

STRATEGY AND RESOURCES



Tuesday, 21 September 2021

Democratic and Members' Services

Fiona McMillan

Monitoring Officer

10:00

Shire Hall

Castle Hill

Cambridge

CB3 0AP

**Multi Function Room, New Shire Hall, Alconbury Weald,
Huntingdon, PE28 4YE
[Venue Address]**

AGENDA

Open to Public and Press by appointment only

CONSTITUTIONAL MATTERS

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

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Exclusion of Press and Public

To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed: information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

The Strategy and Resources comprises the following members:

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COVID-19

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Councillor Lucy Nethsingha (Chair) Councillor Elisa Meschini (Vice-Chair) Councillor Chris Boden Councillor Steve Count Councillor Steve Criswell Councillor Lorna Dupre Councillor Mark Goldsack Councillor Richard Howitt Councillor Samantha Hoy Councillor Maria King Councillor Peter McDonald Councillor Mac McGuire Councillor Edna Murphy Councillor Tom Sanderson and Councillor Josh Schumann

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STRATEGY AND RESOURCES: MINUTES

Date: 6 July 2021

Time: 10.00a.m. to 2.00p.m.

Venue: University Sports Centre, Philippa Fawcett Drive, Cambridge

Present: Councillors Boden, Criswell, Dupré, Fuller (substituting for Councillor Count), Goldsack, Howell, Howitt, Hoy, Meschini (Vice-Chair), Murphy, Nethsingha (Chair), Sanderson, J Schumann, Slatter (substituting for Councillor McDonald) and Wilson (substituting for Councillor M King)

1. Notification of Chair and Vice-Chair

The Committee noted that the Council had appointed Councillor Nethsingha as the Chair and Councillor Meschini as the Vice-Chair for the municipal year 2021-22.

2. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Count, M King and McDonald.

Councillor Howell declared a non-statutory disclosable interest under the Code of Conduct in Minute No.8, as the report referred to a building in Papworth Everard where he was formerly employed, and he also currently resided close to that building.

3. Minutes of General Purposes Committee and Commercial and Investment Committee – 23 March 2021 and 19 March 2021

The minutes of the General Purposes Committee and Commercial and Investment Committee held on 23 March and 19 March 2021 respectively were agreed as a correct record and signed by the Chair.

4. Petitions and Public Questions

The Chair invited Mr Andrew Milbourn, Chair of the Hurst Park Residents Association, to present a 1,207 signature petition (at time of submission) asking the Council to stop the sale of Milton Road Library immediately and then to keep it as a community resource permanently.

Mr Milbourn explained that four years ago Milton Road Library was under threat of closure and demolition but was eventually rebuilt to include seven flats. A great deal of community effort had gone in to collaborating on the design process, and Cambridge City Council had contributed £100,000 to enable community rooms to be provided and fitted out. It was therefore assumed that the library was reasonably secure, but it had been found out recently from an advertisement in a local newspaper that the building was now being sold. The local community had felt shocked and let down and within a

week 1,000 people had signed the petition, and 100 people had attended a demonstration at the library.

He therefore called on the Council to use its influence as the sole shareholder and controlling entity of This Land Ltd to pause the sale of the Milton Road library building with immediate effect. This would allow time for alternative solutions to be explored which would enable the site to be permanently saved as a community asset. If the sale of the freehold went ahead the library would be lost within 25 years when the current lease ran out. A great deal of community effort had gone into creating this new community resource and it would be a tragedy to lose it when it had already existed for around 100 years.

He explained that the County Council was paying an annual rent to This Land of £51,000, which meant that Milton Road Library was more expensive than similar libraries. The long term rental agreement did not provide an adequate guarantee, and the Council could easily buy itself out of this agreement with the 23 years remaining. He suggested that This Land was unlikely to make a profit on the sale despite obtaining a prime Cambridge site. This Land had also encumbered the Council with rental costs of 1.275m over 25 years. The Council could therefore lose approximately £2m from disposing of the land and then having to rent its own library.

The Chair thanked Mr Milbourn for his presentation.

Six public questions had been received which would be taken at the relevant agenda items.

5. Joint Agreement – Action Plan

The Director Business Improvement and Development (BID) reported on the action plan describing activity to deliver the new priorities and approaches for achieving improved outcomes for the people of Cambridgeshire as set out in the Joint Agreement. She drew attention to the background to the signing of the Joint Agreement on 14 May 2021. The new Administration was committed to turning its Joint Agreement into tangible actions which would be monitored openly and transparently. It was noted that over the next few months the Policy and Services Committees would develop the outline actions into formal plans, which would be tested, discussed, and agreed through the committee process. Monitoring delivery of the Joint Agreement was important to assess whether the Council was achieving what it had set out to do, which included delivering value for money, and meeting the needs of residents and customers. A Joint Agreement tracker was being developed with the proposal that the Strategy and Resources Committee review the tracker at each meeting of this municipal year.

The Chair invited two members of the public and Cambridge City Councillor Scutt to address the Committee.

In the absence of Ms Anne Hamill, the Democratic Services Manager, read out her question. "Paragraph 2.7 of today's agenda papers states that '[the new administration] will also start a radical overhaul or replacement of the Council's development company 'This Land' with the aim of redirecting it towards building genuinely affordable housing and supported living facilities'. Action reference F.4 also states '[the] position of This

Land to be considered within LGA Peer Challenge and an action plan produced with a target date for completion of September 2021.

By the end of 2020 the county council had extended loans totalling £123million to This Land Ltd and the company had made cumulative losses of £15.7million to Dec 2019. Its financial year was extended to March 2021 but, with accounts so far unpublished, its recent financial performance cannot be assessed.

In the light of the company's recent developments of luxury housing in Cambridge, and its recent purchase of farmland in Hertfordshire, will the Council now undertake an immediate forensic audit into the affairs of the company, seek publication of its latest accounts (even on an interim basis) and also make public its Business Plan?"

Ms Nicky Webb asked her question as follows:

"When HPERA heard about the proposed sale we launched a petition on the council website which has already been signed by more than 1200 people in just a fortnight. We believe that it is totally in line with the policy statement at the end of para 2.3 in this committee's agenda papers, namely 'We will keep the county's libraries open, in public ownership, and ensure their services remain free for everyone on Universal Credit'. In view of This Land's reliance on loans from the county council for its operations it would seem reasonable that the executive directors on behalf of the council as shareholder should remind the board of its stated policy to keep libraries, and in particular, Milton Road library, in public ownership. Can officers and/or councillors therefore assure us today that the sale of Milton Rd library has been, or will be, paused to enable alternative options to be explored?"

Cambridge City Councillor Jocelynn Scutt reported that This Land proposed selling the freehold of Milton Road Library (including the Library and flats). She asked what steps the Council would take to ensure that Milton Road Library remained a community library facility, and to ensure the £100,000 contributed by Cambridge City Council to the community space in the library was not lost to the public. In her view, the 25 year lease was simply unacceptable. The proposed sale raised concerns about This Land. It had commenced as a company called Cambridgeshire Housing Investment Company (CHIC) with three directors two of whom were officers of the County Council. Since then numerous directors had come and gone with the number exceeding the original three. She therefore queried whether this raised any concerns with Councillors.

She asked the County Council to immediately publish, for the benefit of Cambridgeshire residents and Council taxpayers, complete and open accounting of all the monies lent by the Council to CHIC and This Land, the lending terms, including interest rates, dates upon which interest payments were to be made and dates upon which the loans were to be repaid to the County, with a complete and open account of all or any payments of interest made on these loans by CHIC/This Land with a precise calendar of dates, and of all or any repayments of these loans and date/s of payments and, if no interest had been paid or delays in payments had occurred, upon what basis and authorised by whom and, if no repayments of loans had been made, what repayment requirements existed and when were the loans expected to be repaid.

The Chair thanked the public questioners for their questions and then invited the Chief Finance Officer (CFO) to respond to all three questions. He reported that the Council was the 100% shareholder of This Land, it was also the company's only Lender, and in relation to Milton Road Library, it was the tenant of the library and community space. The role of this Committee included oversight of the Council's assets (including leased assets) and taking decisions as shareholder of This Land. Decisions about libraries policy and service sat in the first instance with the Communities, Social Mobility and Inclusion Committee. It should be noted that the provision of buildings and accommodation was a product of service and policy needs rather than vice-versa. In other words, it was reasonable to expect that in the years to come the provision and location of libraries would not primarily be determined by the circumstances or terms on which the Council occupied an individual property, more decisive would be the needs of residents and readers expressed through Councillors' decision making and the business plan agreed each year.

Turning to the roles of the Committee, the Council sold the Milton Road site to This Land in May 2018. Following that disposal, the Council did not have a straightforward power as shareholder to instruct This Land to take a particular decision about Milton Road. There was a separation in law between the role of director and shareholder, and the Council had not reserved decisions about This Land's property transactions to the shareholder through the articles. As well as that general point, the current setup of This Land specifically, which was previously agreed, was that the Council dealt with the company on an arms-length basis as an investor, that the company had a commercial character and was therefore not a contracting authority for the purposes of the public procurement rules.

As the lender and mortgage holder for Milton Road, the decisions the Council had previously taken were as follows:

- January 2020, This Land gave notice that they intended to sell the property.
- February 2020, the Commercial and Investment Sub-Group decided it did not wish to pre-empt or repurchase the property (the purchase in prospect at that stage did not ultimately proceed)
- April 2020, the Commercial and Investment Committee (C&IC) received the This Land business plan, which committed to the sale of this property (and thereby vary the mortgage), forming a part of This Land's business success.
- October 2020, the Council agreed to a legally binding protocol for handling property sales by This Land. Through that agreement, the Council limited its pre-emption power to repurchase to only be available if the property had not been marketed or was being sold at less than market value.

In this constrained context, the leadership of the Joint Administration had requested that officers consider what scope the Council had to make any variations to the current proposal, particularly safeguarding the position as tenant. This was being actively worked on and involved negotiation with This Land and a potential purchaser so further details could not be given on this currently in a public answer.

The Council's current lease at Milton Road expired in May 2044. In 2020, the Council and This Land agreed to remove the five year breaks from the lease. The existing lease was already protected by the Landlord and Tenant Act 1954, this meant that the County

Council had the statutory right, in most cases, to renew the lease when it expired in 2044 on terms not significantly less favourable than before, and there were only certain restricted grounds on which the Landlord could refuse to renew the lease, which had to be dealt with under a Court process should the Landlord seek to exercise them. On This Land more generally, page 166 of the agenda papers for this meeting set out the total financing provided to This Land as at 31 March 2021 and the repayment timescales. Since then, in this financial year, This Land had repaid £2.04m several weeks ahead of schedule. This meant the total amount currently on loan to This Land was £113.85m. It was also proposed to publish on the agenda page for this meeting a breakdown of all of the outbound and inbound loan advances and repayments and the years in which they were due to be repaid. **Action Required.**

Whilst principal amounts had been paid on time, there was a delay previously in receiving some interest payments from This Land. This was during a period where the Council was awaiting and then considering an updated business plan from This Land, and whilst the Council withheld advancing further loan funds until there was greater certainty, at the same time This Land needed to defer making interest payments. With the agreement of the revised business plan last year, this was resolved in August 2020, and This Land was now up-to-date, or ahead of schedule with both interest and principal, they had also paid a penalty sum, for the delays to interest payments. To date, the Council had not published the exact interest rates or exact dates for interest and principal payment on the basis that this information related to This Land's business activities and that if it were disclosed to a competitor it would be liable to cause harm to This Land's business.

The change in This Land's accounting date was reported at the February meeting of the C&IC. This Council had received the draft accounts for the 15 months ending 31 March 2021 from This Land and would consolidate these in its draft group financial statements to be published before 1 August 2021. Those are unaudited figures, but they show a profit before interest and taxation and a significant improvement in cash balance. The company continued to make significant interest payments to the Council, and this had been vital to mitigating the level of savings the Council would otherwise have made in recent years, and the This Land accounts continue to record an overall and growing deficit on the balance sheet. This aligned with the business plan adopted last year and this Committee was due to consider the annual update early in the Autumn. That would happen in the context of the review of This Land that the joint administration had committed to. The Local Government Association was expected to give an initial view through the peer challenge, and in order to ensure a thorough going over and specialist input the expectation was that an independent advisor would be engaged thereafter. There was coverage of This Land within the Council's internal audit plan, the company's accounts were subject to external audit and within the last fortnight the company had appointed its own internal auditors, at the Council's request.

Returning to Milton Road, page 105 of the Committee papers also recorded the significant spokes investment of £897k at the Ascham Road site retained by the Council a few metres away from Milton Road library, signalling the Council's ongoing investment in public buildings in that neighbourhood.

One Member asked City Councillor Scutt questions of clarification in relation to her public questions. She was asked as a former County Councillor how many libraries had

been closed under the previous Conservative administration in the last four years, and whether she was aware that an arms-length company legally had to remain at arms-length to avoid the Government perceiving it as a delivery vehicle and then requiring the Council to pay back any profits. City Councillor Scutt reported that this did not preclude every Councillor from being responsible for what This Land had been doing or what it did in the future. Whilst on the Council, Councillor Scutt confirmed that she had asked questions about This Land from the outset.

The Chair reported that the Joint Administration shared concerns raised about the way This Land was set up and managed, which had been made clear in the Joint Agreement. However, whilst it was important to look into the management of This Land, as the newly elected leader of the Council it was also important to consider the financial risk to the Council of any precipitant action in relation to this management. There was a need to make sure that any action did not put at serious risk the Council's wider aims and goals, which would not be the right thing for the residents of Cambridgeshire. The Joint Administration was very keen to preserve libraries, which were an important way for the Council to keep in touch with its residents so it would do all it could to ensure that Milton Library remain secure on its current site.

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

- requested clarification as to whether This Land would be publishing its accounts and if they would show a profitable position, as well as the risks and financial implications associated with the Joint Administration taking an active role in This Land. The CFO reported that the accounts which were in draft form confirmed that This Land had paid the Council around £8m in interest. It was noted that the net benefit to the Council was approximately £6m a year, which was structured into future financing arrangements. The accounts for This Land were published as part of the Council's group accounts and then at Companies House. He advised the Committee that the company needed to maintain a commercial character and in order to do this there needed to be separation from the Council in terms of its operational decision making particularly in relation to public procurement rules. The immediate risk around arms-length was that it could be infringed but it was important to note that this did not prevent the Joint Administration from conducting a review of This Land.
- requested clarification as to the number of libraries which had been closed under the previous administration. The Director BID reported that no libraires had been closed.
- requested clarification as to which Members had been involved in extending the lease agreement for Milton Road Library to 25 years. The CFO reported that the removal of the lease breaks had been a proposal from This Land. Officers in the Property Team had been involved in the operational negotiations before it was considered by the Commercial and Investment Sub-Group.
- highlighted the fact that there had been a presentation on This Land for all Members of the County Council in November 2020. It was queried whether there had been any changes to the Business Plan since then. The CFO reported that the formal receipt of the updated Business Plan was in April 2020 with further shareholding monitoring since then. The main Member Seminar was held in the spring led by the

new Acting Chief Executive of This Land. The Business Plan was due for resubmission which would include a number of updates, but they were not expected to be significant. The Committee would receive the updated Business Plan at a future meeting.

- expressed concern that there was no representation at the meeting from the Chair or Vice-Chair of Children and Young People Committee (C&YPC). Attention was also drawn to the lack of smart targets for the actions set out for Children and Education on page 10 of the agenda. It was suggested that some of the items in the report conflicted with what had been said at C&YPC. For example, the report stated that there would be work with schools to increase breakfast clubs but the C&YPC had confirmed that there would be breakfast clubs in every school. There had also been little mention at C&YPC of the integrated approach to support children and young people's mental health and wellbeing. The Chair explained that the report was the first iteration of the working document to deliver improved outcomes as set out in the Joint Agreement. It was very important that the tracker went back to committees so they could take ownership. Work would take place as to how these actions could be tracked over time, which could include KPIs and project management. She explained that children and young people were a significant priority for the Joint Administration. This area included some of the biggest risks for the Council such as the overspend in Special Educational Needs and Disability and the crisis in children and young people's mental health. It was a key priority of this Council to work with all schools to understand with them the best way to provide services. The Chair agreed to investigate the issue raised at C&YPC regarding the provision of a breakfast club in every school. **Action Required.**
- welcomed and looked forward to pursuing the action to develop and deliver care in neighbourhoods, moving from domiciliary care agencies to carers in local neighbourhoods.
- welcomed the exciting and ambitious agenda set out in the report particularly the climate change and environment area. Attention was drawn to the youth provision reference, as it was so important to provide for young people. The importance of the joined up health and care agenda was highlighted. It was also hoped that a new fit for purpose policy would deal with the issue of heavy goods vehicles.
- welcomed the proposal to carry on the work of the previous administration in relation to communities. It was noted that the previous administration had opened additional libraries. It was also important to note that the Council already had libraries under different ownership. The Council needed to open libraries wherever it could which did not mean it needed to own the building. Attention was drawn to the action to identify budget implications and options for removing the 50p charge on book borrowing for people on Universal Credit. It was confirmed that there was no charge for book borrowing, the 50p charge only related to book transfers.

Councillor Schumann proposed an amendment, seconded by Councillor Boden, which received the unanimous support of the Committee, that officers create a tracker, with a comprehensive base line position on all of these actions dated from the last AGM. This to happen at the next meeting of this committee, or at the earliest opportunity. He highlighted the importance of establishing the current position and the position the Council would have found itself in on the natural projection of the last council in order

for the new Joint Administration to justify its bold statements in the Joint Agreement. The Director BID explained that this report was not the Joint Agreement tracker. The tracker was being developed and would be populated by each of the committees as they developed the actions. There would be a baseline position and KPIs against each action.

It was resolved unanimously to note and comment on the Joint Agreement draft Action Plan and agree:

- a) to discuss, develop and agree actions with the relevant committees and officer leads.
- b) to monitor progress against the action plan at each meeting of this committee for this municipal year.
- c) that officers create a tracker, with a comprehensive base line position on all of these actions dated from the last AGM. This to happen at the next meeting of this committee, or at the earliest opportunity.

6. Integrated Finance Monitoring Reports

(a) Integrated Finance Monitoring Report for the period ending 31 March 2021

The Committee received a report detailing the performance of the Council for the 2020/21 financial year. The overall revenue budget position was showing an underspend of -£6.3m at year-end. Members were informed that the number of children in care had decreased across the year, this was a key indicator of financial pressure and demand. Attention was drawn to the forecast outturn position 2020/21 on page 23 of the agenda, which pleasingly demonstrated a very narrow range. Members were advised of the key exceptions relating to Place and Economy, and People and Communities. In relation to schools, it was noted that schools' balances had increased by £3.8m across the year, which would be of interest to the Schools Forum as it scrutinised the reasons for this. Members were advised that the General Reserve balance was currently at £26m, that the growth in borrowing had been less than expected, and of variations to the capital programme budgets. In conclusion, the Committee noted the external and contextual issues particularly relating to the Covid pandemic. The full extent of the pressures from the pandemic had not yet materialised. The Council continued to face significant pandemic risks including the economic impact on local taxation and the Council's investments, rising demand and limited funding certainty.

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

- queried the unusual accounting practice being used to manage the Adults and NHS debt, which included a reserve of £2.824m from an advanced payment made by the Clinical Commissioning Group (CCG) against a total debt of £6.10m exceeding one year. The CFO acknowledged the unusual treatment of this debt. He explained that the advanced payment had not been applied to individual invoices because there

had been no agreement yet as to which invoices the funding related to. The Council was therefore holding this amount in reserve, rather than applying it to the debt position until there was a wider settlement. It was noted that the CFO had fortnightly calls with the CCG and Peterborough City Council to solve the debt issue and prevent a similar situation. Concern was expressed about the impact of departing from standard accounting practices on the Council's published accounts. The CFO reported that the Audit and Accounts Committee would consider this issue.

- requested more information on the savings shown in black and red on the savings tracker. The CFO reported that those shown as black demonstrated non achievement. He drew attention to page 32 of the agenda which showed that nearly 50% of the original savings had not been delivered due to the pandemic. It was noted that this greater variance than normal had been addressed through business planning.
- queried the nature of the historic savings and noted that they were predominantly recurrent.
- queried the divergence of P&E in the winter months in the forecast outturn position graph on page 23. The CFO reported that the major reason for this was due to the pandemic as the Council had changed its prediction during the year of the compensation it would receive from Government for reduced sales, fees, and charges.
- queried why the balance sheet graph on page 39 did not flow from one year to the next. The CFO reported that this graph looked at real cash. It was noted that the March figures were for the 31 March, and the April figures were for the 30 April, which was why there was a disparity.
- queried the changes to the PWLB rules. The CFO explained that authorities wishing to borrow from PWLB must now, as part of the application process, submit a high-level description of all their capital spending and financing plans for the next three years. The Section 151 officer must confirm that the Authority was not borrowing in advance of need and did not intend to buy investment assets primarily for yield.
- queried whether This Land needed to borrow from the Council for its housing schemes and noted that it had not needed to extend budgeting for 2020/21. Another Member drew attention to the success of This Land which had been raised previously. It was reported that the Council had made money from This Land's borrowing and its commercial activities. It was suggested that prudent financial management by the last administration during the challenge of a pandemic was the reason why there was £6.3m underspend.
- highlighted the fact that a small number of authorities had received a "safety valve" package of additional funding from the Department for Education (DfE) alongside agreeing to mitigating actions locally to deal with pressures on the Special Education Needs and High Needs block. It was queried how this would impact on Cambridgeshire. The CFO reported that these packages had been conditional on local authorities dealing with recurrent pressures. It was noted that Cambridgeshire was due to look at the way it funded top up support in mainstream schools amongst wider plans. He acknowledged that the Council was in a very constrained position

on the High Needs Block. The Council had approached the Schools Forum and the Secretary of State regarding transferring funding from the schools' block and was not able to reduce special school budgets according to the regulations. There was therefore only a relatively small amount of expenditure to restructure this budget and manage demand. Officers were liaising closely with the DfE to escalate these issues, but it was an issue faced by many councils. The Council was now less of an outlier in terms of the magnitude of the overspend compared to other authorities. One Member highlighted the need to avoid agreeing to mitigations which could have a detrimental impact on a vulnerable cohort.

In summing up, the Chair explained that the financial legacy left by the previous administration did not make it easy for the new administration to achieve its ambitions. She highlighted the £7m pressure in Adult Social Care, the £12m overspend in SEND and the £22m unfunded budget gap for the coming year. The Council was therefore in a difficult financial position facing a very challenging budget round in the autumn.

It was resolved unanimously to:

- a) Note the allocation of the accrued £1.47m Business Rates Retention 2020-21 Pool Dividend to the corporate grants account within Funding Items, as set out in section 6.1.
 - b) Approve accounting for £17,914k Greater Cambridge Partnership funding in place of borrowing, to partially offset the additional borrowing required to repay the recognition in previous years of £19,963k Basic Need funding and £1,401k Combined Authority funding for the Wisbech Access Strategy, and also approve the resulting increase of £3,450k in the prudential borrowing requirement, as set out in section 13.6;
 - c) Note the use of £9,569k Section 106 contributions for applicable schemes where expenditure was incurred in prior years, and the resulting reduction of £9,569k in the prudential borrowing requirement for 2020/21 as set out in section 13.6.
 - d) Approve the transfers to earmarked reserves totalling £7,323k as set out in section 14.1; and
 - e) Note the additional funding for the Emergency Active Travel scheme, previously recommended in the February 2021 report, as set out in Appendix 3.
- (b) Integrated Finance Monitoring Report for the period ending 31 May 2021

The Committee received a report detailing financial and related information to assess progress in delivering the Council's Business Plan. The overall revenue budget position was showing a forecast year-end pressure of +£0.3m. Attention was drawn to the detailed analysis of financial performance on page 79 of the agenda which demonstrated a broadly balanced forecast. However, this needed to be considered against a number of risks set out in Section 2.3.2. Members were advised of the additional investments set out in Section 2.3. The CFO drew attention to the process for reviewing the budget, which reflected a dynamic approach to budgeting that

acknowledged the complexity and uncertainty in making forward looking financial estimates. It was noted that favourable changes resulting from contingencies which had not been realised amounted to £2.7m., and there were approximately £1m of additional pressures which had not been anticipated. It was therefore proposed to hold the £2.7m centrally and reallocate it to meet additional pressures.

The Chair invited Mr Antony Carpen to address the Committee. In his absence, the Democratic Services Manager, read out his question "Please could the County Council provide an update on the works/negotiations for the old Mill Road Library and the Shire Hall site - and indicate whether in principle they have asked Brookgate if any of the Shire Hall Site can be used as an expansion facility for the Museum of Cambridge".

The Assistant Director of Property reported that the former Mill Road Library was having repair works undertaken with contractors on site. It was anticipated that these works would be completed by the end of September. The Council was currently considering future options for this site and had been engaged in discussions with parties regarding community and other uses for the site that would respect and protect its listed status. This Committee was accountable for all property matters and had oversight of any decisions regarding the long-term future of the building.

The future of the Shire Hall site was the subject of a paper being presented to this Committee and further details were set out in the paper. There was a strong heritage component to the design and operation of the new site however the proposals did not include an expansion facility for the Museum of Cambridge. The Council and Brookgate were committed to improving the management and presentation of the heritage of the site and had undertaken discussions to scope the opportunities. Both had always worked closely with local cultural partners including the Castle Hill Open Days, and previous discussions had included those partners. As the heritage proposals were worked through, both parties would continue those conversations.

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

- requested updates on the progress of Wisbech Access and the Secondary School. **Action Required.**
- expressed concern that the Combined Authority (CA) had voted to award funding from the Government's Levelling Up Fund to a scheme in Peterborough rather than £2,072k for a March Area Transport Study scheme. As this scheme was part of the CA Mayor's re-prioritisation programme, it was asked whether it was safe to treat this funding as an additional contribution. The CFO reported that this item would only be included in the report if the Council had paperwork giving a commitment that this funding would be received. He would therefore investigate all items expected to be funded by the CA. **Action Required.** The Chair explained that the CA could only submit one successful bid for Levelling Up funding, and the Peterborough bid was for a significantly larger amount of funding. She added that she was supportive of the March bid in the event of the Peterborough bid not proceeding.

- highlighted the fact that this administration had been able to remove over £2m from the Adults and Health Committee without affecting frontline service expenditure, which related to the prudential financial planning to cope with the Covid measures.

It was resolved unanimously to:

- a) Approve allocating £25k in order that all directly employed staff were paid at least the living wage throughout 2021-22 and to commence work to explore achieving the Real Living Wage Foundation accreditation, with the full implications to be considered by this Committee in collaboration with Staffing & Appeals Committee, as set out in section 2.3.4;
- b) Approve allocating up to £537k, from the Transformation Fund reserve, to People & Communities (Education) in order to provide children eligible for free school meals with that provision in Summer 2021, as set out in section 2.3.5.
- c) Approve the net the budget revision and redistribution set out in the table at 2.3.6: deducting £2.7m budget for items that were not currently required and investing £956k for additional pressures.
- d) Approve the carry forward of £33.8m capital funding from 2020/21 to 2021/22 and beyond as set out in section 5.6.
- e) Approve the -£25.4m revised phasing of funding in relation to schemes as set out in section 5.6.
- f) Note the changes in capital grants of £2.8m, and the associated reduction of £3.6m in the prudential borrowing requirement as set out in section 5.6.
- g) Approve £869k virement between property budgets, as set out in section 5.6.
- h) Note the changes in other contributions and Section 106 funding of £6.8m as set out in section 5.6 and
- i) Note the £0.3m reduction in capital receipts funding in 2021/22 as set out in section 5.6.

7. Future of the Shire Hall Campus, Cambridge

The Committee considered a report detailing the need for an agreed commercial position that would enable the Council to enter into formal contractual arrangements with Brookgate (the developer), an apart-hotel operator and a funder thereby resulting in the disposal of the original Shire Hall building on a long lease for hotel use, and the redevelopment of the Octagon and Old Police House buildings as modern office accommodation. Attention was drawn to the background to the proposal, the options considered for the future of Shire Hall, the project appraisal, construction, environmental improvements, the hotel rent free period, and heritage.

The Committee's attention was also drawn to the income strip and financial model. It was noted that the income strip process meant that the institutional investor and developer would take on the development risk and all assets would return to the Council in 40 years at the end of the hotel lease. The Committee also noted the use of capital receipts and increasing revenue retained including the different rental scenarios for a total rent of £5.12m set out in Section 9.4: officers were recommending the 50%

rent scenario be adopted. The report set out the key risks relating to the Cambridge hotel market, the Cambridge office rental market, the financial stability of the hotel provider, planning, and contract documents and relationships. It was also noted that the Council would shortly take possession of the accommodation at Alconbury Weald and access to the accommodation space would be reviewed as the country emerged from the pandemic.

The Chair invited Cambridge City Councillor Scutt and one member of the public to address the Committee.

City Councillor Scutt expressed disappointment that there was absolutely no reference to the public footpath or Town Green in the report. She explained that as one of three Town Green Applicants, she had requested a copy of the press release issued on or about 29 June in relation to the future of Shire Hall. She had also requested the Council's legal advice on the limitations of the Heritage Act as to any protection of free access at all, and in perpetuity, of the public to Castle Mound and the Green Space. If there was no such legal advice then she asked what was the Council's understanding as to the Heritage Act's limitations in that regard, based on what and, further, a clear adumbration of precisely what the Council meant by its assertion that the lease to Brookgate would 'significantly enhance the environmental layout of the site' and 'enshrine and increase public access both to the site and the historic Castle Mound', together with a clear statement of the Council's intentions as to the Castle Mound and the Green Space in relation to the lease to Brookgate, and what provision and/or protection was intended for the Civil War earthworks. In blunt and readily to be understood terms, Castle Mound could be fenced, a charge made for entry onto Castle Mound could be levied, candy-covered awnings covering a stand/s or booth/s could be erected for the selling of tickets, as the Heritage Act did not prohibit this and, further, the Green Space was not covered by the Heritage Act – meaning an hotel could prohibit public access, to benefit hotel guests.

In the absence of Mr Michael Page, the Democratic Services Manager, read out his question "Will all of the green space outside the proposed Shire Hall apart-hotel be legally protected for use by members of the public at all times, and the operators of the hotel prohibited from cordoning off any outside green space for the use of hotel residents, guests or third-party operators?"

The Assistant Director of Property reported that the Council had issued a press release regarding Shire Hall on 28 June 2021 and a copy of the release could be found on the council's website here:

Revised plans for the future of historic Shire Hall complex come under new Strategy and Resources committee spotlight. - Cambridgeshire County Council

The press release reflected the proposals for the development of the Shire Hall site to provide the refurbishment and redevelopment of the Shire Hall building and surrounding properties into a modern and environmentally efficient aparthotel and offices. The primary buildings would be to BREEAM Excellent standards. This would be in parallel to the improvement in environmental quality, amenity, and public access to the Shire Hall site and the heritage assets located within it.

The Council was fully aware of the critical importance of the heritage and amenity of the Shire Hall site to the City and wider area, and it had been fundamental to the strategy for the site that this was not only protected but enhanced as part of any scheme. The Council had been working extensively with Brookgate to produce proposals that achieved these goals. This included specific proposals to improve access to and heritage appreciation of, the Castle Mound and associated Scheduled Ancient Monuments and ensuring the continuity of access across the site.

The Council was aware of the town green application, along with a Rights of Way application submitted separately. The existence of such applications did not preclude or prevent the Council from engaging in the appropriate management of its properties or engagement with stakeholders on its proposals. Members of the public were entitled to submit such applications as they considered appropriate. The Council would follow and comply with the respective application processes.

The proposals for the site itself would, if passed by Members, be subject to full scrutiny through planning and related processes. This would include a wide range of environmental, archaeological and other evaluations and reports prior to any decision by the planning authority and other bodies as required.

Upon completion of the scheme, if approved, the Castle Mound, the wider Scheduled Ancient Monument (including Civil War earthworks) and wider green space on the Shire Hall site would remain under the ownership, control, and management of Cambridgeshire County Council. The proposals included a potential increase in the green space and full and open access to the entire green space including the Castle Mound. Legal advice had not been obtained in respect of limitations of the Heritage Act as there was no such legislation. However, Council members had previously been briefed on the legal aspects of the Ancient Monuments and Archaeological Act 1979.

Neither Brookgate or the Council had plans for long term fencing off of the Castle Mound or limiting access, nor charging entry to the site or having canopy covered awnings. Temporary limitations of access might be required during the development phase to facilitate archaeological investigations or other works on the site and would be carried out in strict accordance with all relevant legislation.

A key plank of the commercial negotiations by all parties had been the retention of a high-quality public and open amenity space surrounding the proposed aparthotel and offices to provide a high quality environment to attract customers and tourists to Cambridge and the heritage assets. The aparthotel did not have any rights to occupy or use the lawn or green space or restrict access to those areas. The detailed plans remained under discussion; however these included proposals to remodel parts of the site to increase the area of lawn and green space by the removal of currently developed areas.

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

- queried when the impact on neighbours of the 60 decibel noise level of the air conditioning units at the Shire Hall site would be taken into consideration. It was noted that the issue of noise featured within the building and planning regulation processes.

- highlighted the impact on neighbours of cars parking around the area now that the car parks at the front of the Shire Hall site were going to be removed. It was noted that Cambridge City Council planners would take this issue into account.
- expressed sadness at the report, and thanked officers, on behalf of the Joint Administration, for reviewing the situation. It would appear that Shire Hall had been left in such neglect that it was sadly prohibitive to make it an economically viable building. It was felt that the former administration had taken a decision which had failed to be motivated by the fact that Cambridge was an historic city in the county, and the heritage of the site in public use. The public questions relating to access were a fair challenge and the Council would take note of the issues in relation to the National Heritage Act 2002. The Council had been left a fait accompli by the previous administration which was to be regretted. Another Member shared the sadness expressed but was of the view that retaining Shire Hall was not a sustainable option on environmental and financial terms. However, it was felt that Northstowe, which had good public transport links, would have been a much better choice than Alconbury Weald. The Joint Administration therefore had to make the best of the current situation for the people of Cambridgeshire.
- queried what had changed in relation to the statement that public transport to Alconbury Weald was more restricted than expected at the time the location was selected. Another Member highlighted the actions taken by the Combined Authority Mayor in relation to scrapping the mass transit proposal, and the fact that the East Coast Main Line train station was now in doubt and defended the choice of Alconbury.
- welcomed the recommendation proposing a revision of the revenue/capital split by the Leader and Deputy Leader of the Council which would provide more certainty and create an additional revenue stream to spend on services.
- noted that a 5% discount rate had been applied to the two financial summaries on pages 124 and 125 to calculate the net present value (NPV). The justification for this rate was queried as it seemed to be quite high. The same Member also asked for information on the sensitivity analysis into the selection of this rate. He commented that it was unfortunate that the calculation of the 45% rent had not been provided in NPV terms. The CFO reported that there was more information in the confidential appendix comparing the approaches. It was noted that this project had been assessed against the 5% cash flow, and he offered to share the sensitivity analysis which sat behind this approach. **Action Required.**
- expressed surprise that 50% rent was the marginally optimum option in absolute cash terms. It was suggested that the recommendation based on absolute cash terms was irrelevant and misleading. The CFO reported that the results of all the scenarios in absolute cash and NPV terms were all quite close to each other. It was then possible to make a more qualitative judgement on the reasons for taking additional flexibility through the rental return.
- queried who was taking the risk in terms of the archaeology set out in Section 7.6.3. It was noted that the archaeological and all other construction risks sat with the developer.

- acknowledged that there would be a certain amount of car usage and queried the provision of electric charging points. The Assistant Director of Property confirmed that the points formed part of the BREEAM excellent rating for the aparthotel building.

Councillor Schumann proposed an amendment, seconded by Councillor Fuller, to look to place a legal covenant on green space to maintain public access and enjoyment. He explained that regardless of his continued commitment of the last four years to maintain public access, there seemed to be general concern within the city of Cambridge about the public access. Another Member commented that a legal covenant would give an assurance that the promises relating to public access in the report were enforced.

The Chair reported that she was happy to take the issue away to see what could be done but had reservations about accepting the amendment because the report was a final decision so the amendment could have an impact on the overall business case. The CFO reported that it was difficult to consider fully the implications on the spot. The Town Green application was being considered by Suffolk County Council, and the County Council would be the operator/manager of the green spaces. He expressed concern that the Council was at an advanced stage of the negotiations, and whilst there was no disagreement in substance regarding the protection of the green space, it could have unintended consequences to introduce, as a condition, an unforeseen further legal agreement at this stage.

Some Members were concerned that the Council was being bounced into a situation without the relevant legal advice. One Member reported that groups on the Council had been pushing the former administration do this for about three years and was of the view that the proposed amendment was effectively a wrecking amendment to the report. In response, the mover of the amendment reported that he had submitted his amendment in a timely fashion as organisations did not enter into legal covenants until contracts were drawn.

As set out in Part 4 - Rules of Procedure, Part 4.4 – Procedure Rules for Committee and Sub-Committee Meetings, Section 18 of the Council's Constitution, five or more Councillors requested a recorded vote. On being put to the vote, the amendment was lost. Councillors Boden, Criswell, Fuller, Goldsack, Howell, Hoy, and Schumann voted for the amendment and Councillors Dupré, Howitt, Meschini, Murphy, Nethsingha, Sanderson, Slatter, and Wilson voted against.

Councillor Howitt proposed an amendment, seconded by Councillor Dupré, (f) to note that this included binding arrangements for public ownership and access to the green space on this site. Councillor Schumann asked the mover of the amendment to make an alteration to investigate whether a legal covenant could be placed on the green space, which was not accepted. In response to a query regarding the legality of this action, the Assistant Director of Property reported that although the Council retained overall ownership and management of the site, the proposed action set out in the amendment would require legal advice. Another Member queried how the Committee could note something which was binding when it was not clear how it would be binding and on whom. On being put the vote, the amendment was carried.

It was resolved unanimously to:

- a) note the updated commercial arrangements as set out in the report.
- b) note the due diligence report of the proposed hotel provider as set in confidential Appendix 3.
- c) approve the commercial proposals as set out in confidential Appendix 2 including the revision of the revenue / capital split described in section 8 and 9 of this report.
- d) note the resulting provision of office accommodation across the County as a result of the whole Cambs 2020 programme, and commit to keeping this closely under review as office usage changes post-pandemic, addressing areas where there is a shortage of service provision emerging, as described in section 1.5; and
- e) delegate agreement of the final terms and consequential or minor amendments to the contractual documentation, as set out in paragraph 10.6, to the Director of Resources in consultation with the Chair & Vice Chair of this Committee.
- f) note that this included binding arrangements for public ownership and access to the green space on this site.

8. Independent Living, Princess of Wales Development – Outline Business Case

The Committee received a report to enable further preparations and detailed design work for constructing the Council's own independent living service for older people who required care and support. Subject to the Committee's agreement, it was proposed to then to proceed to a full business case and update the 2021/22 Business Plan with additional capital provision. It was noted that a report had been presented to the Adults and Health Committee, which had approved the underlying service strategy.

Attention was drawn to the background to the proposal, which was about offering older people with higher levels of needs with a new way of retaining their independence by flexing and wrapping services around their particular set of circumstances. The report signalled to the care market that the Council was looking for more tenancy based homes for life, which were self-contained and digitally enabled. It was hoped that this approach could be accelerated around the County. Attention was drawn to the particular benefits of the location of the Princess of Wales site. It was noted that the Council would be building on the planning application already submitted by the NHS and approved by the District Council. Although there were many risks, the Council would be working to mitigate them or transfer to the right party. In conclusion Members were advised of the reasons why proposal 3 was the preferred option.

The Chair asked the Democratic Services Manager to read out a response from the Local Member, Councillor Whelan as follows:

“Thank you for the opportunity to address the Committee. I apologise for not being able to be present today, but would like you to note my views on the Independent Living proposals for Ely. This is a project that I strongly support. The integration of care and health in this way should prove to offer many benefits, not least of which is the proximity to the planned new hospital.

The low carbon design and the wraparound care possibilities that will enhance people’s lives are just 2 of the positive points that come from the plans. The growth in residents in East Cambridgeshire, combined with increasing number of older people requiring care demonstrates a need for this facility. Despite the low carbon design, it is a pity that only 5 EV charging points are proposed. The facility for all car parking spaces to access EV charging should be built into all designs going forward. However, even EV cars are not carbon neutral and currently have other environmental impacts that need to be avoided. As such, there needs to be much greater emphasis on both public transport and on accessible active travel.

There is currently significant additional development going on where this development is proposed and all forms of transport are lacking. Road junctions are unlikely to cope well with the increased volume of road traffic. The cycle routes suggested along Lynn Road are not suitable particularly with the increased vehicular traffic. Local cycling groups have raised concerns about these routes. It would be relatively easy for improved accessible active travel routes to be developed from Kings Avenue, entering Heaton Drive at the water tower and continuing to the proposed location of the ILS, thus allowing cyclists, pedestrians and users of other pedestrian controlled vehicles to avoid the need for cars.

The report before you highlights the proximity of a bus stop, but fails to mention that the bus service is two hourly and then for only a limited part of the day. The report, to its credit, does mention public transport network assessment work that is currently going on, but such assessment does not guarantee the improvements that are needed. In approving this expenditure, as I hope you will, I would urge you to take this opportunity to ensure improvements to the public transport network and also to the accessible active travel network.”

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

- welcomed the report and expressed support in principle to independent living schemes and hoped they would be replicated in other parts of Cambridgeshire. However, attention was drawn to a few warning signs in the outline business case, which needed to be explored more carefully before moving to the full business case. It was hoped that there would be a more detailed sensitivity analysis in the full business case, as it was important to understand the assumptions being made in relation to the financial benefits. The weight the Joint Administration put on social benefits was acknowledged but there was concern about the impact on the Council’s financial position if the financial benefits were ignored.
- highlighted the need for greater Member involvement in the ILS programme. The same Member expressed disappointment at the lack of certainty from the Chair of Adults and Health Committee regarding the Member reference group on this issue.

The Chair confirmed that she would together with the Chair of Adults and Health Committee work very closely to make sure the project was well managed.

- confirmed, as Chair of Adults and Health Committee, that his committee had been very supportive of this scheme. He welcomed the contribution of the Local Member, which would be listened and responded to by the officers. It was noted that the Adults and Health Committee had deferred the appointments to the reference group for further review. He praised the fact that the Council was financing and developing the scheme rather than getting someone else to. However, he had asked officers to keep the outsourcing of care and housing under review. He acknowledged that the financial risks were complicated but was reassured about the amount of due diligence in the report before the final business case.
- highlighted the need for fit for purpose accommodation and requested assurance that it was not just a matter of consultation and that expert advice would be sought, right from the beginning from organisations such as the Papworth Trust. It was suggested that live in carers were often the key to a lifetime home as they kept people out of hospital.
- expressed concern about the size of the accommodation. The Head of Commissioning for Commercial explained that the Council would undertake a wide ranging consultation, which had already started with Healthwatch. He added that the a live in carer was part of the Council's domiciliary support which was in place now. The equivalent for housing with care was care, support and supervision 24 hours a day and that was driven by a social care assessment, as well as a nursing assessment. The size of the units would be picked up as part of the consultation.
- acknowledged the concerns raised by the Local Member in relation to transport. It was reported that the site was very busy with this development and the redevelopment of the hospital. There were also a large number of homes which had been refurbished and sold, and further development was planned on the green spaces in between the sites. It was therefore important that this development was a good neighbour to existing residents by making sure people could get easily to the site by bus. It was hoped that this Council would make representations to the Combined Authority on this issue. There also needed to be provision for decent electric car charging, which would grow in the future. Finally, there needed to be arrangements for active travel to, out of and through the site avoiding where possible using the busy Lynn Road.
- expressed concern regarding how couples would be accommodated given that the 80 flats were all single occupancy with 16 being rented out to the NHS.
- queried whether the Council was considering potential customers and people using the facilities already as part of its market testing. It was noted that this had started as part of the current phase.
- highlighted the financial model in Section 2.3.1 and noted that the tenant in this type of service had the right to choose his/her care provider.

- acknowledged the ambitious payback period of 23.9 years, which would be reviewed as part of the full business case.
- queried who would be making the allocation of properties. It was noted that the Council would retain 100% nomination rights to all the properties. However, it was important to also note that the Council was renting out part to the NHS.
- queried the employment of people with learning disabilities and noted that it was 3 people.
- queried the ratio of nursing care on the premises. It was noted that there would be a registered nurse for each shift and associate nurses supporting the registered nurse, which amounted to approximately 40% of the ratio of all staff. The Committee was informed that this amounted to 80 to 100 staff over 24 hours.
- acknowledged that one of the benefits of the scheme was to separate out the housing and social care costs so there was a saving to the Council as people could claim back part of the costs in housing benefit. It was therefore queried whether the rent charge exceeded the local housing rates thereby potentially shifting the financial burden on to District Councils. It was noted that the Council had consulted District Councils on the rent charge. They were only able to give an absolute estimate on an actual application. The Council had therefore worked with other housing providers and services to look out current actual charges. The tenants would have access to special accommodation rates which were higher than the housing allowance.

It was resolved unanimously to approve:

- (i) the recommended option as set out in paragraph 2.5.7 and its financial and social justification.
- (ii) the overall capital investment case and in particular elements which affects land and property and the monies required for the next stage.
- (iii) an addition capital provision into the 2021/22 Business Plan as set out in paragraph 2.7.1.
- (iv) an expenditure of £1.1m to complete detailed design works and present an FBC as set out in paragraph 2.7.4.
- (v) delegate approval and sign-off of the inter-authority agreement and the non-binding Heads of Terms to the Chief Finance Officer and Commissioning Service Director.
- (vi) prepare and submit Planning Application for the construction works.
- (vii) the final investment levels forecast including the initial land valuation and plan to refresh both.
- (viii) revised timetable; and

- (ix) preparations on concept and detailed design, and co-production and consequently move towards full business case.

The Committee was also asked to note and comment on:

- (i) the proposed design principles employed for independent living services as set out in paragraph 2.2.3.
- (ii) the plan to put in place a formal agreement between NHS, CCC and a housing management provider about ways of working.
- (iii) the benefits case at this outline business case stage which affected Adult Social Care operating budgets.
- (iv) the general procurement approach for a contract value of £72.6m, and to procure and sign agreement with a housing management provider and a care provider; and
- (v) delegating the award of the new contract to the Executive Director of People and Communities in consultation with the Chair and Vice-Chair of the Adult and Health Committee.

9. Treasury Management Report – Quarter Four Update 2020-21

The Committee considered the quarterly update on the Treasury Management Strategy 2020/21, approved by Council in February 2020.

It was resolved unanimously to note the Treasury Management Quarter Four Report for 2020/21 and forward to Full Council to note.

10. Appointments to Outside Bodies and Internal Advisory Groups and Panels, and the Appointment of Member Champions

The Committee was asked to appoint to outside bodies and internal advisory groups and panels and appoint Member Champions to lead on specific subject areas. Members acknowledged the increase in the number of representatives on the County Farms Working Group and Member Development Panel to 7 to reflect proportionality.

One Member commented that it would be helpful to have representatives from all groups on these bodies, groups and panels. Councillors Goldsack and Schumann offered to continue as the County Farms Member Champion, and as the Council's representative on This Land respectively.

It was resolved unanimously to:

- (i) review and agree the appointments to outside bodies, and note the vacancies as detailed in Appendix 1.
- (ii) review and agree the appointments to Internal Advisory Groups and Panels, and note the vacancies as detailed in Appendix 2.

- (iii) delegate, on a permanent basis between meetings, the appointment of representatives to any vacancies on outside bodies, groups, and panels, within the remit of the Strategy and Resources Committee, to the Chief Executive in consultation with the Chair and Vice-Chair of Strategy and Resources Committee.

11. Strategy and Resources Committee Agenda Plan and Training Plan

The Committee noted the agenda plan and the inclusion of business planning for the September meeting. The Director BID added that items had been picked up from various induction meetings, and Chair and Vice Chair meetings, so this information in relation to the Committee's training plan would be circulated to Members for comment.

Action Required.

It was resolved unanimously to note the Committee Agenda Plan and Training Plan.

Chair

Cambridgeshire County Council
Appointments to Outside Bodies: Policy and Service Committees

Name of Body	Meetings per Annum	Reps Appointed	Representative(s)	Guidance Classification	Committee to Approve
Cambridge BID Board A five-year initiative set up by Cambridge businesses/organisations to ensure continued investment in Cambridge City Centre	6	1	Councillor G Bird (L)	Regulated Director	Strategy and Resources
Cambridgeshire Horizons Board Cambridgeshire Horizons still exists as a Limited company to oversee three “live” Rolling Fund investments, two loans and one equity investment, with an initial total value of £20.5m, to support a number of growth projects and developments around Cambridgeshire.	1	1	Councillor L Nethsingha (LD)	Company Director	Strategy and Resources

Name of Body	Meetings per Annum	Reps Appointed	Representative(s)	Guidance Classification	Committee to Approve
England's Economic Heartland Strategic Alliance Group Stretching from Swindon to Cambridgeshire and from Northamptonshire to Hertfordshire, England's Economic Heartland brings political and business leaders together in a strategic collaborative partnership with a shared commitment to realise the region's economic potential.	TBC	1	Councillor L Nethsingha (LD) Substitute: Councillor E Meschini (L) <i>[this appointment must be the Leader or Deputy of the Council]</i>	Other Public Body representative	Strategy and Resources
ESPO Management Committee Purchasing and contracting service for 6 member Authorities.	4	2	1.Councillor B Goodliffe (L) 2.Councillor N Shailer (L)	Other Public Body Representative	Strategy and Resources
ESPO Finance and Audit Sub Committee	2	1	Councillor B Goodliffe (L)	Other Public Body Representative	Strategy and Resources

Name of Body	Meetings per Annum	Reps Appointed	Representative(s)	Guidance Classification	Committee to Approve
ESPO Shareholder representative Representing Cambridgeshire's interests with respect to ESPO Trading Limited	-	1	Councillor B Goodliffe (L) Substitute. Councillor N Shailer (L)	Other Public Body Representative (The Council partly owns ESPO Trading Limited (less than 20%) so Cllr Howell is the shareholder rep)	Strategy and Resources
Huntingdon BID Board BID is the town management vehicle for Huntingdon. It is an arrangement where businesses in a defined area agree improvements they want to make, over and above what the public agencies have to do. The fund is ring fenced and used solely to deliver the agreed set of projects and activities voted on by the businesses within the BID area.	10	1	Councillor T Sanderson (Ind)	Other Public Body representative	Strategy and Resources

Name of Body	Meetings per Annum	Reps Appointed	Representative(s)	Guidance Classification	Committee to Approve
LGSS Law Limited Company jointly owned by Northamptonshire County Council, Central Bedfordshire Council and Cambridgeshire County Council to provide legal services to the owner councils and to other organisations within the public sector and not for profit sector.	4	1	Councillor E Murphy (LD) Consultee Member	Other Public Body Representative [Council's representative on a company it part owns]	Strategy and Resources
This Land Board of Directors	12	1	Councillor N Gough (LD) Cotermious Officer representative: Steve Cox	Company Director (Non Executive Director)	Strategy and Resources

Appointments to Internal Advisory Groups and Panels

Appendix 2

Name of Body	Meetings per Annum	Representatives Appointed	Representative(s)	Contact Details	Committee to Approve
Civic Hub Project Board	12	1	Councillor G Wilson (LD)	Andy Preston andrew.preston@cambridgeshire.gov.uk 01223 715664	Strategy and Resources
County Farms Working Group	4	7	Councillor L Dupre Councillor N Gay (Lab) Councillor P McDonald (LD) VACANCY VACANCY VACANCY VACANCY	John MacMillan john.macmillan@cambridgeshire.gov.uk 01223 699092 Jack Kennedy jack.kennedy@cambridgeshire.gov.uk	Strategy and Resources
Member Development Panel Oversees training and development for Members.	As required	7	VACANCY (Con) appointment Councillor S Criswell (Con) Councillor E Meschini (Lab) Councillor L Nethsingha (LD) Councillor T Sanderson (Ind) Councillor P Slatter (LD) Councillor M Smith (Con)	Michelle Rowe Democratic Services Manager michelle.rowe@cambridgeshire.gov.uk 01223 699180	Strategy and Resources

STRATEGY AND RESOURCES COMMITTEE MINUTES-ACTION LOG

This is the updated action log as at 13th September 2021 and captures the actions arising from the most recent Strategy and Resources Committee meeting and updates Members on the progress on compliance in delivering the necessary actions.

Minutes of 6th July 2021					
Minute number	Item title	Responsible officer(s)	Action	Comments	Completed
5.	Joint Agreement – Action Plan	Tom Kelly	Publish on the agenda page for this meeting a breakdown of all of the outbound and inbound loan advances and repayments and the years in which they were due to be repaid.	Published on 7 July 2021.	Completed
		Wendi Ogle-Welbourn Cllr Nethsingha	Suggested that some of the items in the report conflicted with what had been said at C&YPC. For example, the report stated that there would be work with schools to increase breakfast clubs but the C&YPC had confirmed that there would be breakfast clubs in every school. The Chair agreed to investigate the issue raised at C&YPC regarding the provision of a breakfast club in every school.	Having reviewed the recording and confirmed with the officers' present, it was not stated at the meeting that a breakfast club would be provided in every school.	Completed

Minute number	Item title	Responsible officer(s)	Action	Comments	Completed
6(b)	Integrated Finance Monitoring Report for the period ending 31 May 2021	Steve Cox Jon Lewis	Requested updates on the progress of Wisbech Access and the Secondary School.	<p>Wisbech Access Projects: Following escalating cost forecasts well in excess of the original budget of £10.5M the project was paused while options and BCRs were revisited. On the 25 August 2021 the CPCA Board released a further £1.88M of funding totalling £3.97M, to allow completion of all design, approval and land acquisition for all three schemes, to deliver shovel ready projects by end December 2021.</p> <p>Update on Secondary School awaited.</p>	<p>Completed</p> <p>Ongoing</p>
		Tom Kelly	CFO to investigate all items expected to be funded by the CA.	<p>Funding items expected from the Combined Authority have been checked and exceptions are reported through to Committee.</p> <p>The Integrated Finance Monitoring Report at the September meeting includes note of funding confirmed for local transport capital in July</p>	Ongoing
7.	Future of the Shire Hall Campus, Cambridge	Tom Kelly	It was noted that this project had been assessed against the 5% cash flow; the CFO offered to share the sensitivity analysis which sat behind this approach.	A note of the sensitivities compared for the discount rate used in the net present value calculation is included at section 8.9 of the Integrated Finance Monitoring Report (item 6) for today's meeting	Ongoing
11.	Strategy and Resources Committee Agenda Plan and Training Plan	Amanda Askham	The Director BID added that items had been picked up from various induction meetings, and Chair and Vice Chair meetings, so this information in relation to the Committee's training plan	List of items circulated on 9 September 2021.	Completed

			would be circulated to Members for comment.		
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Peer Challenge Report and Action Plan

To: Strategy and Resources Committee

Meeting Date: 21st September 2021

From: Gillian Beasley, Chief Executive and the Joint Management Team

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: The Peer Challenge is an improvement approach for Local Government. Therefore, the outcome from successfully following through on the recommendations of the report will be improved corporate performance.

Recommendation: That the committee notes and comments on the Peer Challenge Report and draft Action Plan and agrees to:

- a) discuss, develop and agree actions with the relevant committees and officer leads.
- b) monitor progress against the Peer Challenge Action Plan at each meeting of this committee for this municipal year.

Officer contact:

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Member contacts:

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1. Background

- 1.1 In July 2021, the Council invited a team of Peers from the Local Government Association (LGA) to undertake a Corporate Peer Challenge. Peer challenge is a proven improvement approach for Local Government, delivered by a team of experienced councillors and officers selected to reflect CCC's requirements and focus.
- 1.2 In addition to the five themes which form the core components of all LGA Corporate Peer Challenges, CCC asked the Peer Team to focus on four additional areas, which the new Administration had identified as priorities:
 - Current financial position and future financial sustainability
 - Key risks and their management
 - Impact of changes to the committee system
 - Shared Services with Peterborough City Council
- 1.3 In completing the Corporate Peer Challenge the Peer Team spoke with over 250 people, including members, officers and many of our partners. The peer team also reviewed a range of documents and information to ensure they understood the Council's context, challenges, and opportunities.
- 1.4 The Council has found the process valuable and challenging and welcome the peer team's feedback and recommendations for improvement. We would like to thank the peer team for their time and thoughtful approach and to everyone who contributed to their review.

2. Peer Challenge Feedback

- 2.1 The full report from the LGA Peer Team is available [at this link](#). As well as recommending areas for improvement the report highlights a number of areas of strength and challenge.
- 2.2 Strengths:
 - The new administration is working collaboratively and has signalled a commitment to form strong and positive partnerships across the Cambridgeshire system.
 - Partners have expressed confidence in the council and a willingness to work closely with us to help shape Cambridgeshire's future direction, strategy, and plans.
 - The Council's positive response to the pandemic demonstrates an ability to be agile and deliver at pace.
 - The local context is comprehensively understood and is supported by established sources of data and insight.
 - The Chief Executive has established positive and valued relationships across partnerships with trust and respect from both staff and partners.
 - Staff feel supported in the organisation, welcome the proactive approach taken to wellbeing, value the opportunities they have for professional development and feel empowered to lead and shape services.
- 2.3 Challenges:
 - Partners highlight the need for the Council, with the Combined Authority, to play a

stronger and significant leadership role in economic development and there is an urgent need to focus more on place shaping.

- There is a need for speed in getting to grips with a looming challenge of a £64m gap over the next five years.
- Historic decisions not to increase council tax to the maximum allowed has resulted in significant lost income.
- There are significant annual overspends on the SEND High Needs Block resulting in an accumulated deficit which requires a contingency plan should Government not provide the anticipated support.
- Action is needed to recalibrate member roles, behaviours and conduct. The new opposition should be supported to ensure that their role and function is conducted in line with the Code of Conduct.

2.4 Shared services:

- In the main, the Council's shared arrangements with Peterborough City Council have evolved organically and opportunistically, with sharing of posts and services supported by a clear cost-sharing agreement, which ensures that neither council subsidises the other.
- There are more benefits which could accrue from shared services arrangements – but this needs further review, and a system which gives better oversight.
- Sharing a well-respected joint CEX has previously worked well, but the landscape has changed, and the challenges ahead are more complex. Given the changing context and need for a strong place shaping leadership role, the Council would now benefit from sustainable, increased capacity in the Chief Executive role.

3. Action Plan

- 3.1 The Corporate Peer Challenge report presented 11 key recommendations and 5 further shared services recommendations. From these recommendations, Members and Officers have developed the following draft action plan.
- 3.2 A number of the LGA Peer Team's recommendations had already been identified as areas for improvement by the new Administration and included in the Joint Agreement Action Plan and Tracker. Progress has been made on several of these actions before, during and since the Peer Challenge. The Joint Agreement Tracker is reviewed at every meeting of the Strategy and Resources committee and it is proposed that this Peer Challenge Action Plan is subject to the same monitoring and scrutiny.
- 3.3 Where actions are included in the Joint Agreement Action Plan and Tracker they will not be duplicated and monitored separately in the Peer Challenge Action Plan.

Table 1: Corporate Peer Challenge Key Recommendations

	Recommendation	Action	Milestone	Committee	Lead Officer(s)
1.1	<p>Devise a strategic approach to financial strategic planning for Cambridgeshire as a place.</p> <p>Ensure the budget planning process for 2022/23 addresses the medium-term budget gap and incorporates contingency planning.</p> <p>The use of short-term additional capacity should be considered to ensure that there is the necessary capability to both develop and deliver the savings programme and strategic financial plan</p>	<p>The strategic approach to medium term financial planning and performance is now managed through a series of officer and member forums, established since the new Administration took over leadership of the Council.</p> <p><u>Officer Governance</u> The Senior Management Team (SMT) has implemented a series of financial management controls designed to manage in year pressures, minimise non-essential expenditure and keep a tight grip on savings plans and delivery.</p> <p>A key element of this work is the Rapid Improvement team (RIT) who meet fortnightly to manage in year pressures, keep a tight grip on savings plans and delivery and develop ideas into business cases.</p> <p>The RIT reports into the Executive Budget SMT group to develop budget strategy, ensure initiatives are aligned to corporate priorities and sign off day to day decisions.</p> <p>SMT is the officer decision making forum for strategic financial decisions and holds operational and strategic overview of performance against budget actions. SMT works closely with Members in accordance with the constitutional framework.</p>	Jul '21	S&R	SMT/ Amanda Askham/ Tom Kelly

		<p><u>Member Governance</u></p> <p>Monthly Chairs, Vice Chairs and SMT meetings have been established so that Chairs and Vice Chairs (from all service committees as well as Chairs of Audit and Accounts, Pension Fund and Planning Committees) have an informal forum to discuss council priorities, medium term budget planning and corporate performance.</p> <p>Proposal from the Chairs and Vice Chairs group are considered in accordance with the Council's budget and policy framework which allows all members to discuss challenge and scrutinise proposals through the Committee structure, involving all committee members in cross party discussion on key budget decisions.</p> <p>The Strategy and Resources Committee holds overall accountability for proposing the budget to Full Council and will develop the budget over the autumn period through a series of cross-party workshops and formal committee meetings.</p>			
1.2	Develop a member/officer strategic forum to consider the overarching picture of progress and outcomes across the organisation.	<p>A strategic forum of the Chairs and Vice Chairs (from all service committees as well as Chairs of Audit and Accounts, Pension Fund and Planning Committees) meet with the officers from the Senior Management Team on a monthly basis to drive the objectives and outcomes of the Joint Administration and consider the progress against the objectives.</p> <p>The outcomes from this forum are fed into the</p>	<p>Jul '21</p> <p>Sep '21</p>	All	<p>SMT</p> <p>Amanda</p>

		relevant committees through workshops/committee reports, through the Council's updated performance management framework and through the Joint Administration Action Plan Tracker which is presented to Strategy and Resources Committee for scrutiny and challenge at every meeting.			Askham
1.3	Take action to recalibrate member roles, behaviours and conduct.	Member training, development and ongoing support will be arranged with support from the LGA.	Oct '21	S&R	SMT
1.4	Sustainable capacity in the Chief Executive role needs to be established for Cambridgeshire	Recruitment to a CCC only Chief Executive was recommended and approved by the Staffing and Appeals committee on 24 th August. Recruitment will commence 6 th September.	Sep '21	S&A	Janet Atkin
1.5	<p>Embrace the opportunity to reset, clarify and rebuild the different roles for the CA, the GCP, CCC and District and Town & Parish Councils in place shaping and place delivery, and take the lead where appropriate.</p> <p>Clarify the Council's role and ambitions in creating the conditions for sustainable and inclusive economic growth and allocate resource and leadership to this work.</p>	<p>Partnerships across the Cambridgeshire system are deepening already, with improved relationships and a clearer route to delivery of shared objectives.</p> <p>The Council has been working with partners across Cambridgeshire and Peterborough to produce a series of data and information sets which describe the impacts of the pandemic. We will add this information to what we already know about the needs and strengths of our population and work with partners, through the leadership of the Joint Administration, to agree the priorities for our place.</p> <p>We will do this through workshops and discussions with a range of partners, including</p>	Oct '21	S&R	Gillian Beasley/ SMT

		<p>politicians, the Combined Authority, the Greater Cambridge Partnership, all tiers of local government and partners in the Health system.</p> <p>There is already agreement from all partners that we should build on the success of support and services being provided at the most local level by the most appropriate person or organisation throughout the pandemic. Taking this approach, we will work with partners to review and reset roles and responsibilities across the system in order to deliver the outcomes identified from the needs assessment.</p> <p>This will include a review of governance and board arrangements across the system for Leaders to consider at a planned Leaders' Summit in October.</p>			
1.6	Review 'This Land'	<p>Avison Young, a major multi-disciplinary property consultancy, has been appointed as the specialist reviewer of This Land and the work has begun. The remit for the review is to consider: a) Are the assumptions that This Land has made in its latest business plan reasonable and deliverable? b) Is there a clear understanding about the exposure to risk, particularly in the medium term? c) How could This Land adapt its plans to adjust its risk appetite or strategy? d) How could the firm quicken the pace of housing delivery, are there examples from other local authority related housing companies? e) Does This Land have the right skills, capabilities and expertise compared to a typical housing</p>	Dec '21	S&R	Tom Kelly

		development company of this type? The review is scheduled to take 8 weeks.			
1.7	Review the effectiveness of the new Committee system arrangements, including the role of scrutiny, in six months.	Review in six months	Mar '22	S&R	SMT
1.8	Further develop the current organisational resource to better support wider transformation and innovation.	<p>The Council's priorities are being finalised, taking into consideration the Administration's Joint Agreement, the priorities of each committee, the challenging financial position and impacts of COVID, Brexit and the Climate Emergency.</p> <p>There will be a robust review of the organisational capacity and skills needed to deliver these priorities with a focus on an outward looking, open minded and innovative culture.</p> <p>Members and officers will be encouraged to take up training opportunities with the LGA and other organisations to gain a wide perspective on the role of Local Government and the opportunities for innovation.</p> <p>As action plans under each priority are developed, capacity, investment and skills to deliver will be identified.</p>	Dec '21	S&R	SMT
1.9	Internal and external communications would benefit from greater alignment to the new administration and managerial approaches and priorities.	<p>The Council's Media Protocol has been updated and will go to Constitution and Ethics Committee for approval.</p> <p>A new relationship has been established between the Communications team and the Administration, with a communications business partner identified for each</p>	Sep '21	S&R/ C&E	Christine Birchall

		committee. Communications work plan has been revised in line with new priorities and shared with all Chairs and Vice Chairs and additional resource requirements identified.			
1.11	Further work is needed to embed EDI practices within individuals, teams and services.	A corporate objective focused on EDI is now included in everyone's objectives. A Joint Management team lead has been identified and investment has been allocated to establishing a central EDI resource.	Sep '21	S&R	Sue Grace/ JMT

Table 2: Corporate Peer Challenge Shared Services Recommendations

2.1	Organise an independently facilitated workshop for both sets of politicians and senior management to explore: a) All the options for shared arrangements and their relative pros and cons both for the councils and for their respective roles in the emerging ICS and in opportunities for Place shaping. b) The implications of decoupling existing joint management posts. c) The balance of shared management against the requirement for sufficient strategic capacity for each council.	Chairs and senior officers are working together to understand the current arrangements and the business cases underpinning these arrangements. A facilitated workshop for politicians and senior managers is being set up to explore the issues laid out in a, b and c of this recommendation and will be supported by the LGA From this workshop, plans for the development of shared arrangements will be agreed, taking into account the additional recommendations below.	Sep '21 Oct '21 Oct – Dec '21	ALL S&R ALL	SMT Gillian Beasley/ SMT SMT
2.2	Develop a vision and roadmap for shared services which includes a	To follow Member/Officer facilitated workshop			

	strategic plan with clear oversight and clear benefits realisation.				
2.3	Ensure that the strategic map respects the strategic directions of both councils and is able to deliver different policies across each council.	To follow Member/Officer facilitated workshop			
2.4	Consider developing the internal transformation team to own and drive the work in a consistent manner.	To follow Member/Officer facilitated workshop			
2.5	Develop some shared services to deliver greater efficiencies through shared data and client record systems and a shared service Target Operating Model where appropriate.	To follow Member/Officer facilitated workshop			
2.6	Enable senior political engagement with key health partners to improve understanding and drive joint work around the emerging ICS/ICPs	<p>The Chair and Vice Chair of the Adult and Health Committee now represents CCC on the shadow Integrated Care System Board.</p> <p>The Vice Chair of the Adults and Health committee jointly chairs the Health and Wellbeing Board.</p> <p>A system workshop on Health and Wellbeing/Health and Care Partnership boards and value of bringing these together has been arranged.</p> <p>Six weekly meetings of chair /vice chair of Adult and Health committee with officers and ICS Accountable Officer and Chair have been established.</p>	<p>Aug '21</p> <p>Oct '21</p> <p>Aug '21</p>	A&H	Wendi Ogle Welbourn/ Jyoti Atri

4. Alignment with corporate priorities

- 4.1 The Peer Challenge Action Plan will inform priorities in the Corporate Strategic Framework will be reviewed as part of the annual planning cycle, starting in September '21.

5. Significant Implications

- 5.1 Delivery of the Peer Challenge Action Plan will have implications for all areas of the Council. The Action Plan will be monitored and managed through the Strategy and Resources Committee and will feed into the annual review of Council strategy.

6. Source Documents

- 6.1 The full report from the LGA Peer Team is available [at this link](#)

Joint Agreement Action Plan Tracking and Monitoring

To: Strategy and Resources Committee

Meeting Date: 21 September 2021

From: Amanda Askham, Director of Business Improvement and Development

Electoral division(s): All

Key decision: No

Forward plan ref: Not applicable

Outcome: The Joint Agreement Action Plan describes activity to deliver the priorities and approaches for delivering improved outcomes for the people of Cambridgeshire set out in the Joint Agreement.

The outcome of good monitoring is a transparent view of progress against plans, informed decision making on resource allocation and an agile response when adjustments are necessary.

Recommendations: That the committee reviews the monitoring against actions identified in the joint agreement action plan.

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1. Background

- 1.1 On 14th May 2021, a Joint Agreement was signed by the leaders of the Liberal Democrat, Labour and Independent groups. The following week, at the Council's Annual General Meeting, a new Joint Administration to lead the work of the Council was agreed.
- 1.2 A draft thematic action plan was approved in July 2021 to enable the Joint Agreement to be delivered through tangible actions. These actions are the first steps that are being taken and monitored in this municipal year whilst a new Council-wide strategy is being developed and approved as part of the annual Business Planning process.
- 1.3 Monitoring delivery of the Joint Agreement is important as it will enable Elected Members, officers, partners and the public to assess whether the Council is achieving what it has set out to do, delivering value for money, and meeting the needs of residents and customers. A draft Joint Agreement Tracker has been developed and it has been agreed that the Strategy and Resources Committee reviews the tracker at each meeting of this municipal year.
- 1.4 It was also agreed that where possible and appropriate, an initial baseline position, dated from the last AGM, would be defined for each activity. As the content of the action plan develops so will the baseline information.
- 1.5 The Joint Agreement Tracker is presented in draft form for discussion and further development as required with committees.

2. Joint Agreement Action Plan Tracker

- 2.1 The Joint Agreement Tracker is presented in two sections: **activity**, and **policy development**. The expectation is that policy changes will result in future actions, the delivery and impact of which will be monitored by each committee under a revised performance framework linked to corporate strategy.
- 2.2 Actions are presented here in chronological order based on the next milestone. The data can also be sorted and presented using a range of criteria including, committee area, service area, lead officer, Joint Agreement Action Plan reference.
- 2.3 Many of the initial milestones are due this financial year. Further new actions and future milestones beyond this 21-22 financial year will be aligned with and monitored as part of the new overall strategy and performance framework for committees as new and revised policies and strategies are agreed.

Activity

Ref.	Action	Milestone	Committee	Lead Officer(s)	Success criteria	Baseline position May 2021	Achieved	Update / comments by lead officer
G.2	Bring forward to the public domain (to the greatest extent legally possible) further information about the farms audit findings and the Council's actions in response	Jul 21 and Sep 21	A&A	Fiona McMillan/ Tony Cooper	The Constitution and Ethics Committee process runs its course so that it is possible to put more information into the public domain	Report not in public domain	In progress	Two reports were taken to Constitution & Ethics Committee on 27th July 2021 Update on Farms Audit activity given to Audit and Accounts Committee 13.07.21
CE.1	Explore procurement routes to enable free school vouchers during the summer '21 school holidays	Jul '21	CYP	Jonathan Lewis	Free School Meal vouchers available during summer holiday 2021	Free School Meal vouchers not available in summer 21 school holidays	Vouchers have been distributed to all eligible parents.	Unclaimed vouchers will be withdrawn on the 24 th September. Proposals for support for half term to be shared at CYP in September.
CE.3	Agree an action plan for improving prevention and early intervention for children with	Aug '21	CYP	Jonathan Lewis	Action plan reported to CYP	4.2% of children in school in Cambs have Education Health Care Plans	In progress – draft plan complete	Draft plan is complete, and schools are being briefed

	Special Educational Needs and Disabilities (SEND).					compared to 3.4% in CIPFA neighbours; 10.6% of children in school on the lower level in school SEN support compared to 11.9% in similar areas		on the high needs block challenges on the 20 th September. DfE meeting planned for October.
G.1	Deliver a Public Service Reform briefing to update political leaders across the Cambridgeshire and Peterborough system on current initiatives	Briefing Sep-21 Workshop Oct/ Nov '21	S&R	Amanda Askham	Leaders briefed	n/a	In progress	Initial briefing for all Council and system leaders competed through SCG and CPSB lead officers. Planning for workshop for political leaders and senior officers discussed at CPSB. Date to be agreed, likely to be in October '21
C.8	Identify budget implications and options for removing 50p charge on reserving books for people on Universal Credit.	Review of book borrowing charges Sep '21	CSMI	Adrian Chapman	Report to CSMI to enable decision for removal of universal book borrowing charge	50p charge for reserving books applied to everyone	In progress	Book borrowing is free for all, although we are reviewing charges for other services. CSMI has agreed to a full library service

		Library service review Dec '21						review which will report findings in December 2021
F.3	Committee review of financial strategy, budget outturn and forward-looking projections and investment	Sep '21 & Dec '21	S&R	Tom Kelly	Relevant reports to Committees enable a four year balanced budget to be presented to Full Council	Financial strategy reported in 2021-22 Business Plan and via monitoring reports	In progress	Business Planning paper to September committees
CE.5	Agreement of system-wide outcomes monitoring framework by Children & Maternity Health Executive Board	Oct '21	CYP	Raj Lakshman	Outcomes framework agreed by Board	No system wide outcomes framework in place	In progress	
C.6	Deliver Diversity & Inclusion training to Safeguarding partnership Board members	Oct '21	Safeguarding Board	Jo Procter	Training delivered		In progress	
C.2	Place Leads Partnership to take the lead in identifying and addressing community inequalities; aligning closely with the two Integrated Partnerships which are the key community delivery arms for the Integrated Care System (ICS).	Oct '21	CSMI	Adrian Chapman	Ongoing updates of work of Place Leads Partnership	Significant health inequalities between different parts of county and within communities, particularly where there is income deprivation	In progress	
T.5	Commence procurement for replacement of Cambridge Sub Regional Transport Model	Oct '21	H&T	Jeremy Smith	Procurement advert placed and process started		In progress	

	(CSRM) in partnership with GCP and CPCA.							
H.9	Identify and provide more support for both informal Carers and Young Carers	Nov '21	CSMI	Adrian Chapman	Number of carers supported increases	2,900 carers supported during 2020-21, reported in adults statutory returns 400 young carers (as noted in either social care assessment or child and family assessment) receiving support at the end of March 2021	In progress	
CE.2	Work with schools to increase breakfast clubs in schools during the school term	Nov '21	CYP	Jonathan Lewis	Increase number of breakfast clubs in summer term 2022 compared to summer term 2021	Data not previously collected.	In progress	
CE.4	Ensure the pre-birth to five multi-disciplinary teams (Best Start in Life) work with children with Special Educational Needs & Disability (SEND) and their families.	Nov '21	CYP	Wendi Ogle-Welbourn	Increasing numbers of SEND families engaged by pre-birth to five multi-disciplinary teams	1,058 children open to SEND Early Support in Q4 2020-21	In progress	

F.5	Real Living wage – short term steps: in-year uplift for those directly employed below RLW. Then detailed consideration of longer-term implications of full RLW Foundation accreditation to include incremental progress year-by-year for contractors.	Nov '21	S&R	Tom Kelly & Janet Atkin	In-year uplift paid to eligible employees in 2021-22; full RLW accreditation considered by Staffing and Appeals	1.7% of directly employed CCC employees paid below RLW	In progress	
F.9	Establishment of a Strategic Programme Management Office (SPMO)	Nov '21	S&R	Amanda Askham	SPMO established	No SPMO in place	In progress	proposal developed
T.7	Develop and adopt new standards for pedestrian and cycling infrastructure informed by Local Transport Note (LTN)120.	Dec '21	H&T	Jeremy Smith	New standards adopted as policy by H&T		In progress	
T.13	Conclude the work of the HGV Members Working Group and agree an HGV management policy which must limit HGVs rat-running through villages and urban communities	Dec '21	H&T	AD Transport and Network Management	New HGV policy adopted by H&T	HGV Members Working Group ongoing	In progress	
F.6	Lobbying for fairer funding for Cambridgeshire and national policy reform progress	Dec '21 & Feb '22	S&R	Tom Kelly	Ongoing lobbying work formally acknowledged	Lobbying ongoing	In progress	
NEW CE.7	Campaign to keep state nursery schools open, to keep schools in local authority control, and for fair funding for Cambridgeshire schools.	Dec '21	CYP	Jon Lewis/ Christine Birchall	Ongoing campaign and lobbying work formally acknowledged No reduction in numbers of	Number of schools in LA control Fair funding campaign ongoing	NEW	

					schools in LA control (excl. those changed due to inadequate rating forced changed or new school)			
NEW CE.8	Advocate hard and publicly for better SEND funding	Dec '21	CYP	Jon Lewis/ Christine Birchall	Ongoing campaign and lobbying work		NEW	
C.5	Support local neighbourhoods to develop youth provision	Jan '22	CSMI	Adrian Chapman	New youth provision available	Approximately 1,700 children with open district team early help involvements at end May 2021	In progress	
C.3	Strong Families, Strong Communities: Implement the Best Start in Life and Early Help strategy as part of the development of the Children's Collaborative (part of the ICS)	Jan '22	CYP	Lou Williams	Strategies are implemented	Best Start In Life strategy implementation ongoing; Early Help Strategy in development; Children's Collaborative in development	In progress	
T.6	To secure high quality transport infrastructure improvements required from major developments, aligned with GCP and CPCA.	Jan '22	E&GI	David Allatt	High quality transport infrastructure secured from major developments		In progress	

C.4	Deliver services and opportunities in the Youth Engagement Offer	Mar '22	CSMI	Adrian Chapman	Deliver Youth Engagement Offer	NEET rate May 2021 = 2.82%	In progress	
T.2	Carry out consultation on new active travel strategy for the County	Mar '22	H&T	Jeremy Smith	Strategy developed and consulted on; results reported to H&T	No specific Active Travel Strategy in place for Cambridgeshire; CPCA has responsibility for strategic transport planning	In progress	
T.9	Explore funding options for additional capital maintenance schemes to enhance the County networks and further gulley clearance.	Mar '22	H&T	AD Highways Maintenance	Funding for additional schemes identified	[Baseline spend amount on capital maintenance schemes 2021-22 budget]	In progress	
T.11	Implement additional footway maintenance schemes	Mar '22	H&T	AD Highways Maintenance	Additional schemes delivered compared to baseline	[Number of schemes planned for 2021-22 in budget]	In progress	
NEW H.10	Increase air quality monitoring across Cambridgeshire, including in villages as well as in towns, cities, and along major trunk roads.	Mar '22	A&H		Increase in air quality monitoring sensors and data collation	District councils have responsibility for monitoring air quality under Local Air Quality Management regime; some County Council collaboration around specific projects	NEW	

E.6	Implement tree planting scheme on the land acquired as part of the A14 scheme	Mar '22	H&T	AD Highways Maintenance	Scheme implemented and increased numbers of trees planted		In progress	
NEW CE.9	Increase in support provided for young people and families (for example youth services and children's centres)	Mar '22	CYP		Increase in services for young people and families	1,150 children and young people open to district early help teams for 'targeted support' in May 2021 580 children open to Child and Family Centres for targeted support	New	
H.8	Increase in direct payments for adult social care users	Jun '22	A&H	Will Patten / Charlotte Black	Additional direct payments made compared to baseline	980 clients receiving a direct payment in March 2021 statutory returns	In progress	
H.1	Develop and deliver care in neighbourhoods, moving from domiciliary care agencies to carers in local neighbourhoods.	Phased over the next 2 years	A&H	Will Patten			In progress	
H.10	Develop and deliver health and care from the Princess of Wales site.	Phased over the next 3 years	A&H	Will Patten / Cambridgeshire Community Services	Independent Living accommodation built and occupied meeting local	Shortage of residential and nursing care beds, project to address this ongoing	In progress	

					forecast demand			
H.7	Adopt and implement the ten Healthy New Town principles for new developments and seek to embed them in District and City Council Local Plans	Dependent on plan schedule	A&H	Emmeline Watkins / Iain Green	Healthy New Towns principles embedded in Local Plans	Healthy New Town principles in operation in Northstowe development; not embedded in Local Plans	In progress	

Policy Development

Ref.	Action	Milestone	Committee	Lead Officer(s)	Success criteria	Baseline position May 2021	Achieved	Update / comments by lead officer
F.11	Development of Joint Agreement Action Plan and Tracker	Jul '21 Sep '21	S&R	Amanda Askham	Tracker adopted and reported quarterly to S&R	n/a	Completed	Draft completed for Sept S&R Committee
F.2	LGA Peer Challenge Finance Module to consider financial standing, robustness of plans & reserves and makes recommendations	Sep '21	S&R	Tom Kelly	Publication of LGA Peer Challenge report	Previous LGA Peer Challenge in 2013	Completed	Peer challenge report and action plan published September '21
C.1	Develop an Anti-poverty strategy involving the Place Leads Partnership (District Councils, Police, Health, Voluntary and Community Sector) & wider Community	Sep '21	CSMI	Adrian Chapman	Anti-Poverty Strategy to CSMI for approval	No Anti Poverty Strategy in place	In progress	July CSMI approved a strategic framework for tackling social immobility. 10 practical actions presented to CSMI

	Resource Stakeholder Group (circa 50 organisations)							2.9.21 to drive the framework forwards. Report at this link .
F.7	Review Commercial Strategy and priorities	Draft completed Sep '21 S&R as part of strategic Feb '22	S&R	Amanda Askham	Commercial Strategy reported to S&R	Commercial Strategy in place to deliver previous administration's priorities.	In progress	Draft completed and will be presented to S&R as part of Strategic Framework and Business Planning in December
F.8	Review of transformation funded project and programmes to determine intended outcomes; cost and return; timescales and milestones	Sep '21	S&R	Amanda Askham	Review of projects reported to S&R to enable decision for remaining transformation fund usage	Transformation monitoring quarterly in place	Completed	Transformation fund monitoring report reviewed at Sept S&R Committee
F.10	Review of Performance Framework and reporting	Sep '21 REVISED to NOV '21	S&R	Amanda Askham	Reviewed Performance Framework reported to S&R and adopted	N/a as new review	In progress	Delayed to incorporate corporate strategy, strategic framework and peer challenge feedback
G.3	The LGA Corporate Peer Challenge will examine the effectiveness of the shared service arrangements considering what has been achieved and what its future is going forward – action plan will be produced	Jul-Sep 21	S&R	Gillian Beasley Amanda Askham	LGA Peer Challenge report and action plan on Shared Services reported to S&R	Previous LGA Peer Challenge in 2013	Completed	Peer challenged published with action plan and reported to S&T Sept 21

G.4	Review of corporate strategy and strategic framework	Sep-21 - REVISED to Nov '21	S&R	Amanda Askham	Corporate Strategy and Strategic Framework reported to S&R and adopted	Corporate Strategy in place to deliver previous administration's priorities.	In progress	Publication delayed to November to include feedback from peer challenge
F.4	Position of This Land to be considered within LGA Peer Challenge and an action plan produced	Update Sep '21 Review completed Dec '21	S&R	Tom Kelly	Action plan reported to S&R	N/a as new review	In progress	Review commissioned, update to S&R Sep'21. Report to S&R Dec '21
F.1	On behalf of Cambridgeshire, its businesses, and citizens we will develop and facilitate a COVID -19 recovery strategy starting with: - a review of emerging evidence of Needs and Impacts on Cambridgeshire	Reporting quarterly from Sep '21	S&R	Amanda Askham	Needs assessment documents published	Previous review of impacts and needs discussed by General Purposes Committee in 2020	In progress	Phase one suite of data due for publication on Cambridgeshire Insight in Sept '21
H.4	Implement a clear action plan to deliver "health in all policies" including criteria for evaluating policies	Oct '21	A&H	Jyoti Atri	Action plan implemented	Health implications included as mandatory section of committee papers	In progress	
T.3	Work in partnership with the Greater Cambridge Partnership on a review of the road hierarchy	Oct '21	H&T	Jeremy Smith & GCP	Review of road hierarchy reported to H&T	Review underway and ongoing	In progress	

T.12	Review the 20mph policy and the qualifying criteria	Oct '21	H&T	AD Transport and Network Management	Review reported and criteria agreed by H&T	N/a as new review	In progress	
H.2	Develop a primary and early intervention Prevention Strategy that will build on existing work and involve communities, the ICS and other partners across the system.	Nov '21	A&H	Val Thomas	Strategy reported to A&H	No system-wide Primary and Early Intervention Strategy in place	In progress	
NEW F.12	Review process for decision making on spending and investments to ensure that all decisions are: - made in the context of meeting the Net Zero strategy - equally weighted for social, environmental and financial criteria - assessed for their impact on residents living in deprivation and on the population as a whole, with a commitment to fairness in overall allocation	Nov '21	S&R	Tom Kelly	Review completed and mechanisms for changing decision-making criteria in place	N/a as new review	New	
C.7	Full review of the library service to ensure it is meeting the needs of our residents	Dec '21	CSMI	Adrian Chapman	Review reported to CSMI	N/a as new review		In progress
E.1	Review the Climate Change and Environment Strategy (Sustainability Strategy) to bring forward net-zero target towards 2030 and alignment of	Dec '21	E&GI	Sheryl French/ Quinton Carroll	Revised Climate Change and Environment Strategy to E&GI with clear	N/a as new review	Carbon emissions	In progress

	key resources including the Environment Fund.				action plan and milestones			
E.4	Review biodiversity across the Council's land and property assets to identify a programme for 'doubling nature'	Dec '21	E&GI	Quinton Carroll / Tony Cooper	Proposed programme reported to E&GI	N/a as new review	Biodiversity indicators	In progress
CE.6	Develop an integrated approach to support Children and Young People's mental health and wellbeing	Dec '21	CYP	Raj Lakshman	Multi partner agreement/process identified to support CYP mental health and wellbeing outcomes		In progress	
E.3	Produce a Tree and Woodland strategy	Dec '21	E&GI	Quinton Carroll / Emily Bolton / Tony Cooper	Tree and Woodland Strategy to E&GI	CUSPE report highlighted importance of trees; work on strategy ongoing.	In progress	
T.14	Bring proposals back to committee for Residents' Parking Schemes in consultations with GCP and in-line with the Integrated Parking Strategy	Dec '21	H&T	AD Transport and Network Management	Proposals reported and considered by H&T	Residents' Parking Schemes paused in March 2021 whilst awaiting Integrated Parking Strategy.	In progress	
H.3	Identify what the Safeguarding Partnership Board can do for vulnerable individuals who do not meet statutory threshold for services	Dec '21	Safeguarding Board	Jo Procter	Report to Safeguarding Board		In progress	

F.6	Procurement and contracting—plan how the Council's approach can ensure greater weight given to local suppliers, direct delivery, environmental criteria and social value	Jan '22	S&R	Tom Kelly/ Chloe Rickard	Social Value and Procurement policy / approach agreed by S&R and implemented in all purchases	Previous best value procurement guidance suggested a 5% weighting for social value but not mandatory.	In progress	
E.2	Develop a 'Routemap to Net-Zero and Doubling Nature' Programme including a medium-term resourcing strategy.	Mar '22	E&GI	Steve Cox	Programme plan reported to S&R and E&GI	N/a as new programme	In progress	
H.6	Implement a system wide Obesity/Healthy Weight Strategy	Mar '22	A&H	Val Thomas	Agree Obesity / Healthy Weight Strategy at A&H	Previous strategy expired 2019.	In progress	
E.5	Work with rural communities to develop opportunities which encourage agricultural and environmental innovations and practices that benefit the rural economy, nature, and the climate. Identify funding to support the transition to a future nature-based economy, enhance natural capital and reconnect people with nature.	Mar '22	E&GI	Quinton Carroll	Opportunities identified Potential funding identified	See current Climate Change Strategy and Actions	In progress	
T.1	Work with partners on policies which enhance Local Plans and support the Local Transport Plan review	Mar '22	H&T	Jeremy Smith	Ongoing updates about work	N/a as review of LTP	In progress	
NEW T.15	Work with the Greater Cambridge Partnership to achieve a sustainable bus	Mar '22	H&T		Sustainable bus network in place		New	

	network for Greater Cambridge.							
T.4	Continued development of Huntingdon and Fenland transport strategies to include support for modal shift.	Mar '22	H&T	Jeremy Smith	Strategies completed and reported to H&T	Work underway and ongoing	In progress	
T.8	Review and refresh the Council's transport priorities	Mar '22	H&T	Jeremy Smith	Priorities reported to and agreed by H&T	N/a as review	In progress	
T.10	Consider options for innovative condition surveys to anticipate and address highway maintenance issues.	Mar '22	H&T	AD Highways Maintenance	Options paper considered by H&T		In progress	
H.5	Work with the NHS to pilot Population Health Management Approaches to combine health and care data to inform proactive care and prevention and target interventions	Dependent on COVID Wave 3 timing	A&H	Emmeline Watkins / Amanda Askham	PHM approach to combine data piloted	Work underway and ongoing	In progress	

3. Baseline and Monitoring Progress

- 3.1 In July it was resolved to develop a comprehensive base line position at the earliest opportunity on all of the actions within the Joint Agreement Action Plan dated from the last AGM. Following review of the detailed actions, a baseline position has been identified where appropriate.
- 3.2 For actions relating to reviews, strategy and policy development, the strategies and policies themselves will articulate the current baseline positions and the desired objectives; monitoring of delivery of actions and impact identified by new or revised strategies and policies will take place within each committee as part of an overall revised performance framework.
- 3.3 As part of the overall strategic performance management and monitoring, it is important the Joint Agreement Tracker has clear links to any further development of the Corporate Strategic Framework and the ongoing monitoring of our statutory accountabilities. As part of the development of the corporate performance framework, committees will see progress on actions and indicators covering statutory services, as well as indicators covering new actions and areas of strategy / policy being developed.
- 3.4 To ensure effective monitoring in each meeting of this committee, lead officers will update progress each quarter on the detailed tracker and a supporting narrative paper will be collated and presented. Lead officers will provide expert advice to give further supporting evidence and views of progress.

4. Alignment with corporate priorities

- 4.1 The Corporate Strategic Framework will be reviewed as part of the annual planning cycle, starting in September '21. The priorities and ambitions described in the Joint Agreement will form the foundations of this review.

5. Significant Implications

- 5.1 Delivery of the Joint Agreement Action Plan will have implications for all areas of the Council. The Joint Agreement Tracker will be monitored and will feed into the annual review of Council strategy.

6. Source documents

- 6.1 [Joint Agreement](#)

Integrated Finance Monitoring Report for the period ending 31 July 2021

To: Strategy & Resources Committee

Meeting Date: 21 September 2021

From: Chief Finance Officer

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2021/022

Outcome: The Committee will have received information setting out the current financial position of the Council, enabling it to assess delivery of the Council's business plan. It will also have made decisions around the allocation of resources. Overall, this will contribute to good financial management and stewardship of public funds.

Recommendation: Strategy & Resources Committee (S&R) is recommended to:

- a) Note the additional £292k extended rights to free home to school travel grant for 2021-22, as set out in section 6.1;
- b) Note the allocation by CCC of £109k for biodiversity activities as set out in section 6.2;
- c) Approve the debt write-offs of £71,737 and £27,253 relating to the estates of service users where there is now no prospect of debts being recovered, as set out in section 7.2;
- d) Approve the -£4.2m revised phasing of the capital programme variations budgets as set out in section 8.6;
- e) Note the additional £0.4m grant funding awarded for the Papworth to Cambourne cycling scheme as set out in section 8.6;
- f) Note the receipt of £21.955m as the local transport capital grant allocation for 2021/22 and its application towards the spending plans set for the 2021/22 budget, as set out in section 8.7;
- g) Approve additional prudential borrowing of £432k in 2021/22 for the Building Maintenance scheme as set out in section 8.8;
- h) Note and comment on the Transformation Fund Monitoring Report as set out in Appendix 4;

- i) Note and comment on the Finance Monitoring Report for Corporate Services (appendix 5);
- j) Delegate authority to the Chief Finance Officer, in consultation with the Chair and Vice-Chair, to progress and/or settle litigation in relation to a property in Fenland, as set out in confidential Appendix 6, including a potential debt write-off exceeding the normal officer threshold.
- k) Approve additional prudential borrowing in 2021/22 for the Waterbeach Waste Treatment Facilities scheme as set out in confidential Appendix 7.

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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 -£0.930m (0.2%) forecast year end variance, however there continues to be uncertainty about the pandemic impact in the coming months Green	 This is a £0.923m increase in the forecast revenue underspend compared to last month. There is a £1.0m decrease in the forecast capital year-end expenditure compared to last month.	Capital programme forecast outturn -£1.0m (-0.6%) forecast year end variance Green
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Number of service users supported by key care budgets

Older people aged 65+ receiving long term services	July 21	May 21	Trend since May 21
Nursing	508	492	Increasing
Residential	876	864	Increasing
Community	1,981	1,932	Increasing

Working Age Adults receiving long term services	July 21	May 21	Trend since May 21
Nursing	72	69	Stayed the same
Residential	359	358	Stayed the same
Community	2,900	2,868	Increasing

Children open to social care	July 21	Apr 21	Trend since Apr 21
Children in Care	647	660	Decreasing
Child Protection	429	443	Decreasing

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 -£0.930m. The forecast pressures are largely within Corporate Services (CS) (+£1.1m). These are offset by forecast underspends in Funding Items (-£1.4m), People & Communities (P&C) (-£0.4m) and Place & Economy (P&E) (-£0.2m). See section 3 for details.

- The Capital Programme is forecasting a year-end underspend of -£1.0m at year-end. This includes use of the capital programme variations budget. See section 8 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 (June) £000	Service	Current Budget for 2021/22 £000	Actual (July) £000	Forecast Variance (July) £000	Forecast Variance (July) %	Overall Status	DoT
64,317	-200	Place & Economy	64,266	9,587	-205	-0.3%	Green	↑
302,530	469	People & Communities	300,076	69,465	-426	-0.1%	Green	↑
0	0	Public Health	0	-28,386	0	-	Green	↑
25,489	795	Corporate Services	26,300	9,476	1,064	4.0%	Amber	↓
31,295	0	CS Financing	31,295	2,628	0	0.0%	Green	↔
423,632	1,064	Service Net Spending	421,938	62,771	433	0.1%	Green	↑
11,745	-1,070	Funding Items	13,440	13,440	-1,362	-	Green	↑
435,377	-6	Grand Total Net Spending	435,378	76,211	-930	-0.2%	Green	↑
155,583		Schools	155,583					
590,960		Total Spending 2021/22	590,961					

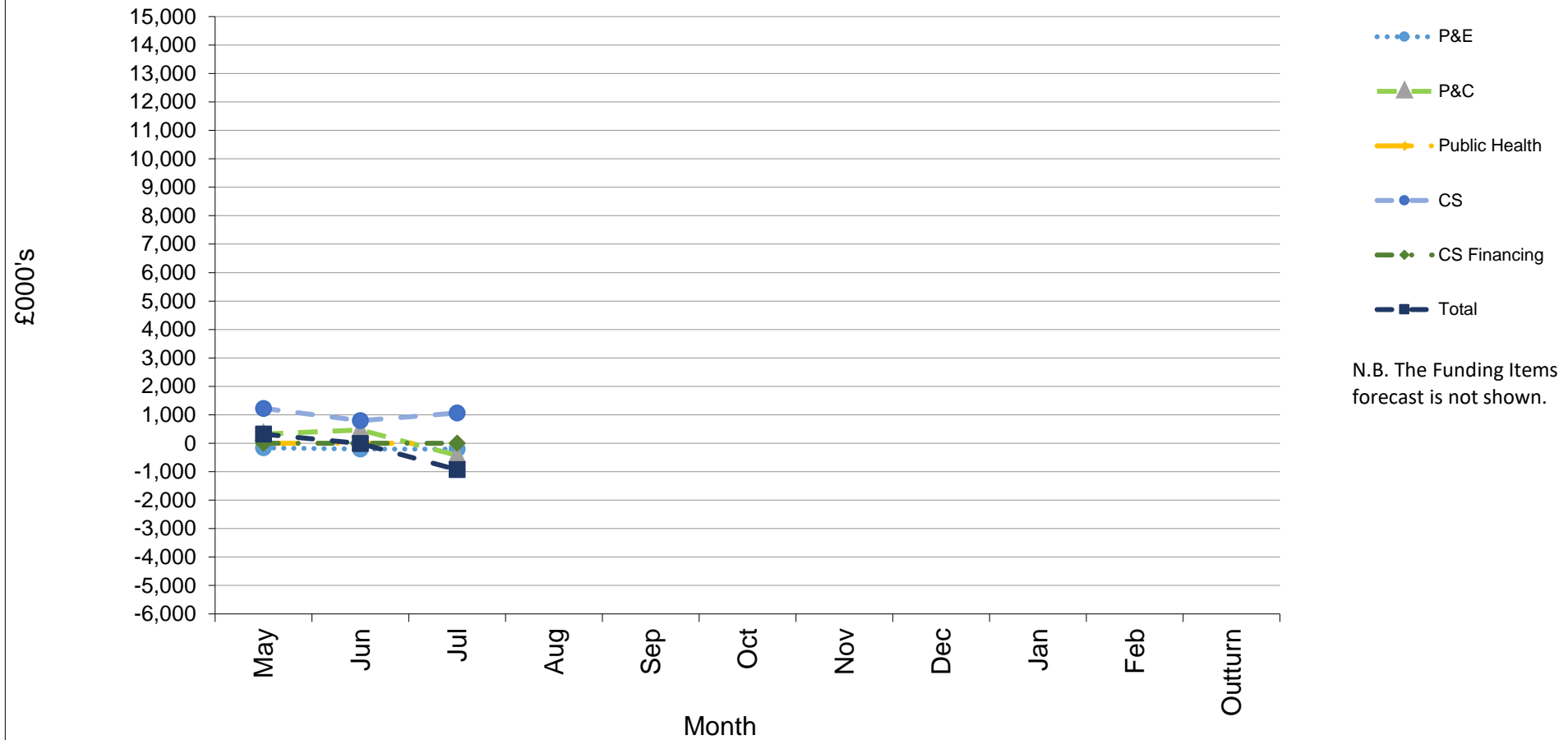
¹ The budget figures in this table are net.

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

³ The budget of £0k stated for Public Health is its cash limit budget. In addition to this, Public Health has a budget of £26.8m from ring-fenced public health grant, £15.6m from the Contain Outbreak Management Fund, £2.6m from the Enduring Transmission Grant, £1.8m from the Community Testing Grant, £1.1m from Test and Trace Support Grant and £0.5m from other grants which make up its gross budget.

⁴ The 'Funding Items' budget comprises the £9.2m Combined Authority Levy, the £424k Flood Authority Levy and £3.8m 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 2021/22



3.2 Summary of Forecast Covid-19 Related Costs by Directorate for 2021/22

Directorate	Net Covid-19 Pressure
	£000
Place & Economy	2,538
People & Communities	13,379
Public Health	130
Corporate Services	2,545
Total	18,592

These Covid-19 related costs are a mixture of additional expenditure, reduced income, and savings not delivered as a result of the pandemic. They are also net of any external funding received to cover specific functions and pressures (such as the Contain Outbreak Management Fund). Increasingly, some of these additional costs have been included within initial budgets and as such do not impact on the services' forecast outturns reported elsewhere within this report. However, the overall costs related to Covid-19 are still required to be categorized and reported to central government.

3.3 Key exceptions this month are identified below.

3.3.1 Place & Economy:

-£0.205m (-0.3%) underspend is forecast.

- Lost Sales, Fees & Charges Compensation

Outturn Variance £m	Outturn Variance %
-1.414	(-45%)

-£1.414m compensation is forecast. This is a decrease of £1.378m on the underspend position previously reported last month. Budget has been set aside to cover expected shortfalls in income due to COVID. The budget has been built on assumptions on the level of income and these will be closely monitored during the year. The level of income is currently greater than the initial assumptions and so budget that is no longer required will be handed back to the corporate centre.

- Traffic Management

Outturn Variance £m	Outturn Variance %
+0.052	N/A

A +£0.052m pressure is forecast. This is a decrease of £0.552m on the position previously reported in May, of which £0.549m relates to a change since last month. Income from permitting is projected to be lower than the budget set due to COVID. This is currently projected on certain assumptions and these assumptions will be closely monitored during the year. Income to date is higher than expected and this is shown in the reduction in the outturn forecast since last month. Budget to cover this shortfall is held within 'Lost Sales, Fees & Charges Compensation' line above.

- Bus Operations including Park & Ride

Outturn Variance £m	Outturn Variance %
+0.200	N/A

A +£0.200m pressure is forecast. This is a decrease of £0.500m on the position previously reported in May, which relates in full to a change since last month. Income is projected to be lower than the budget set due to COVID. This is currently projected on certain assumptions and these assumptions will be closely monitored during the year. Currently income is ahead of the initial assumptions but not yet at pre-Covid levels. Budget to cover this shortfall is held within 'Lost Sales, Fees & Charges Compensation' line.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of -£0.205m. For full and previously reported details, see the [P&E Finance Monitoring Report](#).

3.3.2 People & Communities:

-£0.426m (-0.1%) underspend is forecast at year-end.

- Strategic Management - Adults

Outturn Variance £m	Outturn Variance %
-0.471	(-8%)

A -£0.471m underspend is forecast. Funding from government grants for Adult Social Care is held centrally and is offsetting increased pressures in Learning Disabilities which have emerged this month, as reported below.

- Learning Disabilities

Outturn Variance £m	Outturn Variance %
+0.927	(+1%)

A +£0.927m pressure is forecast. This is an increase of £0.517m on the pressure previously reported in May, of which £0.514m relates to an increase since last month. Levels of need have risen greatly over the last year, and this is exacerbated by several new LD care packages with very complex health needs that cost much more than we budget for an average new care package. Additionally, one of our providers who offers specialist placements to service users who cannot easily be placed elsewhere has substantially increased their rates on care packages for our existing service users placed with them. This latter pressure has caused the majority of the increase in forecast outturn since June. LD services in Cambridgeshire work in a pooled budget with the NHS, so any increase in cost in-year is shared.

- Physical Disabilities

Outturn Variance £m	Outturn Variance %
-0.300	(-2%)

A -£0.300m underspend is forecast. Previously identified pressures resulting from increased demand for community-based care have been recognised through the business planning process and are manageable within current budget. A peak in demand for bed-based care in the last quarter of 2020/21 has now reversed, resulting in the reported underspend, in conjunction with an increase in income due from clients contributing towards the cost of their care.

- Older People's Services

Outturn Variance £m	Outturn Variance %
-2.000	(-3%)

A -£2.000m underspend is forecast. This is an increase of £1m on the underspend position previously reported in May. As was reported throughout 2020/21, the impact of the pandemic has led to a notable reduction in the number of people having their care and support needs met in care homes, and this short-term impact has carried forward into early forecasting for 2021/22. As a result, spend today is below the level budgeted for, even after factoring in expected growth through the rest of the year. This is causing the forecasted underspend on the Older People's budget, but the financial position of this service is considerably uncertain. There is likely to be an increase in need for care services as Covid restrictions ease, and as NHS discharge funding ends in the middle of the year, as well as evidence of a rising complexity of need which will increase costs. Care provider support may also be required if government funding is not aligned to how long infection control requirements last. The forecast underspend assumes a lot of growth in cost from this month to the end of the year.

We will review in detail on a quarterly basis the activity information and other cost drivers to validate this forecast position, and so this remains subject to variation as circumstances change. In particular, a budget rebaselining exercise will be undertaken at the mid-year point to assess the full impact of Covid on the numbers of older people being supported.

- Mental Health Services

Outturn Variance £m	Outturn Variance %
+0.867	(+6%)

A +£0.867m pressure is forecast. This is an increase of £0.567m on the pressure position previously reported in May, of which £0.418m relates to a change since last month. It was reported last year that the Covid pandemic had a significant impact on elderly clients with the most acute needs in the short-term. However, there was a significant increase in placements into care homes over the final quarter of 2020/21, and this is continuing into 2021/22 with current placement numbers close to pre-pandemic levels. Similar to Older People's Services, there is considerable uncertainty around impact of the pandemic on longer-term demand

for services, and so it is not yet clear whether the increase in placements is indicative of an emerging trend or a short-term outcome of the second wave.

In addition, pressure is emerging in community based-care with a number of high-cost supported living placements being made by Adult Mental Health services since the start of the year. It has previously been reported that Mental Health care teams are experiencing a significant increase in demand for Approved Mental Health Professional (AMHP) services, and the anticipated increase in the provision of packages for working age adults with mental health needs may now be manifesting in reported commitment.

We will continue to review in detail the activity information and other cost drivers to validate this forecast position. This remains subject to variation as circumstances change and more data comes through the system.

- Children in Care Placements

Outturn Variance £m	Outturn Variance %
+1.250	(+6%)

A +£1.250m pressure is forecast. Despite a relatively stable position in the number of Children in Care (CiC) we are seeing increasing cost pressures due to changes in complexity of need, and continuing cost inflation within the sector. Since April we have seen a rise of 7 young people in residential homes, representing a 20% increase in numbers, and a 33% increase in overall financial commitment. Weekly cost for this type of provision is significantly higher than foster care, so any shift towards residential will have significant impact on the budgetary position. Higher cost placements are reviewed regularly to ensure they are the correct level and step downs can be initiated appropriately; however, we are continuing to see an increase in demand for this placement type. We are also seeing the impact of Tier 4 step-downs which can lead to high placement costs, and demand for this placement type is also expected to rise.

- Fostering and Supervised Contact Services

Outturn Variance £m	Outturn Variance %
-0.884	(-9%)

A -£0.884m underspend is forecast. The Foster Carer budget is underspending by £802k, this is due to the budget being built for a higher number of placements (236) than the service currently holds (208) and also a lower average cost than budgeted. Associated Foster Carer mileage claims are also down, mainly impacted by Covid. There is a further £82k underspend across the Link Carers, Supported Lodgings and Staying Put budget lines.

- Corporate Parenting

Outturn Variance £m	Outturn Variance %
-0.400	(-5%)

A -£0.400m underspend is forecast. In the Unaccompanied Asylum Seeker Children (UASC)/Leaving Care budgets activity undertaken in the service to support moves for unaccompanied young people to lower cost but appropriate

accommodation and the decision by the Home Office to increase grant allowances from 1 April 2020 has contributed to an improved budget position.

- **Children's Disability Service**

Outturn Variance £m	Outturn Variance %
+0.400	(+6%)

A +£0.400m pressure is forecast. This is due to the in-sourcing of Children's Homes which was taken on with a known £300k pressure from the previous provider. In addition to this, staff who TUPE over on the previous provider's Terms and Conditions, are opting to apply for new vacancies which are being advertised under CCC Terms and Conditions causing additional budget pressures. Furthermore, under CCC Terms and Conditions certain posts (e.g. night support staff) are entitled to 'enhancements' at an additional cost to the service. The position remains under review and future funding requirements are being explored.

- **Adoption**

Outturn Variance £m	Outturn Variance %
-0.375	(-7%)

A -£0.375m underspend is forecast. During this reporting year the service has, and will continue to have, a number of young people in care turning 18 years old and for the majority of children this will see the special guardianship allowances paid to their carers ceasing. The Council also introduced a new allowance policy in April 2020 which clearly set out the parameters for new allowances and introduced a new means test in line with Department for Education (DfE) recommendations that is broadly lower than the previous means test utilised by the Council. We are however recently starting to see more challenge in the court process with regard to allowances post order so will continue to focus on this area of activity to ensure allowances received by carers are in line with children's needs and family circumstances.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of -£0.426m. For full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

3.3.3 Public Health:

A balanced budget is forecast for year-end. The -£1,027k underspend being reported in the Public Health directorate will be transferred to the Public Health ring-fenced grant reserve at year-end, leading to a balanced budget overall. There are no exceptions to report this month; for full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

3.3.4 Corporate Services:

+£1.064m (4.0%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [CS Finance Monitoring Report](#).

3.3.5 CS Financing:

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

3.3.6 Funding Items:

£1.362m underspend is forecast for year-end. This is an increase of £292k on the position previously reported in May and relates in full to a change since last month. This is due to an additional £292k due this year for extended rights to free home to school travel for 2021-22 as reported in section 6.1.

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

4. Savings Tracker

- 4.1 The “Savings Tracker” report is a tool for summarising delivery of savings. Within the tracker the forecast is shown against the original saving approved as part of the 2021-22 Business Planning process. Currently, the Council is on track to deliver £8.6m of savings against its original plan. Green rated savings total £6.7m. The Savings Tracker as at the end of quarter 1 is included as [Appendix 3](#) to this report. It is also important to note the relationship with the reported position within this report. As pressures arise in-year, further mitigation and/or additional savings will be required to deliver a balanced position.

A summary of Business Plan savings achieved in previous years as per the savings tracker is shown below for comparison:

Financial Year	Business Plan Original Savings £m	Savings Delivered £m	Total Variance £m
2016-17	43.4	35.5	7.9
2017-18	33.4	27.1	6.3
2018-19	38.3	27.8	10.5
2019-20	15.8	13.2	2.6
2020-21	15.9	8.9	7.1
TOTAL	146.8	112.5	34.3

- 4.2 A summary of 2021-22 Business Plan savings by RAG rating is shown below:

RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	Total Original Savings	Total Variance
Blue	0	0	0	Green	30	-6,650	0	Amber	1	-200	100	Red	1	-2,339	460	Black	6	-2,185	-2,185	-11,374	2,745

5. Key Activity Data

- 5.1 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 and PH Finance Monitoring Report](#) (section 5).

6. Funding Changes

- 6.1 Local authority grant allocations for extended rights to free home to school travel for 2021-22

The Council is due to receive an additional £292k this financial year from the Department for Education (DfE) for extended rights to free home to school travel for 2021-22. Local authorities' allocations have been calculated using estimates of the number of pupils eligible for extended rights transport using data collected in the January 2020 census. DfE have also taken account of whether each local authority is classified as rural, urban or London. This funding is not ring-fenced, but local authorities must meet the statutory duty in respect of extended rights to home to school transport set out in section 508B and schedule 35B of the Education Act 1996, which CCC does through the budget allocation (increasing year on year) of the transport service. The total grant allocated to Cambridgeshire County Council is £816,800 which is £292k higher than budgeted.

Strategy & Resources Committee is asked to note the additional £292k extended rights to free home to school travel grant for 2021-22

- 6.2 Biodiversity Activities

The Chair and Vice Chair of the Strategy & Resources Committee have received a request from the Chair & Vice Chair of the Environment & Green Investment Committee to make available additional funds for investment in biodiversity activities during 2021/22. The need for expedited resources during the current financial year has been identified as a result of: increased use of public open spaces (including several council owned scheduled monuments), the doubling nature agenda and the commitment to 20% biodiversity net gain (and the need to undertake an audit of these across the CCC estate) and the objectives under the Climate Change & Environment Strategy. Allocation of £109k during the current financial year towards staff capacity, a biodiversity audit and site repairs enables earlier progress on these priorities, mindful of a seasonal dependency to much of this work.

The funds have been made available by way of a re-allocation of reserves from the transformation fund and fall within the delegation limit for officers. An ongoing allocation for biodiversity will be considered as part of business planning for 2022-27.

Strategy & Resources Committee is asked to note the allocation of £109k for biodiversity activities.

7. Debt Write-Offs

7.1 As per the Scheme of Financial Management, debts over £25,000 recommended to be written off will be reported to the Strategy & Resources Committee to seek authorisation to write off.

7.2 Request to write-off debts owed by estates of two service-users

There are two debts of over £25,000 relating to the estates of service users in receipt of council arranged adult social care who have died and where we believe there is no prospect of recovering debts. One of these debts is £72k in total, and the other £27k. Write-offs of this scale require approval by Strategy & Resources Committee.

In the case of the larger debt, invoices for residential care contributions between 2017 and the service-user's death in 2020 went unpaid. Care was arranged and paid by CCC, but the service-user owed the full cost of their care. This was to ensure the placement did not collapse due to previous non-payment of invoices to the care provider by the service-user's son (who was named as official deputy, managing his parent's finances, before the Council was involved). The Council assessed it to be in the best interests of the service-user that the placement continue and that we pursue the deputy for payment, despite the clear risk of non-payment. The deputy is now suspected to have unlawfully depleted his mother's assets prior to Council involvement and so was never going to be able to reimburse us. This case has been referred to the police and the Office of the Public Guardian, but realistically the Council cannot presume that this debt will be paid.

In the smaller case, any assets held by the service-user are after investigation thought to be overseas and unable to be secured against the Council's debt.

We believe that some gaps in communications within the Council inhibited the collection of these debts, as formal debt recovery was not proceeded with until late in the process. There is now much improved communications between the Council's debt recovery team and its social work teams, including monthly meetings to review cases causing concern, which should flag complex cases much earlier. Care teams have received updated guidance around dealing with concerns of financial abuse or mismanagement of funds.

It should be emphasised that debt write offs are used exceptionally, and social care contributions are collected successfully from thousands of clients and their estates each month. Updates on the Council's debt position and recovery processes have been provided to Audit and Account Committee.

Strategy & Resources Committee is asked to approve debt write-offs of £71,737 and £27,253 relating to the estates of these service users, where there is now no prospect of debts being recovered.

8. Capital Programme

8.1 Capital financial performance

A summary of capital financial performance is shown below:

Original 2021/22 Budget as per Business Plan £000	Forecast Variance - Outturn (June) £000	Service	Revised Budget for 2021/22 £000	Actual- Year to Date (July) £000	Forecast Variance - Outturn (July) £000	Forecast Variance - Outturn (July) %	Total Scheme Revised Budget (July) £000	Total Scheme Forecast Variance (July) £000
96,983	-	P&E	101,932	8,495	-	0.0%	545,839	-
44,588	-	P&C	43,473	4,316	0	0.0%	534,966	-651
10,261	-	Corporate Services	23,266	4,957	-1,004	-4.3%	191,143	-
-	-	Outturn adjustment	-	-	-	-	-	-
151,832	-	Total Spending	168,671	17,768	-1,004	-0.6%	1,271,948	-651

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 8.2.
2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2021/22 of £40.0m and is currently forecasting a balanced budget at year-end.
3. The 'Total Scheme Forecast Variance' reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.

8.2 2021-22 capital programme variations budgets

8.2.1 A summary of the use of the 2021-22 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 rephasing exceeds this budget.

Service	Capital Programme Variations Budget £000	Forecast Variance - Outturn (July) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (July) £000
P&E	-25,237	-517	517	2.05%	0
P&C	-5,805	-3,492	3,492	60.15%	0
CS	-5,620	-6,624	5,620	100.00%	-1,004
Outturn adjustment	-	-	-	-	-
Total Spending	-36,662	-10,633	9,629	26.26%	-1,004

8.2.2 As at the end of July, Corporate Services schemes have exceeded the capital variations budget allocated to them, forecasting an in-year underspend of -£1.0m. The current overall forecast position is therefore a -£1.0m underspend; the forecast will be updated as the year progresses.

8.3 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.

8.3.1 Place & Economy:

A balanced budget 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](#).

8.3.2 People & Communities:

A balanced budget is forecast at year-end.

- Basic Need- Early Years

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (July) £'000	Forecast Spend - Outturn Variance (July) £'000	Variance Last Month (June) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,578	598	-980	-1,265	285	-300	-680

- An in-year underspend of -£1.0m is forecast across Basic Need- Early Years schemes. This is a decrease of £0.285m on the position previously reported last month. The change relates to the scheme overleaf:

○ Meldreth Caretaker House

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (July) £'000	Forecast Spend - Outturn Variance (July) £'000	Variance Last Month (June) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
15	300	285	0	285	0	285

Rephasing has taken place in the scheme as work is expected to progress and complete earlier than anticipated. The total scheme forecast is unaffected.

• P&C Capital Variation

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (July) £'000	Forecast Spend - Outturn Variance (July) £'000	Variance Last Month (June) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
-5,805	-2,313	3,492	3,887	-395	0	3,492

- 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 £3.5m underspend is balanced by use of the capital variations budget, which is a change of £0.4m since last month. This relates primarily to the accelerated spend on the Meldreth Caretaker House scheme as reported above, together with more minor variances.
- For full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

8.3.3 Corporate Services:

A -£1.004m (-4.3%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details, see the [CS Finance Monitoring Report](#).

8.4 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:

8.4.1 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](#).

8.4.2 People & Communities:

A -£0.7m (-0.1%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details, see the P&C Finance Monitoring Report.

8.4.3 Corporate Services:

A total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details, see the [CS Finance Monitoring Report](#).

8.5 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 Funding ¹ £m	Revised Phasing £m	Additional/Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	16.1	3.5	-2.0	4.0	21.6	21.6	-
Basic Need Grant	-	1.0	-	-	1.0	1.0	-
Capital Maintenance Grant	3.1	2.2	-	0.7	6.1	6.1	-
Devolved Formula Capital	0.8	1.3	-	-0.0	2.0	2.0	-
Specific Grants	20.3	4.0	-2.4	5.0	26.9	23.9	-2.9
S106 Contributions & Community Infrastructure Levy	23.5	-0.3	-3.8	0.5	19.8	19.9	0.1
Capital Receipts	1.6	-	0.0	-0.3	1.3	1.7	0.3
Other Contributions	16.0	0.6	-2.8	6.7	20.5	18.9	-1.6
Revenue Contributions	-	-	-	-	-	-	-
Prudential Borrowing	70.4	21.6	-18.6	-3.9	69.5	72.6	3.1
TOTAL	151.8	33.8	-29.6	12.6	168.7	167.7	-1.0

¹ Reflects the difference between the anticipated 2020/21 year-end position used at the time of building the initial Capital Programme budget, as incorporated within the 2021/22 Business Plan, and the actual 2020/21 year-end position.

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

Funding	Service	Amount (£m)	Reason for Change
Revised Phasing	All Services	-£4.2	<p>Capital programme variations budgets, -£4.2m:</p> <p>In 2016/17 the Capital Programme Board recommended that a 'Capital Programme Variations' line be included for each Service, which effectively reduces the capital programme budget. Capital programme variations budgets were included in the 2021/22 Business Plan, but these have been revised for 2021/22 as a result of the rolled forward and revised phasing exercise carried out in May 2021.</p> <p>Strategy & Resources Committee is asked to approve the -£4.2m revised phasing of the capital programme variations budgets.</p>
Additional/ Reduction in Funding (Specific Grants)	P&E	+£0.4	<p>Additional grant funding of £0.4m has been awarded by Highways England for the Papworth to Cambourne cycling scheme.</p> <p>Strategy & Resources Committee is asked to note the additional £0.4m grant funding awarded for the Papworth to Cambourne cycling scheme as above.</p>

8.7 Local Transport Capital Grant allocation

On the 8 July 2021, the County Council received formal notification of its Local Transport Capital Grant Allocation 2021/22 from the Combined Authority. This was £21.955m comprising of the elements set out below. This is in alignment with the expectations derived from the detailed announcement by the Department for Transport in February 2021. The grant will be used for intended purposes and applied to spending plans set in the budget agreed by Full Council in 2021. The amount of prudential borrowing required alongside the grant, in 2021/22, to deliver the agreed plans is £1.68m, within the authorisation set by Council. The full budget and forecast for 2021/22 is reported through the Place & Economy Finance Monitoring Report.

Funding	CCC, £
Integrated Transport Block	3,215,000
Highways Maintenance Block Needs element	8,329,000
Highways Maintenance Block Incentive element	2,082,000
Pothole Funding	8,329,000
Total	21,955,000

8.8 Building Maintenance

Capital Programme Board has supported an additional funding of up to £432k in 2021/22 for Building Maintenance. This request is in order to undertake statutory works across 15 CCC buildings, highlighted in condition surveys. The request relates to works such as heating and ventilation, fire alarm upgrades and accessible toilet compliance. The scheme will be funded by borrowing; the estimated annual cost of borrowing for this scheme will start in 2022/23 at £48k, and decreases each year thereafter.

Where works have an environmental benefit as a result of improved insulation, consideration will be given to whether these are eligible for funding from the existing Environment Fund within the capital budget. Property services has recently undergone a CIPFA Asset Management review. Through an increased focus on the corporate landlord approach, resourcing of the property service improvement plan and forward planning of maintenance requirements through pro-active condition surveys more accurate budgeting for this area will be achieved in future.

Strategy & Resources Committee is asked to approve additional prudential borrowing of up to £432k in 2021/22 for the Building Maintenance scheme.

8.9 Shire Hall Campus Future Options NPV – Discount Rate

This note is provided under action number 7 arising from the Future of Shire Hall Campus item at the July Committee.

The report to that meeting compared the 50% and 61.5% rent cover options for Shire Hall using a discount rate (for the analysis of present values of future cashflows) of 5%. Presented below is the NPV results from the same analysis with discount rates of 3.5% (being the standard green book discount rate) of 4.27% (which is a proxy for the Council's cost of additional borrowing today, based on a 40 year loan and asset life, the length of the income strip), completed as part of the sensitivity analysis.

Option	NPV	3.5% discount rate	4.27% discount rate	5% discount rate
61.5% rent cover		£93.61m	£78.25m	£66.83m
50% rent cover		£95.70m	£80.20m	£68.63m

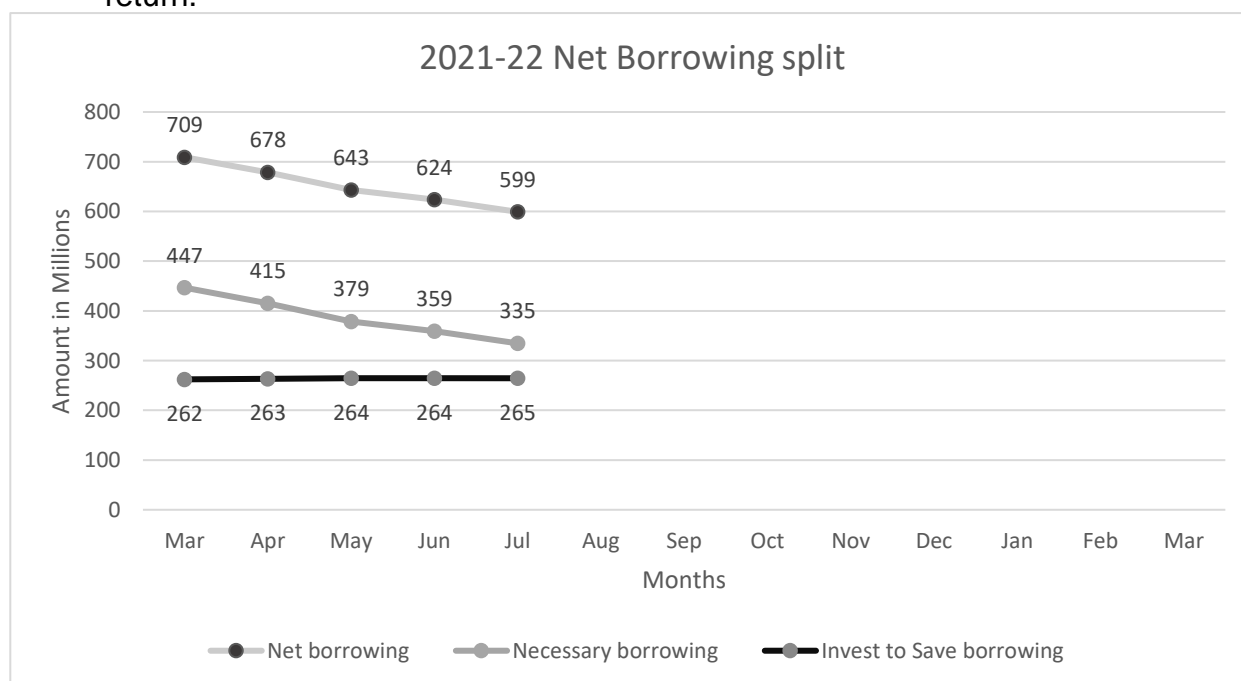
The 50% rent cover option is preferable using all three discount rates, improving marginally relative to the 61.5% rent cover option as the discount rate decreases. The Committee selected the 50% rent cover option at its meeting in July.

9. Balance Sheet

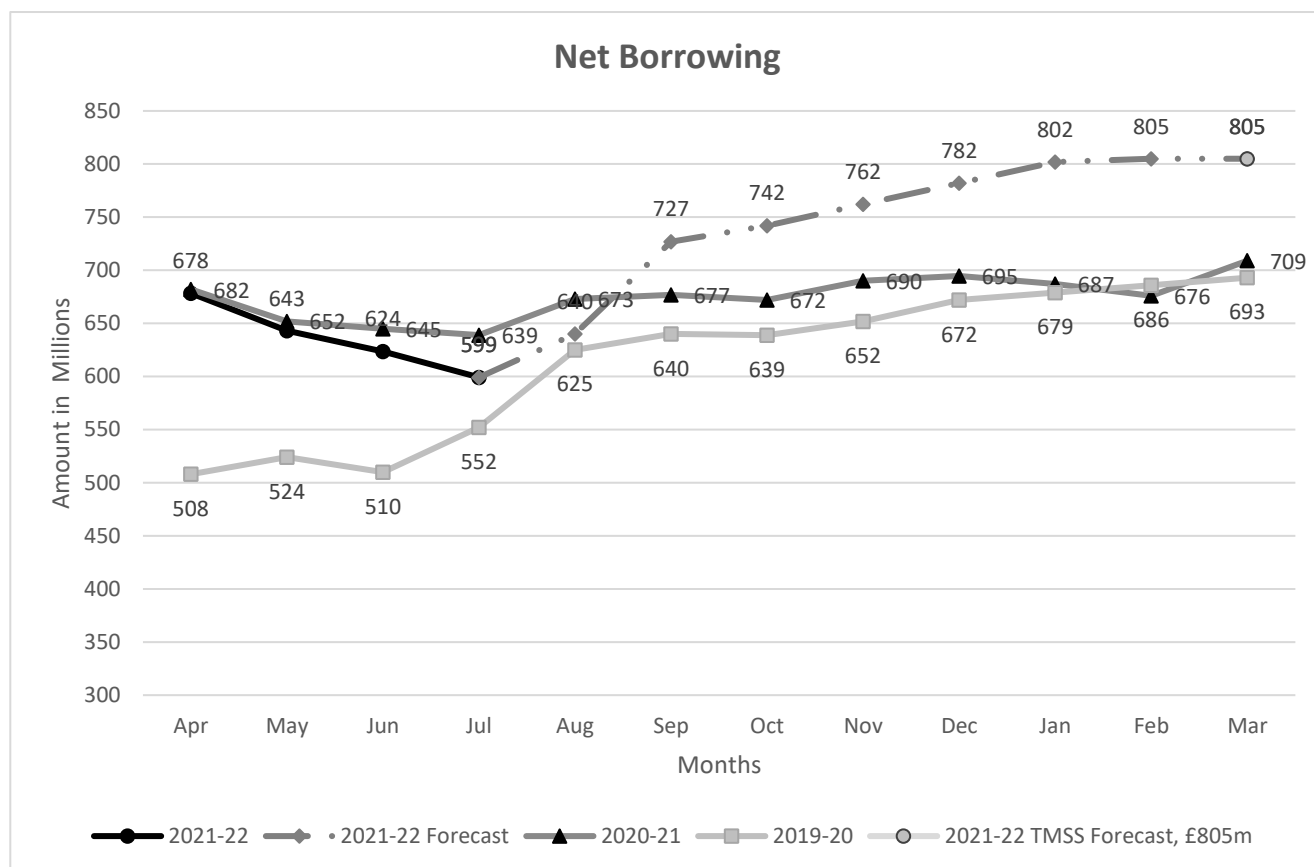
9.1 A more detailed analysis of balance sheet health issues is included below:

Measure	Year End Target	Actual as at the end of July 2021
% of income collected (owed to the council) within 90 days: Adult Social Care	85%	54%
% of income collected (owed to the council) within 90 days: Sundry	90%	65%
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	94.6%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	85.0%	77.0%

9.2 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2021-22, it is estimated that £265m 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.



- 9.3 The graph below shows net borrowing (borrowings less investments) on a month-by-month basis and compares the position with previous financial years. At the end of July 2021, investments held totalled £187.4m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £786.6m, equating to a net borrowing position of £599.2m.



- 9.4 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 2020-21 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 (and due to the current Covid-19 pandemic the Council is in receipt of further grants compared to before the pandemic). The 2021-22 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.
- 9.5 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 2021-22 TMSS was set in February 2021, it anticipated that net borrowing would reach £805.0m by the end of this financial year.
- 9.6 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.

- 9.7 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.
- 9.8 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).
- 9.9 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](#).

10. Alignment with corporate priorities

10.1 Communities at the heart of everything we do

There are no significant implications for this priority.

10.2 A good quality of life for everyone

There are no significant implications for this priority.

10.3 Helping our children learn, develop and live life to the full

There are no significant implications for this priority.

10.4 Cambridgeshire: a well-connected, safe, clean, green environment

There are no significant implications for this priority.

10.5 Protecting and caring for those who need us

There are no significant implications for this priority.

11. Significant Implications

11.1 Resource Implications

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

11.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

11.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

11.4 Equality and Diversity Implications

There are no significant implications within this category.

11.5 Engagement and Consultation Implications

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

11.6 Localism and Local Member Involvement

There are no significant implications within this category.

11.7 Public Health Implications

There are no significant implications within this category.

11.8 Environment and Climate Change Implications on Priority Areas

11.8.1 Implication 1: Energy efficient, low carbon buildings.

Status: Neutral

Explanation: While this paper proposes no significant implications within this category, it should be noted that section 8.8 under Building Maintenance, where works have an environmental benefit as a result of improved insulation, consideration will be given to whether these are eligible for funding from the existing Environment Fund within the capital budget.

11.8.2 Implication 2: Low carbon transport.

Status: Positive

Explanation: In section 8.6 additional grant funding of £0.4m has been awarded by Highways England for the Papworth to Cambourne cycling scheme. The delivery of cycle-way related projects will assist in modal shift towards low carbon options.

11.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Status: Positive

Explanation: In section 6.2 £109k is being allocated to biodiversity activities.

11.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Status: Positive

Explanation: In confidential Appendix 6 prudential borrowing is being requested for the Waterbeach Waste Treatment Facilities scheme.

11.8.5 Implication 5: Water use, availability and management:

Status: Neutral

Explanation: There are no significant implications within this category

11.8.6 Implication 6: Air Pollution.

Status: Positive

Explanation: In section 8.6 additional grant funding of £0.4m has been awarded by Highways England for the Papworth to Cambourne cycling scheme. The delivery of cycle-way related projects will assist in modal shift towards non-polluting transport options.

11.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Status: Neutral

Explanation: There are no significant implications within this category

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? No

Name of Officer: Not applicable

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law? No

Name of Legal Officer: Not applicable

Have the equality and diversity implications been cleared by your Service Contact? No

Name of Officer: Not applicable

Have any engagement and communication implications been cleared by Communications? No

Name of Officer: Not applicable

Have any localism and Local Member involvement issues been cleared by your Service Contact? No

Name of Officer: Not applicable

Have any Public Health implications been cleared by Public Health? No

Name of Officer: Not applicable

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer? Yes

Name of Officer: Emily Bolton

12. Source documents

12.1 Source documents

P&E Finance Monitoring Report (July 21)

P&C and PH Finance Monitoring Report (July 21)

CS Finance Monitoring Report (July 21)

Capital Monitoring Report (July 21)

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	P&E £'000	CS Financing £'000	Corporate Services £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	302,530	64,317	31,295	25,489	11,745
Adult's and Children's Recruitment transfer to HR	-177			177	
Permanent element of 2021-26 BP mileage saving C/R.6.104	-164	-5		169	
Centralisation of postage budget	-93	-40		133	
Redundancy and Pensions Corporate Services budget move to P&C	846			-846	
ICT Service (Education) transfer from CS to P&C	-200			200	
Communications transfer	-21			21	
Budget rebaselining as approved by S&R, 6th July	-2,411			716	1,695
Transfer of Qtr 1 Mileage Savings	-234	-7		240	
Current budget	300,076	64,266	31,295	26,299	13,440
Rounding	0	0	0	0	0

Appendix 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2021 £000s	Movements in 2021-22 £000s	Balance at 31 July 2021 £000s	Forecast Balance at 31 March 2022 £000s	Notes
- County Fund Balance	26,094	1,619	27,713	28,643	
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS (LGSS Cambridge & Shared Services)	925	0	925	925	
General Reserves subtotal	27,019	1,619	28,638	29,568	
4 Insurance	4,830	5	4,835	4,835	
Specific Earmarked Reserves subtotal	4,830	5	4,835	4,835	
5 P&C	0	0	0	0	
6 P&E	0	0	0	0	
7 Corporate Services	0	0	0	0	
Equipment Earmarked Reserves subtotal	0	0	0	0	
8 P&C	8,540	168	8,708	3,434	Savings realised through change in MRP policy. Includes remainder of COVID-19 Support Grant 1st, 2nd, 3rd and 4th tranches Carry forward of grant to spend in accordance with set purposes. At 2020-21 year-end £14.6m related to specific Covid related grants.
9 PH	2,801	0	2,801	2,513	
10 P&E	5,184	18	5,202	3,626	
11 Corporate Services	3,867	-20	3,847	2,818	
12 Transformation Fund	30,653	-4,063	26,590	22,694	
13 Innovate & Cultivate Fund	687	300	987	383	
14 Corporate- COVID	26,987	0	26,987	26,987	
15 Specific Risks Reserve	2,140	0	2,140	2,140	
16 This Land Credit Loss & Equity Offset	5,850	0	5,850	5,850	
17 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	2,940	
18 Collection Fund Volatility & Appeals Account	3,690	0	3,690	3,690	
19 Grant carry forwards	20,332	-20,332	0	0	
Other Earmarked Funds subtotal	113,671	-23,929	89,741	77,075	
SUBTOTAL	145,520	-22,305	123,215	111,478	
20 P&C	3,592	0	3,592	0	Section 106 and Community Infrastructure Levy balances.
21 P&E	7,315	1,276	8,591	0	
22 Corporate Services	10,861	1,151	12,012	0	
23 Corporate	49,816	15,537	65,353	53,478	
Capital Reserves subtotal	71,584	17,964	89,548	53,478	
GRAND TOTAL	217,105	-4,342	212,763	164,956	

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 2021 £000s	Movements in 2021-22 £000s	Balance at 31 July 2021 £000s	Forecast Balance at 31 March 2022 £000s	Notes
1 P&E	0	0	0	0	
2 P&C	1,955	0	1,955	1,955	
3 Corporate Services	2,093	0	2,093	2,093	
Short Term Provisions subtotal	4,048	0	4,048	4,048	
4 Corporate Services	3,613	0	3,613	3,613	
Long Term Provisions subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	7,661	0	7,661	7,661	

Appendix 3 - Savings Tracker 2021-22 Quarter 1

RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 20-21 £000	Actual Investment - 20-21 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 20-21	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 20-21	Variance from Plan £000	Saving complete ?	% Variance	Direction of travel	Forecast Commentary
Green	A/R.6.114	Learning Disabilities Commissioning	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 2019/20.	1,536	1,520				-62	-63	-62	-63	-250		0	-62	-62	-126	-250	0	No	0.00	↔	On track
Red	A/R.6.176	Adults Positive Challenge Programme - demand management	New Saving 21/22 £100k Carry-forward saving 20/21 £2,239k 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 the huge pressure on the sector. This is the second year of saving through demand management, building on work undertaken through 2019/20, focussing on promoting independence and changing the conversation with staff and service-users to enable people to stay independent for longer. The programme also has a focus of working collaboratively with partner organisations in 2020/21. In later years, the effect of 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.	2,000	2,213				-825	-675	-475	-364	-2,339						-1,879	460	No	19.67	↓	The pandemic continues to impact on the delivery of this demand management saving, particularly in the Reablement workstream as that service continues to support the NHS
Green	A/R.6.179	Mental Health Commissioning	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 have taken place in 2019/20 that have enabled a saving to be taken.					-144	-6	-6	-6	-6	-24		-6	-6	-6	-6	-24	0	No	0.00	↔	On track.
Green	A/R.6.185	Additional block beds - inflation saving	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.						-152	-151	-152	-151	-606		-152	-151	-152	-151	-606	0	No	0.00	↔	On track.
Green	A/R.6.186	Adult Social Care Transport	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.			70	70		0	-63	-63	-124	-250		0	-100	-100	-50	-250	0	No	0.00	↔	On track
Green	A/R.6.187	Additional vacancy factor	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.						-38	-37	-38	-37	-150		-40	-40	-40	-30	-150	0	No	0.00	↔	On track.
Green	A/R.6.188	Micro-enterprises Support	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.			60			-8	-8	-8	-8	-30		0	0	-15	-15	-30	0	No	0.00	↔	On track
Green	A/R.6.210	Unaccompanied Asylum Seeking Young People: Support Costs	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						-75	-75	-75	-75	-300		-75	-75	-75	-75	-300	0	No	0.00	↔	On track

RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 20-21 £000	Actual Investment - 20-21 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 20-21	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 20-21	Variance from Plan £000	Saving complete ?	% Variance	Direction of travel	Forecast Commentary
			£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.																					
Green	A/R.6.211	Adoption and Special Guardianship Order Allowances	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.						-125	-125	-125	-125	-500		-125	-125	-125	-125	-500	0	No	0.00	↔	On track
Green	A/R.6.212	Clinical Services; Children and young people	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 from 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 service for 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)						-63	-63	-63	-63	-250		-62	-62	-62	-64	-250	0	No	0.00	↔	On track
Black	A/R.6.255	Children in Care - Placement composition and reduction in numbers	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.	2,271	1,367			-4,445	-62	-61	-62	-61	-246		0	0	0	0	0	246	No	100.00	↔	Due to increasing pressure around placement mix and complexity of need, we do not anticipate meeting this saving target.
Black	A/R.6.266	Children in Care Stretch Target - Demand Management	Please see A/R.6.255 above.	2,271	1,367			-1,500	-250	-250	-250	-250	-1,000		0	0	0	0	0	1,000	No	100.00	↓	Due to increasing pressure around changes in placement mix and complexity of need, we do not anticipate meeting this saving target
Green	A/R.6.267	Children's Disability: Reduce overprescribing	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.					-50	-50				-50		-50				-50	0	Yes	0.00	↑	On track
Green	A/R.6.268	Transport - Children in Care	The impact of ongoing process improvements in the commissioning of transport for children in care.						-75	-75	-75	-75	-300		-75	-75	-75	-75	-300	0	No	0.00	↔	On track
Amber	A/R.6.269	Communities and Partnership Review	A review of services within C&P where efficiencies, or increased income, can be found.						-50	-50	-50	-50	-200		-25	-25	-25	-25	-100	100	No	50.00	↓	Under review
Green	A/R.7.105	Income from utilisation of vacant block care provision by self-funders	Carry-forward saving - incomplete in 20/21. We currently have some vacancies in block purchased provision in care homes. Income can be generated to offset the vacancy cost by allowing people who pay for their own care to use these beds					-150	-37	-38	-37	-38	-150	-12	-37	-38	-37	-38	-150	0	No	0.00	↔	Annual in-year savings target of £150k on track.
Green	A/R.7.106	Client Contributions Policy Change	Carry-forward saving - incomplete in 20/21 In January 2020, Adults Committee agreed a set of changes to the charging policy for adult social care service-user contributions. We expect this to generate new income of around £1.4m in 2020/21, and are modelling the full-year impact into 2021/22.	153				-1,400	-298	-298	-298	-298	-1,192	-208	-298	-298	-298	-298	-1,192	0	No	0.00	↔	On track
Green	B/R.6.201	Review Winter Operations							-4	-4	-4	-4	-17		0	0	-17	0	-17	0	No	0.00	↔	

RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 20-21 £000	Actual Investment - 20-21 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 20-21	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 20-21	Variance from Plan £000	Saving complete ?	% Variance	Direction of travel	Forecast Commentary
			Review winter operations – increase number of weather domains from 3 to 5																					
Green	B/R.6.202	Highways: Removal of Old VAS Signs	Removal of old VAS signs						-1	-1	-1	-1	-4		-4				-4	0	No	0.00	↔	
Green	B/R.7.119	Income from Bus Lane Enforcement	Carry-forward saving - unachieved in 20/21. Due to COVID, existing income target not met in 20/21 Utilising additional bus lane enforcement income to fund highways and transport works, as allowed by current legislation.						-163	-162	-163	-162	-650	0	-163	-162	-163	-162	-650	0	No	0.00	↔	
Green	B/R.7.120	Deployment of current surpluses in civil parking enforcement to transport activities	Carry-forward saving - unachieved in 20/21 Due to COVID, existing income target not met in 20/21. Deployment of current surpluses in civil parking enforcement to transport activities, including a contribution to Park & Ride, as allowed by current legislation.					-340	-85	-85	-85	-85	-340	0	-85	-85	-85	-85	-340	0	No	0.00	↔	
Green	C/R.6.103	External Auditor fee	Carry-forward saving - not achieved in 20/21 Saving to be achieved from reduction in expenditure on External Audit, as per fees set by Public Sector Audit Appointments					-15	-3	-4	-4	-4	-15	0	-3	-4	-4	-4	-15	0	No	0.00	↔	
Green	C/R.6.104	Reduction in staff mileage	A reduction in staff travel is expected to continue.						-141	-141	-141	-141	-564		-300	-264			-564	0	No	0.00	↔	
Green	C/R.6.105	Customer Services	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.						-21	-21	-21	-22	-85		-20	-20	-20	-25	-85	0	No	0.00	↔	
Green	E/R.6.033	Drug & Alcohol service - funding reduction built into new service contract	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.					-289	-16	-16	-16	-16	-63		-16	-16	-16	-16	-63	0	No	0.00	↔	On track
Green	E/R.6.043	Joint re-procurement of Integrated Lifestyle Services	Carry-forward saving - incomplete in 20/21 Delivery of this saving has been delayed due to Covid-19 Re-commissioning of the integrated lifestyle services as one service across Cambridgeshire and Peterborough. Peterborough City Council will delegate authority to Cambridgeshire County Council to commission, contract and performance manage the new provider.					-50	-4	-4	-4	-4	-17	-33	-4	-4	-4	-4	-17	0	No	0.00	↔	On track
Green	F/R.6.003	Babbage House closure	The lease on Babbage House is due to end in 2020-21, and will not be renewed.	369	239			-397	-50	-50	-50	-48	-198		-198				-198	0	No	0.00	↔	
Black	F/R.6.109	Cambs 2020 Operational Savings	Savings to the running costs of corporate buildings as a result of the Cambs 2020 programme.						-151	-151	-151	-152	-605		0	0	0	0	0	605	No	100.00	↓	The savings from Shire Hall will not be achieved until such time as the sale is complete.
Black	F/R.7.106	Utilisation/commercialisation of physical assets	Carry-forward saving - unachieved in 20/21. One Public Estate					-57	-9	-9	-9	-9	-36	-21	0	0	0	0	0	36	No	100.00	↔	There has been no development in this area.

RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 20-21 £000	Actual Investment - 20-21 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 20-21	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 20-21	Variance from Plan £000	Saving complete ?	% Variance	Direction of travel	Forecast Commentary
Green	F/R.7.110	Return on Commercial Property Investments	Carry-forward saving - unachieved in 20/21 The Council is developing a portfolio of commercial property investments. This is the rental income generated from the leases of these properties.					-4,805	-26	-26	-26	-27	-105	-2,600	-26	-26	-26	-27	-105	0	No	0.00	↔	
Green	F/R.7.127	County Farms - Commercial uses	Conversion of barns on the County Farms Estate for non-agricultural commercial uses, including storage and distribution.						-11	-11	-11	-12	-45		-11	-11	-11	-12	-45	0	No	0.00	↔	
Black	F/R.7.131	Commercial Income	Commercial return from the Council's Commercial Strategy, to be generated by the newly developed Commercial Team.						-58	-58	-58	-58	-232		0	0	0	0	0	232	No	100.00	↔	Saving not achieved. However, as part of the budget rebaselining exercise approved by S&R at the July 2021 meeting this pressure is now removed.
Green	F/R.7.140	Tesco - Income Generation	Estimated annual rent increase.						-19	-19	-19	-20	-77		0	0	0	-77	-77	0	No	0.00	↔	
Green	F/R.7.141	Evolution Business Park - Income Generation	Estimated annual rent increase.						-3	-3	-3	-3	-12		-3	-3	-3	-3	-12	0	No	0.00	↔	
Green	F/R.7.142	Kingsbridge - Income Generation	Estimated annual rent increase.						-3	-3	-3	-2	-11		-3	-3	-3	-2	-11	0	No	0.00	↔	
Black	F/R.7.143	Brunswick House - Income Generation	Estimated annual rent increase.						-16	-17	-16	-17	-66		0	0	0	0	0	66	No	100.00	↓	
Green	F/R.7.144	County Farms	Increase in rental income for the county farms estate.						-10	-10	-10	-10	-40		0	0	-20	-20	-40	0	No	0.00	↔	
Green	G/R.6.003	MRP: Accountable Body (effect of capital swaps)	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						-88	-89	-89	-89	-355		-88	-89	-89	-89	-355	0	No	0.00	↔	

Key to RAG ratings

Total saving	Over £500k	£100-500k	Below £100k
Black	100% non-achieving	100% non-achieving	100% non-achieving
Red	Percentage variance more than 19%	-	-
Amber	Under-achieving by 14% to 19%	Percentage variance more than 19%	Percentage variance more than 19%
Green	Percentage variance less than 14%	Percentage variance less than 19%	Percentage variance less than 19%
Blue	Over-achieving	Over-achieving	Over-achieving

Appendix 4 – Transformation Fund Monitoring Report Quarter 1 2021/22

1. Background

- 1.1 Strategy and Resources Committee (S&R) has responsibility for the stewardship of the Transformation Fund, approving business cases for new proposals and reviewing progress of the existing projects. This role was previously held by General Purposes Committee (GPC).
- 1.2 The Transformation Fund provides one off funding to encourage projects where an invest to save, invest to improve, or invest to innovate bid can underpin service improvements and deliver improved outcomes and future efficiencies.
- 1.3 This report provides the Strategy and Resources Committee with a broad overview of the performance of the Transformation Fund to date together with details of how the proposals which are currently drawing down funding are performing. The Service Committees continue to review their relevant projects in detail as appropriate.

2. Current Projects

- 2.1 The table below gives an overview of all the current projects linked to Business Plan savings, outlines their non-financial outcomes and anticipated benefits.

Project	Brief description of project	Outcomes and benefits
Support Investment in modernising Social Care Payments	Investing in modern payment mechanisms in social care; including payment cards and establishing a direct debit system	<ul style="list-style-type: none">• Provide an efficient and easy to engage with system for service users
Housing Review	To carry out a review of the initiatives funded by Housing Related Support and inform recommendations, ensuring that any impacts of the proposed savings are understood and taken into account. Working with partners to identify innovative solutions to meet our housing needs.	<ul style="list-style-type: none">• To re-design the service in order to meet the changing pattern of demand and need• To be able to respond more effectively to client need in a more systematic way and deliver better outcomes for clients.
LAC Placement Budget Savings	Campaign to recruit more in house foster carers to reduce the reliance on independent fostering association (IFA) foster carers, a review of high cost placements and fee negotiations with IFA providers.	<ul style="list-style-type: none">• Increased the number of in-house foster carers to place children with.• LAC are placed in the most appropriate placement with the right level of care and support.
Learning services review	Investment in specialist programme management to review the current model, facilitating delivery of a new approach and the establishment of new partnerships across the education sector.	<ul style="list-style-type: none">• Better outcomes for customers• Providing a more effective and flexible service

Project	Brief description of project	Outcomes and benefits
Case reviews of specialist transport provision	Provide additional capacity within the Social, Education Transport Team to review LAC Transport processes and provision	<ul style="list-style-type: none"> To ensure that all placements are offering value for money and to deliver savings
Library Service	To provide time limited business development capacity. Investment to also include budget for marketing, minor building works, and investments in new technology solutions	<ul style="list-style-type: none"> Maximising the impact of libraries to communities Generating new income streams

2.2 This table shows the trend in financial RAG rating over the previous four quarters for these projects.

	Financial RAG				
Project	Q1 2020-21	Q2 2020-21	Q3 2020-21	Q4 2020-21	Q1 2021-22
Support Investment in modernising Social Care Payments	Green	Green	Green	Green	Green
Housing Review	Red	Red	Red	Red	Red
LAC Placement Budget Savings	Blue	Blue	Blue	Blue	Blue
Learning services review	Green	Green	Green	Green	Green
Case reviews of specialist transport provision	Green	Green	Green	Green	Green
Library Service	Green	Green	Green	Green	Green

2.3 This table summarises the overall financial performance of the current projects.

RAG Rating (lifetime of saving)	No. of Schemes	Investment to Q1 (including prior years) (£000)	Total Investment Committed (including approved future years allocation) (£000)	Forecast savings / income to Q1 (including previous years' savings achieved) (£000)	Forecast savings / income up to end of 2021/22 (including previous years' savings achieved) (£000)	Budgeted future years savings (as per 2021/22 Business Plan, 2022/23 onwards) (£000)
Blue	1	499	705	-2,818	-2,818	0
Green	4	156	348	-1,886	-1,886	0
Amber	0	0	0	0	0	0
Red	1	44	250	-325	-325	0
Total	6	699	1,303	-5,029	-5,029	0

- 2.4 In addition to the projects directly linked to the business plan, the following projects with Transformation Funding continue to be monitored through their relevant Service Committee:

Project	Money drawn down in Q1	Total spent to date	Total approved
Positive Behaviour Support	33,733	292,967	490,000
Cambs 2020 Programme	10,701	463,731	645,667
Think Communities – Creating a unified approach	201,770	707,165	1,686,000

It is recommended that Strategy & Resources Committee note and comment on this Transformation Fund Monitoring Report

Service: Corporate Services
 Subject: Finance Monitoring Report – July 2021
 Date: 21 September 2021

Key Indicators

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

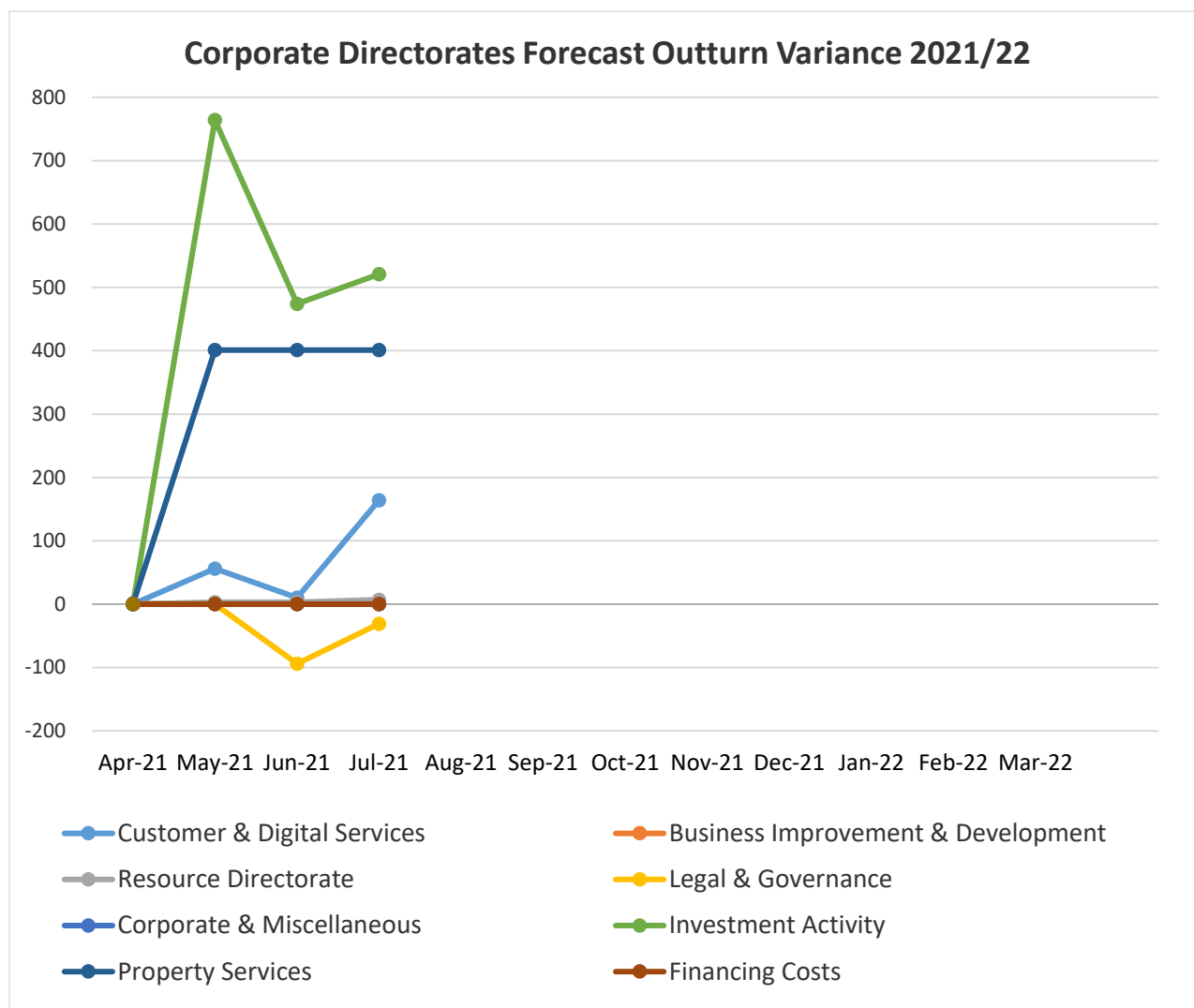
Contents

Section	Item	Description	Page
1	Revenue Executive Summary	High level summary of information; By Directorate Narrative on key issues in revenue financial position	2-5
2	Capital Executive Summary	Summary of the position of the Capital programme	6
3	Savings Tracker Summary	Summary of the latest position on delivery of savings	6
4	Technical Note	Explanation of technical items that are included in some reports	6-7
Appx 1	Service Level Financial Information	Detailed financial tables for Corporate Services	8-9
Appx 2	Service Commentaries	Detailed notes on financial position of services that are predicting not to achieve their budget	10-11
Appx 3	Capital Position	This contains more detailed information about Corporate Services Capital programme, including funding sources and variances.	12-13
Appx 4	Savings Tracker	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the business plan.	14-16
Appx 5	Technical Appendix	This contains technical financial information for Corporate Services showing: <ul style="list-style-type: none"> • Grant income received & service reserves • Budget virements into or out of Corporate Services 	17-20

1. Revenue Executive Summary

1.1 Overall Position

Corporate Services & Financing has a budget of £57,595k in 2021/22 and is currently forecasting an overspend of £1,064k.



1.2 Summary of Revenue position by Directorate

The service level budgetary control report for Corporate Services & Financing Costs for the year 2021/22 can be found in [appendix 1](#).

				Outturn Variance (previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	Outturn Variance %	Status
10	Customer & Digital Services	16,942	8,580	164	1.0%	Amber				
0	Business Improvement & Development	1,656	-1,312	0	0%	Green				
3	Resources Directorate	6,986	-300	7	0%	Green				
-94	Legal & Governance	2,345	731	-31	-1.3%	Green				
0	Corporate & Miscellaneous	6,877	1,310	0	0%	Green				
474	Investment Activity	-11,056	-1,197	521	5%	Amber				
401	Property Services	2,550	1,663	401	16%	Amber				
0	Financing Costs	31,295	2,628	0	0%	Green				
795	Total	57,595	12,104	1,064	2%	Amber				

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

1.3 Significant Issues

Corporate Services are currently forecasting an overspend of £1,064k an increase of £269k since last month.

Significant issues are detailed below:

Customer & Digital Services

Corporate and Digital Services budgets are currently forecasting an overspend of £164k, an increased forecast overspend of £154k since last month.

This is mainly due to additional pressures of £215k in IT and Digital Services, including the cost of £106k for IT licences and £110k hosting Outsystems a legacy system from LGSS. This is partly mitigated by an increase in staff vacancy savings in Customer Services of £24k and £42k vacancy savings in Human Resources.

Business Improvement & Development

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

There are no exceptions to report this month.

Resources Directorate

Resources Directorate budgets are currently forecasting an overspend of £7k.

There are no exceptions to report this month.

Legal and Governance

Legal and Governance budgets are currently forecasting an underspend of £31k, a decrease of £63k from the previous forecast.

The identified underspend in the Member's Allowances budget is due to changes to their allowance following approval by full Council of the Independent Remuneration Panel's report. This underspend is partly offset by £12k to hire venues and audio-visual equipment for Council meetings in Democratic services.

Corporate & Miscellaneous

Corporate & Miscellaneous budgets are currently forecasting a balanced position.

There are no exceptions to report this month.

Investment Activity

Investment Activity is currently forecasting an overspend of £521k, a change of £47k due to updates to the latest rent forecasts.

There are no exceptions to report this month.

Property Services

Property Services is currently forecasting an overspend of £401k, same as the previous forecast.

There are no exceptions to report this month.

Financing Costs

Financing costs are currently predicting a balanced position.

There are no exceptions to report this month.

Covid 19 – Financial Impact

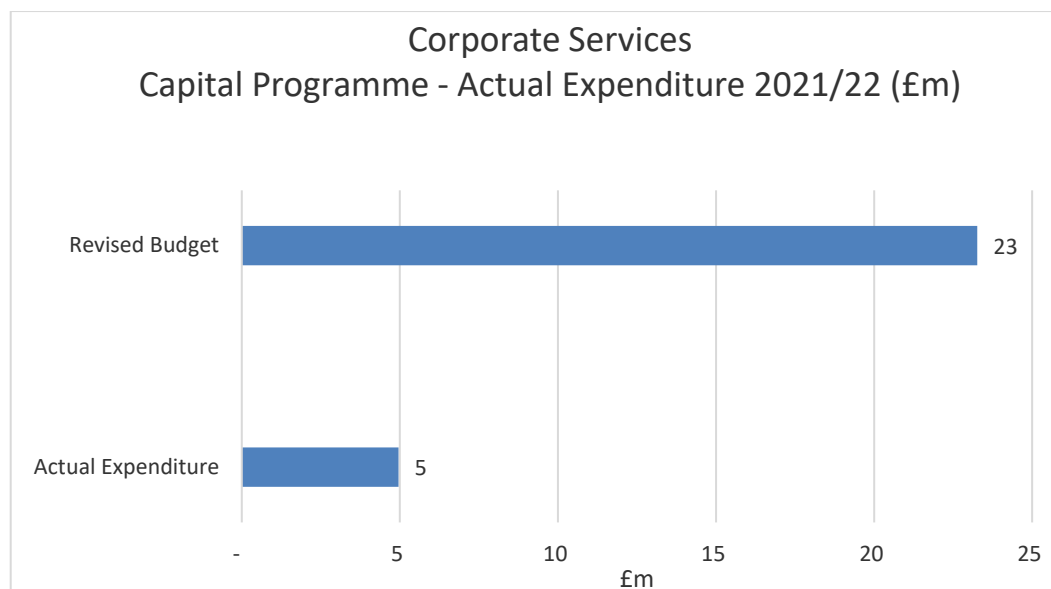
Financial costs associated with managing the implications of the Coronavirus pandemic, including any loss of income:

Service Area	Details	Estimated cost 2021/22 £000	July 2021 impact £000
IT – continued remote working	Remote working continues as per govt. guidance	378	126
Postage	Postage directly related to Covid-19	4	1
Temporary mortuary	Site cost for Provision of Body Storage	30	16
Communications-Test and Trace	Staff and Advertising costs towards Test and Trace Service	130	44
Information Management	Cambs 2020 programme removal costs – Delays due to Covid-19 pandemic	50	20
Member's Allowance	Hire of External Venues for Council AGM	8	7
Elections	25% uplift in costs expected for the election	161	0
Council Tax	Income saving rephased due to pressures on the District Council's Revenue & Benefits teams impacting timeline for project mobilisation	650	217
Cromwell Leisure	We anticipate that in the current climate, two of the restaurant units will generate minimal income during 2021-22 and the cinema is facing further challenges	395	106
County Farms	Reduction in income from new investments & a small decline on existing income	205	0
Pools Property Fund Investment	Expecting the risk of further challenges ahead a forecast of 5% income reduction is likely.	21	0
Property Services	Health and Safety supplies, cleaning, water testing, additional resource.	30	16
Brunswick House	A reduction in the occupancy levels since it is expected that some students will stay at home and opt for online learning and a drop in international student numbers is expected.	648	265

2. Capital Executive Summary

2.1 Expenditure

Corporate Services has a capital budget of £23,266k and expenditure to date of £4,957k in 2021/22.



There are no exceptions to report this month.

Please note the variations budget has been updated to reflect the recent changes to the hierarchy, resulting in a lower figure and therefore increasing the overall budget from £15m to £23m.

Details of the capital variances and funding can be found in [appendix 3](#)

2.2 Funding

Corporate Services has a capital budget of £15m in 2021/22. This includes £5m of funding carried forward from 2020/21.

3. Savings Tracker Summary

The savings tracker is produced quarterly. The Q1 table can be found in [appendix 4](#)

4. Technical Notes

A technical financial appendix has been included as [appendix 5](#) for Corporate Services.

This appendix covers:

- Grants that have been received by the service, and where these have been more or less than expected

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

•

Appendix 1 – Corporate Services Level Financial Information

Previous Forecast Outturn Variance £000's	Service	Budget 2021/22 £000's	Actual July 2021 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
Customer & Digital Services					
30	Director, Customer & Digital Services	415	52	30	7%
0	Chief Executive	171	-5	3	2%
17	Communication and Information	737	336	17	2%
-67	Customer Services	2,034	974	-91	-4%
0	IT & Digital Service	2,499	1,881	215	8%
0	IT Managed	7,197	4,175	-3	0%
0	Elections	170	14	0	0%
3	Human Resources	1,622	526	-42	-3%
0	Health, Safety & Wellbeing	181	21	0	0%
26	Learning & Development	1,916	607	34	2%
10	Customer & Digital Services Total	16,942	8,580	164	1%
Business Improvement & Development					
2	Policy, Design and Delivery	613	-1,833	1	0%
-1	Business Intelligence	1,043	521	-1	0%
0	Business Improvement & Development Total	1,656	-1,312	0	0%
Resources Directorate					
0	Resources Directorate	374	120	0	0%
3	Professional Finance	1,835	891	7	0%
0	Procurement	613	221	0	0%
0	CCC Finance Operations	288	87	-2	-1%
0	Shared Finance Operations	484	347	0	0%
0	Insurance	2,229	145	0	0%
0	External Audit	75	-170	0	0%
0	Shared Services	1,088	-1,940	1	0%
3	Resources Directorate Total	6,986	-300	7	0%
Legal & Governance					
0	Legal & Governance Services	103	48	0	0%
-2	Information Management	875	290	0	0%
0	Democratic & Member Services	326	79	12	4%
-92	Members' Allowances	1,041	315	-43	-4%
-94	Legal & Governance Total	2,345	731	-31	-1%
Corporate & Miscellaneous					
0	Central Services and Organisation-Wide Risks	3,989	0	0	0%
0	Investment in Social Care Capacity	1,300	0	0	0%
0	Subscriptions	110	32	0	0%
0	Authority-wide Miscellaneous	48	-151	0	0%
0	Transformation Fund	1,429	1,429	0	0%
0	Corporate & Miscellaneous Total	6,877	1,310	0	0%
Investment Activity					
474	Property Investments	-3,544	-128	521	15%
0	Shareholder Company Dividends & Fees	-491	16	0	0%
0	Housing Investment (This Land Company)	-6,063	-710	0	0%
0	Contract Efficiencies & Other Income	-201	-0	0	0%
0	Collective Investment Funds	-544	11	0	0%
0	Investments	26	86	0	0%
0	Renewable Energy Investments	-239	-473	0	0%
474	Commercial Activity Total	-11,056	-1,197	521	5%
Property Services					
400	Facilities Management	5,174	1,763	400	8%
0	Property Services	799	314	0	0%
1	Property Compliance	204	-275	1	0%
0	County Farms	-4,329	138	-0	0%
1	Strategic Assets	703	-277	1	0%

Previous Forecast Outturn Variance £000's	Service	Budget 2021/22 £000's	Actual July 2021 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
401	Property Services Total	2,550	1,663	401	16%
	Financing Costs				
0	Debt Charges and Interest	31,295	2,628	0	0%
0	Financing Costs Total	31,295	2,628	0	0%
795	Total	57,595	12,104	1,064	2%

Appendix 2 – Service Commentaries on the Outturn Position

Narrative is given below where there is an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater for a service area.

Director, Customer & Digital Services

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
415	30	7%

Director, Customer & Digital Services is forecasting an overspend of £30k. This is mainly due to statutory duty for providing the temporary Mortuary facility due to Covid-19.

Customer Services

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
2,034	-91	-4%

Customer Services is currently forecasting an underspend of £91k due to staff vacancies.

IT & Digital Services

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
2,499	215	8%

IT & Digital Services is currently forecasting an overspend of £215k due to an additional pressure of £215k in IT and Digital Services for the cost of £106k for IT licences and £110k hosting Outsystems, a legacy system from LGSS.

Human Resources

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
1,622	-42	-3%

Human Resources is currently forecasting an underspend of £42k due to vacancy savings.

Democratic & Member Services

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
326	12	4%

Democratic & Member Services are currently forecasting an overspend of £12k due to the need to hire venues and audio-visual equipment for Council meetings since the Government is not extending the virtual meetings regulations and New Shire Hall is not yet available.

Member's Allowance

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
1,041	-43	-4%

Member's Allowance are currently predicting an underspend of £43k. This is due to changes to Members' Allowances following approval by full Council of the Independent Remuneration Panel's report.

Property Investments

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
-3,544	521	15%

Investment Activity are currently predicting an overspend of £521k. This is due to the reduction in rental income anticipated from the leisure property and the student accommodation property as a result of the impact of the pandemic on income streams. The shortfall is higher than expected at budget setting creating a pressure in year of £457k. The income from office/research, retail and manufacturing properties are expected to be impaired by £64k.

Collective Investment Funds

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
-544	0	0%

The Collective Investment Fund budget was forecasting a £290k shortfall in returns on investment. There is an overall reduction in the anticipated value of the returns from 5.7% to 2.9% reflecting the environmental, social and governance factors used in selecting an appropriate investment fund. The decision was made to reduce the income budget to reflect the current return in investment.

Property Services

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
5,174	400	8%

Property Services budgets are currently predicting an overspend of £400k. This is the estimated pressure expected due to the continued increase in the cost of maintaining libraries, and other corporate properties.

Appendix 3 – Capital Position

3.1 Capital Expenditure 2021/22

Total Scheme Revised Budget £000	Original 2021/22 Budget as per BP £000	Scheme	Revised Budget for 2021/22 £000	Actual Spend 2021/22 £000	Forecast Spend - Outturn £000	Forecast Variance 2021/22 £000
		Corporate Services and Transformation				
750	150	Essential CCC Business Systems Upgrade	183	74	183	-
8,382	1,682	Capitalisation of Transformation Team	1,682	-	1,682	-
5,408	2,440	Data Centre Relocation	2,909	177	2,909	-
3,259	1,554	IT Strategy - Infrastructure & Corporate Systems	280	-	280	-
		IT Strategy - Microsoft	100	147	100	-
		IT Strategy - Data	120	12	120	-
		IT Strategy - Business Systems	940	140	940	-
-	135	IT Infrastructure refresh	144	22	144	-
		Investments				
152,395	6,321	Housing Schemes	6,674	8	50	(6,624)
1,600	200	Development Funding	388	79	388	-
		Property Services				
7,163	600	Building Maintenance	1,907	882	1,907	-
5,518	1,663	Investment in the CCC asset portfolio	2,779	682	2,779	-
		Strategic Assets				
3,814	25	Lower Portland Farm	75	-	75	-
900	100	Local Plans Representations	100	5	100	-
2,700	300	County Farms Investment	300	(10)	300	-
1,981	1,484	Community Hubs - East Barnwell	1,552	18	1,552	-
18,737	6,279	Shire Hall Relocation	7,329	2,532	7,329	-
-	-	Arbury Road Site	150	-	150	-
500	-	Mill Rd - Former Library	489	243	489	-
213,107	22,933		28,101	4,957	21,477	(6,624)
1,472	785	Capitalisation of Interest Budget	785	-	785	-
(24,260)	(13,757)	Capital Programme Variations Budget	(5,620)	-	-	5,620
190,319	9,961	TOTAL	23,266	4,957	22,262	(1,004)

3.2 Capital Funding 2021/22

Original 2021/22 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2021/22 £000	Forecast Spend £000	Variance £000
1,645	Capital Receipts	1,345	1,682	337
1,590	Other Contributions	1,740	150	(1,590)
260	Developer Contributions	260	260	-
14,959	Prudential Borrowing	19,921	20,170	249
18,454	TOTAL	23,266	22,262	(1,004)

3.3 Corporate Services Capital Variation 2021/22

Service	Capital Programme Variations Budget £'000	Outturn Variance £'000	Capital Programme Variations Budget Used £'000	Capital Programme Variations Budget Used %	Revised Outturn Variance £'000
Corporate Services	(5,620)	(6,624)	5,620	100%	(1,004)

3.4 Service Commentaries on the Capital Position

The schemes with significant variances (>£250k) either due to changes in phasing or changes in overall scheme costs can be found in the following table:

Housing Schemes

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (July) £'000	Forecast Spend - Outturn Variance (July) £'000	Variance Last Month (June) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
6,674	50	-6,624	-6,624	0	0	-6,624

Housing Schemes capital scheme budget is forecasting an in-year underspend of £6,624. This Land's cashflow position is such that they do not currently require any further loan financing, the next loan request is expected in mid-2022.

Appendix 4 – Quarter 1 Savings Tracker

Reference	Title	Description	Q1	Q2	Q3	Q4	Forecast Saving 21-22	Variance from Plan £000	Saving complete?	% Variance	Forecast Commentary	RAG
C/R.6.103	External Auditor fee	Saving to be achieved from reduction in expenditure on External Audit, as per fees set by Public Sector Audit Appointments	-3	-4	-4	-4	-15	0	No	0		Green
C/R.6.104	Reduction in staff mileage	A reduction in staff travel is expected to continue.	-300	-264			-564	0	No	0	Q1 saving achieved.	Green
C/R.6.105	Customer Services	Trends over recent years have determined a reduction of £85k is achievable. This reduction will be delivered by removing 3 vacant posts.	-85				-85	0	Yes	0	Vacant posts removed.	Green
F/R.6.003	Babbage House closure	The lease on Babbage House is due to end in 2020-21 and will not be renewed.	-198				-198	0	Yes	0	Lease has ended.	Green
F/R.6.109	Cambs 2020 Operational Savings	Savings to the running costs of corporate buildings because of the Cambs 2020 programme.	0	0	0	0	0	605	No	100	The savings from Shire Hall will not be achieved until such time as the sale is complete.	Black
F/R.7.106	Utilisation/ commercialisation of physical assets	Carry-forward saving - unachieved in 20/21. One Public Estate	0	0	0	0	0	36	No	100	There has been no development in this area.	Black
F/R.7.110	Return on Commercial Property Investments	The Council is developing a portfolio of commercial property investments. This is	-26	-26	-26	-27	-105	0	No	0		Green

Reference	Title	Description	Q1	Q2	Q3	Q4	Forecast Saving 21-22	Variance from Plan £000	Saving complete?	% Variance	Forecast Commentary	RAG
	(Carry-forward saving - unachieved in 20/21)	the rental income generated from the lease.										
F/R.7.127	County Farms - Commercial uses	Conversion of barns on the County Farms Estate for non-agricultural commercial uses, including storage and distribution.	-11	-11	-11	-12	-45	0	No	0		Green
F/R.7.131	Commercial Income	Commercial return from the Council's Commercial Strategy, to be generated by the newly developed Commercial Team.	0	0	0	0	0	232	No	100	Saving not achieved. However, as part of the budget rebasing exercise approved by S&R at the July 2021 meeting this pressure is now removed	Black
F/R.7.140	Tesco - Income Generation	Estimated annual rent increase.	0	0	0	-77	-77	0	No	0		Green
F/R.7.141	Evolution Business Park - Income Generation	Estimated annual rent increase.	-3	-3	-3	-3	-12	0	No	0		Green
F/R.7.142	Kingsbridge - Income Generation	Estimated annual rent increase.	-3	-3	-3	-2	-11	0	No	0		Green

Reference	Title	Description	Q1	Q2	Q3	Q4	Forecast Saving 21-22	Variance from Plan £000	Saving complete?	% Variance	Forecast Commentary	RAG
F/R.7.143	Brunswick House - Income Generation	Estimated annual rent increase.	0	0	0	0	0	66	No	100		Black
F/R.7.144	County Farms	Increase in rental income for the county farms estate.	0	0	-20	-20	-40	0	No	0		Green
G/R.6.003	MRP: Accountable Body (effect of capital swaps)	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	-88	-89	-89	-89	-355	0	No	0		Green

Appendix 5 – Technical Note

5.1 Grant Income Analysis

Grant	Awarding Body	Expected Amount £'000
Skills for Care	ASYE Children	44
Skills for Care	ASYE Adults	20
ARU from Education Support Grant	SW Student Placement	87
Non-material grants (+/- £30k)	New Burdens: Data Transparency Funding	13
Total Grant Funding 2021/22		164

5.2 Virements and Budget Reconciliation

Customer & Digital Services

Budgets and movements	£000	Notes
Budget as per Business Plan	17,708	
Redundancy, Pensions & Injury	-846	Transferred to P&C
IT and Digital Services	46	Transferred from P&C: Baseline adjustment for Total Mobile
Non-material virements (+/- £30k)	7	April
Non-material virements (+/- £30k)	29	May
Non-material virements (+/- £30k)	21	June
Non-material virements (+/- £30k)	-23	July
Current Budget 2021/22	16,942	

Business Improvement & Development

Budgets and movements	£000	Notes
Budget as per Business Plan	1,449	
Policy, Design and Delivery	209	Transferring Investment team budget to new service area
Non-material virements (+/- £30k)	-2	
Current Budget 2021/22	1,656	

Resources Directorate

Budgets and movements	£000	Notes
Budget as per Business Plan	6,995	
Non-material virements (+/- £30k)	-9	
Current Budget 2021/22	6,986	

Legal & Governance

Budgets and movements	£000	Notes
Budget as per Business Plan	2,302	
Information Management	56	From Central Services and Organisation-Wide Risks to cover the costs of extra resources
Non-material virements (+/- £30k)	-13	
Current Budget 2021/22	2,345	

Corporate & Miscellaneous

Budgets and movements	£000	Notes
Budget as per Business Plan	6,680	
Central Services Organisation-Wide Risks	-56	To cover the costs of extra resources in Information Management
Central Services Organisation-Wide Risks	288	
Non-material virements (+/- £30k)	-29	
Non-material virements (+/- £30k)	-6	
Current Budget 2021/22	6,877	

Investment Activity

Budgets and movements	£000	Notes
Budget as per Business Plan	-11,518	
Investments	-209	Transferring budget to new service area
Collective Investment Funds	435	Baseline adjustments approved in July
Investments	235	Baseline adjustments approved in July
Non-material virements (+/- £30k)	0	
Current Budget 2021/22	-11,056	

Property Services

Budgets and movements	£000	Notes
Budget as per Business Plan	2,551	
Non-material virements (+/- £30k)	-1	
Current Budget 2021/22	2,550	

Financing Costs

Budgets and movements	£000	Notes
Budget as per Business Plan	31,295	
Non-material virements (+/- £30k)	0	
Current Budget 2021/22	31,295	

5.3 Reserves Schedule

Corporate Services Reserves

Fund Description	Balance at 01 April 2021 £'000	Movements in 2021/22 £'000	Balance as 31 July 2021 £'000	Forecast Balance at 31 March 2022 £'000	Notes
Other Earmarked Funds					
Election Processes	37	0	37	37	1
City Deal - NHB funding	2,455	0	2,455	2,000	2
CCC Finance Office	58	0	58	58	3
Records Management	50	-19	31	0	4
subtotal	2,600	-19	2,580	2,095	
Other Earmarked Funds					
CPSN Partnership Funds	98	0	98	98	
subtotal	98	0	98	98	
Short Term Provisions					
Insurance Short-term Provision	911	0	911	911	
Insurance MMI Provision	1,182	0	1,182	1,182	
subtotal	2,093	0	2,093	2,093	
Long Term Provisions					
Insurance Long-term Provision	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
Other Earmarked Funds					
North Cambridge Academy site demolition costs	686	0	686	400	5
Shire Hall Relocation	483	0	483	225	6
subtotal	1,169	0	1,169	625	
Capital Reserves					
General Capital Receipts	10,861	1,151	12,012	0	7
subtotal	10,861	1,151	12,012	0	
TOTAL	20,433	1,131	21,565	8,524	

(+) positive figures represent surplus funds

(-) negative figures represent deficit funds

Notes

1. Election budget to be transferred to reserve
2. New Homes Bonus funding - Greater Cambridge Partnership
3. Recharged costs for CCC Investigation
4. Earmarked reserved for Records Management
5. Rental income from Bellerbys buildings on the North Cambridge Academy site is being held to offset demolition costs when the lease expires in 2021
6. Shire Hall relocation costs were previously part of the central contingency reserve but are now shown separately
7. General Capital Receipts received during 2021/22 will be used to fund the capital programme at year-end, and This Land Capital Receipts will be used for Commercial Investment

This Land monitoring update and land at Soham Northern Gateway (pre-emption)

To: Strategy and Resources Committee

Meeting Date: 21 September 2021

From: Director of Resources & Chief Finance Officer

Electoral division(s): All (including Soham North & Isleham)

Key decision: Yes

Forward Plan ref: 2021/003

Outcome: The Council considers latest information received from This Land and commits to a review of the company as part of its oversight as shareholder and lender. Key outcomes delivered by This Land are revenue return through interest, security of loans and delivery of homes, which the review will consider. Reacquisition of land at Soham Northern enables future school expansion (a key decision).

Recommendation: It is recommended that the Committee:

- a) approve the acquisition of land at Soham Northern Gateway and agree delegation of the final terms to the Director of Resources in consultation with the Chair and Vice-Chair;
- b) permit the sale of property by This Land, at Burwell and Worts Causeway, in accordance with the Business Plan, and consequential amendments to legal charges on those properties
- c) note the updated This Land business plan 2021; and
- d) note the commencement of a formal review of This Land as set out in section 2.8

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1. Overview

- 1.1 This Land is the Council's wholly owned housing development company. The company aims to develop the land it has acquired, predominantly from the Council, to provide homes that are in much demand in this region. As at September 2021 the financing advanced to This Land by the County Council is as follows:

Long Term Loans	£113.851m
Equity	<u>£ 5.851m</u>
Total	£119.702m

- 1.2 The company pays commercial rates of interest on the loans advanced and the expected net income receivable to the Council from the This Land loans in 2021-22 is £6.0m. The Council holds security over the loans by way of mortgages on the properties This Land is developing providing some risk mitigation. So far this financial year, the company has repaid a loan, slightly ahead of schedule, of £2.04m and made interest payments totalling £1.06m.

2. Updates and monitoring information

- 2.1 Directorships and governance – Councillor J Schumann has been replaced as a statutory director of the firm by Councillor N Gough (the other Council nominated director is Mr S Cox (Executive Director of Place & Economy)). Mr D Lewis is the acting chief executive of This Land and a substantive employee of the company. During June, This Land appointed an accountancy firm, Smith & Williamson, as its internal auditor. The next shareholder meeting of the company is scheduled for 30 September 2021 to which members of Strategy and Resources Committee have been invited. The Council is not expecting any resolutions requiring a vote.
- 2.2 Annual accounts – the external audit of the This Land group's statement of accounts has been completed by RSM UK Audit LLP and the financial statements are expected to be signed around 15 September and published at Companies House shortly thereafter [THIS LAND LIMITED - Overview \(company-information.service.gov.uk\)](https://www.companieshouse.gov.uk/company/11111111/this-land-limited-overview) . For the 15month period to 31 March 2021, the company made an operating profit of £791k, however the company's significant financing obligations to service loans from the Council mean that there is an overall loss after interest and taxation of £3.3m. On the balance sheet, the company has net liabilities of £14m, an increase of £1.4m compared to the position as at 31 December 2019. The company's business plan takes account of this expected position, the future repayment of loans to schedule and interest payments and overall provides a pathway to commercial success. The company has good short term cashflows and the Council has submitted its annual letter to the company's auditor outlining its continuing support should this be required as a result of unforeseen financial challenges in the near-term.
- 2.3 Business Plan 2021 – In 2020 This Land submitted a significant revision to its business plan to the then Commercial and Investment Committee. Changes at that time included focusing the company on a smaller number of assets, developing larger sites as a "master developer" and disposing of certain other sites; a downwards revision to the overage amounts payable to the Council; adding land promotion to the company's activities and increasing upwards the lending facility made available to the company. During the last year

the company has largely progressed in accordance with the revised 2020 plan and the 2021 iteration has only comparatively minor updates, focused around timing, updated costs and to reflect disposal and sales values achieved or projected. Lending has remained within the original December 2017 boundary, and the increase in the facility beyond that have not yet been required. The updated business plan is attached at appendix 5.

- 2.4 **Master Developer** – a key component of the business plan agreed in 2020 and confirmed this year is the company acting as ‘master developer’ on its largest sites at Burwell, Soham East, and Worts Causeway. This means This Land delivering directly the minority of the homes at these locations, as well as site wide infrastructure and place making, with parcels of land sold to other developers to deliver parts of the scheme. This Land have progressed this approach during the year and, in combination with planning progress, will be in a position to sell the first parcels of land at Burwell and Worts Causeway in the coming months. The Council and This Land have a protocol in place for notification of expected sales to enable resolution of issues and to ensure market value is being achieved. These sales of land parcels at Burwell and Worts Causeway are the implementation of the strategy conveyed to the shareholder in 2020 however delegations agreed in April 2020 require the addition of recommendation (b) in this report to enable the sale of land at these locations.
- 2.5 **Construction** – construction is progressing at Ditton Walk and has also commenced at Over. There have been media reports of a dispute between This Land and one of the contractors, for three of the homes, at Ditton Walk. This relates to health and safety matters and build quality. For its part, the Council has made enquiries with This Land, visited the site and received a report from the Council appointed monitoring surveyor. The finished homes on the site have been built by a different contractor. Construction is scheduled to commence over the next twelve months at Fitzwilliam Road, Brampton, Malta Road and Ditton Walk (phase 2).
- 2.6 **Milton Road** – As discussed at the July Strategy & Resources Committee, This Land is progressing a sale of the property they have re-developed at Milton Road comprising the public library (of which the Council is the tenant) and 7 residential apartments. As the company is arms-length, and given previous agreements, the Council has limited scope to influence the sale as the shareholder or lender. Since July, the Council has negotiated with This Land and the prospective purchaser a 20 year increase in the length of lease for the public library (such that it continues until 2064 with further Landlord and Tenant Act protection thereafter). This lease extension will include 5 year breaks for the Council (but not the landlord). The Vice-Chair and Chair of this Committee were minded to propose and agree to this increase in term with a view to further maximising the Council’s control of the tenancy. This is notwithstanding that opportunities to negotiate agreed extensions and rent reviews could arise at any expiry in future. The completion of the longer lease is progressing, in accordance with a delegated decision taken by the Chief Finance Officer, and legal documents are expected to be finalised shortly.
- 2.7 **Little Hadham – Strategic Land** – the Council has commissioned an external validation of the company’s development appraisal for a site it has acquired at Little Hadham, Hertfordshire, the largest property currently within the strategic land category of the business plan. The land extends to around 41 acres of which roughly 25 acres could be developable as residential. The land is considered a long-term prospect and is not likely to

gain planning permission until the later part of this decade, though there is no guarantee that planning permission will be achieved. This follows similar analysis undertaken at two of the master developer properties, and provides the Council with commentary on the market input assumptions This Land has used for residential sales and build costs, wider development costs, profit and project timelines. The findings of this work are that the gross development value assumed by This Land is in line with our specialist's expectations and this is a comparable and validated profit level (allowing for different treatment of financing costs by This Land and our specialist).

2.8 **Review** – the Joint Administration Agreement commits the Council to a review of This Land, an approach endorsed by the recent LGA Peer Challenge. This furthers the ongoing oversight of the company and is timely to coincide with the receipt of the updated annual business plan. Following a procurement process and checks to avoid conflicts of interest, Avison Young Inc., a global real estate services consultancy, have been appointed as the reviewer. The initial questions set for the reviewer are as follows:

- a. Are the assumptions that This Land has made in its latest business plan reasonable and deliverable?
- b. Is there a clear understanding about the exposure to risk, particularly in the medium term?
- c. How could This Land adapt its plans to adjust its risk appetite or strategy?
- d. How could the firm quicken the pace of housing delivery, are there examples from other local authority related housing companies?
- e. Does This Land have the right skills, capabilities and expertise compared to a typical housing development company of this type?

This Land have welcomed the review for their part. The full review is scheduled to take 8 weeks from commencement at the end of August.

2.9 Assessment of principal risks -

Description	Impact /Likelihood	Response/Mitigation
<i>Construction:</i> cost, defects, materials, milestones	Impact: Medium	<ul style="list-style-type: none"> - Monitoring surveyor reviews of cost, progress and quality - Construction contingency budget - Insurance cover / warranties
	Likelihood: Medium	
<i>Planning & regulation:</i> timing, obligations & cost of meeting planning and building regulations approval	Impact: Medium	<ul style="list-style-type: none"> - Reviews of project plans/budgets for obtaining planning consent, progress and performance - Staff expertise - Land promotion diversifies planning authorities involved
	Likelihood: Medium	
<i>Workforce & Expertise:</i> attracting and retaining talent, capacity and experience	Impact: High	<ul style="list-style-type: none"> - Executive team recruitment process - Monitoring turnover & performance and retaining expertise - Diversity of experience of non-executive directors, succession planning
	Likelihood: Medium	

<i>Health & Safety</i> - heightened by the coronavirus pandemic	Impact: Medium	<ul style="list-style-type: none"> - External independent H&S team - Review by monitoring surveyor - Company policy and procedures
	Likelihood: High	
<i>Governance risks:</i> securing best value, acting at arms-length, legal challenge by competitors, state aid	Impact: Medium	<ul style="list-style-type: none"> - Ongoing legal representation, advice and review - Adopt formalised memorandum(s) governing Council:Company interface - State aid reference rates adopted for loans
	Likelihood: Medium	
<i>Performance of strategic land promotion:</i> competitive area, securing agreements, reputation	Impact: High	<ul style="list-style-type: none"> - Council seeks independent validation - Careful site selection - Work closely with communities - Risk and sunk costs within financial model - Build successful track record
	Likelihood: Medium	
<i>Master developer and non-residential development models:</i> complicated and capital intensive	Impact: Low	<ul style="list-style-type: none"> - Monitoring surveyor reviews progress and performance - Regular review of complex commercial schemes - Full prior appraisal by This Land's Development & Investment Committees
	Impact: Medium	
<i>Housing demand and economic risks</i>	Impact: High	<ul style="list-style-type: none"> - Sales strategies prudent and based on regular review of local market - This Land to develop relationships with mortgage brokers and agents
	Likelihood: Medium	
<i>Future land sales to This Land:</i> land availability	Impact: Medium	<ul style="list-style-type: none"> - Promotion of land within local plans - Seeking alternative land across wider geography
	Likelihood: Medium	
<i>Underlying company value and security/collateral, impairment to inventory</i>	Impact: High	<ul style="list-style-type: none"> - Valuations to validate ongoing value of the firm - Internal appraisals continuously feeding This Land financial model - Security over work in progress and visibility that amounts invested lead to increased value

3. Reacquisition of property from This Land at Soham Northern

3.1 The Shade Primary School is situated in Soham and is an academy, sponsored by The Staploe Education Trust. It opened on 1 September 2013. The school has a physical capacity for 2 forms of entry (2FE) or 420 primary places. There is also a pre-school on the site. There are two other schools in the town:

- i) St Andrew's Church of England (CoE) Primary School with a capacity of 2FE (420 places), and
- ii) The Weatheralls Primary School with a capacity of 3FE (630 places).

3.2 Soham is identified as a major area of growth in the East Cambridgeshire Local Plan. As of April 2019, there were 1,688 outstanding housing commitments in the town with approximately 800 of these expected to come forward in the next five years. The two main outstanding allocations for housing are: the Eastern Gateway for 600 homes to the east of the town and Brook Street for 400 homes to the south-east of the town. Appendix 1 shows the local plan housing allocations in Soham, with the three primary schools circled in red.

Forecasts indicate that additional primary places will be needed in response to this level of development. In 2020, the Council commissioned a feasibility study from consultants Faithful and Gould/Atkins to assess the potential to expand St Andrew's C of E Primary and The Shade Primary each by 1FE (210 places) plus 1 class for Early Years (EY) to increase their capacity to 3FE (630 places) plus 78 EY places and provide the additional places in the town.

- 3.3 The Weatheralls Primary School is already a 3FE school with EY. This is currently considered to be the maximum size for a primary school under the operational guidance approved by the Committee. Therefore, further expansion of this school has been discounted. In addition, it operates from a restricted site until such time as it is allocated additional playing field land as part of planned housing development in the Soham Eastern Gateway.
- 3.4 An analysis of the St Andrew's CofE Primary School site against Department for Education (DfE) Building Bulletin 103 (BB103) guidelines shows that it is within the range recommended for a 3FE primary school with 3 EY. There would be a deficit of outdoor play area but, with the provision of an all-weather pitch, the site would also meet the DfE recommendations for external play. However, due to the existing design and layout of the building it will be costly to adapt and extend to meet BB103 recommendations in terms of accommodation.
- 3.5 An analysis of the external areas at The Shade highlighted that the current site is under the DfE's recommended site area range for a 3FE primary school with 3 EYs class bases. That range is 2.34-2.94 ha. The Shade's site area is 2.03 hectares (ha) ie a deficit of between 0.31 and 0.91 ha.
- 3.6 The feasibility report also highlighted a significant shortfall in the guideline area for outdoor play. The existing playing field would be 0.65ha (6,542m²) undersize and the hard outdoor PE area would be 0.038ha (383m²) undersize for a 3FE school.
- 3.7 This Land, the Council's wholly owned arms-length development company owns two adjacent plots of land, A and B (plan attached as Appendix 2). Plot A is not of sufficient size to meet the educational space requirements for a 3FE school. Plot B would meet the Council's needs.
- 3.8 Plot B (1.20ha), provides sufficient additional space to allow The Shade to increase from a 2FE to 3FE school. Appendix 2 shows the existing school site in relation to Plot B. An all-weather pitch will still need to be provided to meet maximum DfE requirements for playing field area, but it goes a long way to rectify the deficit.
- 3.9 Officers have concluded that the most cost effective and deliverable option for meeting the identified need for additional places by 2024 would be to acquire Plot B from This Land and expand The Shade Primary School. Further consideration will need to be given to options for increasing capacity by an additional 1FE in the future.
- 3.10 The Council has been informed that This Land had secured potential third-party purchasers for Plots A and B and that subsequently, it planned to dispose of this area of land as part of its new Business Plan during 2021/22 financial year. Therefore, the Council has a limited window of opportunity to buy the land for the identified educational service need.

4. Additional details

- 4.1 The three town schools have an aggregate capacity of 7FE or 1,470 places. The January 2020 forecasts of children living in the catchment show the primary-aged population increasing from 1,220 in 2019/20 to 1,647 in 2029/30 (see Appendix 3). A 1FE (210) place expansion of one of the schools is required by September 2024 with a further 1FE required in the 2030s, if the growth of the town continues.
- 4.2 A further option is to work with East Cambridgeshire District Council (ECDC) to deliver a school site as part of the preparation of a new local plan when work on it commences. However, ECDC and developers will be aware of the potential to expand both The Shade and St Andrew's making the identification of a new primary school site difficult to justify. It is anticipated that developers would also challenge on the basis that it would increase their costs as they would be expected to provide both financial contributions and land. There is also a potential impact on development viability that may stall individual projects and the delivery of housing targets. To secure an agreement with the developers, the Council would need the help and support of ECDC planners.
- 4.3 In conclusion, officers consider there to be a significant risk to the Council if it were to rely on the planning process to deliver a site for a new school and that it needs to proceed with plans for the expansion potential offered by both The Shade and St Andrew's to meet the need for primary school places.
- 4.4 Appendix 4 is a Milestone 1 (MS1) plan showing the extent of land required to meet the minimum recommendations for The Shade to be increased in size to 3FE. As construction of the new accommodation will be on grass which the children currently use for informal play, the change of use will be subject to approval by the Secretary of State (SoS) for Education. The proposed soft outdoor PE area including Plot B will not meet the SoS's maximum requirements (14,160m²), so an all-weather pitch will be required.
- 4.5 Plots A, B and C Soham Northern Gateway were sold in 2018 by the Council as part of the portfolio sale to This Land as approved by Commercial & Investment Committee for £970,000.
- 4.6 A purchase price of £687,500 has been negotiated with This Land for Plot B. The value of Plot B has increased since the sale in 2018 due to changes in the market and the increase in land values in the intervening period. An external independent valuation commissioned from Cheffins by Strategic Assets has verified that the purchase price reflects the current market value for the site. External independent valuation was also the basis on which properties were sold to This Land.
- 4.7 At the time of the original sale, the Council was in discussion with ECDC about the preparation of its new Local Plan. The Plan proposed higher levels of development and a site for a new primary school was under discussion rather than expansion of the existing schools. The Plan was subsequently withdrawn following the report of the Planning Inspector and ECDC has commenced a Single-Issue Local Plan Review to re-examine the appropriate level of housing growth in the district.
- 4.8 A Pre-emption Agreement was incorporated into the sale agreement for Plots A, B & C to give the Council the right to buy back the land (comprising all three plots) at Market Value if

it chose to do so before any disposal to a third party. This provided the Council with protection should the land become required for its own use. This Land have agreed to the sale of Plot B outside of the Pre-emption Agreement as the Council only requires Plot B and not the remaining two plots. If the acquisition of Plot B is not approved, the Council may lose a future opportunity to only buy back Plot B in the future as it has, by not acquiring Plot B now, arguably waived its pre-emption rights. Any future assertion of those rights could require their full legal implementation, that being the Council being required to buy all three plots at market value. Securing the acquisition of Plot B will ensure that the Council can deliver the efficient and most cost-effective solution to meet the demand for school places within the locality.

- 4.9 A business case for the expansion of The Shade, including the cost of land purchase, was approved by officer Capital Programme Board on 18th August 2021. The Children and Young People (CYP) Committee will consider its five-year 2022/3 capital business plan at its meeting later in the year, which will include this new scheme.

5. Alignment with corporate priorities

5.1 Communities at the heart of everything we do

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

- Soham is identified as a major area of growth in the East Cambridgeshire Local Plan and additional capacity is required to meet the associated need for school places.
- Schools are aware of the specific needs within the local community and can provide resources for early intervention which enable individuals to support one another and themselves.
- Ensuring all children have the opportunity to attend a school in their local area helps community cohesion, allowing children and parents to build relationships around a common aspect of their lives with others in their peer group nearby.

5.2 A good quality of life for everyone

- Ensuring that children have access to high quality education locally means that they will have access to opportunities, irrespective of their background. They will also be able to access out of school activities more readily such as sports and homework clubs and develop friendship groups within their own community. This will contribute to the development of healthier, more independent lifestyles.

5.3 Helping our children learn, develop and live life to the full

- Creating inspirational places to learn will ensure the best outcomes for children from an early age.
- Young people will maximise their skills in an appropriate environment and through a school's curriculum.
- The provision of high-quality education supports economic development by providing the individual with the necessary skills to take advantage of future employment opportunities.

5.4 Cambridgeshire: a well-connected, safe, clean, green environment

- If families have access to local schools and associated services, they are more likely to attend them by either cycling or walking, rather than through Local Authority provided transport or private car.

5.5 Protecting and caring for those who need us

- Schools are encouraged to build effective relationships with children and their parents/carers to ensure that issues can be identified early, and targeted support provided to safeguard vulnerable children, young people and their families.

6. Significant Implications

6.1 Resource Implications

The report above sets out details of significant implications of the key decision in paragraphs 4.6 and 4.9.

The project will require CYP Committee approval for inclusion in the 2022/23 five-year capital programme before the purchase of Plot B from This Land can be completed.

The project budgets have recently been updated for September 2024 completion and the total anticipated project cost without contingency for St Andrew's is £8,500,000 and for The Shade is £6,641,000 (including purchase of Plot B).

The amounts on loan to This Land and receivable as interest are set out in section 1.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Any new school buildings will be procured through the Council's Design and Build Contractor Framework. This framework has been tendered in accordance with public procurement tender rules.

The acquisition of Plot B will take place in line with the pre-emption rights retained by the Council under the original sale agreement to This Land, noting the rights are only being exercised in respect of part of the land concerned with the vendor's agreement. The acquisition will be undertaken in accordance with the Council's existing property policies.

There are no new procurement or contractual implications for wider This Land activity.

6.3 Statutory, Legal and Risk Implications

Section 14 of The Education Act (1996) places Local Authorities under a general duty to provide a school place for every child living in their area of responsibility who is of statutory school age and whose parents want their child educated in the state-funded sector.

An assessment of the principal risks facing This Land activity is included at section 2.9.

6.4 Equality and Diversity Implications

There are no implications under this heading

6.5 Engagement and Communications Implications

Proposals to expand an existing school will be subject to a statutory consultation process. Similarly, if the scheme proceeds to the design and construction of new school buildings a full planning application will be required. It too is subject to a statutory consultation process.

6.6 Localism and Local Member Involvement

A briefing will be held with the local members in Soham

6.7 Public Health Implications

There are no significant implications within this category.

6.8 Environment and Climate Change Implications on Priority Areas

This Land's business plan includes a section on delivering sustainability and protecting the environment

It is difficult to quantify the specific impacts of any proposal to expand an existing primary school ahead of detailed design taking place. Whilst the new building will seek to achieve the Council's policies in respect of climate change and reduced energy use, planning policy and building standards/regulations, there is a 50% increase overall in the capacity of the school.

Whether this results in a net increase or decrease in what is being measured in the implications section below is not known at this stage.

6.8.1 Implication 1: Energy efficient, low carbon buildings.

Positive/neutral/~~negative~~ Status:

Explanation: See comment above. Given the project will expand the school, energy demand will increase – the magnitude of this increase will depend in part on the final designs which will strive for a positive, and at worst neutral, outcome for this implication.

6.8.2 Implication 2: Low carbon transport.

Positive/neutral/~~negative~~ Status:

Explanation: See comment above

6.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Positive/~~neutral~~/~~negative~~ status:

Explanation: See comment above. Given the land is not of any ecological value, is not currently of any amenity value and realistically is not going to become either of those things, plus the net gain through planning requirement and being green space making up the school grounds, this should be a positive.

6.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Positive/neutral/negative Status:

Explanation: See comment in 4.8, however, this will at least be a neutral status as, while waste will be minimised and dealt with using the waste hierarchy, there will still be some volume of unavoidable waste generated during the construction process.

6.8.5 Implication 5: Water use, availability and management:

Positive/neutral/negative Status:

Explanation: See comment above

6.8.6 Implication 6: Air Pollution.

Explanation: See comment in 4.8

6.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.

Positive/neutral/negative Status:

Explanation: While the detailed designs will impact the resilience of the building and therefore the school services provided, improving provision of local services which reduce the need for residents to travel will help access to those services to continue in the event of a climate impact such as flooding or other extreme events.

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: T Kelly [M Wade, E Tod]

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? Yes

Name of Officer: H Swan

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer? [legal advice will also be taken as part of the transactions proposed at a and b]

Name of Legal Officer: F McMillan

Have the equality and diversity implications been cleared by your Service Contact?

Yes

Name of Officer: T Kelly

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: C Birchall / S Cobby

Have any localism and Local Member involvement issues been cleared by your Service Contact?

Yes

Name of Officer: T Kelly

Have any Public Health implications been cleared by Public Health?

Name of Officer: I Green

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: E Bolton

7. Source documents guidance

7.1 Source documents

Building Bulletin 103 (BB103) Area guidelines for mainstream schools June 2014
Schools Standards and Framework Act 1988 section 77
Involving the Secretary of State in land transactions February 2021
Capital Business Case for Soham
Milestone 1 report for 1 FE + 1 EY expansion in Soham
Independent Market Valuation of Plot B undertaken by Cheffins
Commercial & Investment Committee 23 February 2018 - SALE OF A PORTFOLIO OF PROPERTIES TO CAMBRIDGESHIRE HOUSING & INVESTMENT COMPANY
[Commercial & Investment Committee Report - 23 February 2018](#)
ECDC has commenced a Single Issue Local Plan Review to re-examine the appropriate level of housing growth in the district
This Land Cashflow Model
Development Appraisal – Little Hadham

7.2 Location

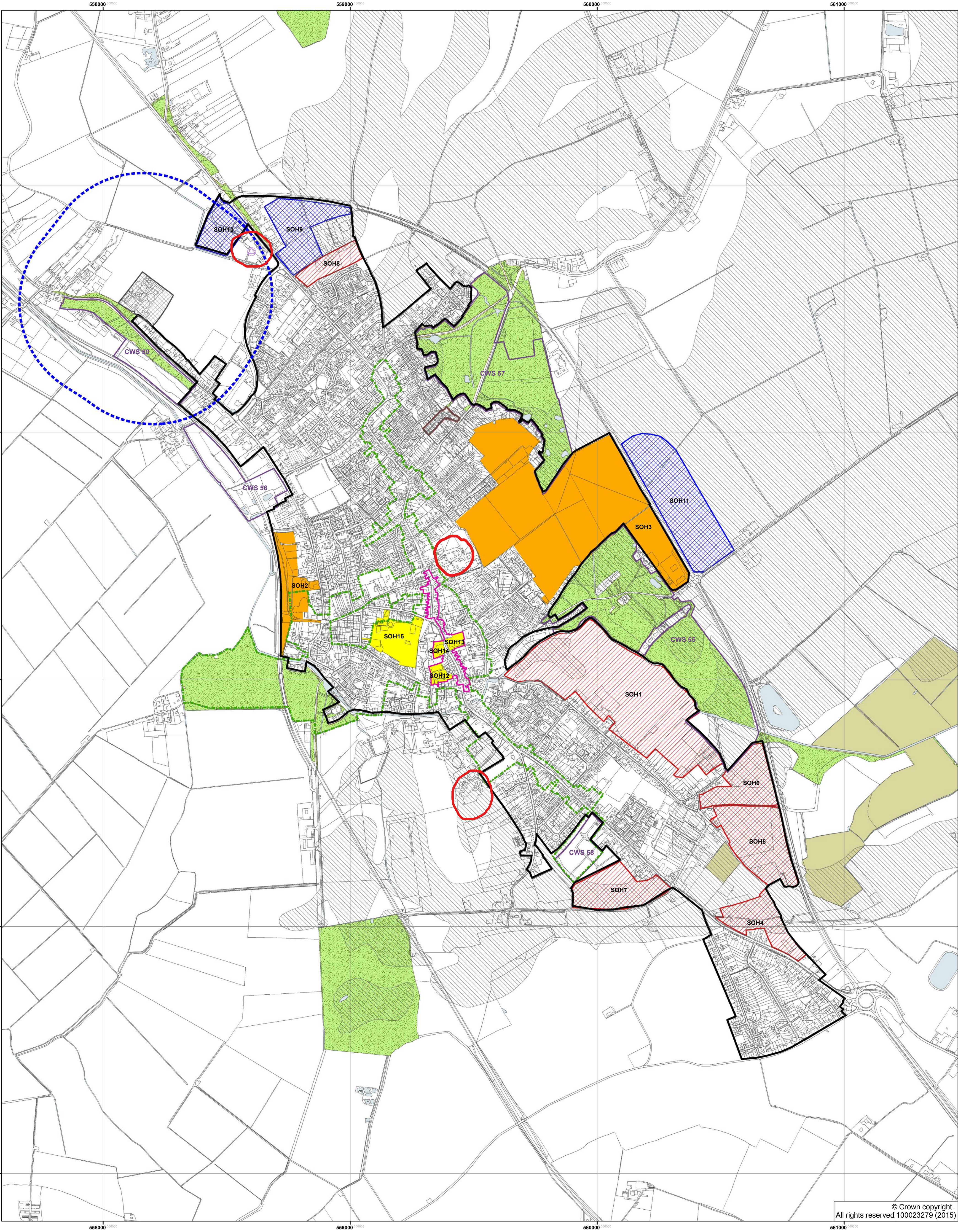
Documents available online:

[Area Guidelines for Mainstream Schools
School Standards and Framework Act 1998](#)

[Guidance on involving the Secretary of State in Land Transactions](#)

Capital Business Case and MS1 report for Soham 1 FE + 1 EY expansion available on request

[Local Plan Review | East Cambridgeshire District Council \(eastcambs.gov.uk\)](#)



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Policies Map (April 2015) Soham (Insert Map 8.35)

Key:

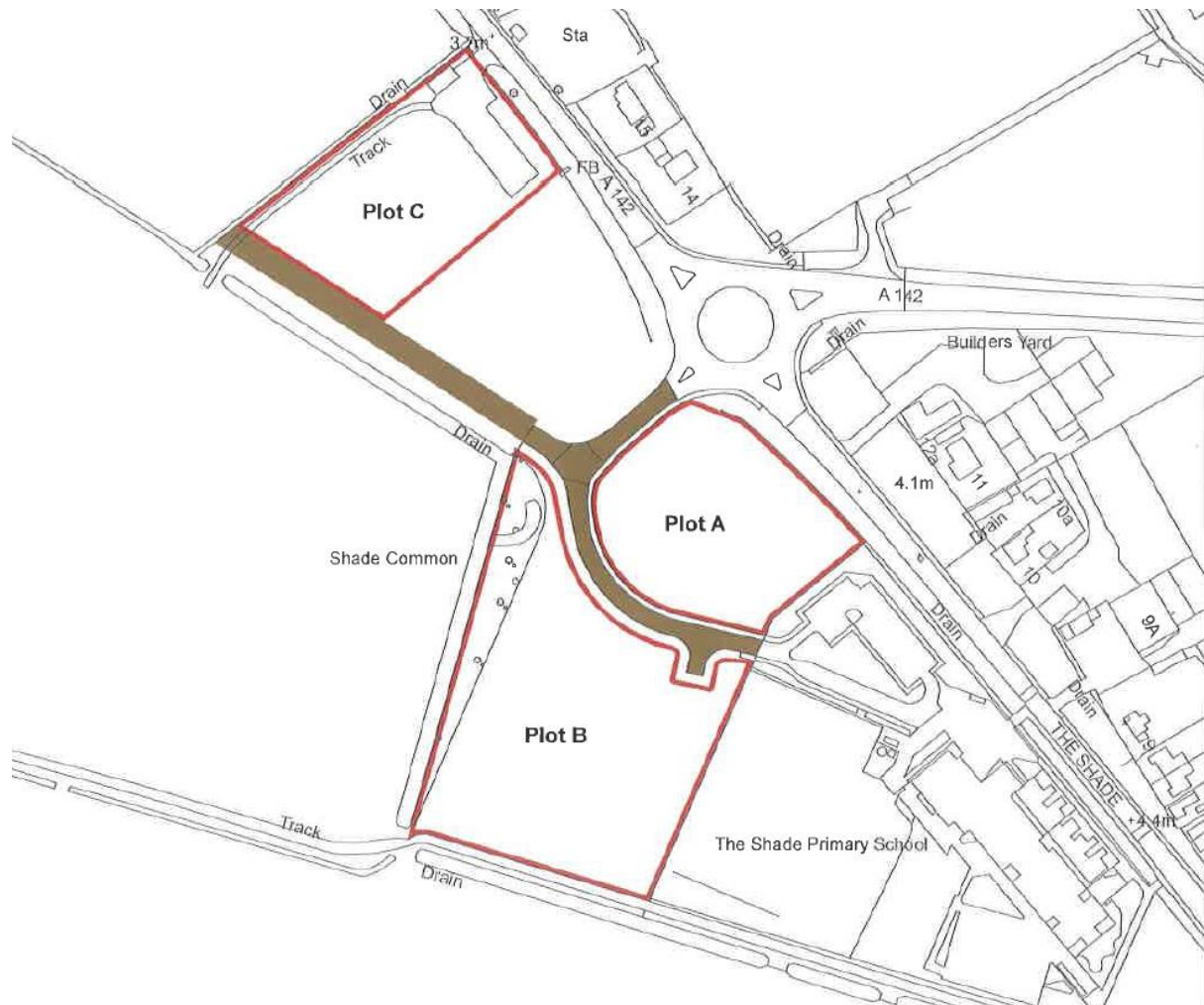
SOH X Local Plan Policy	Housing led/mixed use allocation	Site of Special Scientific Interest
Town centre boundary	Housing allocation	Common Land
Development Envelope	Employment allocation	Water Treatment Works Safeguarding Area
Conservation Area	Town centre opportunity site	Mineral & Waste Existing Site
County Wildlife Site	Mobile Home Park	Mineral Safeguarding Area

East Cambridgeshire
District Council

N

Not to
scale

Appendix 2 Site Location plan showing Plots A-C & The Shade Primary School



APPENDIX 3: SOHAM SCHOOLS CATCHMENT FORECASTS – JANUARY 2020 BASE

School Year	Pri 4	Pri 5	Pri 6	Pri 7	Pri 8	Pri 9	Pri10	Total	Available places in Pri 4
2019/2020	175	130	183	178	186	185	183	1220	35
2020/2021	145	177	127	189	180	190	191	1199	65
2021/2022	154	149	175	134	192	185	197	1186	56
2022/2023	152	156	146	181	136	196	191	1158	58
2023/2024	196	156	154	153	184	141	203	1187	14
2024/2025	211	210	162	169	164	197	156	1269	-1

Note: Forecasts include housing additions



0 10 100
Metres

A 142

Builder's Yard

Depot

THE SHADE

Shade Common

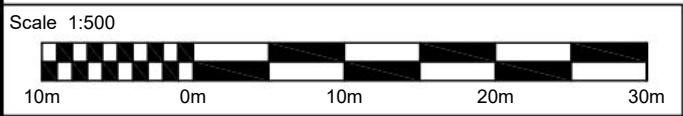
Building Bulletin 103 Minimum Site Areas							
Primary School (630 pupils) & Nursery (80 pupils)							
Area Allocation	Base area	Area per pupil (Nursery)	Area per pupil (Reception & KS1)	Area per pupil (KS2)	Area per pupil (Primary 5-11)	Area requirement (m²)	Proposal
Soft Outdoor PE	0	0	0	35	20	12,600	13,724
Soft Informal & Social Area	600	2	2	2	2	2,020	2,893
Hard Outdoor PE	400	0	1.5	1.5	1.5	1,345	962
Hard Informal & Social Area	200	1	1	1	1	910	3,316
Habitat	0	0	0.5	0.5	0.5	315	1,785
Float*	600	2	5	5	5	3,910	n/a*
Min Net Site Area	1,800	5	10	45	30	21,100	22,680
Max Net Site Area	2,000	6	11	50	33.3	23,459	
Non-Net Site Area**	200	1	1	5	3.3	2,359	8,254
Min Total Site Area	2,000	6	11	50	33.3	23,459	
Max Total Site Area	2,400	7.5	14	63	42	29,460	30,934

*Float is required to be distributed to 'net' site areas according to specifics of site/school.

**Non-net area may vary depending on the configuration of the site and buildings.

Shortfall

Excess



<div></div> Total Site Area	<div></div> Soft Informal & Social Area
<div></div> Non NET area	<div></div> Hard Informal & Social Area
<div></div> NET site area	<div></div> Habitat
<div></div> Soft Outdoor PE	<div></div> Hard Outdoor PE
<div></div> Soft Outdoor PE (All weather pitch)	

SAFETY, HEALTH AND ENVIRONMENTAL INFORMATION

In addition to the hazards/risks normally associated with the types of work detailed on this drawing, note the following:

CONSTRUCTION

Refer to designer's risk assessment

MAINTENANCE/CLEANING

Refer to designer's risk assessment

DECOMMISSIONING/DEMOLITION

Refer to designer's risk assessment

It is assumed that all works will be carried out by a competent contractor working, where appropriate, to an approved method statement

PO1	30/09/2020	Issue for comment	BC	JH	NM
Rev.	Date	Description	By	CHK'd	App'd

Drawing Status

FIT FOR INFORMATION

Suitability

S2

Project Title

ST ANDREWS & THE SHADE

Drawing Title

BB103 AREA ANALYSIS
FULL SITE EXTENSION

Scale

1:500

Designed

BC/JH

Drawn

BC

Checked

JH

Authorised

NM

Original Size

A0

Date

29/09/2020

Date

29/09/2020

Date

30/09/2020

Date

30/09/2020

Drawing Number

5199067-ATK-XX-XX-DR-L -1005

Revision

P01



A DEVELOPMENT
BUSINESS

BUSINESS PLAN 2021 DIRECTION



Business Plan 2021 Direction

This has been an exceptional year for This Land, a period during which the company has been able to excel both financially and in terms of achieving many of its key business objectives. This ensures the company is well on target to deliver much needed housing across Cambridgeshire, including a significant proportion of new affordable homes buttressed by a strong financial performance.

The business plan is focused on:

- Delivering homes for the people of Cambridgeshire, with a policy compliant affordable housing mix.
- Continuing with the basis of the 2020 Business Plan.
- Repaying all liabilities as they fall due including both interest and principal on the existing loans.
- Paying a planning overage on Burwell Phase 1 of £475,000 within 90 days of achieving full planning approval.
- Paying a planning overage on Worts Causeway of £1,500,000 within 90 days of achieving full planning approval.
- Re-investing cash generated through operations into 12 strategic land deals both inside and outside Cambridgeshire.
- Concluding the overarching consolidation of the individual loan agreements.
- Purchasing three large sites from our Shareholder, subject to their approval, funded from operations.
- Continuing with the disposal process of selling underperforming and sub-optimal sites.
- Purchasing land to generate additional income.

In what has been a strong financial year, preliminary accounts show a Profit before Interest and Tax of £710,000. This follows a period of major investment where we have:

- Paid £8m in interest payments to our shareholder.
- Secured new land for development.
- Invested in significant numbers of new planning applications across the region.
- Met the costs of development work on new sites.

This has resulted in the company being in a strong cash position with £18m of funds available to take the company forward over the next 12 months. This is especially encouraging as the new management has also had to meet the challenge of large losses dating back to the period 2017 to December 2019.

These losses were incurred as a result of the impairment of the value of land, however, it should be noted that these impairments are non-cash items, and we remain confident that our long-term plan will be unaffected.

These historical losses can be classified as follows:

- £16.5 million incurred from Jan 2017 to Dec 2019 (3yrs trading), comprising of:
 - Writing down the land bought from CCC
 - Financing costs
 - Administration and set-up costs

The administrative costs are over a 3-year period and are proportionate for a company of this size and maturity.

How has profit been achieved?

Following the appointment of James Heuerman-Williamson as CFO and David Lewis as Acting CEO, a radical overhaul of the organisation has been undertaken which has seen significant improvements to working practices.

In the early months after the appointment of the Non-Executive Directors, the Board determined that it was the fundamental objective of the Company to be able on expiry to repay capital advanced to it by our shareholder and meanwhile to pay interest on those advances in a timely fashion. This required the Company to develop a long-term plan. That plan was completed during the previous financial year and is updated regularly to ensure that the Company is on track to deliver those fundamental objectives. I am happy to report that the Board is confident that the Company is healthily on track to do just that.

In pursuit of this objective the Board took the commercial decision to dispose of a number of underperforming or non-core assets in accordance with our business plan. These disposals were made against the background of a firm housing market, largely unaffected by the Covid pandemic thus allowing the Company to maximise returns and to return funds to our shareholder more quickly than anticipated.

These assets were in Willingham, Litlington, Cottenham, Shepreth and Russell Street, Cambridge.

We have further agreed terms for the disposal of additional sites in the next 12 months at Trap Road, Wicken, Milton Road, Norwood Road, Queens Street and Hereward Hall.

Progress

During the last 15 months, planning applications have been submitted at Station Road, March, Hartford, Landbeach, Soham, Brampton, Worts Causeway, Wicken, Ditton Walk, Fitzwilliam Road, Norwood Road, Hereward Hall, Queens Street, Malta Road and Over.

This represents a significant amount of work in progressing these sites for development.

The vast majority of these sites have now either secured a consent or are awaiting determination.

We have also started on site at a number of schemes including phase 1 of Ditton Walk, which is nearing final fit out stage on most units. The majority of homes are either reserved or exchanged.

Archaeological work has started in Burwell in anticipation of the start of construction work in the coming months and site mobilisation has commenced in Over, in preparation for a start on site.

Construction is scheduled to start at Fitzwilliam Road, Brampton, Worts Causeway, Ditton Walk (phase 2) and Malta Road within the next year.

The number of planning applications and the start of construction on numerous projects clearly demonstrates the progress that This Land has made over the past year.

Master Developer sites

Our portfolio includes three large sites at Worts Causeway, Burwell and Soham. The plan is to provide infrastructure to open up these sites and then sell on in serviced parcels. We will develop the later phases of these sites ourselves.

Good progress has been made across all three sites with the first phase disposals expected to be completed over the current financial year.

Delivering Affordable Housing

Of the portfolio of land originally purchased from our shareholder, Cambridgeshire County Council, 36% of the properties will be delivered as affordable housing either through social renting or shared ownership, which is well in excess of the local planning policy. Our former sites at Litlington, Willingham and March are providing a total of 137 new affordable homes.

Longer term, This Land will support the delivery of several hundred affordable homes, either by ourselves or through third party developers. A key part of our strategy is to provide housing choice for all. We will also look to deliver additional affordable homes through other means including the government's new First Homes initiative.

Delivering sustainability and protecting the environment

This Land is committed to delivering sustainability and has set up a new Task Group within the business to ensure that the company continues to minimise its impact on the Cambridgeshire environment.

Our homes already achieve the highest levels of sustainability in terms of energy savings, and we strive to ensure that we deliver excellence at all times by protecting local habitats, minimising climate change, and reducing our carbon footprint by building a local supply chain, ensuring resilient design and careful selection of materials.

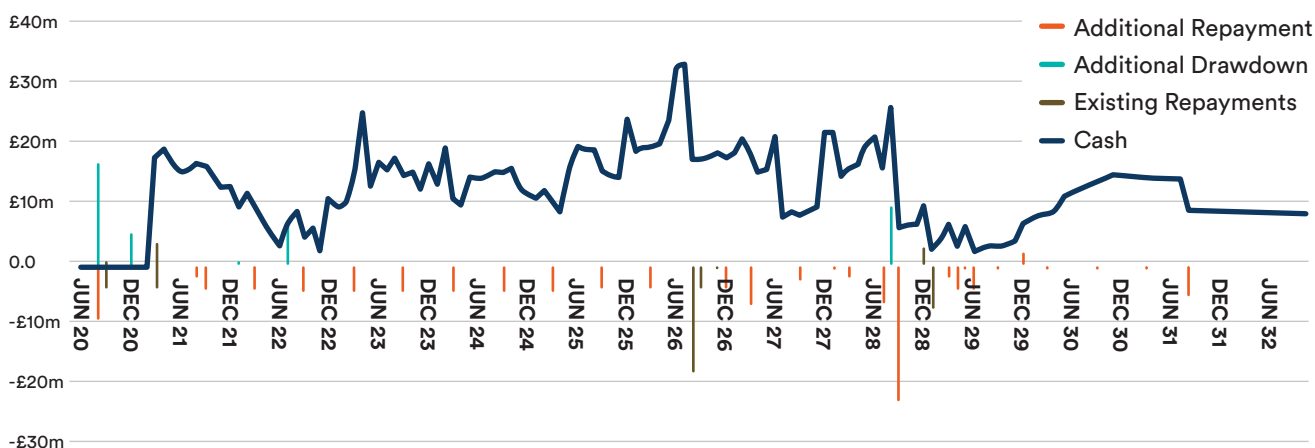
We intend to reduce our shareholder's risk by minimising the amount of additional financial support required from CCC and maintaining a positive cash position.

This business plan will create a sustainable long-term business that can deliver significant shareholder returns through debt and interest repayment and dividend distributions.

The following table represents the predicted returns to CCC over the next 9 years.

Returns to CCC			
Cash Flows (£)	Future	Actual to Date	Total CCC Cashflows
CCC current Loans		115,891,000	
Overages	1,975,000	0	1,975,000
CCC Loan Repayments	88,012,000	11,300,000	99,312,000
CCC Loan Interest Payments	37,994,388	17,064,741	55,059,129
Further Loan Drawdowns	{19,450,000}	0	{19,450,000}
Further Loan Repayments	47,329,000	0	47,329,000
Further Loan Interest Payments	16,279,221	0	16,279,221
Total Returns to CCC	172,139,609	28,364,741	200,504,349

Indicative Cash Position





A DEVELOPMENT
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Re-procurement of Minor Works Contractor Framework and Relocation of Temporary Buildings & Associated Groundworks Term Contract

To: Strategy and Resource Committee

Meeting Date: 21st September 2021

From: Director of Resources

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2021/050 & 2021/051

Outcome: To advise the committee of the need to re-procure the following frameworks which are due to expire in the next 12 months:

- a) Minor Works Contractor Framework (due to expire 31 March 2022)
- b) Relocation of Temporary Buildings and Associated Groundworks Term Contract (due to expire 30 April 2022)

The outcomes, if agreed would enable officers to undertake minor building works across the Councils estate utilising both frameworks, within agreed budget constraints and without the need for further open market tendering. This in turn enables the County Council to fulfil its statutory duty by maintaining the supply of school places and meet a range of regulatory requirements which apply to its public buildings.

Recommendation: The Committee is asked to:

- a) Endorse the re-procurement of the following frameworks which are due to expire in the next 12 months:
 - i) Minor Works Contractor Framework (due to expire 31 March 2022)
 - (ii) Relocation of Temporary Buildings and Associated Groundworks Term Contract (due to expire 30 April 2022)
- b) Endorse the appointment of contractors once the re-procurement process has completed in the Spring of 2022 in conjunction with the Councils procurement team (both frameworks).

- c) Delegate the award of the new Framework to the Director of Resources in consultation with the Chair and Vice Chair of the Strategy and Resources Committee.

Officer contact:

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Post: Education Construction Project Manager

Email: john.clayton@cambridgeshire.gov.uk

Tel: 01223 715504

Member contacts:

Names: Cllr Lucy Nethsingha / Cllr Elisa Meschini

Post: Chair/Vice-Chair

Email: lucy.nethsingha@cambridgeshire.gov.uk

Elisa.meschini@cambridgeshire.gov.uk

Tel: 01223 706398

1. Background

- 1.1 The Council, as the local Children's Services Authority, has a statutory duty to provide a school place for every child living in its area of responsibility who is of school age and whose parents want them educated in the state funded sector. It also has a duty to secure sufficient and suitable early years and childcare places for children aged three and four and eligible two-year olds. To achieve this, the Council has to keep the number of places under review and to take appropriate steps to manage the position where necessary.
- 1.2 This includes maintaining a rolling programme of capital investment for the provision of educational facilities for Cambridgeshire's children and young people (CYP). This forms part of the Council's Business Plan approved by Council each February. In addition to major investment in new and expanded schools, the plan also includes capital funding for a programme of works to maintain identified local authority schools and ensuring that schools are able to stay open and not be forced to close due to condition/maintenance situations. Examples of the types of works would be re-roofing, replacement windows and doors, heating pipe work replacement and boiler replacement.
- 1.3 The Council also has a duty of care to ensure the health, safety and welfare at work of all employees and non-employees (E.G Members of the Public). To achieve this, all corporate and non-corporate buildings under the Council's control have to comply with appropriate statutory, regulatory, and corporate standards. The capital funding also supports a programme of works to ensure they are able to stay open and not be forced to close due to non-compliance with statutory buildings related responsibilities (E.G., management of asbestos, management of fire safety related issues, ventilation requirements (COVID related etc.)
- 1.4 The Council also needs to be able to respond to the provision of educational places at schools within Cambridgeshire when there is an identified places planning need for additional spaces for a temporary period of time, or prior to an expansion of a school on a permanent basis. A temporary increase in a school's pupil roll could require an urgent response and the existence of the Relocation of Temporary buildings & associated groundworks Term Contract would enable the Council to respond to this demand in an efficient and expedient manner.
- 1.5 To ensure that the Council is able to continue to meet this statutory responsibility it needs to be able to secure the timely and cost-effective delivery of capital funded projects identified as priorities in its capital programme and Condition/Maintenance programme of works. This is currently achieved through two construction related frameworks:

1: Minor Works contractor Framework

2. Relocation of Temporary Buildings and Associated Groundworks Term Contract

2. Main Issues

2.1 Minor works Contractor Framework

This Framework provides for minor building, engineering works, maintenance, refurbishment and improvement projects up to a value of £1m. Annual spend is forecast to be in the order of £4m (across both education and corporate buildings). This sum is made up of roughly £3m DfE condition funding grant with a further estimated allocation of £1m for maintaining the Council's corporate estate. This is in line with current normal budget expenditure when using the existing framework.

2.2 The existing minor works Framework expires on 31st March 2022, necessitating a new procurement route to be established. The proposed new framework would run for a maximum period of 4 years up to April 2026, with the likely scenario being for a period of 3 years, with the option of extending the framework for a further 1-year period if the Council wishes to do so. This decision will be linked to considerations around the overall performance of the framework.

2.3 The Authority does not possess the internal resources to undertake these works in-house to cover the breadth of skills and the number of suppliers that maybe required over the life of the framework, this proposed framework structure provides opportunities for locally based Small and Medium Enterprise (SME) organisations to bid for a place on the framework which, in turn, will provide opportunities to the local supply chain.

2.4 It is not considered value for money for the Council to procure these smaller scale projects using alternative frameworks (the Councils Design & Build (D&B) Framework for example), nor to go out to the open market on each occasion. The rationale behind this is:

- The contractors on the D&B framework would likely submit higher tender prices in order to cover their design, overhead costs, and risks as they generally do not consider these lower value projects to be profitable given their current business model, and:
- If the Council were to go out to the open market for each smaller scale projects, this would add significant time to the overall project timescale, and require lengthy assessment processes to be undertaken, leading to increased time and cost arising from the need for more officer resource.
- A Council framework would allow those contractors on the framework to better plan their resources around likely peak demand for their services by having sight of a programme of works to enable them to plan internal resources and gear up their supply chain to ensure supply of materials (especially in the current climate where certain building materials are in short supply or on long lead times).
- A Council framework would enable the benefits of forming longer term relationships with those contractors on the framework, which in turn leads to better understanding of the Council's needs, likely peak demand for building services and improving the quality of service delivery which, ultimately benefits the end users of the Councils buildings.

For these reasons, establishing a new Council framework for such works continues to be the best procurement option for the Council.

- 2.5 To support the delivery of a new Minor Works Framework the technical/design and contract administration/management functions will be procured via the ESPO (Eastern Shire Purchasing Organisation) Consultants Framework. This is a national Framework available to all public bodies. This has already proved successful in reducing the amount of time required to procure individual projects and to ensure suitable professional advice is provided for each scheme undertaken via the Minor Works Contractor Framework. This process has been used during the lifetime of the current minor works framework.
- 2.6 **Framework Structure:** To seek up to date market views on the framework structure a soft market engagement exercise was undertaken. This generated 20 written responses in relation to the structure of the framework and subsequent tender process, Given the wide-ranging scale and value of general building works likely to be procured under this framework, the proposed Lots (and the suggested number of contractors per lot) for the Framework are:

Lot Number	Construction value	Type of project	No. of proposed contractors
Lot 1	£0 - £149,999	Building	6
Lot 2	£150,000 - £499,999	Building	6
Lot 3	£500,000 - £1m	Building	6
Lot 4	£0 - £75,000	Mechanical & Engineering (M&E)	6
Lot 5	£75,001 - £250,000	Mechanical & Engineering (M&E)	6

These lots would then enable Council departments to undertake a wide range of condition and maintenance schemes across the Councils portfolio of buildings to ensure buildings are maintained to a high standard and are suitably compliant.

The Lot structure proposed is an increase of two lots (Lot 4 and 5 do not currently exist) from the current framework agreement and shall allow specialist Mechanical and Engineering Contracts to bid for the Framework.

- 2.7 It is not proposed to make any major changes to the contractual arrangements in relation to this framework as these have functioned satisfactorily throughout the duration of the existing framework. All tendered schemes over a value of £20,000 will be accompanied by a Joint Contracts Tribunal (JCT) contract which would be issued by LGSS Law and is a standard form of contract within the construction sector.
- 2.8 The Soft Market Engagement also included questions on the potential to deliver Social Value, particularly related to carbon reductions and environmental standards. The responses indicated that readiness of the market to deliver carbon reductions is mixed and will vary based upon the specific works undertaken. To accommodate this the framework specification will include only high-level commitments to deliver carbon reductions, with more detailed questioning and specifications reserved for the mini competitions required to award specific works to contractors. This will give the Council the opportunity to set

objectives at the commencement of individual projects and respond to policy and technical advances in this area over the life of the framework.

2.9 Relocation of Temporary Buildings and Associated Groundworks Term Contract

This contract exists to undertake the movement of temporary buildings (mobiles) across the Councils Education and corporate estate. Temporary accommodation is frequently required to deal with sudden, unexpected, or planned temporary increases in a school's admission number (to cope with a bulge year for example). Temporary accommodation would generally be on a school site for a number of years to deal with the increase in numbers, or prior to a planned capital scheme to provide permanent expansion at a school site. Temporary accommodation could also be required to support the Council's corporate estate, where temporary office space may be required to aid building refurbishment or redevelopment (as was required for the recent 2020 programme of works).

2.10 The award of this contract will ensure that the Council has a single supplier to undertake all work in relation to the relocation of Council owned temporary accommodation. This will include preparing sites, laying trackway for cranes/lorries, transporting mobiles from one location to another, installing utilities and services, installing ramps and steps: and reinstating the site following removal.

2.11 It is not proposed to make any significant changes to the existing framework and contract arrangements. Each piece of work that goes to the term contractor will have its own specification. Value for money will continue to be assured as with the current framework via a schedule of rates arrangement, with an annual increase for inflation. Contractors will be evaluated on their technical capability, financial probity, Health and Safety and insurance arrangements. The process during the Invitation to tender (ITT) process will include an assessment on quality and price, thus ensuring the contractors providing the most economically advantageous offer, will be selected (in line with the Councils normal tender assessment process).

2.12 The Current Term Contract would have run for 4 years by May 2022, and the requirement for the future framework is for that to run for a maximum of 4 years also (so up to May 2026). This would likely be for a period of 3 years, with the option of extending the Term Contract by an additional 1 year.

2.13 The current framework has a maximum budget of £1m to deal with the requirement for temporary buildings across the Councils education portfolio. The new framework will have a similar budget figure of £750,000 - £1m per year (in line with the Councils business plan).

3. Alignment with corporate priorities

3.1 Communities at the heart of everything we do
There are no significant implications for this priority.

3.2 A good quality of life for everyone
There are no significant implications for this priority

3.3 Helping our children learn, develop and live life to the full
The following bullet points set out details of implications identified by officers:

- The two frameworks described provide an effective means of delivering the respective works. Efficient delivery of these works is fundamental to the continued and safe provision of these services supporting education within Cambridgeshire and ensuring the Councils public buildings are maintained in a safe and compliant manner.

3.4 Cambridgeshire: a well-connected, safe, clean, green environment

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

- These contracts support the delivery of a safe and accessible educational environment for Cambridgeshire's children

3.5 Protecting and caring for those who need us

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

- These contracts support the delivery of a safe and accessible educational environment for Cambridgeshire's children.

4. Significant Implications

4.1 Resource Implications

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

- Section 2.1 and 2.13 confirms proposed spend across education and corporate directorates as circa £4m/year and £1m/year across the two frameworks.

The capital programme for schools is prioritised on the basis of service need. The various frameworks operated by the service are the means for delivering this programme.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

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

- We have and continue to receive advice and guidance from the Procurement team in relation to these tender processes.

4.3 Statutory, Legal and Risk Implications

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

- These frameworks enable the County to meet its statutory duty to provide a sufficient number of pupil and childcare places across the County and further ensure that its school buildings comply with statutory and regulatory requirements which apply to buildings.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

- 4.6 Localism and Local Member Involvement
There are no significant implications within this category.
- 4.7 Public Health Implications
There are no significant implications within this category.
- 4.8 Environment and Climate Change Implications on Priority Areas:
The following bullet points sets out the details of significant implications identified by officers:
- Procurement of these contracts will not, in themselves, have a significant impact for climate change and the environment. Rather the implications will emerge on a project-by-project basis and will depend on the types of works being undertaken. These projects will be awarded via a mini competition from the Minor Works framework, with specifications that will seek to deliver the Council's policies in respect of climate change and reduced energy use.
- 4.8.1 Implication 1: Energy efficient, low carbon buildings.
Neutral
Explanation: See response under 4.8 above
- 4.8.2 Implication 2: Low carbon transport.
Neutral
Explanation: See response under 4.8 above
- 4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Neutral
Explanation: See response under 4.8 above
- 4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Neutral
Explanation: See response under 4.8 above
- 4.8.5 Implication 5: Water use, availability and management:
Neutral
Explanation: See response under 4.8 above
- 4.8.6 Implication 6: Air Pollution.
Neutral
Explanation: See response under 4.8 above
- 4.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.

Positive

Explanation: These frameworks will aid in maximising the longevity of our existing infrastructure, with works sequentially improving the standards to which our properties are delivered. This contributes to ensuring continued service delivery into the future.

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Eleanor Tod

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the CCC Head of Procurement? Yes
Name of Officer: Henry Swan

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: Amy Brown

Have the equality and diversity implications been cleared by your Service Contact? Yes
Name of Officer: Jonathan Lewis

Have any engagement and communication implications been cleared by Communications? Yes
Name of Officer: Simon Cobby

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes
Name of Officer: Jonathan Lewis

Have any Public Health implications been cleared by Public Health? Yes
Name of Officer: Iain Green

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer? Yes
Name of Officer: Emily Bolton

5. Source documents

- 5.1 Source documents – Current framework documents
 - Responses to Soft market Testing

Cleaning re-tender of contract for Cambridgeshire county offices & buildings

To: Strategy & Resource Committee

Meeting Date: 21 September 2021

From: Chief Finance Officer

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2021/019

Outcome: To consider the re-tender of the cleaning and grounds maintenance contract for the Council's non-school buildings.
To achieve a successful and timely procurement exercise.

Recommendation: Authorise the re-tender of the cleaning and grounds contract that is due to expire on 31st March 2022 and:

- a) Approve the commencement of the re-procurement of the Cleaning & Grounds Maintenance Facilities Management Framework Contract for a term of three years from 1 April 2022 to 31 March 2025 with the option to extend for a further year;
- b) Delegate authority to the Chief Finance Officer and Assistant Director Property to appoint a contractor following a competitive procurement process and complete all necessary contractual documents in accordance with Council procedures.
- c) Delegate authority to the Chief Finance Officer and Head of Procurement to approve a procurement waiver for a temporary extension to the existing contract pending completion of the re-procurement.

Officer contact:

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Member contacts:

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Post: Chair/Vice-Chair
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Tel: 01223 706398

1. Background

- 1.1 The Council's non-school properties require regular statutory cleaning and grounds maintenance to keep buildings healthy, safe and operational for the delivery of Council services and use by staff and public.
- 1.2 There is currently a combined cleaning and grounds maintenance contract in place across 82 buildings. This contract expires in March 2022.
- 1.3 The procurement strategy of the Cleaning and Grounds Facilities Management Framework Contract will be by way of Restricted Tender due to the potential for a high degree of market interest, and will be advertised at the Find a Tender (FATS) website, which has replaced the previous requirement to advertise at the OJEU (Official Journal of the European Union).

2. Main Issues

- 2.1 The value of the current contract is approximately £1.2m per annum, with a total of £3.6m over the initial 3 year term of the contract. Cleaning services are provided at 82 buildings and grounds maintenance at 42 locations. The combined service provision provides efficiency savings to Cambridgeshire County Council (CCC) in contract administration and management.
- 2.2 The contract value will fluctuate as buildings are added to or removed from the contract schedule as the Estate evolves. This fluctuation has been particularly relevant during the COVID-19 pandemic as some buildings closed and others had enhanced cleaning regimes. Changes resulting from the deployment of new Cambs 2020 sites and new ways of working will further influence the contract.
- 2.3 Primary cleaning functions include internal cleaning of all types of Council buildings (e.g. kitchens, carpets, communal areas, library furnishings etc), washroom services and window cleaning, supported by a reactive cleaning function (for spillages, additional deep cleaning etc) deployed via the CCC Property Helpdesk. During COVID-19 the contract cleaners have provided additional day time cleaning in key buildings and a reactive deep cleaning service.
- 2.4 Grounds maintenance includes grass management, hedge maintenance, weeding of borders, litter picking, gritting and other activities. This is also supported by a reactive callout function via the CCC Property Helpdesk.
- 2.5 The procurement process will be by way of a single two stage restricted process with the resulting contract accessed for the Cleaning element by Fenland District Council (FDC), as has been the case for the past 2 iterations of this contract. CCC has offered access to the framework to other local authorities and FDC will join the contract to access the cleaning services element. All Public Bodies within the county of Cambridgeshire shall have the option to access this contract for either or both elements throughout the life of the contract.
- 2.6 The contract specification will be based upon outputs designed to encourage cost saving and improved performance through innovation, adoption of environmentally friendly techniques and materials, use of new technology and socially responsible practices. Social

value will be incorporated into the procurement process.

- 2.7 A review of the contract has also taken place to evaluate whether it is suitable for insourcing of the service provision. The CCC Business Improvement & Development team have undertaken a detailed evaluation of the cleaning and grounds maintenance functions (Appendix 1) and concluded that to successfully insource these functions would be a very significant undertaking and therefore the procurement should proceed.
- 2.8 Due to the requirement for the insourcing review of the contract, the procurement timetable has had to be extended and the procurement process will now complete after the expiry of the current contract term. In order to maintain the cleaning and grounds maintenance service pending the award of the new contract (to meet statutory and safety requirements) approval is sought for delegated authority for the Chief Finance Officer and Head of Procurement to approve a temporary procurement waiver to extend the existing contract for only as long as is required for the re-procurement process to complete. An extension of 6 months (which can be shortened if the new contract is awarded sooner) is likely to be required to ensure service continuity. The monthly service cost under the current contract is approximately £100k.

3. Alignment with corporate priorities

3.1 Communities at the heart of everything we do

The provision of cleaning and grounds services are undertaken across a wide range of non-school Council properties including community centres, libraries, registry offices and other facilities serving communities across the County. The requirement to provide and clean, safe and healthy properties is fundamental to successful delivery of the Council's functions.

3.2 A good quality of life for everyone See wording under 3.1 above.

3.3 Helping our children learn, develop and live life to the full See wording under 3.1 above.

3.4 Cambridgeshire: a well-connected, safe, clean, green environment See wording under 3.1 above.

3.5 Protecting and caring for those who need us See wording under 3.1 above.

4. Significant Implications

- 4.1 Resource Implications
The Real Living Wage will be considered within the procurement process but not mandated pending further development within the Council. The financial impact of a requirement to increase contractor staff wages may increase the contract cost to the Council. Any National

Living Wage uplifts are immediately applied to staff employed on this contract.

- 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications
This process shall be a threshold-level procurement, and the CCC Procurement Team have been working closely with the service area.
- 4.3 Statutory, Legal and Risk Implications
The provision of cleaning services and grounds maintenance on the CCC Estate is required to ensure that the Council meets numerous statutory obligations in relation to Health & Safety, Environmental Health, Fire Safety and other matters. Failure to provide such services could lead to enforcement or legal action being taken against the Council.
- 4.4 Equality and Diversity Implications
There are no significant implications within this category.
- 4.5 Engagement and Communications Implications
There are no significant implications within this category.
- 4.6 Localism and Local Member Involvement
There are no significant implications within this category.
- 4.7 Public Health Implications
The provision of cleaning services and grounds maintenance on the CCC Estate is required to ensure that the Council meets statutory obligations in relation to Public Health. Failure to provide such services could lead to enforcement or legal action being taken against the Council and Public Health issues such as disease outbreaks or illness.
- 4.8 Environment and Climate Change Implications on Priority Areas
- 4.8.1 Implication 1: Energy efficient, low carbon buildings.
- Neutral:
- 4.8.2 Implication 2: Low carbon transport.
- Neutral:
Explanation: The grounds maintenance element ensures that transport is reduced by ensuring routes are carefully mapped to service areas within the County, minimising travelling.
- 4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
- Positive:
Explanation: Grounds maintenance provides safe and actively maintained environments for staff and public. Bidders will be required to include options to reduce or eliminate the use of herbicides where this offers a viable alternative to current practices whilst continuing to deliver safe and cost effective outcomes and comply with Council policies.
- 4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Neutral:

Explanation: The grounds maintenance contractors are responsible for litter picking at Authority sites before grounds work commences. Fly tipping clearance within Authority boundaries is also covered.

4.8.5 Implication 5: Water use, availability and management:

Neutral

4.8.6 Implication 6: Air Pollution.

Neutral

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Neutral

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Ellie Tod, Finance

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement? Yes

Name of Officer: Henry Swan, Head of Procurement

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: Amy Brown

Have the equality and diversity implications been cleared by your Service Contact?

Response awaited

Name of Officer:

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Amanda Rose, Comms

Have any localism and Local Member involvement issues been cleared by your Service Contact? County wide contract

Name of Officer:

Have any Public Health implications been cleared by Public Health?

Response awaited

Name of Officer:

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: Emily Bolton, EIU

5. Source documents

5.1 Source documents

Appendix 1: First Review Questions for Potential In-sourcing of Contracts

Purpose: The purpose of this document is to review a Make or Buy option on a contract that is up for renewal. The review output is a recommendation to either proceed with a procurement exercise or an options appraisal to bring the product/service in-house going forward.

Contract Reference: 1130006151

Date/s of Review: June 22, 2021

Name of Reviewer: Commercial Team

Briefly outline the product/service of the contract provided to the Local Authority:

CCC have a maintenance contract in its fourth year (following a one-year extension and due to expire March 31, 2022) that is coming up for renewal. The contract covers cleaning and grounds maintenance (a roughly 90:10 split). The current cleaning provider manages our grounds maintenance contract for us through the auspices of a regional manager acting on our behalf. The contract comes to approximately £1.2 million per year of planned work. There is also a facility for unplanned cleaning that can be requested and is charged over and above the planned work.

Most of the £1.2 million cost is for staff. Alongside the regional manager who is our main point of contact, there are 108 cleaners, several supervisors, three groundskeepers, a grounds manager, and three area managers to maintain 83 buildings and the grounds of 40 other sites.

1: Outline the new specification for the service/product provision.
The contract specification must cover the necessary twice daily cleaning of corporate offices, libraries, registry offices, adult respite centres and children's centres across the county. The planned cleaning (included in the contract core cost) includes hygiene services and toilet cleaning, including sanitary waste disposal and the supply of all consumables (toilet rolls, hand soap/sanitizer, all cleaning products). Window cleaning on all buildings is carried out by a subcontractor annually. Reactive cleaning covers the unexpected spills and messes that need to be cleaned up on demand. This can be inside buildings, and to resolve fly-tipping incidents. There is also the option to have "one off" deep cleans for an extra cost should the need arise, e.g. the entire Alconbury site just before handover. Grounds maintenance covers the grass and hedge trimming, weeding and tree control across the county. Fences and litter picking outside and around our buildings are covered, as too is winter gritting. Of the total cost, approximately £115k is attributed to grounds maintenance.
2: Was this service/product in-house in the past? When?
Not within current officers' experience or functional knowledge, and not to the same extent (see 5).
3a: Does the new specification broadly cover what was delivered in the previous contract?
Yes, it's a renewal of the previous contract that is viewed as meeting our requirements.
3b: What would be the length of the contract if the LA went to the market?
Three years + one year extension.
4: Outline any fundamental/significant changes required to the product/service being delivered in this new specification.
n/a
5: List the rationale/reasons why this product/service was originally outsourced.
A variation of this contract covering a number of buildings has been in place since probably the early 2000's.

Previously, CCC did have some corporate buildings cleaned by its own internal cleaning company (Cambridge Catering and Cleaning Services, 'CCS'), however, this was found to be unprofitable and failed to win tenders to clean corporate buildings. It was subsequently closed in 2016.

There is a similar history for groundskeeping – Groomfields Ground Maintenance was part of CCS until it was closed in 2014. Until that point, it had offered groundskeeping to some corporate exteriors, but mainly focused on school properties.

6: Are you satisfied with the product/service delivery from outsourced providers? Please list reasons if answer is No.

There are KPIs in place which are scored every month at the contract meeting. There have never been any issues that required a penalty to be taken against the provider. Considering the pandemic and constantly changeable workload and expectations, these KPIs have not been scored although contact with the provider has increased to weekly in order to manage need.

In short: Happy with the service provided; management relationships and workforce react well to any issues we have.

7: a/ Outline what an in-house delivery model option would look like?

b/ Has this product/service been successfully in-sourced by other Local Authorities?

c/ What type of delivery models are used by other Local Authorities?

A/ Without completing a full options appraisal, it is difficult to suggest in detail the requirements for an in-house delivery option of this contract, however, at first glance, the authority would have to provide the following:

- Staffing, including County-wide management, supervisors, and cleaning staff (current contract provides 108, with high turnover)
- Facilities (office building and equipment, IT, depot/workshops/shed buildings etc)
- Business start-up costs (legal and HR (e.g. recruitment and payroll) set up)
- Equipment – groundskeeping and maintenance of hardware, cleaning materials/supplies,
- Waste disposal contracts e.g. sanitary waste
- Equipment maintenance contracts
- Support from other existing Council services (e.g. accounting)
- For income generation we would require continual business development

B/ Not to our knowledge. Both Sounds Cambridgeshire District and Cambridge City Councils have outsourced their cleaning provision.

C/ n/a

8: Does it require significant investment from the Local Authority? Outline types of investment required, e.g. technology, equipment, buildings, staff requirements.

Yes, there would be an upfront cost:

The groundskeeping aspect would require significant investment in the hardware required to complete the manual work; there would also be notable maintenance, storage, security and insurance costs.

The investment required for cleaning supplies and equipment would be less, but in far greater quantities and therefore have its own additional storage needs. That said, there would be no need for any complex technology.

Core equipment aside, regardless of which activities might be brought in-house, development work would be required to create an organisational structure to deliver this (as above). Both cleaning or groundskeeping would need support functions, storage space and supplementary contracts. The prior experience with CCS and Groomfields also shows there would be an intense demand regarding personnel management.

9: Can the contract be "split" with some provision in-house and some external provider/s?

Any type of split could impact on economies of scale. Splitting the contract between multiple (smaller) providers would create more work as currently our contract manager has a single point of contact with the provider who manages the contract and facilitates any additional requests, although this might be worth sacrificing if there are social value benefits to be had.

Nonetheless, the contract could be split between ground maintenance and facilities cleaning. This would have a relatively small impact on cost efficiencies as the groundskeeping aspect of the contract is only around 10% of the total contract value. While there would be a negative impact on contract management efficiencies, the other side is that there could be scope to utilise our existing highways maintenance contracts (or similar) and have them expand slightly to cover the 40 grounds under this contract.

If we were to in-house an aspect of this contract, the size of the cleaning operation makes it look difficult, particularly with the knowledge of the failed CCS. For groundskeeping, it's unclear whether we would have enough work to keep the hardware in use frequently enough to justify the purchase and maintenance costs. Alternatively, hiring it would avoid many of the upfront costs.

10: Does the contract require high skill levels? Do these skills exist in the Local Authority currently? If not, how easy will it be for the Local Authority to obtain these skills?

Many of the jobs for this in-house delivery are relatively low skilled. It would be possible to recruit the staff required however there is a high turnover rate in this sector. The onus of continuous recruitment and training would fall to us although we accept that this is something we already paid for under the contract.

Additionally, recruitment of highly skilled people in time and task management would come at a higher cost than the equivalent provision in the current contract. This is because of the added on-boarding and pension costs, but also that currently the regional manager is shared between multiple contracts and so we only incur a portion of the total cost.

12: What are the risks to the Local Authority if the in-house arrangement fails to deliver?

Financial:

- Upfront costs
- Potential loss of investment
- Staff termination costs (TUPE complications)
- Risk of failure to be cost effective

Performance and Reputational:

- Failure to deliver
- Failure to meet or exceed the current cleaning and hygiene standards
- Subsequent potential legal issues

Exit risks.

- Failure to recover costs
- Supplementary contract issues – maintenance/hire contracts that need cancellation/novation

Those risk accepted, if we brought part of this contract in house, we would be unlikely to fail to deliver.

Another key difference between in-sourcing some of this contract and the previous traded services is that they aimed to make a profit, we're looking at cost avoidance.

13: a/ Is there a healthy level of competition from the private sector for the delivery of this work? b/ is there a risk of market consolidation that could leave us with an uncompetitive market?

A/ Three years ago, during the current contract's procurement, 6 providers were taken through to the second round of procurement process for the current contract. Updated market testing has not been undertaken as this is a follow-on procurement exercise for an existing contract. Market testing is only completed for a new or changed contract.

B/ A reasonable assumption has been made that this is not likely because the market, during the last procurement process, was so deep and active.

14: Would in-sourcing this contract give greater control to the LA to protect the most vulnerable? If Yes, please outline.

n/a

15: What are the environmental and social value impacts of in-sourcing this contract?

None beyond what we could stipulate in the contract. It is worth checking what we do stipulate, however. For example, there is the potential for local hiring in support of our social value objectives. Our

understanding is that this sort of work tends to attract local workers (meaning our contract provider potentially already hires locally and meets social value criteria; if they don't, why not?). When going out to tender, it would be possible to look at reducing the size of the contract such that there are multiple, local lots than can be managed by smaller, local, companies. By requiring a smaller contract, local sole traders and part-time workers could, in theory, respond to the tender. This would be a significant boost for CCC's social value aspirations (specifically, local jobs for local people). It is worth noting that in the past, the contract had been split into South Cambridgeshire and North Cambridgeshire, and all bidders wanted to bid for both. There was little appetite for smaller lots. Additional market engagement (with a focus on the smaller bidder we want to hear from) would be required to ascertain whether this is a deliverable option.

16: Can this service be scaled up and on-sold to other organisations? Outline how this could happen.

The opportunity to join this contract renewal has been offered to district councils and to date Fenland have expressed an interest in having their office buildings cleaned however they have their own grounds management contract. There is the potential for some links to other parts of the public sector (e.g. fire and police) although we are probably too late in this current instance to explore this in any greater detail at this time. Furthermore, any in-sourced groundskeeping could look to be expanded (significantly) to work on our Highways requirements, or (to a lesser extent) to include roundabout maintenance as this is currently out of contract and being looked at in a separate piece of work. Equally, could the current groundskeeping provision within this contract be expanded to include cutting grass and installing signs on roundabouts?

This document forms the basis of a recommendation to either proceed with a detailed Options Appraisal to bring this product/service in-house in some form or to proceed with a procurement exercise.

Recommendation and Rationale:

Given the variety of cleaning and groundskeeping work undertaken in this contract, it would be a significant undertaking to bring this work (in totality) in-house in a successful and cost-effective manner.

Whilst bring the groundskeeping work in-house may be more achievable (than the cleaning), given that there are other (larger) grounds maintenance type services being provided, we would not recommend that this contract be the starting point for this transition. It would need to be undertaken as a wider assessment of overall grounds maintenance work.

It would be worth asking respondents to bid for the contract in a few ways:

- A. pricing up the contract as is
- B. pricing up the contract without the groundskeeping (to see if it's available for a lower cost with an alternative provider, or if it's cheaper to add these 40 spaces to the existing highways contract, or if we can deliver it in-house)
- C. pricing up the contract with the inclusion of social value benefits, e.g. Guaranteed use of local workers, or paying staff the real living wage, or

The procurement exercise for the renewal of this cleaning contract has already made substantial progress and is expected to go out to tender on July 7 and any exploration into in-sourcing would require a delay to this process.

Taking the points highlighted in this assessment, the recommendation would be to proceed with the procurement exercise to ensure the continued provision of cleaning services and grounds maintenance.

Although, as a side issue beyond the in-house assessment, it may be worth assessing whether grounds maintenance element could be undertaken under the Highways Contract (if this has not been explored already).

Procurement of laptop supply and Multifunction Device (MFD) contracts

To: Strategy and Resources Committee

Meeting Date: 21st September 2021

From: Sam Smith Assistant Director of IT & Digital Services

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2021/024

Outcome: This report sets out the background to competitively reprocure two “Call-off” contracts. A call-off contract is a purchase order which enables bulk orders over a period of time. This is a form of framework agreement. One for the provision of laptop devices and associated equipment for Cambridgeshire County Council. The second is to procure and award a new contract for a period of up to 5 years for the provision of Multifunction Devices (MFDs). MFDs provide printing, photocopying and scanning functionality in CCC offices.

The outcome, if agreed, is a guaranteed supply of both types of devices and a complete refresh of the current fleet for Cambridgeshire County Council staff and Members in line with corporate strategies.

Recommendation: The Strategy and Resources Committee is asked to:

- A) Agree to the procurement of two call-off contracts for an initial period of three years from October 2021 to October 2024, with options to extend for up to a further two years.
- B) Agree to delegate the award of these contracts to the Section 151 Officer in consultation with the Chair of the Strategy and Resources Committee.

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1. Background

Laptops

- 1.1 Cambridgeshire County Council supports remote working for the majority of its staff. To enable this staff are issued a standard laptop device that will work from any location with wireless Internet access.
- 1.2 Cambridgeshire County Council currently has 3,924 laptops deployed to staff across the council; the majority of these were purchased as part of a shared supply contract with Northamptonshire County Council. That contract ended in 2019 and, rather than procure another call-off contract as would normally be the case, a decision was made to hold on to these assets and for any additional items, or replacement models, to be purchased on an ad-hoc basis. This was pending the re-patriation of the IT service from LGSS to the County Council in 2020 when we would be in a better position to determine our future need.
- 1.3 Remote working is fundamental to our ways of working. This has been facilitated by the provision of laptops which have enabled Cambridgeshire County Council to move to flexible working which in turn has greatly reduced the pressure on office space.
- 1.4 Remote working has been vital during the Covid 19 pandemic. As most staff had already been provided with laptops we were able to react very quickly to the need to work from home during the 2020 lockdowns, therefore maintaining productivity levels and allowing continuity of services to the public.
- 1.5 Whilst no savings are expected from the overall procurement by procuring a fixed cost contract, we will be able to better forecast costs ahead of time and to better coordinate the replacement of laptops as they reach the end of their useful lifecycle as part of an effective asset management strategy.
- 1.6 The IT department will look to advertise this procurement alongside Peterborough City Council in order to try and drive further discounts on the joint level of spend through procuring a higher volume of devices.
- 1.7 The total new contract value is expected to be £2.6m.

MFDs

- 1.8 Cambridgeshire County Council entered a contract with Canon UK for the provision of its MFD devices in 2012. This was retendered in 2016 and remained with Canon UK but is due to end on the 25th of October 2021, pending a decision from Crown Commercial Services for the replacement framework.
- 1.9 As per normal practice there is now a requirement to replace the previous contract in line with standard procurement management.
- 1.10 The current contract covers the leasing and support for the MFDs, toner refills and the print management software which allows secure printing and the freedom to print from any device via a staff ID card.

- 1.11 The print management software is currently hosted onsite from the CCC Datacentre. As part of the new procurement, we would look to move this to a cloud solution in line with the agreed IT strategy.
- 1.12 Currently the Council operates a policy where any team can order an MFD should they choose to do so. This has resulted in the organisation having 180 machines individually leased to it, with the largest concentration of machines being located within the old Shire Hall. The issue of the print strategy for Cambridgeshire County Council is being addressed within the Council and we would look to support that strategy with this procurement.
- 1.13 The procured solution will be as flexible as possible. It will continue to facilitate roaming and secure printing while better supporting people working remotely with printing to non-CCC network MFDs and scanning directly into a user or team's Microsoft 365 folders.
- 1.14 Pre-pandemic printing costs had dropped to £190,000 a year due to the older devices no longer commanding a full rental charge. These devices will need replacing; however, we hope to continue to achieve best value for the authority with a better print strategy and devices better designed for the changing business environment.
- 1.15 Whilst this procurement does request the refresh of a number of devices, we will work with the services to reduce this number as much as possible and investigate how we can use electronic systems to greatly lessen the need for printing in general.

2. Main Issues

Laptops

- 2.1 Of the 3,924 laptop devices deployed to staff, 900 are over five years of age leading to increased failure rates and higher service charges.
- 2.2 Dell have recently identified one of the common older models in use within Cambridgeshire County Council as having serious battery issues which will reduce its effective life expectancy.
- 2.3 We are currently seeing global component shortages affecting stock levels for all suppliers. This makes it increasingly difficult for small, ad-hoc purchases to be an effective on-going solution to our needs. This approach has resulted in device shortages and longer waiting times for CCC staff which we are keen to address.
- 2.4 With this procurement we hope to create a strategic partnership with a supplier to secure a regular supply of devices in line with the Council's needs.

MFDs

- 2.5 The average age for the devices on the current contract is five years, while this has provided us with savings in the short term, they are increasingly likely to need repair once offices reopen.

- 2.6 The majority of the devices were purchased based on higher office occupation, with the move to remote working, many can be replaced with smaller, less expensive devices and a single large device in areas where there are currently multiple printers.
- 2.7 The current print management system only works with Canon devices and so locks us into a single manufacturer; a move to a vendor neutral system would allow us to select the best value models for each situation, regardless of manufacturer.
- 2.8 Replacing devices as and when required is leading to an increased variance in lease end-dates making it harder to co-term the contracts.

3. Alignment with corporate priorities

3.1 Communities at the heart of everything we do

There are no significant implications for this priority although having effective, reliable tools for staff to use across the Council is fundamental to our ability to deliver services to our communities.

3.2 A good quality of life for everyone

There are no significant implications for this priority although having effective, reliable tools for staff to use across the Council is fundamental to our ability to deliver services to our communities.

3.3 Helping our children learn, develop and live life to the full

There are no significant implications for this priority.

3.4 Cambridgeshire: a well-connected, safe, clean, green environment.

There are no significant implications for this priority.

3.5 Protecting and caring for those who need us

There are no significant implications for this priority.

4. Significant Implications

4.1 Resource Implications

IT are working with Finance throughout both procurements. The aim is for this change to using a 'call-off' contract for our devices to be cost-neutral. Any cost implications will be communicated via the business planning process

For the best fit solutions, we will require dedicated resource from within the Council specially to complete the print strategy

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The Cambridgeshire procurement team has been engaged throughout and we will be using a recognised local government framework for both procurements.

4.3 Statutory, Legal and Risk Implications

Advice has been received from LGSS Law in support of this procurement.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

4.8 Environment and Climate Change Implications on Priority Areas

4.8.1 Implication 1: Energy efficient, low carbon buildings.

Neutral

4.8.2 Implication 2: Low carbon transport.

Neutral

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Neutral

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Neutral

- We are currently looking at making minimal packaging on delivery part of the tender process
- Priority will be given to suppliers who have signed the pledge to be net-zero by 2050

4.8.5 Implication 5: Water use, availability, and management:

Neutral

4.8.6 Implication 6: Air Pollution.

Neutral

4.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.

Neutral

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Helen Boutell

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? Yes

Name of Officer: Henry Swan

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

Have the equality and diversity implications been cleared by your Service Contact?
Not applicable

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

Have any localism and Local Member involvement issues been cleared by your Service Contact?
Not applicable

Have any Public Health implications been cleared by Public Health?
Not applicable

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer? Yes
Name of Officer: Emily Bolton

5. Source documents

5.1 There are no source documents.

Opus LGSS Update

To: Strategy and Resources Committee

Meeting Date: 21 September 2021

From: Director of Customer and Digital Services.

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: This report sets out a proposed extension to the current arrangements in respect of Opus People Solutions (East) Limited (formerly Opus LGSS People Solutions Limited), a joint venture company, which provides agency workers to its shareholding councils, of which Cambridgeshire County Council is one. By participating in this joint venture Cambridgeshire is able to secure agency workers at a very competitive rate with any profits resulting from this joint venture being divided up between the shareholding councils. This helps us to reduce our costs when we need to secure temporary support for key services from agency workers.

Recommendation: It is recommended that the Committee approves:

- a) an extension of the joint venture for a further 5 years from 8 January 2022.
- b) to delegate the re-negotiation of the Services Agreement for Cambridgeshire to the Section 151 Officer, in consultation with the Chair of Strategy and Resources Committee.

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Tel: 01223 706398

1. Background

- 1.1 In July 2016 the former General Purposes Committee approved the creation of a new company, Opus LGSS People Solutions. The Company was established so that the council could access agency staff without the margins charged by private sector providers, and so that it would benefit from direct access to a wider pool of staff resources. Under the proposal Cambridgeshire County Council and Opus (who are owned by Suffolk County Council) were the initial shareholders.
- 1.2 The report to committee outlined the intention and benefits of other local authority partners, who were then part of the local government shared service known as LGSS, joining as shareholders at the end of their existing contractual arrangements with other providers.
- 1.3 Northamptonshire County Council joined the arrangement as planned in August 2017 and Milton Keynes Council joined as a shareholder in September 2018.
- 1.4 At that time consideration of the on-going arrangements for the joint venture were delegated to the then Managing Director of LGSS in consultation with the Chairman of the General Purposes Committee and the Council's Section 151 Officer.
- 1.5 The joint venture relies on Teckal exemptions under procurement contract regulations, which has been validated by legal teams across all shareholding authorities (Suffolk County Council, Cambridgeshire County Council, Northamptonshire County Council and Milton Keynes Council).
- 1.6 In the 1999 judgment of Teckal (C-107/98) the European Court of Justice established an exemption from public procurement for the award of contracts by a public authority to a separate entity provided certain requirements were met. Those requirements were that:
 - The contracting authority must exercise sufficient control over the separate entity
 - The separate legal entity must carry out the essential part of its activities for its owner authority/ies ("the essential activity test").
- 1.7 Under the Teckal exemption a contracting authority may award contracts directly to an organisation that it has control over and does the majority of its work for the contracting authority (which should mean that no more than 20% is for external clients). This is the case with Opus Cambridgeshire.
- 1.8 The joint venture provides a seat on its board of directors for all shareholders. The existing Service Agreement term is until 8th January 2022 with the initial term having been set at 5 years.
- 1.9 Opus have recently commenced a long-term arrangement with Peterborough City Council to deliver its temporary agency recruitment needs. This will bring further financial benefits to the joint venture and will enable recruitment processes and policies to be aligned with Cambridgeshire County Council in support of existing shared services such as those in Adults and Children's Social Care. This new arrangement will also facilitate improvements in management information for the two councils.

2. Original Joint Venture objectives

2.1 Objective 1 – Greater Influence and support to overall workforce strategy

2.1.1 The Opus model provides dedicated Opus staff who work closely with the council's HR service. This close working has been essential in the successful implementation of this joint venture and in driving overall performance, building relationships with managers and managing spend on agency staff that sits outside of this arrangement, ensuring that the council is satisfied with the service being provided.

2.1.2 Since implementation the council has benefited from having a representative on the joint venture's Board of Directors. This position is currently held by the Director of Customer and Digital Services, the lead Director with responsibility for HR services. The Board meets monthly to discuss the operational and financial progress of each council's contract as well as the progress of the joint venture as a whole. In addition, quarterly contract review engagement is carried out with the senior officers from the council's HR team.

2.1.3 This approach has enabled the joint venture to support the council on strategic workforce priorities as well as key risk areas like compliance with new or changes to legislation and how best to work with other recruitment companies when required. One of the services Opus delivers is audit visits to recruitment supply chain agencies. Here Opus conduct a series of checks to ensure standards are maintained across this supply chain for when we need to use these agencies in the recruitment of staff.

2.1.4 One of the hallmarks of Opus' work is compliance standards. We have seen that they work diligently to ensure that compliance is of the highest standard, and this is of particular importance to the workers we engage into roles where safeguarding is a key element.

2.2 Objective 2 – To provide financial savings.

2.2.1 Financial performance and savings are covered in 2.4 and 2.5 below.

2.3 Objective 3 – To ensure continuity of supply of agency workers

2.3.1 Opus directly supply on average 88% of the required agency workers (outside of social work) and utilise a supply chain of over 150 national and local supply agencies for those they cannot fill directly. These agencies have been accredited to ensure high-quality provision, at pace, that meets the council's needs. All suppliers are signed up to the same terms and conditions to ensure a consistent approach to both standards and price.

2.3.2 Currently, Opus are the second biggest supplier of social workers into their contracts, behind only the UK's largest social work agency. This has been achieved by the operation of specialist recruitment desks across hard to fill sectors, like Social Work and Residential Care.

2.4 Financial Performance

2.4.1 Since incorporation the Opus Cambridgeshire, Northamptonshire and Milton Keynes joint venture has realised excellent financial performance (as required by the original objective to provide financial savings) as follows:

Financial year	Net profit	Commentary
2017/18	£131k loss (Actual)	Initial period, loss expected due to set-up costs. Cambridgeshire – from Jan 17 Northamptonshire – from Aug 17
2018/19	£129k profit (Actual)	Set-up costs recovered Milton Keynes – from Aug 18
2019/20	£320k profit (Actual)	£200k dividend paid to Shareholders
2020/21	£407k profit (Actual)	Increase demand due to Covid response roles. £330k dividend voted for shareholders
2021/22	£344k (Forecast)	

2.4.2 In addition to the excellent financial performance of the Joint Venture, the councils have received the following benefits:

- 10% of annual spend on agency staff has been saved by the councils in the first 4 years, to March 2021. This has significantly exceeded expectations of the original business case signed off by the councils.
- Of the placements made in 2020/21 (excluding social work), 88% were filled via OPUS' own talent pool where there was no requirement to utilise 3rd party agencies. Placements supplied from the OPUS talent pool ensures control on quality and also reduces the cost to the council.
- Strong relationships have developed with operational management in the HR service and the wider organisation via Opus teams being embedded with the service, delivering quality recruitment solutions at pace, which provides significant savings to both the time and resources for our staff.
- Excellent customer satisfaction (96%), compliance (100%) and a high proportion of roles directly filled by Opus (88% direct fill rates outside of social work).
- Opus have upheld and enforced Cambridgeshire County Council's policies and processes and where required have supported the organisation through recruitment freezes.

- Significant and robust supply chain of over 150 agencies, all on standardised terms which enable OPUS to fill roles across all job categories, even in hard to fill areas.
- The supply chain is managed via a Dynamic Purchasing System which enables new supply agencies to be added at any time giving flexibility and opportunity to on-board local niche agencies

3. Alignment with corporate priorities

- 3.1 Communities at the heart of everything we do
There are no significant implications for this priority.
- 3.2 A good quality of life for everyone
There are no significant implications for this priority.
- 3.3 Helping our children learn, develop and live life to the full
There are no significant implications for this priority.
- 3.4 Cambridgeshire: a well-connected, safe, clean, green environment
There are no significant implications for this priority.
- 3.5 Protecting and caring for those who need us
There are no significant implications for this priority.

4. Significant Implications

- 4.1 Resource Implications
There are no significant implications within this category. The financial and human resource implications are set out in the report. There are no property or IT related matters appertaining to the content of the report.
- 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications
The relevant Procurement information is set out in Section 1 of this report in relation to the Teckal exemption.
- 4.3 Statutory, Legal and Risk Implications
Having this well-established working arrangement with Opus helps us to manage risks particularly in relation to hard to fill roles and through the pandemic when we have had to step up high volumes of staff at short notice to support our outbreak management activity.
- 4.4 Equality and Diversity Implications
Opus uphold and work within Cambridgeshire employment policies and practices including our commitment to equalities through the recruitment of staff – an area that we are strengthening as part of our council wide commitment to equalities, diversity and inclusion.
- 4.5 Engagement and Communications Implications
There are no significant implications within this category.
- 4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

No direct implications, but Opus have played a key role in engaging large numbers of agency workers against tight timescales to support the Council's covid response over the last 18 months.

4.8 Environment and Climate Change Implications on Priority Areas

There are no significant implications within this category.

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Tom Kelly, Section 151 Officer

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? Yes

Name of Officer: Henry Swan, Interim Head of Procurement

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, Director of Legal and Governance

Have the equality and diversity implications been cleared by your Service Contact?

Not applicable

Have any engagement and communication implications been cleared by Communications?

Not applicable

Have any localism and Local Member involvement issues been cleared by your Service Contact? Not applicable

Have any Public Health implications been cleared by Public Health? Not applicable

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer? Not applicable

5. Source documents

5.1 Source documents

None

Business Planning Proposals for 2022-27 – opening update and overview

To: Strategy and Resources Committee

Meeting Date: 21 September 2021

From: Gillian Beasley, Chief Executive
Tom Kelly, Chief Finance Officer

Electoral division(s): ALL

Key decision: No

Outcome: This report begins the process of setting a business plan and financial strategy for 2022-2027 which will culminate at the February Full Council. Through this report, Members will gain awareness of:

- the current business and budgetary planning position and estimates for 2022-2027
- the principal risks, contingencies and implications facing the Committee and the Council's resources
- the process and next steps for the Council in agreeing a business plan and budget for future years

Recommendation: It is recommended that the Committee;

- a) Notes the overview and context provided for the 2022 – 2027 business plan
- b) Notes the initial estimates made for demand, inflationary and other pressures

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1. Overview

- 1.1 The Council's Business Plan sets out how we will spend our resources to achieve our vision and priorities for Cambridgeshire, and the key outcomes we want for the county and its people. The business plan contains a five-year financial plan including estimates of investments, pressures and savings over the whole period. The business plan now under development is for 2022-27. It is a statutory requirement for local authorities to set a balanced budget ahead of each new financial year.

- 1.2 On 9 February 2021, Full Council agreed the Business Plan for 2021-2026. This included a balanced budget for the 2021-22 financial year with the use of some one-off funding but contained significant budget gaps for subsequent years as a result of expenditure exceeding funding estimates. These budget gaps (expressed as negative figures) were:

2021-22	2022-23	2023-24	2024-25	2025-26
balance	-£22.2m	-£14.7m	-£15.1m	-£12.0m

- 1.3 Since the 2021-26 business plan was produced, the Council has had a change of political leadership. Following Council elections in May 2021, a Joint Administration of the Liberal Democrat, Labour, and Independent groups was formed, with a Joint Agreement explaining the policy ambitions of the new administration. The Joint Agreement prioritises COVID-19 recovery for all of Cambridgeshire and puts healthy living and bringing forward targets to tackle the climate emergency, central to its agenda. It also signals a commitment to form strong and positive partnerships as members of the Combined Authority and the Greater Cambridge Partnership in the areas of public health, support for business, climate change, public transport, and building affordable, sustainable homes. This first business plan will begin to put into effect this new set of policies.
- 1.4 The impacts of COVID-19 on the Council have been unprecedented and the pandemic remains a key factor and uncertainty in planning our strategy and resource deployment over the coming years. The Council has taken a central role in coordinating the response of public services to try and manage the complex public health situation, impact on vulnerable people, education of our children and young people and economic consequences. Looking ahead we know that challenges remain as the vaccination programme progresses and winter illnesses re-emerge. We are already seeing the impacts of the pandemic on our vulnerable groups as well as those who have become vulnerable as a result of health or economic impact of the pandemic. Longer term there will be significant increases and changes in the pattern of demand for our services alongside the economic aftereffects. The Council is committed to ensuring that communities across Cambridgeshire emerge from the pandemic with resilience and confidence for the opportunities and challenges that face us.
- 1.5 During 2020-21, the Council received significant additional funding and compensation from government and the NHS in order to effectively respond to the pandemic. Whilst the financial settlement for the response to date has been sufficient, predicting the on-going implications and financial consequences of COVID-19 remains challenging, particularly in terms of the impact on demand for council services. The 2021-26 budget includes estimates for these pressures in 2021-22 and experience of 2021-22 so far suggests these estimates were reasonable as the Council is not forecasting a significant variance against its budget in the current year. These will remain under review as new data is available. Significant

pressures are expected in future years beyond 2021-22 and details of how each service's specific demand pressure estimates for 2022-27 have been made are within section 4. It is especially important this year that we keep these estimates under review as circumstances are so changeable over the course of this year.

- 1.6 All service committees will consider their relevant revenue business planning proposals in December, at which point they will be asked to endorse proposals to January Strategy and Resources Committee as part of the consideration for the overall Business Plan. These proposals are currently being developed and will each have a robust implementation plan in place and allow as much mitigation as possible against the impact of current financial challenges. Where proposals reflect joint initiatives between different directorate areas and joined up thinking these will go before multiple Committees to ensure appropriate oversight from all perspectives.
- 1.7 Within the current context, 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 – Although we know that the UK economy is now rebounding from the impact of the pandemic, and overall Cambridgeshire is well placed to support growth and economic resilience, we also know that there have been severe financial consequences for some sectors and individuals. There have been impacts on employment and household income levels for many 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.
 - Prevention and Early Intervention – We need to support people to remain as healthy and as independent as possible as well as reduce the health inequalities that have been exposed and exacerbated by the pandemic. This is all the more important in anticipation of latent demand generated by or delayed by the impacts of the pandemic. 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 continue to build on this and look at how we further support these networks and groups to continue, and where public services are needed, it is about ensuring support is made available early so that people's needs do not escalate.
 - Decentralisation – 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, 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.

- Environment & climate emergency - Putting climate change and biodiversity at the heart of the council's work. As a council, we will aim to move forward the net zero target for Cambridgeshire County Council towards 2030, developing clear actions for delivery of our Climate Change and Environment Strategy and enabling service and investment decisions to be made in this context.
- Social Value - With a strong focus on outcomes and impact for our communities, we will be working with our public, private, voluntary and community partners to achieve our joint ambitions. We will seek to invest using social value criterion and reflect outcomes, including health, living wage and employment, and local, circular economies within our procurement, spending and organisational activities.

- 1.8 Besides the pandemic, the other major risks and uncertainties in setting budgets for 2022-27 include the potential for national policy changes, such as reform of social care funding, the need for a multi-year funding settlement from government, the availability and sustainability of supply chains and resources, and changing patterns of demand for our services that has been a longer-term trend. The Council must make its best estimate for the effect of known pressures when setting its budget and retain reserves to mitigate against unquantifiable risks.
- 1.9 Coinciding with the election of the new administration, during July and August the Council participated in a corporate peer challenge, facilitated by the Local Government Association, whereby experienced officer and member peers from elsewhere in the sector considered the Council's current position in order to recommend improvements. The peer challenge had a focus on the Council's financial planning and resilience and has confirmed recommendations that are being addressed through this business planning process:
- Devise a strategic approach to business planning for Cambridgeshire as a place
 - Ensure budget planning addresses the medium- term budget gap and incorporates contingency planning
 - Ensure that budget plans contain a multi-year strategy for Council tax
 - Review This Land (property company)
 - The capital strategy needs a stronger focus with a more robust prioritisation process for scheme approval, scheme delivery confidence and financing plans
 - Develop the plan to address the annual overspend and cumulative deficit within the high needs block of the dedicated schools grant

2. Building the Revenue Budget

- 2.1 As we have a five-year budget, the first four years of the new business plan already have a budget allocation. We revise the estimates for pressures first to confirm the budget needed to deliver the same level of service and add in any new pressures or investment proposals. These budget changes are presented first to service committees, and overall there will be a gap between our budget requirement and the funding available.
- 2.2 We then work to close the budget gap through savings and efficiency initiatives, identification of additional income and revision of pressure estimates, presenting these further changes to committees later in the year. Ultimately, a balanced budget needs to be set by 1 March.

- 2.3 The Council needs to draw on a range of approaches in order to arrive at a balanced budget, produce an overall sustainable financial strategy and meet the Joint Administration's policy objectives. This will include considering benchmarking and external information in order to identify opportunities for Cambridgeshire and using a zero-based or outcomes focused outlook where appropriate in order that resources can be aligned to priorities.
- 2.4 The Council remains subject to significant financial constraints and uncertainties heightened by the pressures arising from the pandemic. We cannot rely on an uplift in core funding from government or a continuation of pandemic related support and therefore difficult choices will continue prioritising efficiencies, productivity improvements, investment in prevention and generation of income ahead of reducing service levels or short-term financing solutions.

The following sections detail specific changes to budget estimates made so far.

- 2.5 In June 2021, Strategy & Resources Committee agreed some changes to 2021/22 budgets, including holding £1.7m to offset the budget gap in 2022/23.
- 2.6 Inflation - Inflation can be broadly split into pay, which accounts for inflationary costs applied to employee salary budgets, and non-pay, which covers a range of budgets such as energy, transport, insurance and waste, with regard to relevant national inflation indices. This covers all of the material effects of inflation on Council expenditure.
- 2.7 Total Net inflation, including staffing and non-staffing, are as follows:

Service Block	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000
People & Communities (P&C)	5,011	4,651	5,383	5,439	5,497
Place & Economy (P&E)	1,765	1,818	1,884	1,926	1,994
Corporate & Managed Services	922	725	748	780	822

- 2.8 The inflationary pressures in the above table and all figures set out in the subsequent sections of this report are provided on an incremental basis. Positive figures indicate an increase on the budget required in the previous year or a reduction in income. Negative figures indicate a reduction on the budget required in the previous year or an increase in income. The figures show the impacts of each proposal on the budget gaps for the relevant financial years.
- 2.9 Demand - It is recognised that service costs are driven by the number of service users, levels of need, as well as cost and method of delivery of the support. Where appropriate this will be outlined in greater detail below. This table summarises the demand funding estimates for 2022-27:

Service	2022-23	2023-24	2024-25	2025-26	2026-27
People & Communities (P&C) - Adults	10,109	11,567	11,427	11,137	11,137
P&C – Children's	3,144	2,781	3,138	3,545	4,005
P&C – Communities	57	61	66	71	76
Place & Economy (P&E) – Waste	266	308	272	245	238

For 2022-23, this is £1.2m more than was in the 2021-26 business plan.

These demand projections include:

- The number of older people receiving council funded services increasing by 5%
- The average cost of a care package for a person with learning disabilities increasing by 2.5% more than inflation due to rising needs, and that 41 new service-users will receive care as they transition from children's services
- The number of children requiring council-funded transport to special schools will increase by 7.8% in line with the unprecedented rise in the number of Education Health and Care Plans
- The cost of children in care placements which, although numbers remain reasonably static, continues to increase due to the increased complexity of need and a shortage of available places as care numbers rise nationally
- The county's rising population will result in a 2% increase in waste sent to landfill

2.10 Other Pressures - The Council is facing several cost pressures that cannot be absorbed within the base funding of services. Some of the pressures relate to costs that are associated with responses to the pandemic, the introduction of new legislation and others as a direct result of changes to contractual commitments. New pressures are set out below, and those relevant to each committee are detailed in section 4 below.

2.11 Some changes to funding estimates have been made where appropriate given the latest information available.

2.12 Overall, these revisions to budget estimates have resulted in a current budget gap for 2022-23 of £23.4m, a £2.9m increase in the gap since the 2021-26 business plan. The changes that have been applied to reach that revised gap are:

£000	2022-23	2023-24
Gap per February 2021 Full Council	22,175	14,700
Pressures funded at Strategy & Resources Committee in July	956	
Downward budget adjustments at S&R in July	-2,651	
Revised gap after S&R rebaselining	20,480	14,700
Demand and Inflation		
Adults demand refresh	1,581	3,108
CYP demand refresh	222	-877
CSMI demand refresh	-3	-3
Waste disposal COVID demand funding not required	-638	
Inflation refresh	-852	
Adults care uplifts strategy refresh	182	1,445
Pressures		
Occupational Therapy – Children's (delivered with NHS partners)	490	

Property Team - Resourcing	209	
Information Management– Children's Social Work Police Requests	54	
Guided Busway defects (pending litigation)	1,300	-650
SEND teams capacity requirement (current demand)	565	
Waste and odour permit conditions	2,684	-1,600
Expansion of Emergency Response Service (Adults)	185	
Additional capacity in Learning Disability Young Adults Team	150	
Children's Disability	400	
Funding		
Capital receipts flexibility to continue until 2024-25	-1,982	
Uplift in Better Care Fund to meet Adults pressures	-750	
P&E Income – faster return to pre-COVID levels	-866	
Revised gap after updates at September Committee	23,411	16,123
Change	2,931	1,423

Scrutiny and review of all of the above items will be repeated prior to submission to the December committee cycle in order to ensure estimates remain current and necessary.

- 2.13 It is important to bear in mind that the 2021-26 business plan included some savings for future years. These are already budgeted in and therefore form part of the budget gap calculation. The feasibility of these savings is being reviewed, and any changes will affect the budget gap. The level of savings already in the business plan are:

Ref.	Saving	2022-23	2023-24	2024-25	2025-26
A/R.6.176	Adults Positive Challenge Programme	-100	-100		
A/R.6.177	Cambridgeshire Lifeline Project	-10	-122	-50	
A/R.6.179	Mental Health Commissioning	-24			
A/R.6.180	Review of commissioning approaches for accommodation based care	-350	-375		
A/R.6.185	Additional block beds - inflation saving	-583	-456	-470	-484
A/R.6.188	Micro-enterprises Support	-133			
A/R.6.189	Learning Disability Partnership Pooled Budget Rebaselining	-2,574			
A/R.6.267	Children's Disability: Reduce overprescribing	-100	-100		

3. Budget Setting Considerations

- 3.1 To balance the budget in light of these pressures set out in the previous section and uncertain Government funding, savings, additional income or other sources amounting to **at least** £23.4m are required for 2022-23, and a total of around £75m across the full five years of the Business Plan.
- 3.2 The actions currently being undertaken to close the gap include:
- Reviewing all existing business plan proposals, and in particular pressures and investments to ensure these are accurate, up-to-date and appropriately mitigated.

- Reviewing all income generation opportunities and deployment of grant funding
- Identifying any areas across the organisation we could potentially look to find additional efficiencies or productivity whilst ensuring outcomes are maintained.
- Costing areas which we wish to invest in- for example areas identified as part of the Joint Agreement action plan, prioritising those that will improve outcomes and prevent escalating demands or costs facing Council budgets.

Chairs and Vice-Chairs are leading engagement with Services to identify initiatives to be recognised in the business plan and receiving detailed budget briefing. This will enable identification of areas of the budget subject to the most risk and sensitivity and where there is opportunity for collaboration and new approaches to lead to improved or more cost-effective outcomes.

3.3 Additionally, the Council has worked closely with local MPs in campaigning for a fairer funding deal for Cambridgeshire and this will be renewed following a motion passed at the July meeting of Full Council. We argued that given how much the Cambridgeshire economy was supporting the Treasury that a new approach to business rates that enabled councils to retain a greater element of the local tax take would help to underwrite the costs of supporting that growth. The implementation of both the multi-year CSR and the localization of business rates have been deferred on several occasions. With the pandemic and the uncertainty over the national position we cannot expect this position to change in the short term. However, it is important to recognise that the Government have used one off interventions of additional finance in Adult Social Care and Highways to negate some of the growing pressure on Councils.

3.4 There are also a small number of financing options that may be available to the Council to contribute towards closing the gap for 2022-2023:

- Additional central Government funding *may* be forthcoming in response to the pandemic and previously announced funding (such as Roads Fund and support for Social Care) rolled forwards. The peer challenge has rightly cautioned the Council about assuming any such funding will be realised.
- Funds could be re-allocated on a one-off basis from reserves. Whilst this would contribute to reducing the pressure for the 2022-2023 financial year, the pressure would be delayed until the next financial year as the option to use this funding could not be used again. The Chief Finance Officer's professional view is that the General Fund balance should not be reduced from its current level in view of the risks the Council is currently facing. Members are also reminded that the Council is carrying a deficit of £26m in the high needs block of DSG, as it stands the ringfence for this item will lapse in 2023, meaning that the Council may need to fund this locally from its own reserve. This primarily leaves the amounts currently earmarked as:
 - Transformation Fund (currently £24m unallocated)
 - Pandemic-related carry forward (currently £21m)
 - Additionally, there are smaller service specific levels of reserve held in Public Health and Adult Social Care.

Any use of the reserves listed above is only a temporary solution which would reduce the Council's ability to respond to any future national or local challenges and compound the savings ask in future years. We know that there will be long-range impacts of the pandemic where deployment of grant funds received to date could be carefully planned. The Joint Administration will want to consider its approach to reserves as part of a refreshed budget strategy.

- There is an option to increase the planned levels of council tax (see paragraph 3.6)

3.5 There are a number of additional risks and assumptions with potential impacts on the numbers above. These will be monitored closely and updated as the Business Plan is developed to ensure that any financial impacts are accurately reflected in Council budgets:

- The National Joint Council pay scales have not been confirmed for 2022-23 onwards and it is possible that the agreed uplifts will be greater than those modelled.
- Movement in future year pressures. We are putting monitoring measures in place so we can put in place mitigations before trigger points are met. This is particularly relevant to demand led budgets such as children in care or adult social care provision.
- IT pressures – work is underway to quantify a potential impact on the IT & Digital Service, predominantly related to hardware and software costs and the costs of data facilitating remote working.

3.6 The level of savings required is based on a 2% increase in the Adult Social Care precept and a 0% increase in Council Tax. This potential to increase ASC precept has been carried forward from 2021-22. It is likely, therefore, that the Council will be presented with the option to increase general Council Tax by not less than a *further* 1.99% in 2022-23, on top of the 2% ASC precept carried forward. The value of a 1.99% increase in the Council Tax equates to additional revenue of £6.1m. With general inflation higher than in recent years, it is possible that the government may permit a higher general council tax increase or announce an Adult Social Care precept potential for a further year. In those scenarios the Council tax potential would increase further.

4. Overview of Strategy and Resources Committee's draft revenue programme

4.1 Strategy & Resources Committee has a general responsibility to lead the development of the Council's draft business plan and acts as the service committee for the Council's corporate services.

As funding for demand growth is the largest area of budget increase year-on year (and rising), a high-level overview of those services that have these pressures is provided. The Council continues to pursue an ambitious programme of transformative investment in order to achieve its ambitions, the level of funding required for future investment is currently being determined and details of specific proposals will be considered by the relevant service committee in December.

4.1.1 Section 2.9 above provides a summary of the budget growth required for increasing demand for services. This shows £13.5m of demand funding required in 2022/23, which is

an increase of £1.2m compared to our previous business plan. The largest area of demand growth by far is the older people's service, while the areas of greatest change compared to the previous plan are learning disabilities, mental health, and children in care.

4.1.2 Adults & Health:

- Older People £5.462m allocation, a reduction of £64k. Much of the cost is driven by growth in service-user numbers by age-band (higher than the general increase in population). The total number of service-users is expected to rise by 174 (5.3%). Adjustments have also been made for:
 - An increase in the average number of hours of domiciliary care provided to a service user. Over the past five years the average increase in domiciliary packages has been 7%, which is indicative of the investment in preventative work streams delaying referral to long term care and the increasingly complex needs that this results in which can be managed in people's own homes.
 - A change in the mix between Care Home bed types, both from Non-Dementia beds to Dementia and Residential to Nursing. Over the last four years Residential care has been reducing by an average of 2.52%, Residential Dementia increasing by 0.96%, Nursing care reducing by 1.07% and Nursing Dementia increasing by 2.63%.
- Learning Disabilities £2.768m allocation, an increase of £796k. The assumption for numbers of children transitioning into Adult Services is based on data from the children's team on young people who will turn 18 in 2022-23. It has been assumed that these 41 new service users will have the same mix of packages as service users transitioning over the past four years. The projections around demand increases for existing service users have also been refreshed based on the past four years of data for average package costs at the start and end of the year. This suggests that the commitment for existing service users will increase by ~2.5% above inflation over the course of a year.
- Mental Health £812k, an increase of £282k. Much of this rising demand is due to increasing numbers of older service users, and rising complexity of care for both older and working age people. The increase since last year is mainly due to rising hours of domiciliary care provided, which has sharply deviated from its historical trend over the last year and suggests much increased need.
- Other adults demand allocations £1.067m, an increase of £567k. Demand increases mainly for working age adults with disabilities, for similar reasons to those outlined above. The change of £567k is predominantly due to a previous assumption that some of the COVID-19 related increase in need in 21/22 would be transitory being removed. It is now expected that broadly the increase in demand seen in 2021/22 will not come down.

4.1.3 Children & Young People:

- Children in Care £1.2m, an increase of £250k. Our overall number of Children in Care has not been significantly increasing; however, we are seeing a change in placement mix within the cohort which is leading to a higher number of young people being placed in higher cost placements, specifically residential homes, and we are also seeing placement need changing with an increasing number of non-standard placements being made.

- Home to School Transport £1.7m, an increase of £39k. Over 95% of the demand allocation now relates to transport for children with an Education Health and Care Plan. That cohort is growing and has increasingly complex needs. There has been a 7.7% increase in children and a 6.23% increase in complexity over recent years, and that is projected forward. Complexity is estimated based on the rising average cost per pupil in February 2020 to May 2021, minus inflation. The scale and increase of the demand growth mirrors the pressures on the High Needs Block of the Dedicated Schools Grant.
- Other CYP demand allocations £239k, a decrease of £67k. This mostly relates to growth on cost of special guardianship orders and in the Children's Disabilities Service, both due to increasing complexity rather than rising numbers.

4.1.4 Communities, Social Mobility & Inclusion £57k of demand relating to the coroner service, which is seeing a 5.2% year-on-year increase in costs.

4.1.5 Energy & Green Investment – demand funding for the waste service - £266k, a decrease of £638k. The underlying demand projections remain unchanged, but temporary COVID-19 related demand costs that were originally expected to be there in 2022/23 are no longer projected.

4.2 Several changes are proposed to Strategy & Resources budgets in 2022/23, some of which formed part of the previous business plan while others are newly proposed.

2022-23	
2 INFLATION	
Inflation	661
4 PRESSURES	
Repatriation of LGSS services (previously planned reduction in pressure)	-500
IT - Continued Remote Working (previously planned - pending review)	-378
Pandemic risks provision (previously planned reduction in pressure)	-1,200
East Barnwell Community Centre (previously planned additional cost)	100
Property Team – Resourcing increase (new)	209
Information Management– Children's Social Work Police Requests (new)	54
5 INVESTMENTS	
Demand risk in social care (previously planned, risk budget not utilised)	-1,300
6 SAVINGS	
Reduction in staff mileage (previously planned, pending review)	378
Contract Efficiencies (previously planned reinstatement post pandemic)	-249
8 FUNDING	
Capital receipts flexibility to continue until 2024-25 (new)	-1,982
Change	-4,207

4.2.1 The two new pressures above reflect resourcing needs identified by the Council's senior management team. For property services, this follows a CIPFA Asset Management review, identifying low levels of staffing relative to comparable authorities, and gains to be made from a corporate landlord and asset management approach. In accordance with the

property services improvement plan, the additional resource will be prioritised towards increasing asset value, improving property records and data and supporting the climate change strategy from a property perspective. The information management pressure relates to a statutory requirement to respond to children's social work police requests under the Youth Justice Criminal Evidence Act 1999.

- 4.3 There are likely to be further budget changes proposed, particularly within IT where pressures are emerging:
- 4.3.1 Over the last few years, the council's reliance on IT has become fundamental to its ability to deliver its services and this has been demonstrated most clearly through the pandemic. These key IT systems, services and hardware are supported by both revenue and capital budgets within the Council and as the demand and reliance on IT has grown and changed, so has the profile of the pressure on those budgets.
- 4.3.2 These changes broadly sit in these categories:
- (1) Increasing demand for hardware (laptops & mobiles) to support service delivery across all areas of the Council.
 - (2) A continuing shift from one off capital expenditure to ongoing revenue commitment for cloud-based services.
 - (3) Changes in how front-line services work which require new or amended systems - for example additional modules in the Children's Social Care system to facilitate access to, and transfer of, information between partners to help improve our responsiveness in our support for children and young people.
- 4.3.3 All the IT revenue and capital budgets have been reviewed against these known areas of change and anticipated demand and the result is an expected increase in spend. This will add pressures to existing revenue budgets. In response to this, and where it is appropriate and cost effective, we will ensure the prudent use of capital budgets and use specific reserves for any one-off costs to mitigate these pressures on revenue budgets. Further analysis is underway to refine the needs and costs to ensure that all areas have been reviewed robustly and the results will be included in future budget updates for the Strategy & Resources committee.
- 4.4 As well as revenue changes, amendments to capital schemes will impact on the revenue cost of financing the Council's loans. Revised debt charges estimates are being calculated but key changes to capital schemes include around £30m of additional capital expenditure across the whole business plan period, mainly to do with changes to existing school schemes, new school builds and waste treatment facilities. A full update on capital plans will be brought to service committees with the next set of business planning papers.
- 4.5 The action plan, agreed by the Strategy and Resources Committee on 6 July 2021 contains activities which fall within the Committees remit which could impact on the revenue budget. These include:
- LGA Peer Challenge Finance Module (commenced June 2021), considers financial standing, robustness of plans & reserves and makes recommendations
 - Position of This Land to be considered and an action plan produced

- Real Living Wage (RLW) – short term steps: in-year uplift for those directly employed below RLW, then detailed consideration of longer-term implications of full RLW Foundation accreditation by relevant Committee.
- Procurement – plan how the Council's approach can ensure greater weight given to local suppliers, direct delivery, and social value
- Lobbying for fairer funding for Cambridgeshire and national policy reform progress
- Review Commercial Strategy and priorities

4.5.1 A review of the Commercial Strategy has taken place. This draft strategy focuses our commercial vision and delivery to align further with our service focused outcomes and rely on a strong, business-like approach in all that we do. The strategy will be focused on three main themes: Assets; Placemaking and Communities; and External Environment. Embedding the practice and approach of this strategy should see impact reflected across all activities, bringing a robust and effective delivery as standard.

4.5.2 The Committee's net budget includes a net revenue contribution of £6m per annum in interest receivable from This Land. A review of This Land has been commissioned and is referred to in other papers to this committee. In view of the significant financial expectation, the outcomes of the review will need to be carefully considered.

4.6 This Committee also has responsibilities, across the Council, with respect to local taxation, workforce and assets. In common with other employers the Council faces employment challenges heightened by the pandemic and economic developments. The risks from this are being monitored regularly by the senior management team and will be considered alongside future expectations around staff pay inflation, turnover levels and agency staff usage. For assets, next year we expect to see an ongoing level of investment in proactive capital maintenance in the operational estate, further return of income levels to expectations (post-pandemic), and some favourable increase in income received from the Farms estate following rent reviews.

5. Next Steps

5.1 The high-level timeline for business planning is shown in the table below.

September	Service Committees provided with overview of current position
October / November	Progress update provided to Committees
November / December	Business cases go to committees for consideration
January	Strategy and Resources Committee will review the whole draft Business Plan for recommendation to Full Council
February	Full Council will consider the draft Business Plan

6. Alignment with corporate priorities

The purpose of the Business Plan is to consider and deliver the Council's vision and priorities and section 1 of 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. As the proposals are developed, they will consider the corporate priorities:

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

7. Significant Implications

7.1 Resource Implications

The proposals set out the response to the financial context described in section 4 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 will be 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.

7.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for the proposals set out in this report.

7.3 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.

7.4 Equality and Diversity Implications

As the proposals are developed ready for December service committees, they will include, where required, Equality Impact Assessments that will describe the impact of each proposal, in particular any disproportionate impact on vulnerable, minority and protected groups.

7.5 Engagement and Communications 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 Strategy and Resources Committee.

7.6 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.

7.7 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.

7.8 Environment and Climate Change Implications on Priority Areas

The climate and environment implications will vary depending on the detail of each of the proposals which will be coming to committee later for individual approvals (currently scheduled for November / December committees). The implications will be completed accordingly at that stage.

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 CCC Head of Procurement? Yes

Name of Officer: Henry Swan

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: Amy Brown

Have the equality and diversity implications been cleared by your Service Contact?

Yes

Name of Officer: Beatrice Brown

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Christine Birchall

Have any localism and Local Member involvement issues been cleared by your Service Contact?

Yes

Name of Officer: Julia Turner

Have any Public Health implications been cleared by Public Health?

Yes

Name of Officer: Jyoti Atri

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: Emily Bolton

Treasury Management Report – Quarter One Update 2021-22

To: Strategy & Resources Committee

Meeting Date: 21st September 2021

From: Chief Finance Officer

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: Through this report the Committee supervises the Council's treasury management, and ensures that public money across the Council's cashflows, borrowing and investments is utilised and deployed effectively and in compliance with the Treasury Management Strategy.

Recommendation: The Strategy & Resources Committee is recommended to note the Treasury Management Quarter One Report for 2021/22.

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1. Background

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management recommends that Members be updated on treasury management activities regularly (annual, mid-year or quarterly reports). This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

2. Economic Climate

- 2.1 A current economic commentary is in Appendix 1, provided by Link Asset Services, the Council's treasury management advisers. Some of the key points to note are set out below.
- 2.2 Since May, developments in global GDP growth have been somewhat more substantial than anticipated, particularly in advanced economies. International price pressures have picked up further, reflecting strong demand for goods, rising commodity prices, supply-side constraints and transportation bottlenecks. These have started to become apparent in consumer price inflation in some advanced economies. Financial market measures of inflation expectations suggest that the near-term strength in inflation is expected to be transitory. Vaccine rollout has been a key factor boosting economic confidence.
- 2.3 **GDP:** The Bank of England revised its expectations for the level of UK GDP in 2021 quarter 2 by around 1.5% since the May Report due to the easing of restrictions on economic activity; this now leaves total GDP in June around only 2.5% below its pre-Covid 2019 quarter 4 level.
- 2.4 **CPI:** The annual inflation rate in the United Kingdom rose to 2.1% year on year in May from 1.5% year on year in April; this is the first time that the measure has been above the Bank of England's 2% target since July 2019.

3. Interest Rate Forecast

- 3.1 The latest forecast for UK Bank Rate along with Public Works Loan Board (PWL) borrowing rates (certainty rate) from the Council's treasury advisors is set out in Table 1.
- 3.2 This suggests that PWLB rates have increased marginally and there is also now a first increase in Bank Rate from 0.10% to 0.25% forecast for quarter 2 of 2023/24.

Table 1: Interest Rate Forecast (%) May 10, 2021

Link Group Interest Rate View											
	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.25
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.30	0.30	0.30
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.20	0.30	0.40	0.40	0.40
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.30	0.30	0.40	0.50	0.50	0.50
5 yr PWLB	1.20	1.30	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50
10 yr PWLB	1.70	1.70	1.80	1.80	1.90	1.90	1.90	2.00	2.00	2.00	2.00
25 yr PWLB	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.50	2.60
50 yr PWLB	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.40

Gilt yields / PWLB rates

- 3.3 At the start of 2021, all gilt yields from 1 to 8 years were negative: however, since then all gilt yields have become positive and have risen sharply, especially in medium and longer-term periods. The main driver of these increases has been investors becoming progressively more concerned at the way that inflation has risen sharply in major western economies during 2021, and further increases in inflation are expected.
- 3.4 Following the sudden increase in margins on PWLB loans in October 2019, a consultation was held with local authorities in July 2020 as part of a review of margins over gilt yields for PWLB rates. This led in November 2020 to the margins over gilt yields being reduced by 1% back to their original level (80 basis points above gilts). However, at the same time 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. Additionally, the Council also has access to over £50m of borrowing from PWLB at the local infrastructure rate (60 basis points above gilts) as expenditure on energy schemes, approved in a bid to HM Treasury, comes forward.
- 3.5 The Council has renewed its interest in borrowing from the UK Municipal Bonds Agency, as an alternative to the PWLB, and is advised by the agency that a pooled local government bond is in prospect for later in 2021.

4. Summary Portfolio Position

- 4.1. The level of net borrowing set in the Treasury Management Strategy Statement (TMSS) for 31st March 2022 was £805.0m. On 1st April 2021, the net debt was £714.1m, and the actual at 30th June 2021 was £623.0m (excluding all Third-party loans and Equity). This is a decrease in borrowing over the period, due to some loans maturing and not yet being refinanced. 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 (and due to the current Covid-19 pandemic the Council is in receipt of further grants compared to before the pandemic). The 2021/22 net borrowing position is expected rise more substantially towards the end of the financial year as capital projects are progressed to completion and financed.

- 4.2 Further analysis on borrowing and investment is set out in the next two sections. A snapshot of the Council's debt and investment position is shown in Table 2 below.

Table 2: Net Borrowing quarter 1 2021/22

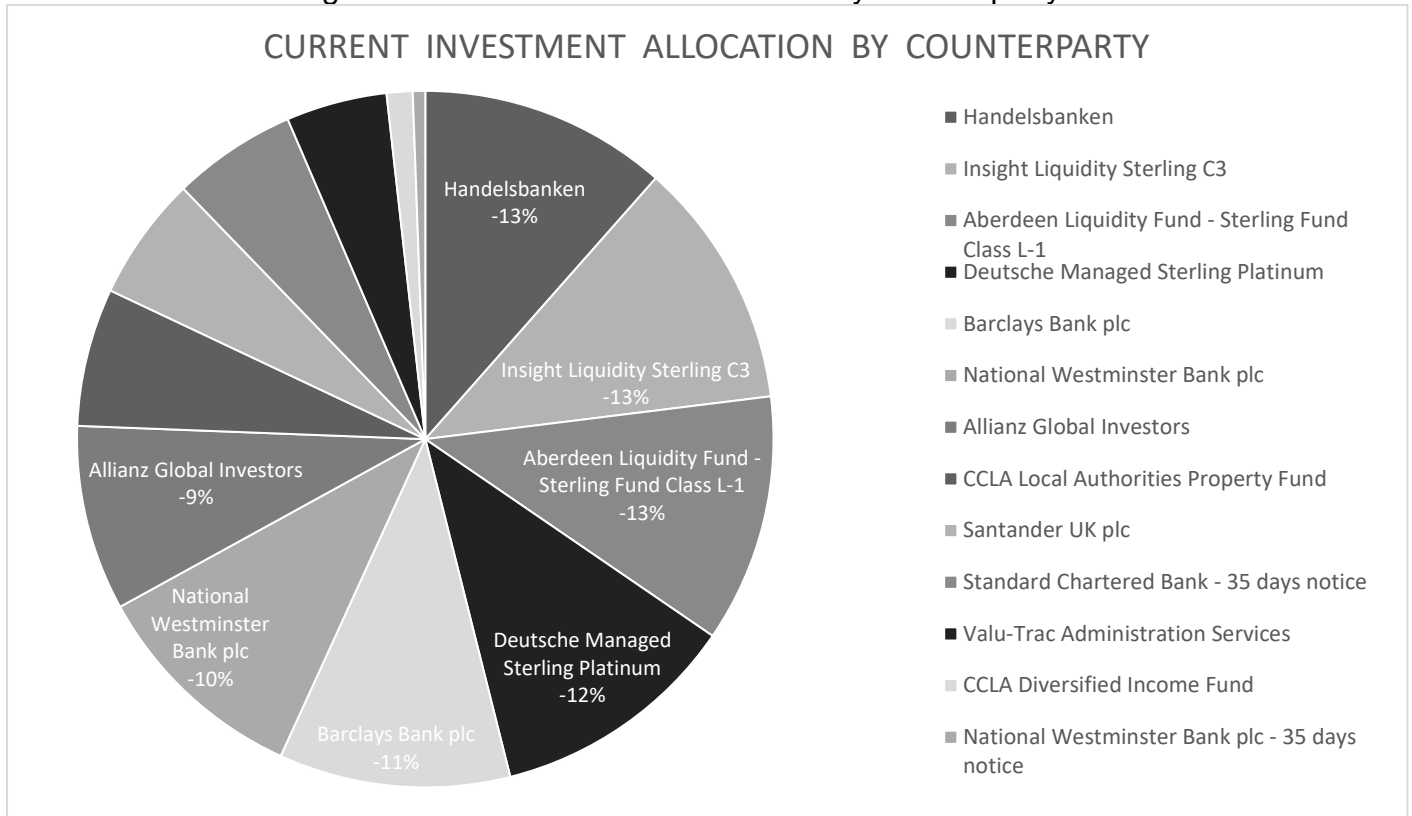
	Actual as at 1 April 2021 £m	Actual as at 30 June 2021 £m	In- months change £m
Borrowings			
Long term Borrowing (>12mth)	685.7	704.6	-18.9
Short term Borrowing (<12mth)	127.0	92.0	35.0
Total Borrowings	812.7	796.6	-16.1
Treasury Investment	-98.1	-173.6	-75.5
Total Net Debt/Borrowings	714.6	623.0	91.6

5. Investments

- 5.1 The Treasury Management Strategy Statement (TMSS) for 2021/22, including the Annual Investment Strategy for financial assets, was approved by Council in February 2021. It sets out the Council's investment priorities as being:
1. Security of Capital;
 2. Liquidity; and then
 3. Yield
- 5.2 The Council will aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. As shown by the interest rate forecasts in section 3, it is now impossible to earn the level of interest rates commonly seen in previous decades as all short-term money market investment rates are barely above zero now that Bank Rate is at 0.10%. Some entities are offering negative rates of return in some shorter time periods. Given this environment and the fact that increases in Bank Rate are unlikely to occur before the end of the current forecast horizon of quarter 2 2023/24, investment returns are expected to remain low.
- 5.3 At 30th June 2021 the Council's investment balances totalled £173.6m; the balance is split between Money Market Funds, Call/Notice accounts and CCLA and Allianz collective investment funds (see Table 3 below). The balance excludes Third Party Loans and Share Capital.

- 5.4 **Property Fund:** During quarter 1, the key focus for CCLA was to protect income. The revenue return on investment for quarter 1 was 2.86%. The capital value of the investment at 30th June 2021 was £11.1m (£10.4m at 30th June 2020) compared to an original investment value of £12m. Income held up better than expected during the pandemic, reflecting the fund's active asset management strategy and tenant engagement.
- 5.5 **Multi-Class Credit Fund:** At the end of quarter 1, the valuation of the CCC share of the fund stood at £14.9m. The Council originally invested £14.5m in September 2020, an increase in valuation of £400,000. The fund distributes income annually in December; however, over quarter 1 to 30th June 2021 the fund produced a net return of 1.19%, a significant improvement on the 0.04% net return from quarter 4 2020/21.
- 5.6 The Council invested £8.0m in the Gravis Clean Energy fund in May 2021. The fund was first launched in December 2017, and the current fund size is £330.2m. The fund:
- Aims to deliver a regular income expected to be 4.5% per annum.
 - Aims to preserve investors' capital throughout market cycles, with the potential for capital growth.
 - Invests in a diversified portfolio of global listed securities, including Investment Companies and Equities.
 - Offers exposure to companies engaged in the provision, storage, supply and consumption of clean energy.
- The current valuation at the end of quarter 1 is £8.13m, an increase in valuation of £130k. The Council received the first dividend of £76k in July 2021.
- 5.7. The average level investment in quarter 1 (excluding 3rd party loans and equity) was £124.6m, which carried a weighted average rate of 3.02%. The level of investment funds varies dependent on the timing of precept receipts, grants, and the progress of the capital programme; at the end of quarter 1 investments (excluding 3rd party loans and equity) totalled £173.6m. Figure 1 below shows the investment by counterparty as at 30th June 2021.

Figure 1: CCC Investments allocation by Counterparty



5.8 Table 3 below summarises the maturity profile of the Council's investment portfolio at the end of quarter 1 2021/22 (excluding Third Party Loans):

Table 3: Investment maturity profile at end of quarter 1 2021/22

Product	Access Type	Maturity Period					
		0d	0-3m	3-6m	~5yrs	Total	
		£m	£m	£m	£m	£m	%
Money Market Funds	Same-Day	60.0				60.0	34.6
Bank Call Account	Instant Access	66.3				66.3	38.2
Notice Account	35 Day Notice			11.0		11.0	6.3
Pooled Property Fund	Redemption Period Applies				11.1	11.1	6.4
Pooled Diversified Income Fund	Redemption – two days				2.1	2.1	1.2
Pooled Multi-class credit Fund	Redemption Period Applies				14.9	14.9	8.6
Income Fund (Energy)	Redemption Period Applies				8.1	8.1	4.7
Total		126.3	0.00	11.0	36.2	173.6	100.0
%		72.8	0.00	6.3	20.9	100.0	

- 5.9 Set out below are details of the amounts outstanding on loans and share capital investments classed as capital expenditure advanced to third party organisations at the end of quarter 4:

Table 4: Loans/Equity holdings in This Land companies end of quarter 1 2021/22

Loan Summary	Amount Outstanding (£m)	Repayment Year
Loans for land acquired from third parties	2.040	2021/22
Land, Construction & Development loans	113.851	2026/27, 2027/28 and 2028/29
Equity holding	5.851	N/A
Total Loans/Equity in This Land Ltd	121.742	

Table 5: Loans/Equity holdings in LGSS Law end of quarter 1 2021/22

Loan Summary	Original Amount (£m)	Amount Outstanding (£m)	Repayment Year
Cashflow loan	0.325	0.325	2029/30
Equity holding	0.475	0.475	-
Total Loans/Equity in LGSS Law Ltd	0.800	0.800	

Table 6: Third Party Loans Principal Outstanding end of quarter 1 2021/22

Loan Counterparty	Original Amount (£m)	Amount Outstanding (£m)	Repayment Year
Arthur Rank Hospice Charity	4.000	3.340	2042/43
Estover Playing Field 2015 CIC (Guaranteed by March Town Council)	0.350	0.221	2024/25
Wisbech Town Council	0.150	0.150	2043/44
VIVA Arts & Community Group	0.300	0.287	2043/44
Total Third Party Loans	4.800	3.998	

5.10 Investment returns compared to benchmark are shown in Table 7 below.

Table 7: Average Benchmark Performance – quarter 1 2021/22

	Benchmark	Benchmark Return	Council Performance
Quarter 1	3m LIBID	-0.04%	0.08%
Year To Date	3m LIBID	-0.04%	0.08%

5.11 Leaving market conditions aside, the Council's return on investments is influenced by a number of factors, the largest contributors being the duration of investments and the credit quality of the institution or instrument:

- Credit risk is the consideration of the likelihood of default and is controlled through the creditworthiness policy approved by Council.
- The duration of an investment introduces liquidity risk; the risk that funds cannot be accessed when required.
- Interest rate risk; the risk that arises from fluctuating market interest rates.

These factors and associated risks are actively managed by the Council's Finance team.

6. Borrowing

6.1 The Council can raise cash through borrowing in order to fund expenditure on its capital programme for the benefit of Cambridgeshire. The amount of new borrowing needed each year is determined by capital expenditure plans and projections of the Capital Financing Requirement, underlying borrowing requirement, forecast cash-backed reserves and both current and forecast economic conditions.

6.2 The Council will continue to utilise short to medium-term borrowing from other local authorities and authorised brokers, as well as PWLB following the recent rate reduction. The Council intends to keep a proportion of the borrowing portfolio short-dated; but is also focused on extending the average duration of loans in the portfolio, whilst there are opportunities to fix loans for extended maturities at historically low levels.

6.3 In quarter 1, the Council repaid on maturity a total of £80.0m, of which £60m was short-term loans from other local authorities and £20.1m was longer-term loans from other authorities and PWLB. Loans raised during quarter 1 amounted to £59.0m. Of which short-term borrowing maturing within 1 year was £20.0m, £5.0m was fixed-term loans maturing within 2-3 years, and £34.0m was PWLB loans.

6.4 At the end of quarter 1, the Council held £796.6m of borrowing, of which £92m was short-term borrowing that matures in less than 1 year from date of issue. The Council continues to be able to re-finance loans as required, generally at this time at a lower interest rate than the maturity loan. As opportunities arise, we are

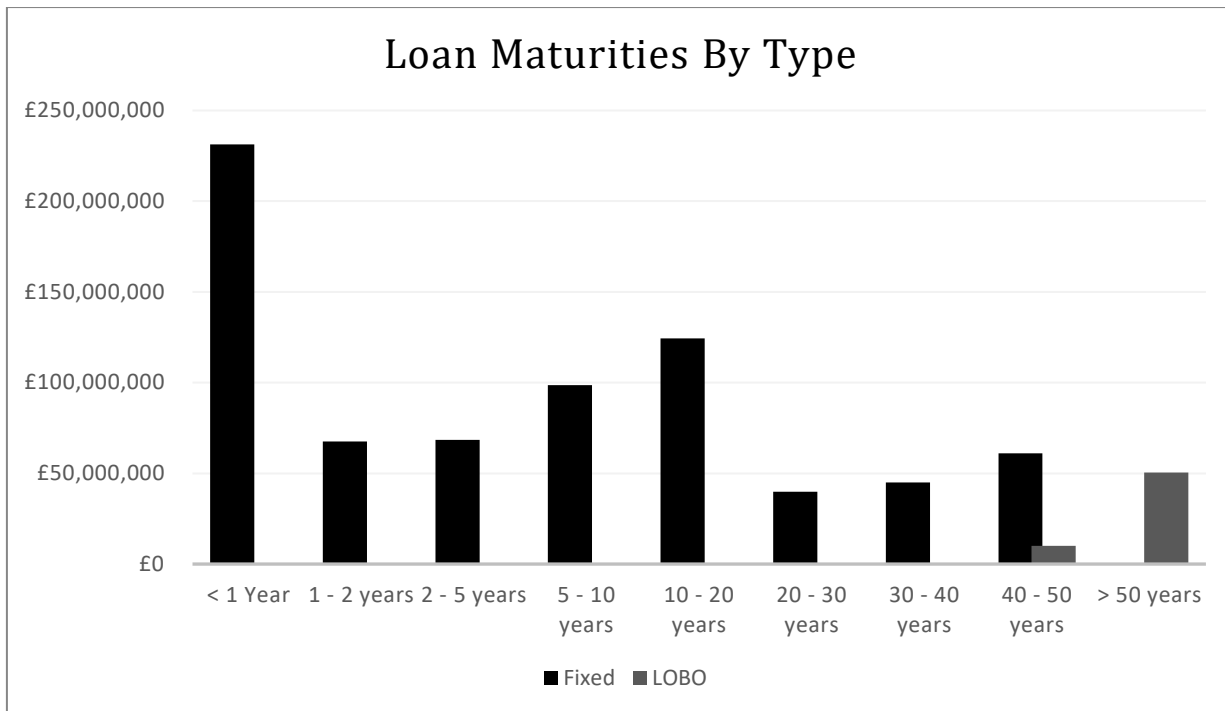
seeking longer loan terms, rather than less than 1 year, in view of the current conditions.

- 6.5 Table 8 below sets out the maturity profile of the Council's borrowing portfolio at the end of quarter 1; £454.1m.1m is held with the PWLB, £282.0m from other local authorities, £45.0m in market loans and £15.5m is a single market Lender Option Borrower Option (LOBO) loan. Of the £796.6m of borrowing, £231.4m (including both short-term and longer-term loans) will mature in less than 1 year, therefore potentially requiring refinancing.

Table 8: Loan Maturity Profile – quarter 1 2021/22

Term remaining	Borrowing	
	£m	%
< 1 Year	£231,365,333	29.04%
1 - 2 years	£67,493,333	8.47%
2 - 5 years	£68,419,000	8.59%
5 - 10 years	£98,683,667	12.39%
10 - 20 years	£124,323,333	15.61%
20 - 30 years	£39,833,333	5.00%
30 - 40 years	£45,000,000	5.65%
40 - 50 years	£71,000,000	8.91%
> 50 years	£50,500,000	6.34%
Total	£796,618,000	100.0

Figure 3 Loan Maturities by Type – quarter 1 2021/22



- 6.6 The market LOBO loan is included in Table 8 at final maturity rather than next potential call date. In the current low interest rate environment, the likelihood of the lender exercising their option to increase the interest rate on this loan - and so triggering the Council's option to repayment at par - is considered to be low.
- 6.7 The Council is in an internally borrowed cash position and balances will need to be replenished at some point in the future (subject to expenditure demands). This strategy is prudent while investment returns are lower than the cost of servicing debt and also serves to mitigate counterparty risk. The Council therefore plans to maintain this internal borrowing position but will closely monitor those reserves, balances and cashflows supporting this approach.
- 6.8 No borrowing rescheduling was undertaken during quarter 1. Rescheduling opportunities are limited in the current economic climate. For PWLB loans, due to the spread between the carrying rate of existing borrowing and early redemption rates, substantial exit (premium) costs would be incurred. For market borrowing, the lender uses the certainty of the loans cashflow profile to hedge against forecast interest rate movements and so would pass the cost of unwinding these instruments onto the Council as an exit (premium) cost. Officers continue to monitor the position regularly.

7. Compliance with Treasury and Prudential Limits

- 7.1 The Council's treasury and prudential indicators are shown in Appendix 2.
- 7.2 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ended 31st March 2021, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2021/22.

- 7.3 All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

8. Alignment with Corporate Priorities

- 8.1 Communities at the heart of everything we do

There are no significant implications for this priority.

- 8.2 A good quality of life for everyone

There are no significant implications for this priority.

- 8.3 Helping our children learn, develop and live life to the full

There are no significant implications for this priority.

- 8.4 Cambridgeshire: a well-connected, safe, clean, green environment

There are no significant implications for this priority.

- 8.5 Protecting and caring for those who need us

There are no significant implications for this priority.

9. Significant Implications

- 9.1 Resource Implications

This report provides information on performance against the Treasury Management Strategy. Decisions on treasury management, which are driven by the capital programme and the Council's overall financial position, will impact the Debt Charges Budget and are reported through the Budget Monitoring process.

- 9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for this category.

- 9.3 Statutory, Legal and Risk Implications

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

- 9.4 Equality and Diversity Implications

There are no significant implications for this category.

- 9.5 Engagement and Communications Implications

There are no significant implications for this category.

9.6 Localism and Local Member Involvement

There are no significant implications for this category.

9.7 Public Health Implications

There are no significant implications for this category.

9.8 Environment and Climate Change Implications on Priority Areas:

While this paper proposes no significant implications for this category, it should be noted that the Council's investments in Multi-Class Credit have been placed in a Sustainable and Responsible Investment (SRI) Fund and a Clean Energy Fund.

9.8.1 Implication 1: Energy efficient, low carbon buildings.

Status: Neutral

Explanation: There are no significant implications within this category

9.8.2 Implication 2: Low carbon transport.

Status: Neutral

Explanation: There are no significant implications within this category.

9.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Status: Neutral

Explanation: There are no significant implications within this category.

9.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Status: Neutral

Explanation: There are no significant implications within this category.

9.8.5 Implication 5: Water use, availability and management:

Status: Neutral

Explanation: There are no significant implications within this category.

9.8.6 Implication 6: Air Pollution.

Status: Neutral

Explanation: There are no significant implications within this category.

9.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.

Status: Neutral

Explanation: There are no significant implications within this category.

10. Source documents

10.1 None

Appendix 1: Extracted economic commentary from the Council's external Treasury Management Advisor (prepared in June 2021)

During the quarter ended 30th June 2021 (quarter 1 of financial year 2021/22): GDP rose by 2.3% m/m in April as restrictions were lifted on non-essential retailers.

- There were signs that activity was given another boost in May as indoor hospitality resumed.
- Sharply increasing virus cases in June delayed the final easing of lockdown restrictions by four weeks.
- Inflation accelerated to 2.1% in May due to energy effects and a surge in reopening inflation.
- Gilt yields and sterling made little headway, while the FTSE 100 failed to catch up on the S&P 500.

The economic recovery stepped up a gear as non-essential retailers and outdoor hospitality reopened on 12th April. The 2.3% m/m gain in GDP in April was the fastest pace of growth since July 2020 and left the economy just 3.8% below its February 2020 level. It was the accommodation and food sector and the retail sector that led the charge with monthly gains of 44.1% and 8.9% respectively.

Some sectors will take longer to recover than consumer spending. Trade flows are still well below pre-crisis levels and trade with the EU remains especially depressed after Brexit. Exports values to the EU, excluding erratic's, were 5.7% below their December level in April, while imports were a whopping 19.1% below. The slower recovery in the euro-zone and lingering Brexit effects are still hampering the recovery in trade with the EU, which will probably continue to lag behind the broader recovery.

After being subdued over much of the pandemic, inflation picked up sharply in this quarter. A large portion of the rise in CPI inflation from 0.7% in March to 1.5% in April was due to temporary energy price effects. Fuel price inflation added 0.3 percentage points (ppts). And the 9.2% increase in Ofgem's gas and electricity price cap from 1st April added 0.3ppts too. Inflation climbed further in May to 2.1% and core CPI inflation rose from 1.3% to 2.0%. Some of this was driven by reopening inflation, with clothing inflation, restaurants/hotels inflation and package holidays inflation all rising and likely rise further.

A strong recovery is underway in the labour market. The 113,000 rise in LFS employment in the three months to April was the largest rise since February 2020 and the ILO unemployment rate edged down to 4.7% from 4.8%. The strong set of labour market figures for April fed concerns over the anecdotal reports of labour shortages and its possible impact on inflation from higher wage growth. Vacancies rose to just 3.4% below their pre-virus level in May.

The myriad of factors boosting inflation (energy price effects, utility price effects, supply/shipping constraints, commodity prices and reopening), are likely to prove temporary. As such, the Bank of England will probably look through increases in inflation above the 2.0% target due to these factors. The minutes of the June meeting emphasised

“the medium-term prospects for inflation” and left intact the forward guidance designed to stress the MPC’s patience.

Appendix 2: Treasury and Prudential Indicators Quarter 1

Treasury / Prudential Indicator	2021/22 Indicator	2021/22 Quarter 1
Authorised limit for external debt (Inc' loans raised to on-lend to Housing & Investment Company)	-----£1,074.0m-----	
Operational boundary for external debt (Inc' loans raised to on-lend to Housing & Investment Company)	----- £1,044.0m-----	
Total Net Borrowing – Quarter 1	-----£623.0m-----	
Capital Financing Requirement (CFR) <i>[Including PFI and Finance Lease Liabilities]</i>	£984.4m	£984.4m
Ratio of financing costs to net revenue streams	8.8%	5.53%
Upper limit of fixed interest rates based on net debt*	150%	120%
Upper limit of variable interest rates based on net debt*	65%	-20%
Principal sums invested over 365 days (exc' third party loans)	£50.0m	£36.3m
Maturity structure of borrowing limits**:		
Under 12 months	Max. 80% Min. 0%	29.04%
12 months to 2 years	Max. 50% Min. 0%	8.47%
2 years to 5 years	Max. 50% Min. 0%	8.59%
5 years to 10 years	Max. 50% Min. 0%	12.39%
10 years and above	Max. 100% Min. 0%	41.51%

*The interest rate exposure is calculated a percentage of net debt. Due to the mathematical calculation exposures could be greater than 100% or below zero (i.e. negative) depending on the component parts of the formula.

**The Treasury Management Code of Practice guidance notes requires that maturity is determined by the earliest date on which the lender can trigger repayment, which in

the case of LOBO loans is the next break/call point. This approach differs to Table 6 at paragraph 6.5 above, which instead shows the Council's LOBO loan at maturity date as the likelihood of the option being exercised is low.

Agenda Item No.11

Strategy and Resources Committee Agenda Plan

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
- 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
21/09/21	Integrated Finance Monitoring Report for the Period Ending 31st July 2021	R Barnes	2021/022	08/09/21	13/09/21
	This Land monitoring update and land at Soham Northern (pre-emption)	T Kelly/Tony Cooper	2021/003		
	Treasury Management Report – Quarter 1	K Kent-Augustin	Not applicable		
	Corporate Services Update and Finance Report	A Askham/ T Kelly/ S Grace	Not applicable		
	Joint Agreement Performance Tracker	A Askham	Not applicable		
	Peer Review and Action Plan	G Beasley A Askham	Not applicable		
	Minor works framework covering building fabric and mechanical & electrical work	J Clayton	2021/050		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Relocation of temporary buildings (including associated site works and services installations)	J Clayton	2021/051		
	Extension of Opus East Joint Venture	J Atkin	2021/055		
	Laptop refresh procurement and the MFD contract procurement	K Halls	2021/024		
	Facilities Management Contract Renewal	T Cooper	2021/019		
	Business Plan	T Kelly	Not applicable		
02/11/21 Reserve date	Corporate Risk Register	A Askham	Not applicable	20/10/21	25/10/21
	Joint Agreement Performance Tracker	A Askham	Not applicable		
	Integrated Finance Monitoring Report for the period ending 30 September 2021	R Barnes	2021/062		
	Gas Supply Contract Renewal	S Wilkinson	2021/064		
	Business Plan	T Kelly	Not applicable		
17/12/21	Corporate Finance Report (August, September & October)	T Kelly	Not applicable	06/12/21	9/12/21
	Draft Revenue and Capital Business Planning Proposals for 2022-21 to 2026-2027 (whole Council)	T Kelly	Not applicable		
	Integrated Finance Monitoring Report for the Period Ending 31st October 2021	R Barnes	2021/024		
	Treasury Management Report – Quarter 2	K Kent-Augustin	Not applicable		
	Draft 2021/22 Capital Programme and Capital Prioritisation	T Kelly	Not applicable		
	Joint Agreement Performance Tracker	A Askham	Not applicable		
27/01/22	Business Plan* [recommended for determination by Council]	T Kelly	Not applicable	19/01/22	24/01/22

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	(includes Local Government Finance Settlement and Consultation Report)				
	Joint Agreement Performance Tracker	A Askham	Not applicable		
22/03/22	Finance Report (November)	T Kelly	Not applicable	10/03/22	14/03/22
	Integrated Finance Monitoring Report for the Period Ending 31st January 2022	R Barnes	2022/002		
	Treasury Management Report – Quarter 3	K Kent-Augustin	Not applicable		
	Corporate Services Report	A Askham/ T Kelly/ S Grace	Not applicable		
	Joint Agreement Performance Tracker	A Askham	Not applicable		
03/05/22 Reserve date				19/04/22	22/04/22

Please contact Democratic Services democraticservices@cambridgeshire.gov.uk if you require this information in a more accessible format

