resources available to fund the overall Programme and in order to ensure the schemes included within the Programme are aligned to assist the Council with achieving its targeted Priority Outcomes.

Capital Programme Board (CPB) provides support and challenge with respect to both the creation of an initial budget for a capital scheme and also the deliverability and ongoing monitoring. The Terms of Reference require CPB to ensure that the following outcomes are delivered:

- Improved estimates for cost and time of capital projects;
- Improved project and programme management and governance;
- Improved post project evaluation and monitoring of key environmental benefits; and
- Improved prioritisation process across the programme as a whole.

CPB scrutinises the programme before it is sent to Committees, and officers undertake any reworking and/or rephasing of schemes as required to ensure the most efficient and effective use of resources deployed. The Board also ensures that all schemes included within the Business Plan under an initial outline business case are further developed and reviewed before final recommendation is given to start the scheme.

Service Committees review the prioritisation analysis and the Capital Programme is subsequently agreed by General Purposes Committee (GPC), who recommends it to Full Council as part of the overarching Business Plan.

A summary of the Capital Programme can be found in the Medium Term Financial Strategy section of the Business Plan (Section 2), with further detail provided by each Service within their individual finance tables (Section 3).

12: Revenue implications

All capital schemes have a potential two-fold impact on the revenue position, due to:

- the cost of borrowing through interest payments and repayment of principal (called Minimum Revenue Provision), or through the loss of investment income; and
- the ongoing revenue impact of the scheme (such as staff salaries, utility bills, maintenance, administrative costs etc.), or revenue benefits (such as savings or additional income).

To ensure that available resources are allocated optimally, capital programme planning is determined in parallel with the revenue budget planning process. Both the borrowing costs and ongoing revenue costs/savings of a scheme are taken into account as part of a scheme's Investment Appraisal, and therefore, the process for prioritising schemes against their ability to deliver outcomes.
In addition, the Council is required by CIPFA's Prudential Code for Capital Finance in Local Authorities 2017 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to guarantee that it achieves this, towards the start of each Business Planning Process, GPC determines what proportion of

revenue budget is spent on services and the corresponding maximum amount to be spent on financing borrowing. This is achieved by setting an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan.

In order to afford a degree of flexibility from year to year, changes to the phasing of the debt charges is allowed within any three-year block, so long as the advisory aggregate limit remains unchanged. Blocks refer to specific three-year periods, starting from 2015-16, rather than rolling three-year periods. The advisory limit on debt charges is reviewed each year by GPC to ensure that changing factors such as the level of interest rates, or the external funding environment are taken into account when setting both.

Invest to Save / Earn schemes are excluded from the limit – whilst the financing costs for commercial activity have already been removed from the budget and recharged to the Commercial Activity budget, there are several other Invest to Save / Earn schemes that have not been recharged e.g. third party loans. The following table therefore compares revised net financing costs excluding these costs. In order to afford a degree of flexibility from year-to-year, the limit is reviewed over a three-year period. Following the change in the Minimum Revenue Provision policy, agreed by Full Council in February 2016, the debt charge limits are as follows:

	2021 - 22 (£m)	2022 - 23 (£m)	2023 - 24 (£m)	2024 - 25 (£m)	2025 - 26 (£m)	2026 -27 (£m)
Restated Debt Charges Limits	39.7	40.3	40.8	41.4	41.9	42.4
2021-22 Business Plan (excluding Invest to Save)	31.0	36.4	39.8	40.9	43.8	44.6
HEADROOM		**-13.7**			**3.6**	

Once the service programmes have been refined, if the amalgamated level of borrowing and thus debt charges breaches the advisory limit, schemes will either be re-worked in order to reduce borrowing levels, or the number of schemes included will be limited according to the ranking of schemes within the prioritisation analysis.
In more recent years, the Council has undertaken a more focused review of the Capital Programme in order to minimise the cost to the taxpayer of financing debt charges for capital schemes. The review has focused on re-prioritising and re-programming capital schemes according to need to ensure that the Council makes the best use of the capital funding available and minimises the revenue impact of capital projects.

Due to the Council's strategic role in stimulating economic growth across the county through infrastructure investment, any capital proposals that are able to reliably demonstrate revenue income / savings at least equal to the debt charges generated by the scheme's borrowing requirement are excluded from contributing towards the advisory borrowing limit. These schemes are called Invest to Save or Invest to Earn schemes and will be self-funded in the medium-term.

However, there will still be a short-term revenue cost to these schemes, as with all other schemes funded by borrowing. Therefore, GPC will still need to review the timing of the repayments, in conjunction with the overall total level of debt charges to determine affordability of the Capital Programme, before recommending the Business Plan to Full Council.

Invest to Save and Invest to Earn schemes for all Services are expected to fund any revenue pressures, including borrowing costs, over the life of the asset. However, any additional savings or income generated in addition to this repayment will be retained by the respective Service and will contribute towards their revenue savings targets.

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government would allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects between 2016-17 and 2018-19. The Government then further extended this flexibility to cover a further 3 years until 2021-22. As part of the 2017-18 Business Plan, the Council decided to use this flexibility to fund transformational activity, and as a result, prudential borrowing undertaken by the Council for the years 2017-18 to 2021-22 will be between £3.0m and £3.9m higher in each respective year. This is expected to create additional Financing costs in the revenue budget of £88k to £161k each year. For further information, please see the Flexible Use of Capital Receipts Strategy contained within section 3 of the MTFS (Section 2).

The Council also includes the capitalisation of the cost of borrowing within all schemes; this has helped the Council to better reflect the cost of assets when they actually become operational. Although the capitalised interest cost budgets are initially held on an overall Service basis within the Capital Programme, the funding is ultimately moved to the appropriate schemes each year once exact figures have been calculated.

13: Managing the Capital Programme

The Capital Programme is monitored in year through monthly reporting, incorporated into the Integrated Finance Monitoring Report. Services monitor their programmes using their monthly Finance Monitoring Reports, which are reviewed by the Service Committees. These feed into the Integrated Report which is scrutinised by CPB, submitted to Strategic Management Team, then is subsequently reviewed by GPC. The report identifies changes to the Capital Programme to reflect and seek approval for;

- new / updated resource allocations;
- slippage or brought forward programme delivery;
- increase / reduction in overall scheme costs; and

- virements between schemes to maximise delivery against the priorities of the Council.

It is inevitable that new demands and pressures will be identified by the Council on an ongoing basis, however as far as is possible addressing these requirements is undertaken as part of the next Business Planning Process, in line with Regulation 6.4 of the Scheme of Financial Management.

Therefore, all new capital schemes should be approved via the Business Plan unless there is an urgent need to seek approval that cannot wait until the next planning process (i.e. because the scheme is required to start within the current financial year, or the following financial year if it is too late to be included within the current Business Plan).

In these situations, any supplementary capital request will be prepared in consultation with, and with the agreement of, the Chief Finance Officer. The report will, where possible, be reviewed by CPB before being taken to the Strategic Management Team by the relevant Director and the Chief Finance Officer, before any request for a supplementary estimate is put to GPC. As part of this report, in line with the Business Planning process, any new schemes costing more than £250,000 will be appraised as to the financial, human resources, property and economic consequences before detailed estimate provision is made.

New demands and pressures and changes to estimated costs and funding for ongoing schemes will also potentially result in the need for virements between schemes. All virements should be carried out in line with the limits set out in Appendix I of the Scheme of Financial Management, up to the upper limit of £250,000 by the Chief Finance Officer. Anything above this limit will be dealt with in line with the process for new schemes, and will be taken to GPC for approval as part of the monthly Integrated Finance Monitoring Report. Any over spends, whether in year or in relation to the whole scheme, once approved will be funded using applicable external sources and internal, non-borrowing sources first, before using borrowing as a last resort.

Once a project is complete, CPB follows a post-implementation review process for any significant schemes (schemes over £1m, or for schemes between £0.5m and £1m where the variance is more than 20%) in order to ensure that the Council learns from any issues encountered, and highlights and follows best practice where possible. In addition, the Board can request for a review to be completed on any scheme where it is thought helpful to have one.

14: Summary of the 2021-22 Capital Programme

Total expenditure on major investments underway or planned includes:

- Providing for demographic pressures regarding new and improved schools and Child and Family Centres, as well as adaptions and major repairs (£513m)
- Housing Provision (£152m)
- Major road maintenance (£79m)
- Investing in Connecting Cambridgeshire (£46m)
- King’s Dyke Crossing (£34m)

- North Angle Solar Farm, Soham (£26m)
- A14 Upgrade (£25m)
- Shire Hall Relocation (£19m)
- Decarbonisation Fund (£15m)
- Transformation Activity (£14m)
- Integrated Community Equipment Service (£13m)
- Wisbech Town Centre Access Study (£11m)
- Stanground Closed Landfill Energy Project (£8m)
- Care Suites – East Cambridgeshire [redacted]
- Waste – Household Recycling Centre Improvements [redacted]
- Abbey – Chesterton Bridge (£7m)
- Trumpington Smart Energy Grid (£7m)
- Babraham Smart Energy Grid (£6m)
- Cambs 2020 Spokes Asset Review (£6m)
- Community Fund (£5m)
- Data Centre Relocation (£5m)
- Building Maintenance (£5m)

The 2021-22 ten-year Programme, worth £608.7 million, is budgeted to be funded through £491.4 million of external grants and contributions, £17.4 million of capital receipts and £99.9 million of borrowing. This is in addition to an estimated previous spend of £655.5 million on some of these schemes, creating a total Capital Programme value of £1.3 billion. The related revenue budget to fund capital borrowing is forecast to spend £31.8 million in 2021-22, increasing to £44.7 million by 2025-26.

The Capital Programme includes the following Invest to Save / Invest to Earn schemes:

Scheme	**Total Investment (£m)**	**Total Net Return* (£m)**
Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	3.6	2.0
Babraham Smart Energy Grid	6.3	10.6
Trumpington Smart Energy Grid	7.0	7.0
Stanground Closed Landfill Energy Project	8.3	8.9
Woodston Closed Landfill Energy Project	2.5	8.8
North Angle Solar Farm, Soham	26.3	40.1
Housing schemes	152.4	57.8
Lower Portland Farm	4.0	15.1
County Farms investment (Viability)	2.7	7.4
Shire Hall Relocation	18.7	45.2
TOTAL	**231.8**	**202.9**

*The net return includes the cost of financing the capital expenditure and the ongoing revenue costs associated with the investment (therefore a zero net return indicates that the project has broken even).
Figures within this section may be redacted in relation to schemes that are not yet tendered, due to commercial sensitivity.

Appendix 1: Allowable capital expenditure

Financial regulations proscribe certain costs from being capitalised, in particular administrative and other general overheads, together with employee costs not related to the specific asset (such as configuration and selection activities). Authorities are also required to write off any abnormal costs that arose from inefficiencies (such as design faults, theft of materials etc.).

The following table provides some examples of what can and cannot be capitalised. The examples should be regarded as illustrative rather than definitive – interpretation of accounting rules requires some subjective judgement that will be affected by the specific circumstances of each project.

Item of expenditure	Capital or Revenue?	Detail
Feasibility studies	**Revenue**	Until a specific solution has been decided upon, costs cannot be directly attributable to bringing an asset into working condition. This includes all costs incurred whilst deliberating on any issues, scoping potential solutions, choosing between solutions and assessing whether resources will be available to finance a project. However, feasibility studies can be capitalised if they occur after a decision has been made to go ahead with a particular option i.e. if they are directly attributable in bringing an asset closer to a working (or enhanced) condition.
Demolition of an existing building	**Capital**	Demolition would usually be an act of destruction that would be charged to revenue; however if the costs incurred are necessary in preparing a site for a new scheme, it can be argued that they are an integral part of the new works.
Costs of buying out sitting tenants of existing building	**Capital**	Similar to demolition costs, this would help prepare a site in its existing condition for the new works.
Initial delivery and handling costs	**Capital**	Required to bring the asset closer into working condition.
Costs of renting alternative accommodation for staff during building works	**Revenue**	All costs incurred in carrying out the regular business of the authority whilst construction is underway make no direct contribution to the value of the asset.

Item of expenditure	Capital or Revenue?	Detail
Site security during construction	**Revenue**	Although this activity protects the investment during construction, it does not enhance it.
Installation and assembly costs	**Capital**	Required to bring the asset closer into working condition.
Testing whether the asset is functioning properly	**Capital**	Required to bring the asset closer into working condition.
Rectification of design faults	**Capital**	Required to bring the asset closer into working condition. However, the previous expenditure incurred on the defective work would need to be written off to revenue.
Liquidated Damages	**Revenue**	Paying out damages as compensation for breaching a contract does not enhance the value of the asset.
Furniture and fittings	**Capital – but often revenue for CCC**	Items required to bring an asset into working condition are often capitalised as part of the overall cost of the scheme, even if such items fall below the de minimis limit of the authority. However, the Council's policy is to not capitalise equipment, therefore if the purchase is outside of an overarching property scheme, then the costs will be revenue. The downside of capitalisation is that it will not be possible to justify future replacement of furniture and fittings as being capital.
Training and familiarisation of staff	**Revenue**	The asset will be regarded as being in working condition, irrespective of whether anyone in the authority can use it.
Professional fees	**Capital**	But only to the extent that the service provided makes a contribution to the physical fabric of the new construction (e.g. architecture design) or the work required to bring the property into working condition for its intended use (e.g. legal advice in preparation of building contracts).
Borrowing costs	**Capital**	Any interest payable on expenditure incurred before the asset is in working condition can be added to the cost of the fixed asset. Any financing costs incurred after that date will be a charge to revenue. CCC is looking to amend its accounting policies in 2017-18 in order to be able to apply this.
Finance and Internal Audit staff costs	**Revenue**	These costs are generally incurred for governance reasons, rather than enhancing the value of the asset.

Appendix 2: Sources of capital funding

Central Government and external grants

Grant funding is one of the largest sources of financing for the capital programme. The majority of grants are awarded by Central Government departments including the Department for Education (DfE) and the Department for Transport (DfT). In addition, the Council receives grants from various external bodies, including lottery funded organisations. Grants can be specific to a scheme or have conditions attached, including time and criteria restrictions.

Capital receipts

The sale of surplus or poor quality capital assets as determined by the Asset Management Strategy generates capital receipts, which are reinvested in full in order to assist with financing the capital programme.

Section 106 (S106), Community Infrastructure Levy (CIL) and external contributions

S106 contributions are provided by developers towards the provision of public infrastructure (normally highways and education) required as a result of development. Capital schemes undertaken in new development areas are currently either completely or mostly funded by the S106 agreement negotiated with developers. The Community Infrastructure Levy (CIL) is a new levy that local authorities can choose to charge on new developments in their area that will replace a large proportion of S106 agreements once it comes into force. Other external contributions are made by a variety of organisations such as district councils, often contributing towards jointly funded schemes.

Private Finance Initiative (PFI) / Public Private Partnerships (PPP)

The Council has previously made use of additional government support through PFI and PPP and has dedicated resource to manage schemes that are funded via this source. Previous schemes that have been funded this way include Waste, Street Lighting and Schools. However, due to increasing criticism around some high-profile, large-scale PFI projects failing to deliver Value for Money, the Government announced in October 2018 that this form of capital finance will be abolished. It is believed another model will be created to continue allowing the private sector to fund public infrastructure, but it is not yet clear what from this will take.

Borrowing (known as prudential borrowing)

The Council can determine the level of its borrowing for capital financing purposes, based upon its own views regarding the affordability, prudence and sustainability of that borrowing, in line with the CIPFA Prudential Code for Capital Finance in Local Authorities 2017. Borrowing levels for the capital programme are therefore constrained by this assessment and by the availability of the revenue budget to meet the cost of this borrowing, considered in the context of the overall revenue budget deliberations. Further information is contained within the Treasury Management Strategy Statement (Section 7 of the Business Plan).

Revenue Funding

The Council can use revenue resources to fund capital projects on a direct basis. However, given the general pressures on the revenue budget of the Council, it is unlikely that the Council will often choose to undertake this method of funding.

Appendix 3: Investment Strategy for Non-financial Investments

Objectives

- Acquire properties that provide long-term investment to support the delivery of the Council's corporate objectives, including limitation of carbon emission liabilities
- Deliver a portfolio which balances risk and rewards, aligned to the Council's risk appetite
- Prioritise properties that yield optimal rental growth and stable income
- Protect capital invested in acquired properties

Legal Powers

Power to invest

Pursuant to the powers set out in Section 12 of the Local Government Act (LGA) 2003, the Council may invest either for *"any purpose relevant to the Council's functions under any enactment", (s. 12(a))* or *"the purposes of the prudent management of its financial affairs" (s. 12(b))*.

The power to invest given in Section 12 should in principle include the power to invest in commercial property. However, the power to invest in commercial property must be used either for a purpose relevant to a function of the Council, for example the regeneration of an area, for economic development outcomes, or for the prudent management of the authority's financial affairs. Investing purely to create a return is not viewed as a function of an authority. It is therefore important that the primary objective of the strategy is to support the strategic objectives of the Council. It is also important to ensure that public funds are not exposed to unnecessary or unquantified risk.

In exercising the power to invest under Section 12(b) the Council also has regard to the MHCLG Statutory Guidance on Local Government Investments. The Guidance advocates the preparation of an Investment Strategy which the Council will be expected to follow in its decision making process unless a sensible and cogent reason is articulated for departing from it.

Power to borrow

Section 1 of the LGA 2003 gives each local authority a power to borrow money for:
(a) any purpose relevant to its functions under any enactment

(b) the purposes of prudent management of its financial affairs provided it does not exceed its affordable borrowing limit under Section 3 of the LGA 2003 (s.2(1) and 2(4))

These powers mirror those in Section 12 of the LGA 2003 referenced above. The powers within the LGA 2003 are not considered wide enough to permit local authorities to borrow to invest purely in order to benefit from a financial return, particularly in light of the revised guidance on Local Government Investments which clearly states that authorities 'must not borrow more than or in advance their needs purely in order to profit from the investment of the extra sums borrowed'. However, the Localism Act 2011 was drafted to encourage councils to develop new and innovative business models. This legislation gives councils the General Power of Competence, which means a local authority has powers to do anything that is "for the benefit of the authority, its area or persons resident or present in its area". The power does not enable an authority to carry out activities that were not permitted by legislation in force before the Localism Act 2011.

The power to undertake an activity for a commercial purpose

The General Power of Competence may allow the Council to invest in property for a return but this activity is likely to be characterised as an activity for a commercial purpose and cannot therefore be undertaken directly by the authority (Section 4 of the Localism Act 2011). It may be pursued through a company formed for that purpose and being within the meaning of Section 1(1) of the Companies Act 2006. There will be attendant corporation and income tax liabilities which will need to be addressed in a business case. The formation of a company requires the preparation of a thorough and detailed business case and these and other considerations such as the financing of the company and any state aid issues would need to be addressed in that document.

Other Considerations

As well as ensuring the Council has the legal power to invest, the Council also needs to ensure that exercising its powers is carried out in line with relevant statutory guidance and professional codes of practice. CIPFAs Prudential Property Investment Guidance 2019 sets these out as:

- The application of case law principles concerning the reasonableness of decision making
- Statutory guidance issued by the government (MHCLG's Statutory Guidance on Local Government Investments and Statutory Guidance on Minimum Revenue Provision)
- The CIPFA Prudential Code
- Good practice in investment management, which considers the appropriateness of investments to the authority's risk appetite, its financial circumstances and the expected length of the investment need

These are taken into consideration throughout the rest of this strategy.

Governance Processes

The decision to invest public funds in commercial property is one that should not be taken lightly. Any investment carries with it a degree of risk and the level of returns are directly proportionate to the risk of the investment made. Whilst it is important to ensure that due and proportionate governance is followed, the market for commercial acquisitions is such that agile decision making is also important. This is particularly the case where the Council wishes to acquire commercial opportunities before they hit the market and thereby avoid bidder competition which tends to escalate the sales price.

There is a fine balance in ensuring appropriate due process has been undertaken whilst not restricting opportunities through overly burdensome governance requirements. As a consequence it will not always be possible for all acquisition proposals to be considered within the democratic cycle of meetings. C&I Committee has agreed that in order for such proposals to be considered, evaluated and pursued within an agile, yet transparent and accountable, framework, it needs to delegate responsibility via a tiered decision-making process as follows:

- £10m or less - Deputy Chief Executive/Chief Finance Officer (CFO) in consultation with Chairman of C&I Committee
- Greater than £10m but no more than £25m - C&I Committee Investment Group
- Greater than £25m but no more than £50m - C&I Committee
- Greater than £50m - GPC

The C&I Investment Group has been created to reflect the proportional representation of the Committee; there are 3 Conservatives Members, 1 Liberal Democrat Member, and 1 Labour Member. The meetings of this Group can be undertaken virtually if necessary. At times, it may be too difficult to convene this Group even before an initial expression of interest needs to be placed; therefore in this scenario, the Deputy Chief Executive/CFO in consultation with the Chairman and Deputy Chairman of C&I Committee is delegated the responsibility to place an initial bid (with the information also circulated to other members of the Group). Any final bid, however, has to follow the delegation as set out above.

Where appropriate, the Council works with a partner organisation to develop the portfolio in order to ensure the right skills are used and the necessary capacity is generated in order to access market opportunities. The Council has used several professional advisors to date, which has provided access to different opportunities across the market. The Commercial Team have brought together all of the Council’s investment information using input from services and professional experts in order to establish an overall investment approach (covering both financial and non-financial investment). This will ensure that investment decisions are assessed holistically, ensuring they not only operate within certain performance thresholds, but also take into account the full range of commercial opportunities available for investment.

The details of all opportunities are reviewed by the Investment Working Group using a robust appraisal process that assesses potential acquisitions for their location, tenancy strength, tenure, lease length, repairing terms and physical condition. This information is reviewed alongside strategic criteria and key ratios and forms the basis of a scorecard to indicate whether investment is worth pursing further. In addition, the acquisition business case also requires information on risks and exit strategies to be completed. The Council has also contracted investment advisors Redington to provide support and advice to elected members and statutory officers, including delivery of training.

Managing Risk

The structure of the property portfolio has a significant bearing on the portfolio's inherent risk and return profile. Therefore a key objective of the strategy is to create diversification within the portfolio in order to manage exposure to the risks of concentrating too much activity in any particular sector. Key risks in the portfolio can be categorised in a number of ways, as follows.

Income Risk

The main risk in a commercial portfolio is tenant vacancies and the resultant loss of income. The costs of holding a vacant property include non-domestic rates, insurance, utilities, security, inspections and management. In addition, there are costs of marketing the property, the agent's disposal fees and legal fees for completing the lease documentation for re-letting the premises.

Yield Risk

The aim of the majority of investments is to provide a secure return on income. The Council manages its commercial property as a single portfolio, ensuring that the collective returns achieved on the investments meet the overall financial target that is set. It is therefore important that any purchasing decisions also contribute positively to the performance of the portfolio, both financially and but also in minimising the overall risks.

Concentration Risk

Concentration risk can be categorised into a number of constituent risks.

Sector Concentration: The main property sectors are retail, office, industrial and leisure/healthcare. The Council aims to spread its portfolio of investment across the different sectors in order to limit exposure to any volatility in a particular area. Like geographic diversification, industry diversification is sensitive to the diversification requirements of the overall portfolio. The value of industrial real estate holdings is sometimes adversely affected by changes in environmental legislation, and such holdings will therefore be limited in overall investment portfolios.

Geographical Concentration: The strength of the investment opportunity dictates the wider locations which may be considered outside of Cambridgeshire, as opposed to location being the driving force. It is important for the Council to understand the future economic viability of localities, which will be influenced by a number of local and national economic factors. For example future major transport infrastructure investment could significantly influence the economic viability of an area and therefore the future value of investments in that locality. Engaging the services of an expert is therefore an essential prerequisite of the strategy.

Property Concentration: Diversifying a real estate portfolio by property type is similar to diversifying a securities portfolio by industry. Different property types cater to different sectors of the economy. For example, office property generally responds to the needs of the financial and services-producing sectors; industrial property to the goods-producing sectors; retail property to the retail sector; and hotels to the travel and tourism sectors, employment growth, and the business cycle. Understanding the return and risk factors attendant to different property types requires understanding the factors affecting each property type's user groups.

Tenure Concentration: The portfolio is managed to ensure that it contains a broad spread of tenants. This analysis can be driven by credit ratings, nature of business, lease length, and the value of the leaseholds. It is important to evaluate tenant credit ratings according to the senior corporate debt of the lessees. Leases can be compared with regard to their length (including renewal options), which may vary considerably, typically from ten to twenty years.

Due Diligence

The risks associated with a specific investment are mitigated by carrying out robust due diligence of the individual acquisition. This process includes the following activities:

- Valuation
- Market conditions
- Covenant strength
- Terms of leases
- Structural surveys

- Future costs
- Other issues

The Investment Strategy provides continual evaluation of the investment portfolio to meet the Council's priority to ensure that the investment portfolio is fit for purpose. A larger and more balanced portfolio helps to achieve the Council's aim of increasing income to support the delivery of services throughout the county, however a core portfolio of property assets has been sought with a view to diversification on individual assets by sector (industrial, offices and retail), location and risk.

Proportionality

The Council needs to consider the long-term sustainability risk implicit in becoming too dependent on commercial income, or in taking out too much debt relative to net service expenditure.

Dependency on Commercial Income

As noted earlier in the strategy, the Council cannot meet the financial challenges it faces through transformation alone and therefore part of the strategy has to be to generate additional revenue resources. However, there are inherent risks associated with commercial activity and as such the Council will be taking a measured risk approach towards supporting a proportion of its core activity with commercial income. The table below shows the forecast levels of commercial income as a percentage of net service expenditure:

	2020-21 Estimate %	**2021-22 Estimate %**	**2022-23 Estimate %**	**2023-24 Estimate %**	**2024-25 Estimate %**	**2025-26 Estimate %**
Commercial income* to net service expenditure	-3.5%	-3.7%	-3.7%	-4.1%	-4.3%	-4.3%

** Commercial income here includes both financial and non-financial income*

Debt relative to Service Expenditure

As part of the process for agreeing the Capital Strategy, GPC currently agrees a debt charges limit at the beginning of the business planning process as a mechanism to ensure that the Council does not overcommit its revenue resources to servicing debt (see Section 12). This can also be reviewed in terms of debt as a proportion of net service expenditure, which is forecast as follows:

	2020-21 Estimate %	2021-22 Estimate %	2022-23 Estimate %	2023-24 Estimate %	2024-25 Estimate %	2025-26 Estimate %
Financing costs to net service expenditure	8.7%	8.9%	10.1%	10.7%	10.6%	10.9%

However, it should be noted that the majority of these costs do not relate to borrowing incurred (or anticipated) for commercial investment, but rather to necessary borrowing required to support the Council's service Capital Programme.

Developing the Portfolio

Financial investment options, such as investment in property funds and issuing commercial loans to other organisations are covered by the Treasury Management Strategy. There are two main methods by which the Council can deliver is non-financial investment – through acquisition of property, or through development of its own assets.

Acquisition

The Council acquires both freehold and long-term leasehold properties, engaging the services of commercial property experts in order to identify suitable market opportunities. Where appropriate, the Council uses experienced advisors to undertake robust due diligence and complete sale documentation. Ongoing management arrangements for properties differs depending on the level of specialisation of the asset, as well as the complexity and certainty of tenure. For specialised, complex tenures, the Council outsources the ongoing property management arrangements, including facilities management and marketing arrangements. However, in other cases the management arrangements are undertaken by the internal team of commercial property surveyors.

The benefits of the acquisition approach are:

- revenue is generated from the point of acquisition
- risks are mitigated with proper due diligence
- reasonable levels of liquidity
- management costs are relatively low

There are two types of direct investment opportunities that the Council pursues:

- Best property for the sector in an ideal location, with long-term income from high quality tenants where yields are equal to or slightly above prime for the sector. Rental yield (financial return on the capital investment as a percentage) is lower than the general market, but capital and rental growth is steady and medium/long-term risk of void periods and tenant default is reduced.
- Properties similar to those above, but in slightly less favourable locations, with shorter leases and lesser tenant covenant strength, where returns are appropriate for the sector and risk. Rental yields in this area are slightly higher, reflecting the increase in risk. Given the depreciating specialist infrastructure and changes in trends, such assets may require substantial future capital expenditure in order to maintain the value of the interest; the risk from this should be fully explored and understood before purchase. Residential property provides a good income diversifier given its limited correlation to commercial property and returns have been stable over the long-term, although the level of tenant and property management should be carefully considered and allowed for in all appraisals.

The Council has initially taken a relatively low-risk approach to acquisitions in order to develop a sound real estate investment portfolio, and has therefore focused on the first type of opportunity in its search. This has reduced the level of return generated initially; longer-term it is proposed to target an average portfolio yield of 6% by 2024-25. Where an individual opportunity does not deliver a 6% yield (either initially or longer-term) but it is felt to still have potential, the investment is still reviewed by C&I Committee, taking into account any other supporting factors such as reduction of concentration risk. However, the Cambridgeshire market generates relatively low returns due to competition and security of tenure, therefore moving forward the Council may need to consider opportunities further afield if it wishes to generate higher returns.

As a result, the Council has acquired property in the following sectors: student accommodation, leisure, retail, manufacturing and office/logistics. The Council has continued with the incumbent outsourced operator for one of its acquisitions, who have expertise in student accommodation management. Marketing and property management for three of the Council's other acquisitions have also been outsourced to Carter Jonas; using one managing agent for several properties provides benefits of efficiency and expertise. Four of the five properties the Council has acquired have relatively secure or straightforward tenures mitigating the scale of proactive management required and the outsourced arrangements are overseen by the internal team of commercial property surveyors, acting as the intelligent client.

These acquisitions have created a balanced portfolio of investments across sectors and geographical locations, and have significantly reduced the Council's concentration risk across property type, sector and tenure. However, geographical concentration risk still exists, as all purchase have been made in county, or around the local economy (albeit the locations are spread around the county).

Development

The Council can either carry out development itself, such as with the Council's Commercial Energy Investments, or enter into an agreement with a developer to fund all or part of a development. This can be enacted as a direct commercial arrangement with a developer or can be delivered via a joint venture (JV) arrangement. This would require risk and reward arrangements to be established. In a JV scenario the level of risk mirrors the level of reward that each partner derives; this would normally be 50:50, however other scenarios could also be developed. If the Council develops the investment itself and simply seeks a provider to construct to a defined specification, the provider does not share any of the benefits – but neither does it share any of the risks.

The benefits of this type of commercial arrangement are that the developer can bring skills that the Council does not hold internally. The investment will deliver a premium over and above straight investment, however it therefore carries with it proportionately greater risk. Selecting the right development partner is therefore essential for success.

Self-development brings greater financial rewards and ensures that the Council remains in control of the development. However, the Council may need to invest to ensure that it has the right skills and capacity to manage such an investment programme, if these skills do not exist within the Council. The disadvantages are that revenues are only accrued once the development has been completed; land acquisition and other costs are incurred long before any revenue stream commences. There is also very low liquidity during construction and diversification of the portfolio is low. The self-development route exposes the Council to procurement and construction risks which need to be mitigated by the 'buying in' of the appropriate and necessary skills.

The Council has one completed energy development scheme and has several further energy schemes in progress.

Funding the Portfolio

Section 5 and Appendix 2 of the main Capital Strategy detail how capital expenditure can generally be funded. Not all types of funding, however, can be used to fund non-financial investment; the main sources are revenue/reserves, capital receipts, borrowing, and occasionally, Government grants.

Revenue/Reserves

Given the Council's overall financial position, this requires further savings to be identified within the revenue budget to the same value as the charge; therefore this funding route is not a realistic option for the Council

Capital Receipts

The Council's current surplus asset policy is to repurpose non-operational property to generate a revenue return where possible, rather than dispose of the asset to generate a receipt. However, the Council has also set up its own housing company, This Land, to develop some of the Council's surplus estate, which in turn generates capital receipts for the Council at the point where assets are sold to the company. The Council has therefore decided to use these specific receipts, currently forecast to generate around £113m, to fund the Council's commercial investment programme, as well as the receipt from the disposal of Shire Hall. However, these receipts could have been used to fund the non-commercial investment aspects of the Council's Capital Programme; therefore there is an opportunity cost of using the receipts to fund commercial investment (which is equivalent to the revenue cost that would have been incurred should the commercial investment have been funded by borrowing).

Borrowing

As with borrowing for any capital project, both the interest cost and a Minimum Revenue Provision (repayment of principal) charge would need to be covered by revenue payments (see Section 12). However, there are additional restrictions in place with respect to borrowing to fund both financial and non-financial investment – MHCLGs Statutory Guidance on Local Government Investments states that authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums bowed. If an authority exceptionally choose to do so, then it needs to clearly explain why it has disregarded the guidance.

The Council anticipates that the core element of its commercial investment will be funded by capital receipts. However, by itself this is not sufficient to support the Council's plans regarding expectation of the level of commercial income that will be used to support the Council's revenue budget over the medium-term. Therefore, the Council has taken a measured risk towards using borrowing to fund some element of the Council's commercial investment, whilst also ensuring to develop the Council's place-making role at the same time.

When underrating any borrowing, the Council has to have regard to CIPFAs Prudential Code 2017 to ensure borrowing remains within an affordable limit. The Council therefore reviews borrowing in relation to commercial investment as part of the overall capital programme, to ensure it remains affordable, prudent and proportional.

Whilst the cost of PWLB borrowing increased by 100 basis points during October 2019, due to having secured £100m of borrowing prior to rate rises, the Council's track record in securing good value borrowing from other lenders (particularly other local authorities) and also remaining 'internally borrowed' (utilising cash balances to mitigate the level of external borrowing), the Council does not expect this rate rise to impact significantly over the life of the Business Plan.

Managing the Portfolio

Management of Property
Properties with fully repairing and insuring leases and excellent energy performance are sought as a preference for investment, in order to minimise the cost of management and maintenance. Exceptions can be made for properties that are purchased for specific development or planning reasons. In order to minimise management overheads, use of an external property management firm is considered to handle the day to day operational issues with the portfolio, particularly for properties which are outside the county, are specialised in nature or have complex tenures.

Tenure
Assets acquired with tenants in place may be subject to sub-leases granted within the security of tenure provisions of the Landlord and Tenant Act 1954. This is less attractive if assets are purchased for future development possibilities, as ending the tenancies requires the Council to satisfy one of the grounds under the Act to take back possession. Conditions of tenure is therefore a further important consideration in any investment decision and is reviewed as part of the acquisition business case.

Realising the Investment

There may be a need in the future to dispose of property investments. This could happen because of the need to return the investment to cash for other purposes, poor financial performance of a particular property or poor environmental and energy performance, for example. Whilst it is expected that the majority of investments will be held for the medium to long-term in order to achieve the required return and to justify the cost of the acquisition, it is important to understand the opportunities to dispose of any investment at the outset. Therefore, as part of the investment decision, consideration will be given to the potential ways in which the Council could "exit" from the investment, such as sale to another investor, sale for redevelopment, etc. An investment will only proceed where a clear exit strategy has been identified in the acquisition business case.

Monitoring the Portfolio

The Council's Commercial Team is responsible for undertaking ongoing performance and risk management of the Council's investment portfolio in order to ensure that it is continuing to deliver against target. The Council does this through both the monthly C&I Finance Monitoring Report, and the quarterly C&I Key Performance Indicators Report, both reported to C&I Committee. Active monitoring of the performance of individual properties within the portfolio is undertaken jointly across services – property, finance and commercial – and is reported to both the C&I Investment Group and Commercial Board. If any underperformance is identified, the Commercial team will develop an action plan to determine how to mitigate any increase in risk or threat to ongoing security, liquidity or yield.

Current Portfolio

Acquisition:	Brunswick House	**Date of Acquisition:**	26/07/18
Service Objectives	Diversify and increase income streams to the Council, protecting frontline services notwithstanding reducing government grant and rising demand. Supporting sustainable and well managed student accommodation, held in local ownership in Cambridge, one of the world's leading student cities. There is significant undersupply of purpose built student accommodation in the city with 44% of students unable to access purpose built accommodation. Inward economic investment: directly and indirectly supportive to jobs in the education sector, a key industry in the county's economy.	**Assessment of Risks**	Constructed in 2012, the property was acquired in good condition, marketed to students at the higher/premium end of the market. The principal financial risk relates to occupancy levels (demand for student housing). Demand for student accommodation in Cambridge is expected to remain strong, despite the impact of Covid-19. The nature of the student property market in Cambridge is that quality of student experience is a key aspect of the offer alongside, and indeed in many cases ahead of, pricing. At the point of acquisition there were additional risks arising from tenancy terms and correction of a construction deficiency at the property under warranty; these were outlined in Committee reports and have subsequently been mitigated or resolved through remedial works and novation arrangements.

Acquisition:	Brunswick House	**Date of Acquisition:**	26/07/18
			A successful planning application has been made since purchase to relax planning conditions to allow more flexible use of the building outside of university term time, for example for conference use.
Advisors / Market Research	Property Consultants, Carter Jonas, were engaged to appraise the investment opportunity – conducting market research and valuing the property in view of demand, planning conditions, future prospects and condition. Legal advisors, Birketts LLP, dealt with the conveyancing and transaction, providing advice on legal issues arising from Property, Construction, Tax, Commercial, Planning and Employment. Brunswick House is staffed on a day-to-day basis and marketed by HomesforStudents, who operate 15,000 student rooms across the country with a strong reputation for student experience, welfare and security. The property is managed for the Council by Homes for Students who handle all day to day management on a contract running to	**Liquidity / Exit Strategy**	There are no plans to sell currently. The acquisition was not funded by borrowing; however, if required, the property could be sold. There was an active market for the property when it was acquired, and the property market in Cambridgeshire has strong foundations and resilience. Should student accommodation become less viable the Council would investigate alternatives such as residential apartments or accommodation for elderly people.

Acquisition:	Brunswick House		**Date of Acquisition:**	26/07/18	
	2021. Should this contract not be renewed an alternative manager would be procured to continue running Brunswick House as student accommodation.				
If funded by borrowing, why was this required?	N/A		**Explanation of why the Statutory Guidance on local Authority Investments and the Prudential Code have not been adhered to**	N/A	
Cost (£m)	**Funded by Borrowing (£m)**	**Total Interest Costs (£m)**	**Annual Income (£m)**	**Annual Costs (£m)**	**Annual Net Return (£m)**
39.5	-	-	2.4 initially	0.5 initially	1.9 initially
Payback Period (Yrs)	**Net Income Yield (%)**	**Return on Investment (%)**	**Total Return over 25 Years (£m)**	**Internal Rate of Return (%)**	**Net Present Value (£m)**
16.4	4.8 increasing to 6.1	69.6	66.9	4.4	8.3
Additional Investment (£m)	**Current Value (£m)**	**Gain (+) / Loss (-) (£m)**	**Revenue implications of reported loss / Mitigating action**		
The Council is looking to establish a sinking	32.8	-6.7	The reported loss arises partly from the temporary impact of new competition opening in the immediate area, plus the impact of Covid-		

Acquisition:	Brunswick House		**Date of Acquisition:**	26/07/18
fund with at least 1% of net income in order to maintain and improve the property and compete with new entrants to the student accommodation market in Cambridge.			19 (albeit this is also expected to be relatively short-term). As such, occupancy was slightly below 100% for the 2019-20 academic year and fell further in the latter part of 2019-20 as students returned home, reducing the Council's return. However, occupancy for the new academic year currently stands at over 70% and is expected to continue to rise.	

Acquisition:	Cromwell Leisure Park	**Date of Acquisition:**	24/05/2019
Service Objectives	Diversify and increase income streams to the Council, protecting frontline services notwithstanding reducing government grant and rising demand. Inward economic investment: directly supportive to jobs in the leisure sector, supporting the local economy. This is the only large cinema in Wisbech, creating both a significant draw into the town and leisure provision opportunity across the Fenland/west Norfolk/south Lincolnshire sub region. Provides geographic diversity to the portfolio by investment into the most deprived district in the county.	**Assessment of Risks**	Risks include the reliance on rent from the leisure market which has experienced a recent downturn and has been put under further pressure during the pandemic. The investment market for leisure is also quiet at present so there may be a liquidity risk if the Council needed to sell the property. The cinema anchors the Leisure Park investment as a whole, but the cinema industry has been hit very hard due to social distancing issues with Covid-19. However, cinemas had been trading well prior to the pandemic and there is backlog of major film releases that would help restore the sector if social distancing issues can be overcome.
Advisors / Market Research	The Council commissioned Carter Jonas to produce a purchase report which examined the local area, cinema brands, food and beverage markets, the property itself and the relevant surveys and the current leases and service charges. Legal advice on the lease was also obtained from Mills and Reeve LLP.	**Liquidity / Exit Strategy**	There are no plans to sell currently. There are 4 units, with two of the smaller units now vacant. The existing tenants are the Light Cinema, who have a tenancy running to 2039 with a break at 2029; Prezzo Plc with a lease running to 2039 with a break at 2029 and the Restaurant Group (UK) Ltd with a lease running to 2039 and a break

Acquisition:	Cromwell Leisure Park	**Date of Acquisition:**	24/05/2019
			option at 2029. However, the Restaurant Group (UK) Ltd are now under a CVA and will be released and discharged from all remaining covenants at 31 March 2021. In the event of any of the tenants vacating new tenants are sought. It is most likely that the cinema would remain a cinema given that it's fitted out for this purpose and given the lack of local competition. Other leisure uses would be the most likely alternatives to a cinema but would require fitting out. Similarly, the restaurants are likely to remain as restaurants given the lack of local competition, the proximity of a cinema attraction and also the Tesco supermarket nearby. However, the Council has been approached regarding potential other uses; consideration of the mix of use will need to be carefully balanced with any new lettings. The Council also has the option to sell the property though this may be difficult in the current climate for the leisure sector.
If funded by borrowing, why was this required?	The Investment Strategy is clear that the level of income generation being targeted by the Council is unlikely to be supported by capital receipt funded investment alone. The	**Explanation of why the Statutory Guidance on local Authority**	N/A This is an in-county acquisition, supporting the leisure sector in Fenland.

Acquisition:	Cromwell Leisure Park		**Date of Acquisition:**	24/05/2019	
	strong yield of this asset is likely to underpin a funding approach which relies on borrowing.		**Investments and the Prudential Code have not been adhered to**		
Cost (£m)	**Funded by Borrowing (£m)**	**Total Interest Costs (£m)**	**Annual Income (£m)**	**Annual Costs (£m)**	**Annual Net Return (£m)**
7.0	-	-	0.7 initially	0.0 initially	0.7 initially
Payback Period (Yrs)	**Net Income Yield (%)**	**Return on Investment (%)**	**Total Return over asset life (50 Years) (£m)**	**Internal Rate of Return (%)**	**Net Present Value (£m)**
17	10.1 falling to 7.8	206.0	29.1	6.0	5.3
Additional Investment (£m)	**Current Value (£m)**	**Gain (+) / Loss (-) (£m)**	**Revenue implications of reported loss / Mitigating action**		
0.4	7.0	N/A	Asset has not yet been valued at market value as this will be done during the 2020/21 accounts process. Council policy means assets are not revalued until the year after acquisition.		

Acquisition:	Superstore Site, Newmarket Road	**Date of Acquisition:**	15/08/2019
Service Objectives	Diversify and increase income streams to the Council, protecting frontline services notwithstanding reducing government grant and rising demand. Inward economic investment: directly supportive to jobs in the retail sector, supporting the local economy. Site provides the largest supermarket within 2 miles of the city centre and benefits from both considerable scale (e.g. extensive car parking) and diversification opportunities. It is a key selling point for both local residents and also college and university inhabitants and the prospering tourist market. Site is let on a number of continuous leases; the Council believes there is strong residual value in the event the tenant leaves and a replacement is needed, or there is opportunity to completely redevelop the site for housing.	**Assessment of Risks**	Risks are reduced by having a single tenant who is financially sound and trading in a prime area of Cambridge. The BNP Paribas Acquisition Report identifies a potential risk in the lease where Tesco have a "Substitution Clause". Tesco could serve notice to replace the Newmarket Road property with another subject to the replacement complying with terms outlined in the BNP Paribas report (i.e. an investment of equivalent standing). BNP Paribas are of the view that due to the strong levels of trade enjoyed by Tesco at the property, the chances of a trigger event occurring are very low and accordingly don't feel the clause presents a risk to the long leasehold owner.
Advisors / Market Research	BNP Paribas Real Estate provided an acquisition report which included information about the location and accommodation, a lease and income	**Liquidity / Exit Strategy**	There are no plans to sell currently. Tesco's current lease is due to expire in December 2029, however they do have the

Acquisition:	Superstore Site, Newmarket Road	Date of Acquisition:	15/08/2019
	overview and a market commentary and value assessment. The Council also commissioned Birketts LLP as legal advisors for this transaction and to consider in detail the terms of the leases.		option to renew for further periods. There is a risk that Tesco may decide to not renew their lease in the future and stop trading from the Newmarket Road site. Whilst it is perceived unlikely in the short to medium-term, if this decision was taken by Tesco in 2029, we would explore re-letting the property to another retailer who would be interested in leasing the whole site. Alternatively, we could explore reconfiguring the existing unit and site to create smaller individual units which could be rented out on a long-term basis. A third option would be to consider a residential led re-development of the site, given the option to purchase the freehold interest for a nominal amount. The Council also has the option to sell its interest in the property, particularly given the location and tenure on this site.
If funded by borrowing, why was this required?	The Investment Strategy is clear that the level of income generation being targeted by the Council is unlikely to be supported by capital receipt funded investment alone. The strong yield of this asset is likely to underpin a funding approach which relies on borrowing.	**Explanation of why the Statutory Guidance on local Authority Investments and the Prudential Code have not been adhered to**	N/A

Acquisition:	Superstore Site, Newmarket Road		**Date of Acquisition:**	15/08/2019	
Cost (£m)	**Funded by Borrowing (£m)**	**Total Interest Costs (£m)**	**Annual Income (£m)**	**Annual Costs (£m)**	**Annual Net Return (£m)**
54.5	54.5	26.0	2.5 initially	0.1 initially	2.4 initially
Payback Period (Yrs)	**Net Income Yield (%)**	**Return on Investment (%)**	**Total Return over asset life (50 Years) (£m)**	**Internal Rate of Return (%)**	**Net Present Value (£m)**
20	4.6 rising to 5.6	167.9	150.8	4.8	35.4
Additional Investment (£m)	**Current Value (£m)**	**Gain (+) / Loss (-) (£m)**	**Revenue implications of reported loss / Mitigating action**		
0	54.5	N/A	Asset has not yet been valued at market value as this will be done during the 2020/21 accounts process. Council policy means assets are not revalued until the year after acquisition.		

Acquisition:	Kingsbridge Centre, Peterborough	Date of Acquisition:	21/08/2019
Service Objectives	Diversify and increase income streams to the Council, protecting frontline services notwithstanding reducing government grant and rising demand. Inward economic investment: directly supportive to jobs in the industrial sector, supporting the local economy. Whilst this investment is out of county, it is very much located in an area that is intrinsically linked to the Cambridgeshire local economy. Investment also provides opportunity to diversify the portfolio into the industrial/manufacturing sector.	**Assessment of Risks**	Well specified, freehold, self-contained distribution warehouse; originally designed as 5 industrial units, enabling split up and flexibility upon re-letting. The building is extensively fitted out by both occupiers to suit operational needs. One of the tenants is wedded to the building, with significant sunken costs and upgraded power supply, making it difficult for the business to relocate operation. Both tenants have long income to strong covenant ratings with guaranteed rental performance to Oct 2025 and no arrears. There is an acute shortage of available 'oven ready' supply, with the All Industrial void rate the lowest it's been in over a decade and no new speculative development of large warehouses on the horizon. Watts Environmental Phase 1 report concludes a low to medium environmental risk. This is satisfactory for a building in its current industrial use.

Acquisition:	Kingsbridge Centre, Peterborough		**Date of Acquisition:**	21/08/2019	
Advisors / Market Research	DTRE provided an acquisition report which included information about the location and accommodation, a lease and income overview and a market commentary and value assessment. Legal advice was obtained from Birketts LLP.		**Liquidity / Exit Strategy**	There are no plans to sell currently, however if required, the property could be sold. There was an active market for the property when it was acquired, and the industrial sector is currently very tight due to lack of supply, particularly in Peterborough which benefits from good road links.	
If funded by borrowing, why was this required?	The Investment Strategy is clear that the level of income generation being targeted by the Council is unlikely to be supported by capital receipt funded investment alone. The strong yield of this asset is likely to underpin a funding approach which relies on borrowing.		**Explanation of why the Statutory Guidance on local Authority Investments and the Prudential Code have not been adhered to**	This is an out of county acquisition, supporting the industrial sector in Peterborough. Whilst it is out of county, it is very close geographically to the county border and is therefore inextricably linked with the local Cambridgeshire economy.	
Cost (£m)	**Funded by Borrowing (£m)**	**Total Interest Costs (£m)**	**Annual Income (£m)**	**Annual Costs (£m)**	**Annual Net Return (£m)**
12.3	1.6	0.8	0.7 initially	0.0 initially	0.7 initially
Payback Period (Yrs)	**Net Income Yield (%)**	**Return on Investment (%)**	**Total Return over asset life (50 Years) (£m)**	**Internal Rate of Return (%)**	**Net Present Value (£m)**
20	5.9 rising to 7.5	213.5	45.5	5.4	10.8
Additional Investment (£m)	**Current Value (£m)**	**Gain (+) / Loss (-) (£m)**	**Revenue implications of reported loss / Mitigating action**		

Acquisition:	Kingsbridge Centre, Peterborough		**Date of Acquisition:**	21/08/2019
0	12.3	N/A	Asset has not yet been valued at market value as this will be done during the 2020/21 accounts process. Council policy means assets are not revalued until the year after acquisition.	

Acquisition:	Evolution Business Park, Impington	**Date of Acquisition:**	31/01/2020
Service Objectives	Diversify and increase income streams to the Council, protecting frontline services notwithstanding reducing government grant and rising demand. Investing in a site that provide jobs in Cambridgeshire and promotes a thriving local economy.	**Assessment of Risks**	A key risk is the funding arrangements for one tenant, a young but successful company, which currently underpins 45% of the income from the site. The Council does have the option to pursue a further unit (currently being explored), which would help to mitigate some of the tenant risk.
Advisors / Market Research	The Council commissioned a pre-purchase report by Carter Jonas which included review of the locations and site accommodation, lease and tenant reviews and market commentary. Legal advice was obtained from Birketts LLP.	**Liquidity**	There are no plans to sell currently. Investor appetite has been very strong in the area which suggests the site could be sold if required.
If funded by borrowing, why was this required?	The Investment Strategy is clear that the level of income generation being targeted by the Council is unlikely to be supported by capital receipt funded investment alone. The strong yield of this asset is likely to underpin a funding approach which relies on borrowing.	**Explanation of why the Statutory Guidance on local Authority Investments and the Prudential Code have not been adhered to**	N/A

Acquisition:	Evolution Business Park, Impington		Date of Acquisition:	31/01/2020	
Cost (£m)	Funded by Borrowing (£m)	Total Interest Costs (£m)	Annual Income (£m)	Annual Costs (£m)	Annual Net Return (£m)
29.7	29.7	18.2	1.7 initially	0.0	1.7
Payback Period (Yrs)	Net Income Yield (%)	Return on Investment (%)	Total Return over 25 Years (£m)	Internal Rate of Return (%)	Net Present Value (£m)
16	5.7 rising to 6.6	230.5	45.6	6.6	34.8
Additional Investment (£m)	Current Value (£m)	Gain (+) / Loss (-) (£m)	Revenue implications of reported loss / Mitigating action		
0	29.7	N/A	Asset has not yet been valued at market value as this will be done in during the 2020/21 accounts process. Council policy means assets are not revalued until the year after acquisition.		

Treasury Management Strategy

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1: Introduction

Background

The Council is required to operate a balanced budget, which broadly means that the cash raised during the year will meet Council expenditure. The Treasury management operation must ensure that this cash flow is adequately planned, as well as managed, with cash being available when it is needed. Surplus cash should be invested in low risk counterparties or instruments in line with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

Another main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The treasury management function is critical to the Council, as the balance of debt and investment operations ensure liquidity or the ability to meet Council spending obligations as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes

CIPFA has defined treasury management as "the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (the Treasury Code). The adoption is included in the Council's Constitution.

CIPFA Prudential Code for Capital Finance in Local Authorities

The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) is a professional code of practice. Local authorities have a statutory requirement to comply with the Prudential Code when making capital investment decisions and carrying out their duties under Part 1 of the Local Government Act 2003 (Capital Finance etc. and Accounts).

The CIPFA Prudential Code sets out the manner in which capital spending plans should be considered and approved, and in conjunction with this, the requirement for an integrated treasury management strategy.

Councils are required to set and monitor a range of prudential indicators for capital finance, covering affordability, prudence, and a range of treasury indicators.

Treasury Management Policy Statement

The Council's Treasury Management Policy Statement is included in Appendix 2. The policy statement follows the wording recommended by the latest edition of the CIPFA Treasury Code.

Treasury Management Practices

The Council's Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management objectives, and how it will manage and control those activities through its policies.

The Council's TMPs Schedules cover the detail of how the Council will apply the TMP Main Principles in carrying out its operational treasury activities.

The Treasury Management Strategy

It is a requirement under the Treasury Code to produce an annual strategy report on proposed treasury management activities for the year.

The Council's Treasury Management Strategy is drafted in the context of the key principles of the Treasury Code, as follows:

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds.
- They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

The purpose of the Treasury Management Strategy is to establish the framework for the effective and efficient management of the Council's treasury management activity, including the Council's investment portfolio, within legislative, regulatory, and best practice regimes. The Strategy needs to balance risk against reward in the best interests of stewardship of the public purse.

The Treasury Management Strategy incorporates:

- The Council's capital financing and borrowing strategy for the coming year
- The Council's policy on the making of the Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008.
- The Affordable Borrowing Limit as required by the Local Government Act 2003.
- The Annual Investment Strategy for the coming year as required by the Ministry of Housing, Communities and Local Government (MHCLG) revised Guidance on Local Government Investments updated in 2018.

The Strategy takes into account the impact of the Council's Medium Term Financial Strategy (MTFS), its revenue budget and capital programme, the balance sheet position and the outlook for interest rates.

The Treasury Management Strategy also includes the Council's:

- Policy on borrowing in advance of need

- Counterparty creditworthiness policies

The main changes from the Treasury Management Strategy adopted last year by Council in February 2020 and updated in July 2020 are:

- Updates to interest rate forecasts
- Updates to debt financing budget forecasts
- Updates to the Council's Annual Investment Strategy in line with best practice guidance and to reflect the Council's current strategy

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. The Treasury Management Scheme of Delegation is shown in Appendix 1.

2: Current Treasury Management position

The Council's projected treasury portfolio position at 31 March 2021, with forward estimates, is summarised below. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing. The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.

Any capital expenditure which has not immediately been paid for, will increase the CFR. The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life. This is shown in graphical form in Appendix 1. The CFR and borrowing figures shown in Table 1 below include borrowing undertaken or planned for third party loans and Finance Lease liabilities, but excludes PFI schemes for which a separate borrowing facility forms part of the contracts and so the Council does not need to borrow itself for these.

The Council's projected borrowing need, alongside forecast external borrowing and investment balances, is shown in the Tables 1 and 2 below:

Table 1: Forecast Borrowing and Investment Balances

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
External borrowing						
Borrowing at 1 April brought forward	767.9	825.0	890.0	955.0	970.0	960.0
Net Borrowing Requirement to fund capital programme (see Table 2 below)	57.7	55.1	61.1	17.2	-7.8	-22.1
Internal borrowing (increase (-)/reduction)*	-0.5	9.9	3.9	-2.2	-2.2	-2.9
(1) Actual borrowing at 31 March carry forward	825.0	890.0	955.0	970.0	960.0	935.0
(2) CFR (ex. PFI) – the borrowing need	944.1	999.2	1,060.3	1,077.5	1,069.7	1,047.6
(3) *[2 – 1]* Internal borrowing*	119.1	109.2	105.3	107.5	109.7	112.6
Investments						
Investments at 1 April	66.9	92.4	92.4	92.4	92.4	92.4
In Year Movements	25.5	0.0	0.0	0.0	0.0	0.0
(4) Investments at 31 March	92.4	92.4	92.4	92.4	92.4	92.4
(5) *[1 – 4]* Net borrowing	917.4	982.4	1,047.4	1,062.4	1,052.4	1,027.4

**Internal Borrowing, also referred to as Under/Over Borrowing, is temporarily funding capital spending from cash-backed resources (reserves and cashflow timing surpluses) to hand. This avoids interest payments by deferring the need to borrow externally, reduces investment balances that would otherwise earn a rate of return lower than the cost of additional borrowing therefore minimising net interest expenses, and consequently less investments reduces the Councils exposure to credit risk. Internal Borrowing is discussed further in Section 4 Borrowing Strategy.*

Table 2: Capital Borrowing Requirement

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Unsupported Borrowing – General Fund	52.2	74.0	82.3	41.3	15.0	4.0
Unsupported Borrowing – Housing*	30.6	1.7	0.0	0.0	3.0	0.0
Less: MRP and other financing movements	-25.1	-20.7	-21.3	-24.0	-25.8	-26.0
Net Borrowing Requirement to fund Capital Programme	57.7	55.1	61.1	17.2	-7.8	-22.1

** Loans raised by the Council for the purposes of on-lending to its wholly owned housing development company, This Land, will be classified as capital expenditure and therefore increase the Capital Financing Requirement. However, as these loans will be repaid in full in later years, no MRP will be charged on this borrowing.*

Within the set of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross borrowing does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for current and next two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes except to cover short-term cash flows.

The Chief Finance Officer (Section 151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties over the life of the current MTFS. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3: Prospects for interest rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on short and longer-term interest rates as summarised in the following table.

LINK GROUP RATE VIEW											
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23
Bank Rate View	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
5yr PWLB	0.80%	0.80%	0.80%	0.80%	0.80%	0.90%	0.90%	0.90%	0.90%	0.90%	1.00%
10yr PWLB	1.10%	1.10%	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%	1.20%	1.20%	1.30%
25yr PWLB	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.70%	1.80%
50yr PWLB	1.30%	1.30%	1.40%	1.40%	1.40%	1.40%	1.50%	1.50%	1.50%	1.50%	1.60%

The above forecast follows the conclusion of the review of Public Works Loan Board (PWLB) margins over gilt yields on 25/11/20; all forecasts have been reduced by 1%. These are forecasts for certainty rates, gilt yields plus 80 basis points.

The coronavirus outbreak has resulted in significant economic damage to economies around the world, including the United Kingdom. After the Bank of England took emergency action in March to cut the Bank Rate to first 0.25%, and then to 0.10%, the Bank Rate was left unchanged at subsequent meetings to 5th November, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear of his view that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in the Bank Rate is expected as economic recovery is expected to be gradual and therefore prolonged.

Gilt yields / PWLB rates

There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession. Conversely, bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked during the financial crisis in March, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started significant quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.

As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment and borrowing rates

Investment returns are likely to remain exceptionally low during 2021/22 with little increase in the following two years.

Borrowing interest rates fell to historically very low rates as a result of the coronavirus crisis and the quantitative easing operations of the Bank of England: gilt yields up to 6 years were negative during most of the first half of 2020/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 basis points in PWLB rates on top of the then current margin over gilt yields of 80 basis points in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure. It also introduced the following rates for borrowing for different types of capital expenditure:

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60 basis points (G+60bps)

As a consequence of these increases in margins, many local authorities decided to refrain from PWLB borrowing unless it was for HRA or local infrastructure financing, until such time as the review of margins was concluded. On 25/11/20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows:

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60 basis points (G+60bps)

As PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, greater value can be obtained in borrowing for shorter maturity periods so the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could also be undertaken for the purpose of certainty, or for flattening the profile of a heavily unbalanced maturity profile.

While this authority will not be able to avoid borrowing to finance new capital expenditure and to replace maturing debt, there will be a cost of carry (the difference between higher borrowing costs and lower investment returns) to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

4: Borrowing strategy

The overarching objectives for the borrowing strategy are as follows:

- To manage the Council's debt maturity profile.
- To maintain a view on current and possible future interest rate movements, and to plan borrowing accordingly.
- To monitor and review the balance between fixed and variable rate loans against the background of interest rates and the Prudential Indicators.
- Reduce reliance on one source of funding and review all alterative options available, including forward loan agreements.
- Continue to support UK Municipal Bonds Agency (MBA) bond issuance programme.
- Provide value for money and savings where possible to meet budgetary pressures.

The Council is currently maintaining an internally borrowed cash position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt. Instead, cash supporting the Council's reserves, balances, and positive cash flow has been used as an alternative, temporary measure. This strategy is prudent as investment returns are relatively low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The Section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. However, the decision to maintain internal borrowing will be evaluated against the potential for incurring additional long-term borrowing costs in later years, when long-term interest rates are forecast to be significantly higher.

If a significant risk of a sharp fall in long and short-term rates materialises (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long-term borrowings will be postponed, and potential rescheduling from fixed rate funding into short-term borrowing will be considered.

If a significant risk of a much sharper rise in long and short-term rates materialises than that currently forecast (e.g. perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks), then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

In November 2019 the Council secured approval for £61m worth of discounted Local Infrastructure Rate funding via the PWLB to support clean energy work in Cambridgeshire in relation to the following projects:

- Five projects in our energy investment programme. These are primarily solar photovoltaic and battery storage projects across our assets. They are being developed to address major challenges our antiquated electricity grid is having which impact housing and business growth in the county, as well as limiting our ability to increase the amount of local, low carbon generation capacity.

- Three projects for community energy infrastructure. Swaffham Prior will be the first to retrofit an existing rural, off-gas community with a low carbon district heating scheme. Once built, the St Ives Smart Energy Grid would be the largest solar canopy project of its kind in the UK. One novel component is the Business Support Program offering which will pass along our lessons learned to the clean tech sector, assisting in wider uptake. And finally, ongoing energy efficiency and energy generation programme in schools. In this phase, we'll be exploring how to turn some schools into energy centres, supplying themselves and their communities with low carbon heat.

In March 2020, £8m of borrowing was drawn down at a rate of 1.45%, with the remainder of the borrowing expected to be accessed during 2020/21.

Prudential & Treasury Indicators

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their prudential indicators.

A full set of prudential indicators and borrowing limits are shown in Appendix 3.

Policy on borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance of need will be within the forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance will be considered within the following constraints:

Year	Max. Borrowing in advance	Notes
2021/22	100%	Borrowing in advance will be limited to no more than the expected increase in borrowing need (CFR) over the period of the approved Medium Term Capital Programme, a maximum of 3 years in advance.
2022/23	50%	
2023/24	25%	

The risks associated with any borrowing in advance activity will be subject to prior appraisal. Any advance borrowing undertaken will be reported in Treasury Management update reports.

Debt rescheduling

As short-term borrowing rates will be considerably cheaper than longer-term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term borrowing to short-term borrowing. However, these savings will need to be considered in the light of the current treasury position and in the current economic climate the substantial exit costs of any debt repayment.

The reasons for any rescheduling to take place will include:

- The generation of cash savings and/or discounted cash flow savings.
- Helping to fulfil the treasury strategy.
- Enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Any rescheduling activity undertaken will be reported to the General Purposes Committee (GPC), at the next quarterly report following its action.

5: Minimum Revenue Provision

The Council is required to repay an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if desired (Voluntary Revenue Provision - VRP).

MHCLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the MRP Policy in Appendix 4.

The Council, in conjunction with its Treasury Management advisors, considers the MRP policy to be prudent.

6: Investment strategy

Government Guidance on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set. The Guidance permits the Treasury Management Strategy Statement (TMSS) and the AIS to be combined into one document.

The Council's general policy objective is to invest its surplus funds prudently. As such the Council's investment priorities in priority order are:

- the security of the invested capital
- the liquidity of the invested capital

- the yield received from the investment

The Council's Annual Investment Strategy (AIS) is shown in Appendix 5.

7: Risk Analysis and Forecast Sensitivity

Risk Management

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Treasury management risks are identified in the Council's approved Treasury Management Practices. The main risks to the treasury activities are:

- Credit and counterparty risk (security of investments)
- Liquidity risk (adequacy of cash resources)
- Interest rate risk (fluctuations in interest rate levels)
- Exchange rate risk (fluctuations in exchange rates)
- Refinancing risks (impact of debt maturing in future years)
- Legal and regulatory risk (non-compliance with statutory and regulatory requirements)
- Fraud, error and corruption, and contingency management (in normal and business continuity situations)
- Market risk (fluctuations in the value of principal sums)

The TMP Schedules set out the ways in which the Council seeks to mitigate these risks. Examples are the segregation of duties (to counter fraud, error and corruption), and the use of creditworthiness criteria and counterparty limits (to minimise credit and counterparty risk).Council officers, in conjunction with the treasury advisers, will monitor these risks closely.

Sensitivity of the Forecast

The sensitivity of the forecast is linked primarily to movements in interest rates and in cash balances, both of which can be volatile. Interest rates in particular are subject to global external influences over which the Council has no control.

Both interest rates and cash balances will be monitored closely throughout the year and potential impacts on the Council's debt financing budget will be assessed. Action will be taken as appropriate, within the limits of the TMP Schedules and the treasury strategy, and in line with the Council's risk appetite, to keep negative variations to a minimum. Any significant variations will be reported to GPC as part of the Council's regular budget monitoring arrangements.

8: Reporting arrangements

Capital Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes requires local authorities to prepare a capital strategy report which provides the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the capital strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

The Council's Capital Strategy is reported separately from the Treasury Management Strategy Statement within the Business Plan and reports on non-treasury investments. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy on commercial investments usually driven by expenditure on an asset. The Capital Strategy demonstrates:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- For non-loan type investments, the cost against the current market value;
- The risk associated with each activity.

For non-treasury investment where a physical asset is being bought, details of market research, advisors used (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there is also an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.

If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the Capital Strategy.

The Capital Strategy will also consider the proportionality between the treasury investments shown throughout this report and non-treasury investments.

Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:

a) **Prudential and treasury indicators and treasury strategy (this report)** - The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b) **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, GPC will receive quarterly update reports.

c) **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

The above reports are required to be adequately scrutinised before being recommended to Council. This role is undertaken by the Section 151 Officer & GPC.

9: Treasury Management Budget

The table below provides a breakdown of the treasury management budget at January 2021. Key assumptions behind the 2021/22 budget estimates are:

- Average rates achievable on short-term investments will be 0.21%, the average net return on the Council's long-term CCLA property fund treasury management investment will be 3.5% and the average return on multi-class asset will be 3.8%.
- New and replacement borrowing to fund the capital programme will be financed by a mixture of short to medium-term borrowing, at rates equating to between 1.5% and 2.5% over the medium-term.
- The MRP charge is in line with the Council's MRP policy.

	2020/21 Forecast £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Interest payable	19.1	21.4	23.6	25.4	26.6	27.5
MRP	16.6	18.6	21.3	24.0	25.8	26.0
Interest receivable	-0.6	-0.8	-0.8	-0.8	-0.8	-0.8
Interest Transferred to C&I	0.6	0.7	0.7	0.7	0.7	0.7
Debt Management Expenses	0.6	0.5	0.5	0.5	0.5	0.5
Net Interest expenses recharged to Service	-5.1	-6.6	-6.7	-7.5	-10.3	-9.1
Technical adjustments	0.1	0.1	0.1	0.1	0.1	0.1
Sub Total	**31.3**	**34.0**	**38.8**	**42.4**	**42.7**	**45.0**
Capitalised Interest	-2.5	-2.2	-1.5	-1.8	-0.9	-0.3
Grand Total	**28.9**	**31.8**	**37.2**	**40.6**	**41.8**	**44.7**

10: Policy on the use of external service providers/consultant

The Council’s external treasury management advisors are Link Group, Treasury solutions. Link was awarded a 2 year contract, with the option to extend for up to 2 further years, following a formal procurement exercise during 2019/20.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, the Council’s treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The scope of investments within the Council’s operations now includes both conventional treasury investments (the placing of residual cash from the Council’s functions) and more commercial type investments, such as investment properties. Commercial type investments may require specialist advice, and therefore the Council will undertake appropriate due-diligence by appointing specialist advisers on a case-by-case basis.

11: Future developments

Local Authorities are having to consider innovative strategies towards improving service provision to their communities. This approach to innovation also applies to councils’ treasury management activities. The Government is introducing new statutory powers and policy change which will have an impact on treasury management approaches in the future. Examples of such changes are:

a) Localism Act

A key element of the Act is the “General Power of Competence”: “A local authority has power to do anything that individuals generally may do.” The Act opens up the possibility that a local authority can use derivatives as part of their treasury management operations. However the legality of this has not yet been tested in the courts even though CIPFA have set out a framework of principles for the use of derivatives in the Treasury Management Code and guidance notes. The Council has no plans at this point to use financial derivatives under the powers contained within this Act.

b) Loans to Third Parties

The Council may borrow to make grants or loans to third parties for the purpose of capital expenditure, as allowable under paragraph 25 (1) (b) of the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 (Statutory Instrument No. 3146). This will usually be to support local economic development, and may be funded by external borrowing.

A framework within which the Council may consider advancing loans to third party, not for profit, organisations is shown in Appendix 6.

In addition, the following material projects in this respect are under way:
This Land – loans issued at commercial rates, to facilitate the construction of residential housing in Cambridgeshire.

c) UK Municipal Bonds Agency (MBA)

The MBA raised £6m share capital from 56 local authorities, including Cambridgeshire County Council, plus the Local Government Association to launch an agency to issue bonds in the capital markets on behalf of local authorities across the country and at lower rates than available from the PWLB.

The November 2020 reduction in margin over gilts for PWLB rates by 100 basis points on local authorities' loans means that UK MBA is now a less favourable an option than it had been in comparison to higher PWLB rates; however, the Council may make use of this new source of borrowing as and when appropriate.

d) Impact of IFRS 9

An important consideration when assessing current and future investment policy is the implementation of accounting standard IFRS 9 in the Local Authority Code of Practice. A key element of this standard is the move away from assessing risk based on incurred losses on financial assets (i.e. an event that has happened) to expected loss (i.e. the likelihood of loss across the asset lifetime). Whilst this will not materially impact upon traditional treasury investments, the standard also encompasses other investment areas including: loans to third parties, subsidiaries, or longer dated service investments. The expected credit loss model requires local authorities to make provision for these potential losses having assessed the asset with regard to the due diligence undertaken prior to investment, the nature of any guarantees, and subsequent regular updates.

The Council has made the following material loan agreement with third parties:

- This Land – loans at commercial rates to facilitate the construction of residential housing in Cambridgeshire.

A revenue provision may be required to be set aside in future depending on the risk assessment of the investment.

In addition to the above, the new standard requires changes to the recognition and subsequent valuation treatment of certain investment products. These instruments include property and equity, but also service investments that give rise to cashflows that are not solely payments of principal and interest (SPPI) on the principal outstanding. MHCLG introduced a five year statutory override allowing Councils to reverse any revenue impact of pooled fund valuation gains and losses. MHCLG were not minded to make this statutory override permanent, and will keep it under review.

12: Training

A key outcome of investigations into local authority investments following the credit crisis has been an emphasis on the need to ensure appropriate training and knowledge in relation to treasury management activities, for officers employed by the Council, in particular treasury management staff, and for members charged with governance of the treasury management function.

Link Group run training events regularly which are attended by the Treasury Team. In addition, members of the team attend national forums and practitioner user groups.

Treasury Management training for committee members will be delivered as required to facilitate informed decision making and challenge processes.

13: List of appendices

Appendix 1: Treasury Management Scheme of Delegation and Role of Section 151 Officer
Appendix 2: Treasury Management Policy Statement
Appendix 3: Prudential and Treasury Indicators
Appendix 4: Minimum Revenue Provision (MRP) Policy Statement
Appendix 5: Annual Investment Strategy
Appendix 6: Third Party Loans Policy

Appendix 1: Treasury Management Scheme of Delegation and role of the Section 151 Officer

The Scheme of Delegation

Full Council:

- Approval of annual strategy and mid-year update to the strategy.
- Approval of the annual Treasury Management report.
- Approval of the Treasury Management budget.

General Purposes Committee:

- Approval of the Treasury Management quarterly update reports.
- Approval of the Treasury Management outturn report
- Scrutiny of performance against the Strategy.

Commercial and Investments Committee:

- Management of the Council's non-financial Investment Strategy

The Treasury Management role of the Section 151 Officer

The Council's Deputy Chief Executive & Chief Finance Officer (CFO) is the officer designated for the purposes of Section 151 of the Local Government Act 1972 as the Responsible Officer for treasury management at the Council.

The Council's Financial Regulations delegates responsibility for the execution and administration of treasury management decisions to the CFO, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The CFO has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.

The CFO may delegate his power to borrow and invest to members of his staff.

The CFO is responsible for:

- Ensuring that the schedules to the Treasury Management Practices (TMPs) are fully reviewed and updated annually and monitoring compliance to the Treasury Management in the Public Services: Code of Practice and Guidance Notes;
- Ensuring that the Council's Treasury Management Policy is adhered to, and if not, bringing the matter to the attention of elected members as soon as possible.
- Submitting regular treasury management reports to GPC and Council;
- Submitting debt financing revenue budgets and budget variations in line with the Council's budgetary policies;
- Receiving and reviewing treasury management information reports;
- Reviewing the performance of the treasury management function and promoting value for money;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Recommending the appointment of external service providers (e.g. treasury management advisors) in line with the approval limits set out in the Council's procurement rules;
- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe.
- Ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long-term and provides value for money.
- Ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority.
- Ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing.
- Ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources.
- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities.

- Provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees.
- Ensuring that members are adequately informed and understand the risk exposures taken on by an authority.
- Ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.
- Creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed.

Appendix 2: Treasury Management Policy Statement

This organisation defines its treasury management activities as:

“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management

Appendix 3: Prudential and Treasury Indicators

1: The Capital Prudential Indicators

The Council's capital expenditure plans are the key driver of Treasury Management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure. This prudential indicator shows the Council's capital expenditure plans; both those agreed previously, and those forming part of this budget cycle. Capital expenditure excludes spend on Private Finance Initiatives (PFI) and leasing arrangements, which are shown on the balance sheet.

The table below summarises the capital expenditure plans which give rise to a net financing need (borrowing). Detailed capital expenditure plans are set out in the Capital Strategy.

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Net Borrowing Requirement to fund Capital Programme	57.7	55.1	61.1	17.2	-7.8	-22.1

The Council's borrowing need (the Capital Financing Requirement). The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

Following accounting changes, the CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

	2020/21 Projected £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Capital Financing Requirement (CFR)						
Total CFR	944.1	999.2	1060.3	1077.5	1069.7	1047.6
Movement in CFR	57.7	55.1	61.1	17.2	-7.8	-22.1
Movement in CFR represented by:						
Unsupported Capital Expenditure (Prudential Borrowing) in capital programme	82.8	75.8	82.3	41.3	18.0	4.0
Less: MRP and other financing movements	-25.1	-20.7	-21.3	-24.0	-25.8	-26.0
Movement in CFR	57.7	55.1	61.1	17.2	-7.8	-22.1

The authorised limit for external borrowing. A key prudential indicator, this represents a control on the maximum level of borrowing and the legal limit beyond which external borrowing is prohibited. This limit is set by and can only be amended by full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term. The limit represents the total CFR (assumed fully funded by borrowing) - including any other long-term liabilities (e.g. PFI schemes, finance leases) though these types of scheme including a borrowing facility and so the Council is not required to separately borrow for them - plus a margin to accommodate any unplanned adverse cashflow movements.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
The Council is asked to approve the following Authorised Limit:

Authorised Limit	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Total Borrowing	1,074	1,129	1,190	1,208	1,200

The operational boundary. This is the operational limit, set deliberately lower than the authorised limit, beyond which external debt is not normally expected to exceed. The limit represents the total CFR (assumed fully funded by borrowing) - including any other long-term liabilities (e.g. PFI schemes, finance leases) though these types of scheme including a borrowing facility and so the Council is not required to separately borrow for them - plus a margin to accommodate any unplanned adverse cashflow movements. This limit acts as an early warning indicator should borrowing be approaching the Authorised Limit. This limit may be breached on occasion under normal circumstances, but sustained or regular breaches should trigger a review of borrowing levels.

Operational Boundary	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Total Borrowing	1,044	1,099	1,160	1,178	1,170

2: Treasury Management limits on activity

There are four debt and investment related treasury activity limits. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates.
- Maturity structure of borrowing. These gross limits are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The interest rate exposure is calculated a percentage of net debt. Due to the mathematical calculation exposures could be greater than 100% of below zero (i.e. negative) depending on the component parts of the formula. The formulas are shown below:

Fixed rate calculation:

Fixed rate borrowing – fixed rate investments
Total borrowing – total investments

Variable rate calculation:

Variable rate borrowing** – fixed rate investments
Total borrowing – total investments

**defined as less than 1 year to remaining to maturity, or in the case of LOBO borrowing, the next call date falling within 12 months.

Limits on Interest Rate Exposure	2021/22	2022/23	2023/24	2024/25	2025/26
	Upper	Upper	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	150%	150%	150%	150%	150%
Limits on variable interest rates based on net debt	65%	65%	65%	65%	65%

The maturity structure of borrowing indicator represents the borrowing falling due in each period expressed as a percentage of total borrowing. These gross limits are set to manage the Council's exposure to sums falling due for refinancing or repayment.

Maturity Structure of Borrowing			
	Lower	Upper	30/10/2020 Comparator
Under 12 months	0%	80%	33%
12 months to 2 years	0%	50%	18%
2 years to 5 years	0%	50%	6%
5 years to 10 years	0%	50%	9%
10 years and above	0%	100%	34%

The Treasury Management Code of Practice Guidance notes require that maturity is determined by the earliest date on which the lender can require repayment, which in the case of LOBO loans, is the next break point.

Total principal funds invested for periods longer than 365 days. The Council is asked to approve the following treasury indicator limits for total principal funds that may be invested for periods greater than 365 days. The limits are set with regard to the Council's liquidity requirements to reduce the risk of need for early liquidation of investment, and are based on the medium/long-term availability of resources after each year end.

Maximum principal sums invested for periods longer than 365 days					
	2021/22	2022/23	2023/24	2024/25	2025/26
Limit (£m)	50	50	50	50	50

3: Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework is an indicator required to assess the affordability of the capital investment plans. This provides an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicator:

Actual and estimates of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in this budget report.

This is calculated as the estimated net financing costs for the year divided by the amounts to be met from government grants and local tax payers.

Actual and estimates of financing costs to net revenue stream						
	2020/21 Estimate %	2021/22 Estimate %	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %
Financing costs to net revenue stream	8.4	8.8	9.7	10.3	10.8	10.9

Appendix 4: Minimum Revenue Provision Policy Statement

Policy statement

The Council is required to repay an element of the accumulated General Fund capital spend each year (Capital Financing Requirement - CFR) through a revenue charge (Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if required.

The Ministry for Housing, Communities and Local Government (MHCLG) have issued regulations that require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to Councils in the guidance with the underlying principle that a prudent provision is made. A formal review of this Policy is to be undertaken every five years with the next review due in January 2021. Due to capacity issues, in part as a result of the additional work required by the ongoing pandemic, it is likely that this review will be delayed by one year to January 2022. This will allow a detailed review to be undertaken during 2021, in conjunction with the Council’s treasury advisors.

Historic debt liability accumulated up to 31st March 2010

Up until 2014/15, the proportion of provision that related to historic debt liability accumulated up to 31st March 2010 was calculated using Option 1 of MHCLG Guidance (the ‘Regulatory Method’). This method is based upon 4% of the CFR adjusted for ‘Adjustment A’ (the difference between the old credit ceiling system and the introduction of the Capital Financing Requirement). A reducing balance calculation means that debt liability is never entirely repaid, and the amount of debt equal to ‘Adjustment A’ (for this Council £2.133m) is not provided for at all. In January and February 2016, General Purposes Committee (GPC) considered a number of potential alternative methodologies. These covered both annuity and straight-line options, calculated over an average life of up to 50 years.

After considering the range of options available, a change in policy was introduced from 2015/16. The method chosen to replace the “Regulatory Method” for historic debt liability accumulated up to 31st March 2010 and that remained outstanding at 31st March 2015 was an annuity calculation, but one directly linked to the remaining life of the assets the debt liability had funded (held on the Council's balance sheet). This directly relates the cost of financing those assets with their expected useful life, thereby aligning costs with benefits and is allowable under the MHCLG Guidance. This approach will continue to be applied.

Debt liability accumulated from 1st April 2010

Prudent provision for any subsequent borrowing from 1st April 2010 onwards will be calculated using Option 3 of MHCLG Guidance (the 'Asset Life Method') on a straight line basis, in line with estimates for the expected useful life of the asset financed by debt. Estimated life periods will be determined under delegated powers. In view of the variety of types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. MRP will be charged from the financial year after the asset becomes operational.

The determination as to which schemes shall be deemed to be financed from available capital resources and those which will remain as an outstanding debt liability to be financed by borrowing or other means will be assessed under delegated powers.

Third Party Loans

The only exception to these rules are loans classified as capital expenditure and raised by the Council for the purposes of funding third party loans. No MRP will be charged on this debt liability as the loans will be repaid in full in later years. This approach will be reviewed on a loan by loan basis annually to ensure this remains a prudent approach, otherwise MRP charge may be introduced.

Share/Equity Capital

The Council may invest in share and equity investments, either directly or through collective pooled funds. These investments will usually be treated as capital expenditure and in such cases, where these investments are funded by unsupported borrowing, MRP charges will be considered on a case-by-case prudent basis.

Private Finance Initiatives (PFI)

For assets acquired by leases, contracts or Private Finance Initiatives, the element of the annual charge that goes to write down the balance sheet liability will be applied as MRP.

Appendix 5: Annual Investment Strategy

1: Investment policy

MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments managed by the treasury management team. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

The Council's appetite for risk must be clearly identified in its strategy report. The Council affirms that its investment policies are underpinned by a strategy of prudent investment of funds held on behalf of the local community. The objectives of the investment policy are firstly the security of funds (protecting the capital sum from loss) and then liquidity (keeping money readily available for expenditure when needed). Once approved levels of security and liquidity are met, the Council will seek to maximise yield from its investments, consistent with the applying of the agreed parameters. These principles are carried out by strict adherence to the risk management and control strategies set out in the TMP Schedules and the Treasury Management Strategy.

Responsibility for risk management and control lies within the Council and cannot be delegated to an outside organisation. Investment instruments identified for use in the financial year are listed in section 7 under the 'Specified' and 'Non-Specified' Investments categories.

Council's in-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that the Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that the Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment returns expectations. The Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long term forecast is for periods over 10 years in the future):

Average earnings in each year	
2020/21	0.10%
2021/22	0.10%
2022/23	0.10%
2023/24	0.10%
2024/25	0.25%
Long term later years	2.00%

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to major uncertainty due to the virus and how quickly successful vaccines may be widely administered to the population. It may also be affected by the deal agreed as part of Brexit.

- There is relatively little UK domestic risk of increases or decreases in Bank Rate, or significant changes in shorter term PWLB rates.

- The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

Negative investment rates. While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

2: Creditworthiness policy

The Council's counterparty and credit risk management policies and its approved instruments for investments are set out below. These, taken together, form the fundamental parameters of the Council's Investment Strategy.

The Council defines high credit quality in terms of investment counterparties as those organisations that:

- Meet the requirements of the creditworthiness service provided by the Council's external treasury advisors and;
- UK banking or other financial institutions, or are;
- UK national or local government bodies, or are;
- Countries with a sovereign ratings of -AA or above, or are;
- Triple-A rated Money Market funds.

The creditworthiness service provided by the Council's external treasury advisors applies a modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS – a traded insurance policy market against default risk) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted calculation with an overlay of CDS spreads, to determine suggested duration for investment. The Council will apply these suggested duration limits to it investments at all times, unless otherwise approved by the Chief Finance Officer.

Investments held in a multi-class credit fund are diversified across investment grade and high-yielding credit in accordance with the Council's treasury management objectives and appetite for risk.

The Council makes arrangements for monitoring of the more ‘liquid’ non-specified investments through professional advice, including from an independent investment advisor, from time-to-time. These arrangements are overseen by the Investment Group established by the Commercial & Investment Committee.

All credit ratings are monitored daily. The Council is alerted to changes to ratings of all three agencies through its external treasury advisors. If a rating downgrade results in the counterparty or investment scheme no longer meeting the Council’s minimum criteria, its further use as a new investment will be withdrawn immediately. In addition to the use of credit ratings the Council is advised of information in movements in CDS spreads against benchmark data and other market information on a daily basis and extreme market movements (which may be an early indicator of financial distress) may result in downgrade of an institution or removal from recommended investment.

Sole reliance will not be placed on the use of the Council’s external treasury advisors creditworthiness service. In addition the Council will also use market data, financial press and information on any external support for banks to help support its decision making process.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times, and as such the Chief Finance Officer shall have the discretion during the year to lift or increase the restrictions on the counterparty list and or to adjust the associated lending limits on values and durations should it become necessary, to enable the effective management of risk in relation to its investments.

3: Sovereign Limits

Expectation of implicit sovereign support for banks and financial institutions in extraordinary situations has lessened considerably in the last couple of years, and alongside that, changes to banking regulations have focussed on improving the banking sectors resilience to financial and economic stress.

The Council has determined that it will only use approved counterparties from overseas countries with a sovereign credit rating from the three main ratings agencies that is equal to or above AA-. Banks domiciled in the UK are exempt from this minimum sovereign credit rating, so may be used if the sovereign rating of the UK fall below AA-.

The list of countries that qualify using these credit criteria as at December 2020 are shown below. This list will be amended by officers should ratings change in accordance with this policy.

AAA	AA+	AA	AA-
Australia	Canada	Abu Dhabi (UAE)	Belgium
Denmark	Finland	France	Hong Kong
Germany	USA		Qatar
Luxembourg			UK
Netherlands			
Norway			
Singapore			
Sweden			
Switzerland			

4: Banking services

Following a competitive tender exercise and the completion of the contract standstill period in December 2019, the Council completed the switching of Banker on 5 October 2020 from Barclays Bank to NatWest Bank. The Council will continue to use Barclays until February/March 2020 to process limited, residual transactions.

The Council may continue to use its own bankers for transactional purposes if the credit rating of the institution falls below the above minimum criteria, however, balances will be minimised in both monetary size and time invested.

5: Investment position and use of Council's resources

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

Investments will be made with reference to core balances, cash flow requirements and the outlook for interest rates.

For its cash flow generated balances, the Council will seek to utilise its business banking reserve account and notice accounts, money market funds (CNAV, LVNAV and VNAV) and short-dated term deposits in order to benefit from the compounding of interest.

6: Specified investments

The Council assesses that an investment is a specified investment if all of the following criteria apply:

- The investment is **denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.**
- The investment is **not a long-term investment (i.e. up to 1 year).**
- The making of the investment is **not defined as capital expenditure** by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended].
- The investment is **made with a body or in an investment scheme of high credit quality** (see below) or with one of the following public-sector bodies:
    - The United Kingdom Government.
    - A local authority in England or Wales (as defined under section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland.
    - High credit quality is defined as a minimum credit rating as outlined in this strategy.

Specified investment instruments approved for use are:

Instrument	Minimum 'High' Credit Criteria	Maximum Amount
Debt Management Agency Deposit Facility (DMADF)	UK sovereign rating	No maximum
UK Government Gilts / Treasury Bills	UK sovereign rating	
Certificate of Deposits & Notice Accounts	Per Treasury Advisors creditworthiness service	£10m per individual/group in total
Term Deposits - Banks and Building Societies	Per Treasury Advisors creditworthiness service	
Term Deposits - Local Authorities and Housing Associations	Considered on an individual basis	
Bank Call/Instant Access Accounts	Per Treasury Advisors creditworthiness service	£20m per individual/group in total
Collateralised Deposit / Covered Bonds	AAA	
Bonds issued by multilateral development banks	AAA / UK sovereign rating	
Bond issuance issued by a financial institution which is explicitly guaranteed by UK Government (e.g. National Rail)	UK sovereign rating	
Sovereign bond issues (other than the UK Govt)	AAA / UK sovereign rating	
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):		
1. Money Market Funds (CNAV, LVNAV or VNAV)	AAA MMF rating	£20m per individual/group in total
2. Bond Funds	Considered on an individual basis	
3. Gilt Funds	Considered on an individual basis	

The Council may enter into forward agreements up to 3 months in advance of the investment commencing. If forward agreements are made, the forward period plus the deal period should not exceed the 1 year to be classified as a specified investment.

Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is compounded by the counterparty to the principal investment amount. In such instances the interest amounts will be withdrawn as soon as reasonably practicable.

The counterparty limit with the Council's corporate bank may be utilised over and above the set counterparty limit on an overnight basis if cash surpluses are identified as a result of unexpected receipts of income after the day's dealing position is closed. This occurs when the timing for receipt of funds is uncertain, for example the sale of a property. In such instances, funds will be withdrawn to bring the Councils exposure back in line with the approved counterparty limit as soon as reasonably practicable and invested elsewhere in line with this strategy.

7: Non-specified investments

Non-specified investments are defined as those not meeting the specified investment criteria above, which includes investments for over 1 year.

Given the additional risk profile associated with non-specified investment, the Council may consult with its external treasury advisors before undertaking such investments where appropriate.

Non-specified investment instruments approved for use are:

Instrument	Minimum 'High' Credit Criteria	Maximum Amount
UK Government	Government backed	No maximum
Certificate of Deposits & Notice Accounts	Per Treasury Advisors creditworthiness service	£10m per individual/group in total
Term Deposits - Banks and Building Societies	Per Treasury Advisors creditworthiness service	
Term Deposits - Local Authorities and Housing Associations	Considered on an individual basis	
Collateralised Deposit / Covered Bonds	AAA	£20m per individual/group in total
Bonds issued by multilateral development banks	AAA / UK sovereign rating	
Bond issuance issued by a financial institution which is explicitly guaranteed by UK Government (e.g. National Rail)	UK sovereign rating	
Sovereign bond issues (other than the UK Govt)	AAA / UK sovereign rating	
Corporate Bond / Equity Holdings	Considered on an individual basis	£10m per individual/group in total
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):		
Property Funds	Considered on an individual basis	£20m per individual/group in total
Infrastructure Funds	Considered on an individual basis	
Diversified Income / Multi Asset Funds	Considered on an individual basis	

Enhanced Money Market Funds	AAA VNAV MMF rating	
Corporate Bond / Equity Funds / Share Capital	Considered on an individual basis	
Asset Backed Securities / Green Energy Bonds	Considered on an individual basis	£5m per individual/group in total
Ultra-short dated bond Funds	Considered on an individual basis	£5m per individual/group in total

Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is compounded by the counterparty to the principal investment amount. In such instances the interest amounts will be withdrawn as soon as reasonably practicable.

8: Third Party Loans

The Council has the power to lend monies to third parties subject to a number of criteria

- Any loans to or investments in third parties will be made under the Well Being powers of the Council conferred by section 2 of the Local Government Act 2000 or permitted under any other act.
- The Well Being power can be exercised for the benefit of some or all of the residents or visitors to a local authority's area. The power may also be used to benefit organisations and even an individual.

The primary aims of any investment - in order of priority - are the security of its capital, liquidity of its capital and to obtain a return on its capital commensurate with levels of security and liquidity. These aims are crucial in determining whether to proceed with a potential loan.

Appendix 6 sets out the Council's framework within which it may consider advancing loans to third party, not for profit, organisations.

9: Investments defined as capital expenditure

The acquisition of share capital or loan capital in any corporate body is defined as capital expenditure under Regulation 25(1) (d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. Such investments will have to be funded from capital or revenue resources and will be classified as ‘non-specified investments’.

Investments in “money market funds” which are collective investment schemes and bonds issued by “multilateral development banks” – both defined in SI 2004 No 534 – will not be treated as capital expenditure.

A loan, grant or financial assistance provided by this Council to another body will be treated as capital expenditure if the Council would define the other body’s use of those funds as capital had it undertaken the expenditure itself.

10: Provisions for credit related losses

If any of the Council’s investments appear at risk of loss due to default (i.e. this is a credit related loss and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount.

11: End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

12: External fund managers

Up to £60m of the Council’s funds may be externally managed on a discretionary / pooled basis, currently by CCLA and Allianz Global Investors. The Council’s external fund managers comply with the Annual Investment Strategy. The agreements between the Council and the fund managers additionally stipulate guidelines on duration and other limits in order to contain and control risk.

The Council fully appreciates the importance of monitoring the activity and resultant performance of its appointed external fund manager. In order to aid this assessment, the Council has appointed Link Group to monitor the performance of some of these funds, and is provided with a suite of regular reporting. This includes:

- Measuring the external manager’s performance on a periodic and ongoing basis.
- Monitoring and impact assessment (where appropriate) of investment decisions made by the manager, in light of portfolio positioning as well as general economic and specific market background.

- Comparing fund manager performance against fund guidelines, benchmark and target return (where applicable).
- Comparing fund manager performance against the Council's threshold for market risk and the degree of volatility in returns it is willing to accept in its risk-reward relationship

In addition to formal reports, representatives of Link Group meet with representatives of the fund manager semi-annually to review performance, address any concerns and gain a better understanding of the manager's future strategy and direction.

13: Pension fund cash

The Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, which were implemented on 1 January 2010. The Council will not pool pension fund cash with its own cash balances for investment purposes. Any investments made by the pension fund directly with the Council will comply with the requirements of SI 2009 No 393.

Appendix 6: Third Party Loans Policy

Introduction

Government changes in the way councils are funded has prompted local authorities to look at more commercial and innovative ways of growing income streams from sources other than Government grants and council tax in order to support the delivery of front-line services.

Whilst the Council should not wish to become a commercial lender in the market place it can use its ability to borrow, at relatively economic rates, to support the delivery of improved outcomes for the residents of Cambridgeshire. At the same time this will facilitate the creation of a relatively modest income stream to support the Council's overall financial resilience. All applications must demonstrate alignment to the Council's core objectives and priorities and should support those outcomes.

The intention of this policy is therefore to establish a framework within which the Council may consider advancing loans to third party, not for profit, organisations.

Nature of Organisations Considered

The Council will consider the provision of a loan facility to organisations that fulfil the following criteria:

- Not For Profit Organisations where the loan required will be used to fund infrastructure to support the delivery of services to the residents of Cambridgeshire and;
- Organisations that provide services that align to the Council's core objectives and priorities (including subsidiary companies and joint ventures)

Both of the above criteria are required to be fulfilled in order for the Council to consider advancing public funds.

Governance Arrangements

All proposals will be considered by the Commercial Board (a Board of Officers from across the Council considered to provide an overview and challenge on all of the Council's commercial activity).

Loans of less than £250,000 that fulfil the policy framework are delegated to the Council's Chief Finance Officer in consultation with the Chair of General Purposes Committee (GPC). Should the Committee Chair declare a conflict of interest, consultation will take place with the Committee Vice-Chair.

Loans in excess of £250,000 or loans that are outside of the framework parameters require GPC approval. The exception to this are loans associated with County Council owned assets which remain within the remit of the Commercial and Investment Committee.

Limits

No specific limits are proposed but all loans in excess of £250,000 will require GPC approval. Given the level of administration that will be required to manage the loan agreement over the life of the loan, no requests for loans of less than £10,000 will be considered.

Business Case Review

Any application for loan finance must be accompanied by a robust business case. Due-diligence checks will be undertaken to test the underlying assumptions applied. Specialist support may be required to carry out these assessments.

State Aid and Interest Rates

Under EU law, State Aid rules must be taken into account whenever public money is given to an organisation that undertakes any commercial operation. State Aid is defined as an advantage in any form whatsoever conferred on a selective basis to undertakings by public authorities. Subsidies granted to individuals or general measures open to all enterprises are not covered by the State Aid prohibition.

The general parameters of the scheme will not permit loans to be made where the funding could be used in the delivery of commercial activities. However, not for profit organisations often undertake commercial activities in order to support the delivery of non-commercial activities. State aid can be avoided by using the Market Economy Operator (MEO) principles. If the state is acting in a way that a rational private investor would, for example in providing loans or capital on terms that would be acceptable to a genuine private investor who is motivated by return and not policy objectives, then it is not providing State Aid. This is because the beneficiary is not considered to be obtaining an advantage from the State but on the same terms that it could have obtained on the open market.

The actual interest rate charged on loans of this nature will be set with reference to the minimum permitted within State Aid rules at the time of fund advance and the Council's cost of borrowing plus an appropriate credit risk margin, whichever is higher.
If there is any doubt as to whether State Aid may be an issue, Legal advice must be sought.

Loan Framework

- All loans must be secured against an asset or guaranteed by a public sector organisation with tax raising powers.
- The maximum loan to value will not exceed 80% unless fully guaranteed by a public sector body
- The maximum duration of the loan will be 30 years but the loan period must not exceed the useful life of the asset.
- An independent valuation of the asset upon which the loan is secured will be undertaken by the Council.
- A robust business case must be developed that demonstrates that the loan repayments are affordable.
- The on-going value of the asset(s) that the loan has been secured against will be valued on a 5 year basis. A charge to revenue may be required if the equity value falls below the debt outstanding or if it becomes clear that the borrowing organisation is unable to service the debt.
- Guarantees will be called upon if the lending organisation falls into arrears of more than 12 months.

Given the administrative costs incurred in both establishing and managing loans of this nature an administration/arrangement fee will be applied to each loan made. The following arrangement fees will be applied:

Minimum Loan Value	Maximum Loan Value	Arrangement Fee
£10,000	£119,999	£1,200
£120,000	£289,999	1% of loan
£290,000	-	£2,950

Exemptions

Exemptions to this policy may be considered but any exemption will need to be approved by GPC.

Agenda Item No: 8

Development of Asset-Based Area (ABA) Approach to Commissioning and Delivery

To:	General Purposes Committee
Meeting Date:	26 January 2021
From:	Will Patten, Service Director Commissioning
Electoral division(s):	East Cambridgeshire
Forward Plan ref:	Not applicable
Key decision:	No
Outcome:	Adults wishing to remain living at home can easily access the support they need through a vibrant, diverse market of care and support in the community. More people fulfil their wish to remain living at home for longer, enjoying a good quality of life and wellbeing.
Recommendation:	The Committee is requested to approve the proposed Asset-Based Area concept and investment.

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1. Background

1.1 Across the county there is a strong desire to build upon the success of the Community Hubs developed in response to COVID-19 with a focus on mobilising local volunteers, third sector groups and local businesses into a sustainable model for the future; a model that aligns with and enhances statutory services such as health and adult social care and incorporates a strong preventative focus. Such a model makes good use of community assets, improves outcomes for individuals and supports the local authority (LA) in managing demand for adult social care (ASC).

1.2 The initial idea was to explore how community assets could be used to support older people to remain living well at home, delaying the need for long term care. Workshops were held with a number of third sector organisations, home care providers, operations, Think Communities staff and commissioners in August and September to explore this. Similarly, conversations were held in East Cambridgeshire to determine how the Community Hubs could be sustained and learning from the Neighbourhood Cares pilot embedded. Including community assets as part of a strategy to manage demand for ASC requires new ways of commissioning and delivering services.

1.3 At the same time, political appetite for a place-based approach continues to grow across Cambridgeshire with the emergence of Place-Based Boards and work towards an Integrated Care System. Again, the ability to design services around local needs on both a macro and micro scale has significant implications for how we commission and deliver services going forward.

1.4 There is also widespread recognition of the need to move towards outcome-based commissioning and delivery in ASC, away from traditional 'time and task', particularly though not exclusively in home care to improve the outcomes and care experience of individuals.

1.5 Collectively, these local drivers challenge us to update and refine how we both commission and deliver ASC and early intervention provision.

1.6 The Asset-Based Area (ABA) provides a concept through which locally identified priorities can be progressed and the relationships, processes and practices required across the system can be developed to deliver it.

1.7 The ABA proposal has been developed across council -directorates as a demand management approach which will also support delivery of Adult Positive Challenge Programme outcomes. It has been developed by Commissioners, Think Communities and Operations in collaboration with a number of Voluntary Community Sector stakeholders, District and Parish Councils.

1.8 An ABA is a vision for future adult social care developed by the Social Care Innovation Network encapsulating key principles of place-based commissioning, asset-based community development (Think Communities approach), outcomes and resilience based commissioning and early intervention/prevention.

1.9 The ABA will develop the strategic commissioning practices necessary to implement the learning from the Neighbourhood Cares Pilot (2017-19), namely to commission for outcomes rather than traditional ‘time and task’; to commission collaboratively and inclusively with providers, partners and communities and to commission flexibly around individual places and the assets of the community therein. In doing so it will help to manage future demand for Adult Social Care and so contribute to the delivery of the Adults Positive Challenge Programme.

2. Main Issues

2.1 Implementation of an ABA approach to commissioning will require significant system level transformation of existing commissioning and delivery models. The resource requested within the accompanying business case is necessary to set up an early adopter site and pump prime the development and refinement of this new approach.

2.2 Implementing an ABA approach to commissioning and delivery will require significant transformations in behaviours, relationships, processes and practices both internally within the council and partner organisations and externally, between organisations. New commissioning and delivery models, underpinned by a shared strategic understanding of need and assets of a given place or community will be needed, co-designed with stakeholders.

2.3 To progress the proposed ABA model and early adopter site, additional commissioning resources are required. A business case for £268,671 of Transformation Funding over a 3 year period has been developed. This was endorsed by the Joint Management Team on 3rd December 2020. The model is due to be presented to Adults Committee on 14 January 2021 for endorsement.

2.4 The business case describes the ABA concept and outlines a proposal to develop a sustainable model of community-based care and support for adults using an ABA approach to commissioning and delivery as a first phase. The ABA Business Case is appended to this report.

2.5 Key benefits are likely to be through demand management and reducing the level of demand budget that needs to be factored into the medium term financial plan, rather than cashable savings through cost reduction. There will also likely be social return on investment. The lack of robust research in Return on Investment (ROI) for ASC specifically means we need to undertake and evaluate the work to evidence its impact (both financial and social). Commercial viability is a key theme to test within the programme, to ensure our future commissioning models manage demand and deliver maximum cost avoidance and ROI.

2.6 There are 5 primary drivers behind the project;

- Increasing demand for ASC and the need to reduce and delay that demand
- Recognition that investment to meet increasing demand is unlikely; we need to make best use of the resources already available in the system
- The need and political desire to make better use of community and third sector assets in managing ASC demand
- The need to develop sustainable commissioning and delivery models to achieve the above
- Improve outcomes and quality of care

2.7 A significant amount of work has been undertaken via the Adults Positive Challenge Programme, driving a cultural shift towards asset-based approaches. However, there is still more we can do. New commissioning and delivery models will be needed to develop a sustainable model for the future; a model that aligns and coordinates resources from across the system around an individual, group of people or within a given place - a model that empowers communities to develop local solutions to meet local needs. Accordingly, this will require a shift in our commissioning approach to one that is:

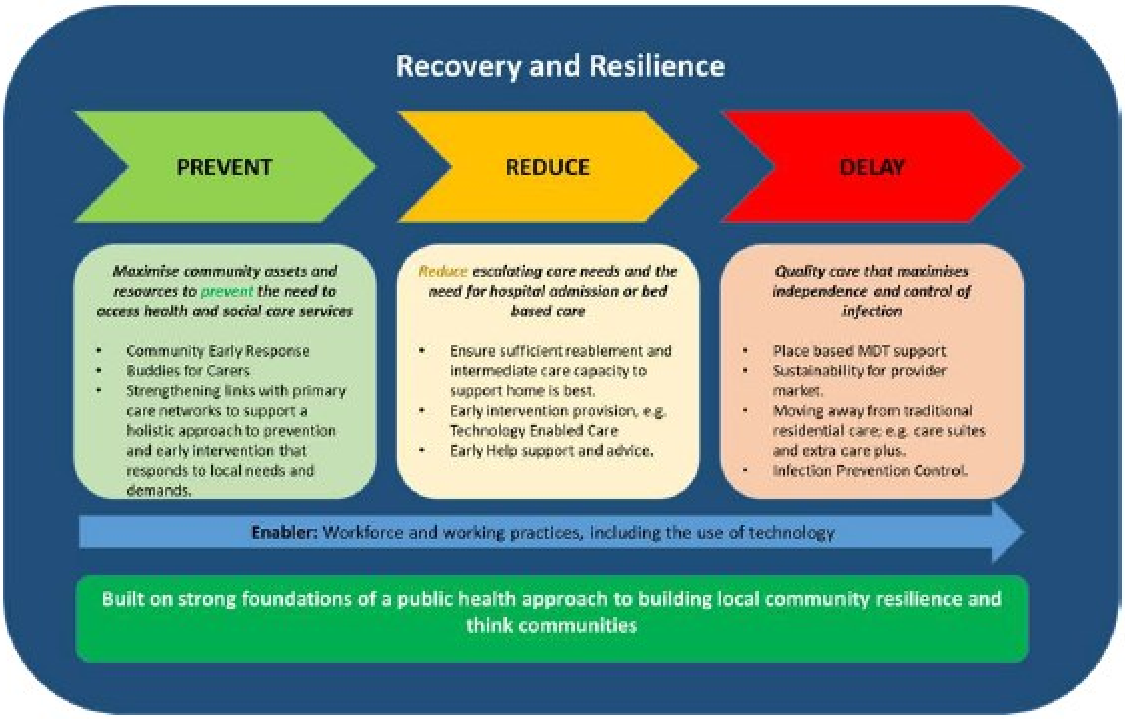
- More collaborative and inclusive, coproducing solutions and enabling outcome-based approaches with the market and community assets
- Focused on systems leadership, driving transformation across systems and partners around a strategic vision and shifting away from sporadic, disparate and siloed working
- Preventative and resilience building in ethos, recognising the importance of community and individual assets in prevention and self-management
- Evidence based, maximising opportunities for efficiency, value for money and return on investment
- Able to support new, innovative ways of commissioning, contracting and delivery

2.8 Given the scale of transformation the first Phase will be the development of a single early adopter site. This is proposed to be East Cambridgeshire to build upon and ensure continuation of Neighbourhood Cares investment in the area and target a mixture of rural and urban areas. Following successful evaluation, it is proposed to apply the learning from the early adopter site to successive districts across the county.

2.9 The focus of the early adopter site will be improving the range of care and support available in the local community to enable more adults to remain living happily at home. The target group will be adults on the edge of care or in receipt of LA (Local Authority) funded home care due to the specific challenges the LA face in managing demand. Although the benefits will be applicable to all in the community including those who pay for their own care and support. A shortage of LA funded homecare capacity is evident in the local market, reducing choice and flexibility and increasing waiting times for homecare. This impacts the wider system, slowing hospital discharges and encouraging unnecessary flow into more expensive bed-based care. There is a pressing need to release capacity within the existing homecare market and develop new and diverse capacity to support more adults to remain living at home for longer.

2.10 Research undertaken for Nottinghamshire County Council by the Oxford Brookes Institute of Public Care identified key factors and sequences in the community which trigger an older person's need for long term care and support from the LA. Incorporating this research into our community care provision could help manage future demand for long term care.

2.11 Targeting adults on the edge of care fits with the Recovery and Resilience Framework to prevent, reduce and delay demand for ASC illustrated overleaf.



2.12 The project will be overseen by a strategic steering group, comprising of senior decision makers from the local authority, district councils and key delivery partners. The steering group will be responsible for ensuring delivery of the project, providing strategic direction and challenge to the delivery groups below. The steering group will remain cognisant of individual partner agencies' governance and decision-making structures. It is envisaged during the lifetime of the programme, the function of the steering group may be taken on by Place-Based Boards or other suitable partnership.

2.13 An area-based delivery group will be created to setup and implement the early adopter site. They will comprise of key stakeholders such as providers, partner agencies and volunteer and community groups. The delivery groups will be facilitated by the Locality Coordinator, a Place-Based Commissioning Officer and Transformation Support. It is proposed to embed the Commissioner within local libraries to forge strong links with the local community. Each delivery group will be responsible for co-producing the detailed scope with local stakeholders under the umbrella of the overarching programme aims. This is to ensure the right balance of autonomy and innovation with adherence to the ABA programme. A programme/project lead will be required for this, along with responsibility for driving the delivery of the early adopter site and evaluation methodology.

2.14 Consideration will also be given to establishing a stakeholder forum(s) to ensure all VCS and stakeholders have sufficient opportunity to influence and co-design the ABA.

3. Alignment with corporate priorities

3.1 A good quality of life for everyone

The ABA will deliver several key benefits for adults:

- Joined up, holistic packages of care and support which meet individuals' needs and wishes not just for personal care but also their social and emotional needs too.

- Enables more people to fulfil their wish to remain living well at home for longer (fewer falls, slow progression of dementia etc).
- Ensures vulnerable older people remain connected to their communities rather than living in isolation.
- Co-design services with those who use them.
- Offer greater choice and flexibility and reduce waiting times for provision.
- A diverse range of care and support available in the community that is easier to navigate to find the support a person needs.
- Enables more people to return home after hospital.

3.2 Thriving places for people to live

The ABA will contribute to increases in the range and accessibility of community assets and stimulate development of mutual aid and microenterprises in the early adopter area.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

3.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

4. Significant Implications

4.1 Resource Implications

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

- Given the scale and complexity of change required and the significant number of internal and external delivery partners, as additional resource of £268,671 will be required over three years as set out below.

Summary of Expected Project Costs	Resource Required	21/22	22/23	23/24	Total
Project Set Up Costs	1 x FTE Commissoner - P3 (top) + on-costs	£ 64,276.12	£ 66,204.40	£ 68,190.54	£ 198,671.06
Project Evaluation Costs	Independent Evaluation	£ 23,333.33	£ 23,333.33	£ 23,333.33	£ 70,000.00
Procurement Costs	Potential costs arising from contract enhancements/ incentives or procurements (yet to be identified)	£ -	£ -	£ -	£ -
Equipment/Property	None identified	£ -	£ -	£ -	£ -
	Total	£ 87,609.45	£ 89,537.74	£ 91,523.87	£ 268,671.06

- The resource identified is necessary to set up an early adopter site and pump prime the development and refinement of this new approach to commissioning and delivery. Without it, commissioning and delivery models will remain as is. Opportunities to harness community and partner assets in a sustainable way will be missed and services will continue to operate in silos with gaps and duplications persisting. Efficiency and return on investment of LA commissioned spend will be limited and opportunities for upstream prevention will not be progressed.

- Through the creation and development of an early adopter site, the programme will seek to generate sustainable, affordable commissioning and delivery models supported by clear evidence of demand management and return on investment.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications identified within this category

4.3 Statutory, Legal and Risk Implications

There are no significant implications identified within this category

4.4 Equality and Diversity Implications

There are no significant implications identified within this category.

4.5 Engagement and Communications Implications

Coproduction is a key principle within the ABA. Engagement with service users, communities and partners will be a key part of the set up and implementation of the ABA. Representatives from the voluntary and community sector (VCS) have been involved over several months in shaping the ABA proposal. This has included representatives from Faith groups, voluntary and community groups and charitable organisations that the Local Authority works alongside or commissions directly.

There is strong support for the ABA proposal across the VCS and amongst key politicians and executive officers in East Cambridgeshire. To not progress may risk undermining relationships and goodwill with key partners.

4.6 Localism and Local Member Involvement

The ABA proposal has a significant localism focus and so engagement and support of District and Parish Councils and Members will be key to the success of the programme.

4.7 Public Health Implications

The ABA will contribute towards Public Health objectives and vice versa. Public Health will be engaged as key stakeholders throughout the ABA set up and implementation.

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Stephen Howarth

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement? Yes
Name of Officer: Gus da 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: Will Patten

Have any engagement and communication implications been cleared by Communications? Yes
Name of Officer: Eleanor Bell

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes
Name of Officer: Will Patten

Have any Public Health implications been cleared by Public Health Yes
Name of Officer: Emily Smith

5. Source documents

5.1 None.

Business Case

Project Title:	Asset-Base Area Approach to Commissioning & Delivery
Date:	September 2020
Strategic Lead:	Oliver Hayward, Assistant Director, People & Communities
Project Manager:	TBC
Approvals:	1. COVID Resilience
Distribution:	1. Adult Social Care Commissioning (Shauna Torrance) 2. Think Communities (Matt Oliver) 3. Joint Operations & Commissioning Call (Charlotte Black)

VERSION HISTORY		
Version	**Date**	**Comments/evidence of decision (hyperlink to document)**

1.0		Final Version for Sign-off
2.0		Updated version following changes posts sign-off

1) Introduction

This business case seeks £268,671 over a 3 year period to fund the development of an Asset-Based Area (ABA) approach to commissioning and delivery of support services across Cambridgeshire.

It forms part of the People & Communities Recovery Plan and sits under the umbrella of Think Communities.

The business case requests the resources necessary to develop and test the concept of ABA commissioning and delivery as well as the models which underpin it. Through the creation and development of an early adopter site, the programme will seek to generate sustainable, affordable commissioning and delivery models supported by clear evidence of cost avoidance and return on investment.

Upon successful proof of concept, learning from the early adopter site will be used to drive strategic development of place-based commissioning and practice in Cambridgeshire through an ABA approach. The intention is to expand the approach across remaining areas of the county and to wider population groups.

The business case has been developed by Adult Social Care commissioning in collaboration with the following:

Jo Melvin, Senior Commissioner, Adult Social Care
Matt Oliver, Head of Service for Think Communities
Elaine Matthews, Strengthening Communities Manager
Louise Tranham, Adult Social Care
Wendy Lansdowne, Locality Coordinator, Think Communities
Karen Chambers, Homecare Commissioner

It has been informed by the attached proposal to develop the Asset-Based Area approach, developed through a series of workshops and meetings with:

Wendi Ogle-Welbourn, Executive Director People & Communities
Charlotte Black, Director of Adult Social Care
Jo Brookes, Chief Executive of East Cambridgeshire District Council
Cllr Anna Bailey, Council Leader of East Cambridgeshire District Council and Chair of Adults Committee, CCC
Representatives from Parish Councils
Healthwatch
Representatives from a range of voluntary and community organisations and home care providers

2) Background

Across the county there is a strong desire to build upon the success of the Community Hubs developed in response to COVID-19 with a focus on mobilising local volunteers, third sector groups and local businesses into a sustainable model for the future; a model that aligns with and enhances statutory services such as health and adult social care and incorporates a strong preventative focus. Such a model makes good use of community assets and supports the local authority (LA) in managing demand for adult social care (ASC).

The initial idea was to explore how community assets could be used to support older people to remain living well at home, delaying the need for long term care. Workshops were held with third sector organisations, home care providers, operations, Think Communities staff and commissioners in August and September to explore this. Similarly, conversations were held in East Cambridgeshire to determine how the Community Hubs could be sustained and learning from the

Neighbourhood Cares pilot embedded. Including community assets as part of a strategy to manage demand for ASC requires new ways of commissioning and delivering services.

At the same time, political appetite for a place-based approach continues to grow across Cambridgeshire with the emergence of Place-Based Boards. Again, the ability to design services around local needs on both a macro and micro scale has significant implications for how we commission and deliver services going forward.

There is also widespread recognition of the need to move towards outcome-based commissioning and delivery in ASC, away from traditional ‘time and task’, particularly though not exclusively in home care.

Collectively, these local drivers challenge us to update and refine how we both commission and deliver ASC and early intervention provision. The Asset-Based Area provides a concept through which locally identified priorities can be progressed and the relationships, processes and practices required across the system can be developed to deliver it.

What is an Asset-Based Area?

It is a vision for future social care in which services are co-designed by service users, communities, third sector, health, social care, providers and LA. Where best use of resources is made by integration and coordination of services around a shared strategic understanding of needs and assets of individuals and communities, rather than organisational silos.

The Asset-Based Area empowers communities, providers and commissioners to develop solutions to meet local needs, offering more flexible commissioning practices which promote innovation and entrepreneurship and places greater value on the assets of communities in management of ASC demand. It encapsulates the key principles of place-based commissioning, Neighbourhood Cares, a Think Communities approach, outcomes and resilience based commissioning and early intervention/prevention.

Implementing an Asset-Based Area approach to commissioning and delivery will require significant transformations in behaviours, relationships, processes and practices both internally within the council and partner organisations and externally, between organisations. New commissioning and delivery models, underpinned by a shared strategic understanding of need and assets of a given place or community will be needed, co-designed with stakeholders.

3) Project Drivers

There are 5 primary drivers behind the project;

a. Increasing demand for ASC and the need to reduce and delay that demand
b. Recognition that investment to meet increasing demand is unlikely; we need to make best use of the resources already available in the system
c. the need and political desire to make better use of community and third sector assets in managing ASC demand
d. the need to develop sustainable commissioning and delivery models to achieve the above
e. Improve outcomes and quality of care

Demand for local authority (LA) funded adult social care is rising along with the cost of care, placing a significant pressure on LA budgets. Horizon scanning suggests the current funding gap will grow, driven by forecasts of an ageing population and further austerity in public spending post-Covid. Increases in new types of demand are also projected as a result of Covid arising from increased hospital discharges, changes to people’s conditions and low-level dependence created by services that did not exist pre-Covid.

Additional investment from central government to meet this rise in demand is uncertain at best, unlikely at worst. The requirement to prevent and delay the need for long term adult social care and develop sustainable, affordable and quality care solutions has never been more pressing.

The LA cannot achieve this on its own. If we are to meet the challenges of future demand we must join up and coordinate with partners across social care, local businesses, health, third sector and local communities and make best use of the resources we already have. Empowering communities and coproducing services around the needs of an area, group or individual is key to removing the duplication and organisational silos we currently have.

The Community Hubs demonstrated the positive impact coordinated community resources can have upon the lives of vulnerable people in our communities, providing informal support and friendship and reducing the need for more formal care. They also demonstrated the scale of change possible when all parties commit to it. The emerging place-based agenda across Cambridgeshire and Peterborough is well placed to take this forward.

A significant amount of work has been undertaken via the Adults Positive Challenge Programme, driving a cultural shift towards asset-based approaches. However, there is still more we can do. New commissioning and delivery models will be needed to develop a sustainable model for the future; a model that aligns and coordinates resources from across the system around an individual, group of people or within a given place - a model that empowers communities to develop local solutions to meet local needs. Accordingly, this will require a shift in our commissioning approach to one that is

- more collaborative and inclusive, coproducing solutions and enabling outcome-based approaches with the market and community assets
- Focused on systems leadership, driving transformation across systems and partners around a strategic vision and shifting away from sporadic, disparate and siloed working
- Preventative and resilience building in ethos, recognising the importance of community and individual assets in prevention and self management
- Evidence based, maximising opportunities for efficiency, value for money and return on investment
- Able to support new, innovative ways of commissioning, contracting and delivery

The resource requested within this business case is necessary to set up an early adopter site and pump prime the development and refinement of this new approach to commissioning and delivery. Without it, commissioning and delivery models will remain as is. Opportunities to harness community and partner assets in a sustainable way will be missed and services will continue to operate in silos with gaps and duplications persisting. Efficiency and return on investment of LA commissioned spend will be limited and opportunities for upstream prevention will not be progressed.

Project Scope

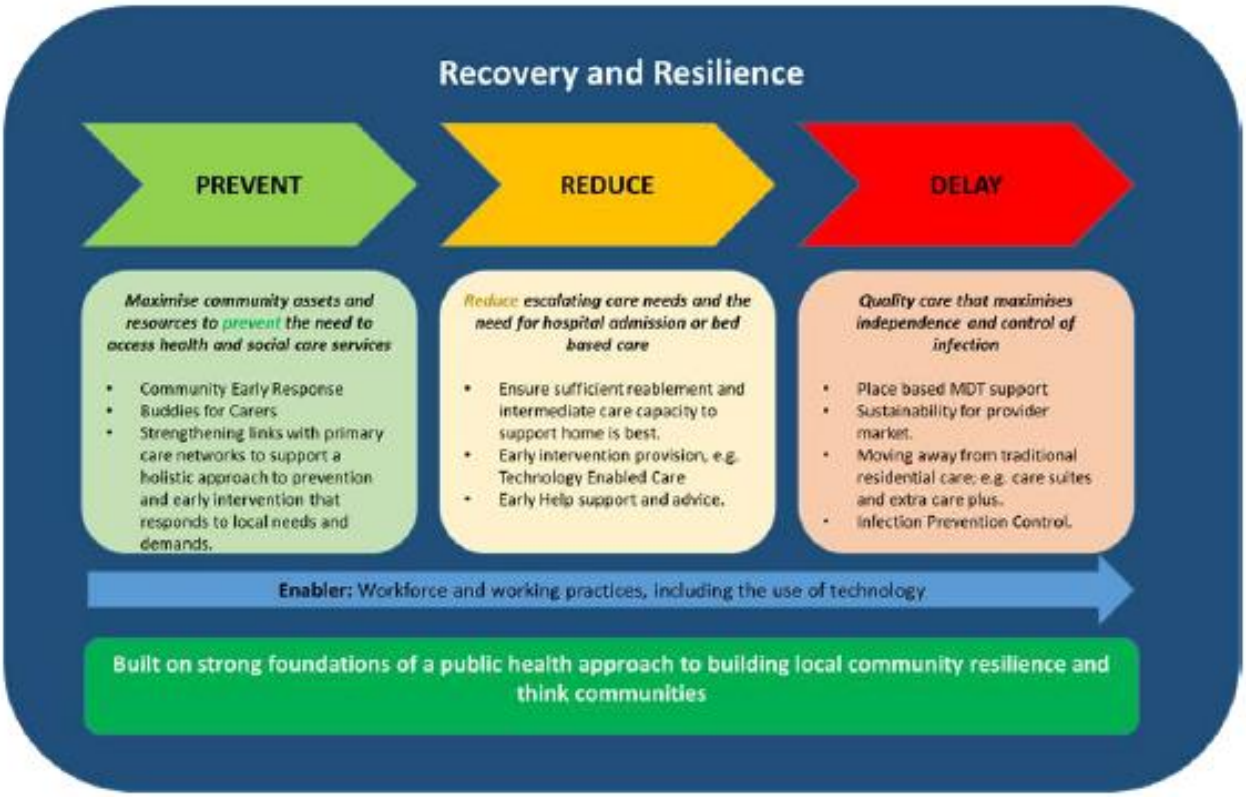
The scope of transformation and development necessary to set up the first Asset-Based Area is such that it risks becoming too large, complex and very slow to deliver. By initially focusing on a specific group of service users and locality area, the programme remains manageable and deliverable. It will quickly provide the learning necessary to inform a second phase of development which can expand to cover whole populations and range of services across the rest of the county.

Adults on the edge of care or in receipt of LA funded home care have been selected due to the specific challenges the LA face in managing demand for ASC. A shortage of LA funded homecare capacity is evident in the local market, reducing choice and flexibility and increasing waiting times for homecare. This impacts the wider system, slowing hospital discharges and encouraging unnecessary flow into more expensive bed-based care. There is a pressing need to release capacity within the existing homecare market and develop new and diverse capacity to support more older people to remain living at home for longer.

Research undertaken for Nottinghamshire County Council by the Oxford Brookes Institute of Public Care identified key factors and sequences in the community which trigger an older person's need for long term care and support from the LA. Incorporating this research into our community care provision could help manage future demand for long term care.

Targeting adults on the edge of care fits with the Recovery and Resilience Framework to prevent, reduce and delay demand for ASC illustrated below.

Figure 1: Recovery and Resilience Framework



4) Project Overview

Please refer to the attached proposal to develop Asset-Based Areas in Cambridgeshire and Peterborough.

In short, the project will implement a sustainable model of community-based care and support for adults using an Asset-Based Area (ABA) approach to commissioning and delivery for the first time. This is with the strategic aim of delaying demand for long term adult social care and improving outcomes of adults with care and support needs in the community.

This will be enabled through realignment of existing LA spend on home care and VCS provision to the Asset-Based Area and the localised commissioning and delivery model developed through the programme.

It sets out the first steps to develop an Asset Based Area approach to commissioning and delivery, recognising the scope, outcomes and objectives will continue to be refined as progress is made. Learning from this project is intended to drive wider strategic developments of place-based commissioning and delivery in Cambridgeshire and Peterborough under the ABA approach.

5) Project Objectives

The project objectives, outcomes and outputs (extracted from the accompanying proposal) are summarised below.

Key Objectives

- Reduce and delay demand for long term adult social care
- Improve wellbeing and outcomes of adults with care and support needs living at home
- Inform the development of the Area-Based (ABA) approach to commissioning and delivery
- Rationalise and improve efficiency/ value for money of system resources
- Progress outcome-based commissioning and care planning
- Accelerate the realisation of benefits from the Adults Positive Challenge Programme (APCP)

The key outcomes of the programme are illustrated below, recognising these will evolve and expand as the scope is refined.

Key Outcomes

- Demand for long term care is reduced or delayed
- Individual and community resilience, independence and wellbeing is increased
- More people fulfil their wish to remain living at home for longer, enjoying a good quality of life and wellbeing
- Efficiency, impact and value for money of commissioned and non-commissioned services are improved
- Best use is made of system resources and assets
- A vibrant, diverse market of care and support is available for those wishing to remain living at home that is easy to access and navigate
- The realisation of APCP benefits is accelerated
- Services are co-designed with stakeholders and enabled by flexible, innovative commissioning and delivery solutions

The outputs of the programme and specifically the early adopter site are summarised below. As above, this is an initial high-level view and detailed outputs will be developed as part of the programme set up and evaluation.

Outputs
Comprehensive system mapping of needs, assets and resources within a level of place undertaken
Opportunities for integration, alignment and shared resources with partners to reduce duplication, gaps and silo working are identified
A network of services based upon a shared strategic vision is co-designed by community, third sector and partner agencies
Commissioning solutions are developed which are flexible, promote innovation and entrepreneurship, deliver best value and balance the needs and assets of a place and its population
Commissioning processes to enable the ABA approach are developed and implemented
Community assets and resources are harnessed in delivery of services
A sustainable model to the maintain the work of the COVID hubs is created
An expanded, diverse care and support market in the community is delivered
The role of LA as system leader is tested
The extent to which integration and alignment with health, partner agencies and local businesses can be achieved is explored
Appropriate levels of commissioning within an ABA approach (macro/micro) are established, continuing to ensure commercial robustness
Governance and decision-making processes for an ABA approach across partners and departments are established
Clarity on which needs/services can be safely diverted to community resources and which require statutory provision is reached
Holistic, outcomes-based care and support replaces time and task in commissioning and delivery models

6) Key Benefits

There are several key benefits for numerous stakeholders. These are extracted and summarised below.

For the local authority

- Released domiciliary care capacity will reduce Reablement bridging and pending lists, supporting hospital discharges and reducing spend on more expensive alternatives to domiciliary care
- Reduce demand for long term residential care as the community market is better placed to support more people to remain at home
- Develops response for management of latent demand and new demand identified via the work of the Covid Hubs
- Improve knowledge and use of block funded commissioned Early Intervention and Prevention services such as Volunteer Visitors or Handyperson Services to achieve outcomes and create capacity within other areas of ASC
- Assurance of impact, efficiency and ROI from commissioned provision

For the individual

- Joined up, holistic packages of care and support which meet individuals' needs and wishes not just for personal care but also their social and emotional needs too
- Enables more people to fulfil their wish to remain living well at home for longer (fewer falls, slow progression of dementia etc)
- Ensures vulnerable older people remain connected to their communities rather than living in isolation
- Co-design services with those who use them
- Offer greater choice and flexibility and reduce waiting times for provision
- A diverse range of care and support available in the community that is easier to navigate to find the support a person needs
- Enables more people to return home after hospital

For local communities and VCS

- Recognises and values the contributions of local citizens in coproducing informal care and support
- Empowers local communities to be self-reliant and take on some responsibility for supporting its most vulnerable
- Flexible commissioning practices better able to
    - support community organisations, social enterprise and mutual aid
    - Reward innovation and enterprise
- Establishes a sustainable model to continue the work established through the Hubs during the pandemic

For local businesses

- Continued meaningful contribution to the most vulnerable in our local communities
- Allows local businesses to continue to associate their brand with community support

7) Project Interdependencies

People & Communities Recovery Plan- The programme aligns to the Prevent-Reduce-Delay Framework and will make a key contribution to the recovery and resilience of ASC services.

Adults Positive Challenge Programme - The Programme aims to ensure ASC effectively manages current and future demand for services through the adoptions of outcome focused approaches which recognise and build on the strengths of individuals and their communities. ABA will have a positive impact on several workstreams within this programme including changing the conversation, carers support, day opportunities and connecting people and places.

Homecare Vision and Commissioning Strategy – sets out the direction of travel and actions necessary to build a sustainable, affordable home care market across Cambridgeshire and Peterborough. Development and implementation of the place-based pilots is one of the actions within the strategy, intended to manage future demand for home care and release market capacity through more integrated working with local VCS resources based on learning gained from the COVID 19 Volunteer Hubs.

Microenterprise Transformation Bid – building a network of micro enterprises over the next 2 years will contribute to the work of early adopter area in developing a diverse care and support market in the community.

Providers on the Homecare DPS and Framework across Cambridgeshire and Peterborough will be key to coproducing new ways of working which support more people to remain at home for longer

Direct Payments Strategy – action to increase uptake of direct payments and number of Personal Assistants available will contribute to the work of the early adopter area in building a diverse and affordable care and support market in the community.

***E*arly Intervention & Prevention:** The EIP Framework provides a commissioning mechanism for the VCS which will be able to be used by Districts as well. Key benefits of the EIP Framework include quality assured providers, strategic, avoid duplication for best use of assets

Adult Early Help: The programme will support the work of Adult Early Help with a coordinated and easy to navigate offer of community-based care and support for adults on the edge of care or who require early help.

Think Communities - aims to create a shared vision, approach and priorities for building Community Resilience across Cambridgeshire and Peterborough partner organisations. The vision for this programme focuses on:

- People: Resilient communities across Cambridgeshire where people can feel safe, connected and able to help themselves and each other.
- Places: New and established communities that are integrated, possess a sense of place, and which support the resilience of their residents.
- System: A system wide approach in which partners listen, engage and align with communities and with each other, to deliver public service and support community-led activity.

Commissioned provision from all areas of LA including Public Health and Community Safety should be considered to identify opportunities for alignment in support of the place-based approach.

8) Key Stakeholders

In producing the overarching scope of the pilots several key stakeholders have been included. This includes homecare providers, Healthwatch, several commissioned providers, charitable organisations, representatives from parish and district councils along with commissioners, Locality Coordinators, Think Communities and colleagues from operations.

A full stakeholder map will be required for each pilot area in order to coproduce the final scope. A Community Impact Assessment will also be needed as part of the project development.

9) Delivering the Project

The project will be overseen by a strategic steering group, comprising of senior decision makers from the local authority, district councils and key delivery partners. The steering group will be responsible for ensuring delivery of the project, providing strategic direction and challenge to the delivery groups below. The steering group will remain cognisant of individual partner agencies' governance and decision-making structures. It is envisaged during the lifetime of the programme, the function of the steering group may be taken on by Place-Based Boards or other suitable partnership.

An area-based delivery group will be created to setup and implement the early adopter site. They will comprise of key stakeholders such as providers, partner agencies and volunteer and community groups. The delivery groups will be facilitated by the Locality Coordinator, a Place-Based Commissioning Officer and Transformation Support. It is proposed to embed the Commissioner within local libraries to forge strong links with the local community. Each delivery group will be responsible for co-producing the detailed scope with local stakeholders under the umbrella of the overarching programme aims. This is to ensure the right balance of autonomy and innovation with adherence to the ABA programme. A programme/project lead will be required for this, along with responsibility for driving the delivery of the early adopter site and evaluation methodology.

Consideration will also be given to establishing a stakeholder forum(s) to ensure all VCS and stakeholders have sufficient opportunity to influence and co-design the ABA.

Internal resources

The following internal resources will directly support the programme.

0.5 FTE Think Communities Project Manager – project management during set up/implementation phases
1 x FTE Transformation Project Support Assistant - project support
0.6 FTE Think Communities Locality Coordinator – facilitation of asset-based community development, co-production and partnership working

1 x FTE Place-based Commissioner (additional resource requested) - development of localised commissioning and procurement solutions
0.5 FTE – Social Worker - subject matter expert on safeguarding, social work practice and sharing of Neighbourhood Cares learning

The following will contribute towards the programme as required.

ASC Head of Commissioning and Senior Commissioners – provision of strategic commissioning advice to Programme / Project Manager and strategic steering group
ASC Commissioners – provision of subject specific commissioning and market advice (e.g Home Care, Learning Disability, EIP Framework, Direct Payments)
Adult Early Help Team – links to Adult Early Help Team
LGSS Procurement – specialist procurement advice
CCC Finance – provision of financial information and scrutiny
CCC Commercial Team – provision of specialist advice and scrutiny
Business Intelligence – provision of data relating to service planning
ASC Contracts Team – specialist advice on contracts
ASC Brokerage Team – information and advice on placement processes

Given the scale and complexity of change required and the significant number of internal and external delivery partners, additional resource will be required. This is summarised in the table below.

Additional resource requirements (estimated)

Summary of Expected Project Costs	Resource Required	21/22	22/23	23/24	Total
Project Set Up Costs	1 x FTE Commissoner - P3 (top) + on-costs	£ 64,276.12	£ 66,204.40	£ 68,190.54	£ 198,671.06
Project Evaluation Costs	Independent Evaluation	£ 23,333.33	£ 23,333.33	£ 23,333.33	£ 70,000.00
Procurement Costs	Potential costs arising from contract enhancements/ incentives or procurements (yet to be identified)	£ -	£ -	£ -	£ -
Equipment/Property	None identified	£ -	£ -	£ -	£ -
	Total	£ 87,609.45	£ 89,537.74	£ 91,523.87	**£ 268,671.06**

**The profiled spend is based upon an April 2021 start for all resources, however this many be brought forward dependent upon the approval timescales and recruitment. Assumes 3% inflation on salary pa*
** Lines with £ - show resource costs being met elsewhere or not yet identified for information purposes*

Project Team Roles

Programme/Project Manager

This role is needed to drive the setup and implementation of both projects, providing robust project management and leadership for the first 12 months. This will be essential to ensure the complex transition to this new way of working across multiple delivery partners and governance channels is setup and running successfully. Once the early adopter site has been successfully embedded, ongoing project leadership can revert to an appropriate internal resource such as commissioning under the direction of a project sponsor such as the Adults Positive Challenge Programme.

This role can be fulfilled through the Partnership Manager role, currently providing project management to Think Communities.

Placed-Based Commissioner

Working under the direction of Senior Commissioners and linked into Adult Social Care Commissioning Teams, these officers will be responsible for developing, implementing and monitoring appropriate, localised commissioning and procurement solutions. Embedded in local libraries and working alongside their Think Communities colleagues, their focus will be on implementing robust commissioning models and practices to deliver impact, cost avoidance and return on investment.

There is no available capacity within ASC Commissioning to fulfil this work alongside business as usual and the ongoing COVID response.

Asset-Based Development Manager
Embedded within Think Communities, this manager will be responsible for building partnerships with organisations, providers and communities in the early adopter site and facilitating collaboration and co-design with communities and service users. Working alongside their Commissioner counterparts they will focus on stimulating and facilitating local communities to develop the localised care and support provision needed.

This role can be fulfilled through an existing Place Coordinator 3 days per week at no extra cost.

Project Support Assistant
This role will be filled by Transformation using existing internal resources at no extra cost upon approval of the business case. It will provide support to the Programme / Project Manager, Place-Based Commissioner and Asset-Based Development Manager across the delivery group and early adopter site.

Sustainability

Assuming the evaluation of the Programme provides robust evidence of impact and ROI, the ABA approach will be expanded across the rest of the county. Accompanying this will be a fully costed, evidence-led business case identifying the resources required to implement the second phase and the expected ROI based on learning from the early adopter site. It is not possible to identify at this stage those resources will be.

10) Financial Benefits

The ABA approach has significant social return on investment potential which should be considered;

- Improvement in individual outcomes (reduced social isolation, improved wellbeing etc)
- A diverse range of care and support available in the community that is easier to navigate and offers greater flexibility and choice
- Enables the contributions of local citizens in coproducing informal care and support
- Empowers local communities to be self-reliant and take on some responsibility for supporting its most vulnerable
- Support and stimulate development of community organisations, social enterprise and mutual aid
- Reward innovation and enterprise
- Contribute to improvements in care workforce opportunities and retention

Not only will the ABA approach improve outcomes for individuals it has strong potential to generate ROI for the LA across several areas. The lack of robust research in Return on Investment (ROI) for adult social care specifically (as opposed to ROI for health, society or Quality Adjusted Life Years for individuals) means we need to undertake and evaluate the work to evidence it's impact (both financial and social).

Commercial viability is a key theme to test within the programme, to ensure our future commissioning models manage demand and deliver maximum cost avoidance and ROI. Key programme outputs will include identification of efficiencies within existing commissioned provision. Spend, cost-avoidance and ROI metrics will be established as part of the programme set up, once the detailed scope of each early adopter area is confirmed. Data on these metrics will be collated and reported regularly, as well as informing the learning within the formal evaluation.

The demand management focus of the programme is such that key benefits are likely to be through demand management and reducing the level of demand budget that needs to be factored into the medium term financial plan, rather than cashable savings through cost reduction. There will also likely be social return on investment and improved efficiency of council commissioned provision. Below are the principle areas of cashable and non-cashable benefits to be explored through the programme.

Areas for potential cashable benefits or cost avoidance

The following areas are highlighted for initial exploration for ROI.

1.) Reduction in overall Home care and Supported Living Packages

Cambridgeshire spent just over £62m pa on home care and supported living packages for adults in 19/20. If a small proportion of these packages could be supported by community and voluntary organisations it could yield a number of benefits for the LA whilst also improving the quality of life for those individuals.

A crude illustration of potential savings is provided below, assuming a 5% reduction in spend as a result.

	Num of existing LA home care and supported living clients *	Cost per week (total)	Cost (Full Year Effect)	Potential saving based on 5% reduction (full year effect)	Savings of 5% reduction over 3 year period
East Cambs	469	£ 203,730.00	£10,593,960.00	£ 529,698.00	£ 1,589,094.00
Cambridgeshire	3117	£ 1,208,906.00	£62,863,112.00	£ 3,143,155.60	£ 9,429,466.80

* excludes clients placed out of area

Further modelling is needed to explore the economies of scale that could be realistically achieved by transferring suitable activities from home care and supported living providers to volunteers and community organisations, notwithstanding the associated infrastructure costs that would be needed to maintain a quality volunteer base. As there is no additional LA funding available to expand VCS capacity it is likely that a proportion of existing spend would need to be realigned to towards the VCS sector.

Also to be considered are the costs avoided by operating this model in future years as demand for home care increases with population growth amongst older people. Home care is likely to be an increasing area of spend for both LAs in the next 5-15 years as demand rises as a result of population growth amongst older people and increasing preference for care at home rather than residential care. This trend, identified by Kings Fund in recent years has been compounded by Covid-19 and bad press associated with care homes.

Another avenue to explore is the proportion of current home care and supported living packages that have ‘social support’ as their primary need. By reviewing these packages and working with VCS partners it is feasible to reduce LA spend in this area by making better use of VCS resources within the community. Whilst in essence similar to the point above, this approach specifically targets an easily definable and identifiable cohort and type of need which may naturally lend itself towards community support.

A crude illustration of the potential savings is provided below. If we were to redirect half of the LA’s current ‘social support’ spend in its home care packages to the VCS in the East Cambridgeshire area it could save £84k pa or £252k over 3 years. Across the whole of Cambridgeshire, it could save £1.5m pa or £4.6m over 3 years.

	Num of existing LA funded home care packages and supported living packages with 'social support element'	Cost per week (total)	Cost (Full Year Effect)	Saving based on 50% reduction (full year effect)	Savings of 50% reduction over 3 year period
East Cambs	17	£ 3,242.00	£ 168,584.00	£ 84,292.00	£ 252,876.00
Cambridgeshire	254	£ 60,135.00	£ 3,127,020.00	£ 1,563,510.00	£ 4,690,530.00

2.) Early Intervention and delaying demand for ASC

The People & Communities Recovery Plan notes how latent demand and low level need identified through the Community Hubs will contribute to demand pressures on the LA. During the workshops to establish the scope of Asset-Based Areas, several third sector and community organisations identified small amounts of help and support are often all that is needed to keep people living well at home but can be the hardest to find.

Developing affordable, sustainable early intervention services is a critical part of effective demand management for ASC, delaying the need for long term care.

The data below illustrates the significant volume of adults potentially in need of early intervention services:

- in Cambridgeshire in 2019/20, 1190 individual requests for support were made (which did not result in long term care, CHC funding or death). Of those, 236 received short term intervention or ongoing low level support, 702 were signposted to universal services and 306 received nothing.

Work is needed to better understand the cohort of adults 'on the edge of care' and what programme of evidence-based early interventions are most appropriate and affordable to put in place (be that a response from the LA or from a robust network of community based services) to delay or reduce that demand.

The Institute for Public Care identified 7 primary risk factors to older people's independence and subsequent institutionalisation to support Nottingham County Council develop an early Warning System[1]. The resulting report outlined an evidence based approach of identification, assessment and subsequent interventions to modify the 7 primary risk factors. The programme should give due consideration to including this approach in the design of community based care and support to ensure it focuses sufficiently on resilience and early intervention.

3). Rationalisation/Reductions/Efficiencies in LA commissioned provision

As part of the programme, mapping of assets and resources across the early adopter area should highlight duplication and overlaps in provision. It is likely a proportion of this will apply to LA commissioned services. Therefore, the programme should seek to rationalise existing LA commissioned provision within the context of system resources, increasing efficiency, achieving similar outcomes with fewer resources and decommissioning elements of duplicated services. The work of the programme will identify and quantify these efficiencies.

Potential areas for review include:

- *Commissioned home care provision (see point 1)*
- *Greater use of Personal Assistants and micro enterprises (c.£13p/h versus c.£17-18p/h home care)*

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[1]Whyard, Julia, May 2019, *Nottinghamshire County Council Reducing Older People's Need For Care: Exploring Risk Factors For Loss of Independence*

- *Early Intervention and Prevention commissioned provision – VCS contracts to support older people (Current spend - £305,397pa (CCC)**
- *Shift to individual outcomes-based commissioning in place of time and task approach*
- *Other LA spend in Early Adopter Area*
  - *Other commissioned services (e.g. Public Health)*
  - *Other VCS or infrastructure contracts*
  - *Other short term / project based spend in*

4). Demand Management – benefits for other parts of the system

Supporting more adults with care and support needs to remain living well at home is key to reducing demand for long term and bed-based care. A sustainable model of community-based care and support is critical to this providing it promotes independence and resilience. Whilst it may not result in cashable savings it may release capacity, allowing more people to be supported for the same expenditure or enabling people to be access support more quickly. Expected areas of benefit include:

- *Released home care capacity, reduced waiting times for home care*
- *Reductions in Reablement bridging (c.£35p/h compared to c.£17-18p/h home care) and other expensive alternatives to home care*
- *Reduced delayed transfers of care*
- *Avoided cost of residential care* ***(analysis undertaken by commissioners in Peterborough noted people with average home care packages paid at an improved hourly rate of £18.50 cost a quarter of the average residential care placement per annum)****.*

The ROI for social care interventions is greatly under-research. Accordingly, the programme should attempt to evidence how community-based care and support contributes to a reduction in demand in these areas of the system.

11) Key Risks

Risk	Impact	Mitigation
Additional resources are not made available.	Insufficient capacity to set up and implement programme. Momentum is lost, project stalls. Damage to LA reputation.	Robust business case with clear rationale and scope for ROI. Consider requesting feasibility study prior to full resource request.
Covid cases rise and system returns to emergency footing	Capacity across LA teams and partner organisations is focused on Covid. Insufficient capacity to progress	Place programme on temporary hold during. Continue with programme but adapt scope/timeframes to account for pressures of COVID.
Lack of community and provider interest in ABA approach	Lack of engagement. Limited progress.	Extensive coproduction and stakeholder engagement. Capitalise on existing momentum and mood.
Size and scale of transformation is too large/complex	Limited progress. Programme stalls.	Dedicated additional resources including programme / project manager to drive set up.

		Limit scale to 1 early adopter area
Reluctance or complexity prevents VCS from taking on personal care	Limited progress. Partial delivery of outcome	Incremental approach codesigned with VCS and home care providers E.g. First phase focus on social support needs and nonregulated activities, subsequent phases build upon this. Development of alternative localised models of homecare and regulated activities such as local carer recruitment, greater use of PAs
ABA approach doesn't deliver impact or ROI	Inefficient use of resources	Robust evaluation criteria. Robust commissioning and commercial input into programme set up and delivery models. Regular monitoring and review points.

12) Key Milestones - High Level Plan

Milestone Point/ Task/Phase	Date	Dependency/ Interface	Overall Responsibility
Resources approved	**Feb/March 21**	**Business case approval**	**Oliver Hayward**
Staffing resources sourced and in post	**April 21**	**Recruitment approvals. Suitable candidate availability.**	**Matt Oliver, Jo Melvin, Sarah Bye**
Independent evaluation procured	**April 21**	**Business Case approval**	**Programme / Project Manager**
Programme planning and set up: • **Governance processes and reporting mechanism** • **Stakeholder engagement** • **Asset & resource mapping** • **Co-design of commissioning and delivery models**	**April-Sept 21**	**Potential procurement requirements**	**Programme / Project Manager**
Implementation of ABA delivery solutions (Go Live)	**October 21**	**Potential procurement processes**	**Programme / Project Manager & Strategic Steering Group**

Monitoring and evaluation • **Identification of outcomes measures**	**Go Live + 2 years**		**Strategic Steering Group**
Final evaluation	**Jan 2024**	**Any delays to Go Live**	**Strategic Steering Group**
Business Case for ABA Phase 2	**Jan 2024**	**Any delays to evaluation**	**Strategic Steering Group**

General Purposes Committee Agenda Plan

Published on 4th January 2021

Notes

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.

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

- Minutes of previous meeting and Action Log
- Finance Report – The Council's Virtual Meeting Protocol states that no monitoring or information reports (includes the Finance report) will be included on committee agendas, they will instead be circulated to Members separately
- Agenda Plan, Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
26/01/21	Finance Report (November)	T Kelly	Not applicable	13/01/21	18/01/21
	Integrated Finance Monitoring Report for the Period Ending 31st November 2021	R Barnes	2021/001		
	Business Plan*	C Malyon	Not applicable		
	Performance Report – Quarter 2	A Mailer	Not applicable		
	Asset Based Area Proposal for Cambridgeshire and Peterborough	J Melvin	2020/035		
	Joint Adults and Children's Transport Policy – Transformation Fund Bid (part of Business Plan)	Tracy Gurney Gurdev Singh	Not applicable		
[23/02/21] Provisional Meeting					

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
23/03/21	Finance Report (January)	T Kelly	Not applicable	10/03/20	15/03/20
	Integrated Finance Monitoring Report for the Period Ending 31st January 2021	R Barnes	2021/002		
	Transformation Fund Monitoring Report Quarter 3 2020/21	A Askham	Not applicable		
	Treasury Management Report – Quarter 3	Kim Kent-Augustin	Not applicable		
	Transformation Fund Bid - Cambridgeshire and Peterborough Region of Learning	A Askham P Carrington M Lord	Not applicable		
	Corporate Risk Register	A Askham	Not applicable		
	Performance Report – Quarter 3	A Mailer	Not applicable		
	Opus: Changes to Shareholding and Dividend Policy	C Malyon	Not applicable		
[20/04/21] Provisional Meeting					
08/06/21	Finance Report – Outturn 2020-21	T Kelly	Not applicable	25/05/21	28/05/21
	Integrated Finance Monitoring Report for the Period Ending 31st March 2021	R Barnes	2021/003		
	Treasury Management Report – Quarter 4 and Outturn Report* [recommended for determination by Council]	Kim Kent-Augustin	Not applicable		
	Performance Report – Quarter 4	A Mailer	Not applicable		
[29/06/21] Provisional Meeting					

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
13/07/21	Finance Report (May)	T Kelly	Not applicable	30/06/21	05/07/21
	Integrated Finance Monitoring Report for the Period Ending 31st May 2021	R Barnes	2021/021		
[17/08/21] Provisional Meeting					
21/09/21	Finance Report (July)	T Kelly	Not applicable	08/09/21	13/09/21
	Integrated Finance Monitoring Report for the Period Ending 31st July 2021	R Barnes	2021/022		
	Treasury Management Report – Quarter 1	Kim Kent-Augustin	Not applicable		
	Transformation Fund Monitoring Report – Quarter 1 Update	A Askham	Not applicable		
26/10/21	Finance Report (August)	T Kelly	Not applicable	13/10/21	18/010/21
	Integrated Finance Monitoring Report for the Period Ending 31st August 2021	R Barnes	2021/23		
23/11/21	Finance Report (September)	T Kelly	Not applicable	10/11/21	15/11/21
	Integrated Finance Monitoring Report for the Period Ending 30th September 2021	R Barnes	2021/024		
	Treasury Management Report – Quarter 2	Kim Kent-Augustin	Not applicable		
	Draft 2021/22 Capital Programme and Capital Prioritisation	T Kelly	Not applicable		
	Transformation Fund Monitoring Report Quarter 2	A Askham	Not applicable		
	Performance Report – Quarter 1	A Mailer	Not applicable		
21/12/21	Finance Report (October)	T Kelly	Not applicable	08/12/21	13/12/21
	Integrated Finance Monitoring Report for the Period Ending 31st October 2021	R Barnes	2021/025		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Draft Revenue and Capital Business Planning Proposals for 2022-21 to 2026-2027 (whole Council)	T Kelly	Not applicable		
	Treasury Management Strategy	Kim Kent-Augustin	Not applicable		
25/01/22	Finance Report (November)	T Kelly	Not applicable	12/01/22	17/01/22
	Integrated Finance Monitoring Report for the Period Ending 30th November 2021	R Barnes	2022/001		
	Business Plan* [recommended for determination by Council] (includes Local Government Finance Settlement and Consultation Report)	C Malyon	Not applicable		
	Performance Report – Quarter 2	A Mailer	Not applicable		
[22/02/22] Provisional Meeting					
22/03/22	Finance Report (January)	T Kelly	Not applicable	09/03/22	14/03/22
	Integrated Finance Monitoring Report for the Period Ending 31st January 2022	R Barnes	2022/002		
	Transformation Fund Monitoring Report Quarter 3	A Askham	Not applicable		
	Treasury Management Report – Quarter 3	Kim Kent-Augustin	Not applicable		
[26/04/22] Provisional Meeting					
24/05/22	Finance Report (January)	T Kelly	Not applicable	11/05/22	16/05/22
	Integrated Finance Monitoring Report for the Period Ending 31st March 2022	R Barnes	2022/003		
	Treasury Management Report – Quarter 4 and Outturn Report*	Kim Kent-Augustin	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	[recommended for determination by Council]				
	Performance Report – Quarter 3	A Mailer	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.	

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 governance and information management. *(pre reading material required)*		28th November 2017	Tom Barden/ Sue Grace		GPC	Bailey Bywater Criswell Dupre Hickford Hudson Jenkins Kavanagh McGuire Nethsingha Shuter Wotherspoon	80%