STRATEGY AND RESOURCES

Cambridgeshire County Council

Thursday, 26 January 2023

Democratic and Members' Services
Linda Walker
Interim Monitoring Officer

New Shire Hall
Alconbury Weald
Huntingdon
PE28 4YE

10:00

The Red Kite Room, New Shire Hall, Alconbury Weald, Huntingdon, PE28 4YE
[Venue Address]

AGENDA

Open to Public and Press

CONSTITUTIONAL MATTERS

To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraphs 3 & 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, as it refers to 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

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The Strategy and Resources comprises the following members:

Councillor Lucy Nethsingha (Chair) Councillor Elisa Meschini (Vice-Chair) Councillor Chris Boden Councillor Steve Corney Councillor Steve Count Councillor Steve Criswell Councillor Lorna Dupre Councillor Mark Goldsack Councillor Neil Gough Councillor Richard Howitt Councillor Samantha Hoy Councillor Edna Murphy Councillor Tom Sanderson Councillor Alan Sharp and Councillor Graham Wilson

Clerk Name:	Michelle Rowe
Clerk Telephone:	01223699180
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STRATEGY AND RESOURCES COMMITTEE MINUTES-ACTION LOG

This is the updated action log as at 18th January 2023 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 16th December 2022					
Minute number	Item title	Responsible officer(s)	Action	Comments	Completed
116.	Integrated Finance Monitoring Report for the Period Ending 31 October 2022	Stephen Howarth	Noted that the pre-covid numbers for busway usage had not recovered and queried whether that was in relation to commuters or concessionary fares. The Head of Finance agreed to provide a written answer.	The relevant service has reviewed its estimates of income next year from the guided busway and from park & ride sites and we have now made a small adjustment in the draft business plan for 2023-24 to reflect an ongoing lower level of income expectation.	Complete
		Stephen Moir	Chief Executive to brief Group Leaders on the old Shire Hall site to ensure they had the same information received by the Leader.	The Service Director: Finance and Procurement organised a briefing for the members of the Committee to update them on the old Shire Hall site on 13th January 2023. All Group Leaders have received the same initial briefing prior to that session.	Complete
		Stephen Howarth	The Head of Finance agreed to provide a written response as to whether insurance covered the liability of the IT system in relation to scams.	Email sent on 17 January 2023.	Complete

Minute number	Item title	Responsible officer(s)	Action	Comments	Completed
117.	Business Planning Proposals for 2023-38 – Current Position	Stephen Moir Tom Kelly	Delay to Fair Funding Review - The Chair acknowledged the impact of this decision on one of the highest growth areas in the country. She therefore proposed that the council should send a cross party letter to government detailing the impact of this decision on Cambridgeshire residents.	A draft letter is being prepared for consideration by Group Leaders. The Council submitted a technical response to the provisional local government finance settlement on 16 January 2023.	In progress
		Matthew Gunn	Requested more information on Cambridgeshire Music's plans to extend its outreach work to include Fenland. The Chair agreed that a briefing note should be prepared.	Email sent on 18 January 2023.	Complete
		Tom Kelly Stephen Howarth	Requested a note of the full establishment of services and then the vacancy rates. The Service Director: Finance and Procurement agreed to provide a briefing note in late February early March once budget holders had completed their salary spreadsheets.	All individual budget holders are currently completing the salary and establishment analysis elements of budget build. We are on course to provide the note requested to these timescales.	Ongoing

Minute number	Item title	Responsible officer(s)	Action	Comments	Completed
		Stephen Moir	One member expressed continued concern that the school planned for Wisbech, which had been removed from the capital programme, had still not been delivered. The Local Member challenged the legality of the decision made by the Children and Young People Committee as co-opted members had not been eligible to vote. She was of the view that a review of that decision by the Monitoring Officer had not taken place, she therefore asked the Chief Executive to undertake such a review.	The Chief Executive wrote to Councillor Hoy on 28th December 2022, having reviewed the advice provided by the former Monitoring Officer and the Deputy Monitoring Officer. The issue raised had been reviewed and there was no issue of the decisions being arrived at in relation to the capital programme having any legal concerns.	Complete
118.	Corporate Performance Report – Quarter 2 2022-23	Stephen Moir Clare Ellis	Suggested that the Chief Executive take responsibility for reviewing requests for contract waivers at the end of the process in order for services to learn lessons for the future. The Chief Executive acknowledged this helpful suggestion and agreed to investigate with the Head of Procurement and Commercial the appropriate officer to take on this role, which could be the Section 151 Officer.	The Chief Executive met with the Head of Procurement and Commercial on 4th January 2023 to discuss this suggestion. As a consequence, a process of the Chief Executive 'dip sampling' the 3 highest value late waivers each month for the next quarter has now commenced. This level of scrutiny will support the work of the officer Procurement Governance Board and will encourage increased ownership and accountability by Executive Directors for late waivers from their directorates. The scope of this work and responsibility for this additional scrutiny will then be discussed with the new Executive Director of Finance and Resources when they take up post.	In-progress.

Minutes of 20th October 2022					
Minute number	Item title	Responsible officer(s)	Action	Comments	Completed
103	Integrated Finance Monitoring Report for the Period Ending 31 August 2022	Stephen Moir	To review how the communication and oversight of members in relation to recruitment, retention and development of the workforce offer across the whole council could be reinforced.	This is being considered as part of the development and refresh of the Council's People (Workforce) Strategy and will be brought forward to Committee in due course this year.	In-progress
111	Property acquisitions in Impington and St Neots	Tom Kelly	Action set out in confidential minute.	Since the previous update, negotiations have progressed between the proposed tenant and the vendor. If a lease is successfully agreed the Council anticipates that the vendor will exercise their put option later in January which would lead to purchase by the Council. Checks have been completed on the proposed vendor and adherence by the vendor to the put option conditions. Final sign off will be requested, in accordance with the delegation, from the Chair & Vice Chair at the end of January.	Ongoing

Agenda Item No: 4

Children's Services IT System Procurement

To:	Strategy & Resources Committee
Meeting Date:	26th January 2023
From:	Executive Director of Children's Services
Electoral division(s):	All
Key decision:	Yes
Forward Plan ref:	2023/007
Outcome:	The committee is being asked to approve the procurement of the IT solution supporting Children's Social Care Services. The outcome, if agreed, is a guaranteed provision of a known and developed IT system for Children's Services in line with corporate strategies.
Recommendation:	The Strategy and Resources Committee is asked to agree:

a) the procurement of the IT solution supporting Children's Services.

b) to delegate the decision to award the contract to the Executive Director of Children's Services and the Section 151 Officer in consultation with the Chair & Vice Chair of the Children and Young People Committee.

c) to delegate to the Executive Director of Children's Services and the Section 151 Officer in consultation with the Chair & Vice Chair of the Children and Young People Committee to approve all necessary legal documentation relating to the contract award, any transactions, associated arrangements and their formal executions.

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Member contacts:
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Tel: 01223 706398

1. Background

1.1 Children's Social Services, including Early Help, is a statutory service in Cambridgeshire and Peterborough, delivering vital children's services to those requiring it. Supporting this service is an IT solution called LiquidLogic (including a financial management system called ContrOCC). Cambridgeshire and Peterborough have separate LiquidLogic systems but they are supported by a single IT team and are largely configured the same. LiquidLogic went live in Cambridgeshire in October 2018 after a 14 month implementation programme, in which all business processes were re-engineered.

1.2 The current contract expires in August 2023, with no extension options available.

1.3 Since going live in 2018, there have been significant further developments, including:

- Improvements supporting the Foster Carer recruitment process
- Implementation of Family Group Conferences
- Changes required to support the creation of the Regional Adoption Agency

1.4 Over the next 2-3 years, there will be significant challenges within the service. The solution is delivered from LiquidLogics data centre (the cloud), and there are no proposals to change that.

2. Main Issues

2.1 Children's Services have a large programme of change, all supported by LiquidLogic. This includes the implementation of digital portals, allowing both professionals and service users to digitally interact with the service, reducing touch points, and improving the service delivery. Now more than ever does the service need a stable, known product to build upon these changes. The pressure on the service to move to an alternative solution during this time risks the provision of support to vulnerable service users.

2.2 We will work closely with colleagues in the Procurement Team and Pathfinder Legal Services to identify a framework agreement through which we can make a compliant direct award.

2.3 The current contract was awarded in 2017, and after a 14 month implementation period, it went live in October 2018. The cost of this implementation alone was ~£2m, requiring extensive data cleansing and migration from the old system to the new, system design and build, service re-design and staff training. In the 3-4 years since going live, there has been continuous development of the product to support the service needs and changes to legislation. If the result of going to open market were to change supplier, this would require an additional significant investment of the same magnitude (~£2m) plus destabilising a service that is currently to go through major legislative changes.

2.4 A summary of the financial and usage impacts are below

- The current annual system costs are £185k.
- It's currently proposed that RPI will increase these costs by 5% year on year (~£10k), but this is being negotiated with the supplier.
- We are seeking a 5 + 2 year contract term, and therefore total projected costs for the contract value will be ~£1.5m.

3. Procurement

3.1 We will be using the Crown Commercial DAS Framework RM3821 which enables direct award to a preferred supplier. We will build in social value and environmental requirements into our specification whichever procurement route is used to ensure that the Council maximises the value gained through the procurement process.

3.2 Due to the value of the contract, it will require Sealing.

4. Alignment with corporate priorities

4.1 Environment and Sustainability

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

- Continuing the increased use of digital solutions reduces the requirement for more analogue interactions, thereby reducing the production of paper and related services.
- We will be working closely with procurement to ensure the new contract aligns with the authority's climate and environmental outcomes, and related carbon reduction/reporting requirements.

4.2 Health and Care

- Work with partners to establish the Integrated Care System to provide more seamless services to users, ensuring local democratic accountability, focusing on prevention and early help, to enable children and young people to have the best start in life and people to live healthy lives independently for longer.

4.3 Places and Communities

There are no significant implications for this priority.

4.4 Children and Young People

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

- Focus on the early years of a child's life to provide them with the best opportunities possible to give them the Best Start in Life.

- Continue the Family Safeguarding approach in our children's social care services, so that children and young people are safeguarded from harm.
- Support our children and young people in care to achieve the best possible outcomes and ensure that our care leavers are able to access the support they need as they move into adult life.

4.5 Transport

There are no significant implications for this priority

5. Significant Implications

5.1 Resource Implications

The report sets out the implications for this priority in sections 2.4 above.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The procurement route will be compliant with Public Contract Regulations and the Procurement Team will support the procurement.

5.3 Statutory, Legal and Risk Implications

The following bullet point sets out details of significant implications identified by officers:

- Significant risk to vulnerable service users if the service does not have a fit for purpose, developed and robust IT system in place, especially whilst moving through a national reform.

5.4 Equality and Diversity Implications

There are no significant implications within this category.

5.5 Engagement and Communications Implications

There are no significant implications within this category.

5.6 Localism and Local Member Involvement

The Chair and Vice Chair of the Children and Young People Committee have been consulted and are supportive of this proposal.

5.7 Public Health Implications

Public Health commissioned services particularly Healthy Child Programme (Health Visiting, School Nursing and Family Nurse Partnership) spend a significant amount of time inputting data into LiquidLogic and as we move to an Integrated Care Systems it would be useful if the Local Authority and NHS IT systems (SystmOne) could be integrated to avoid duplication of data entry. This would give staff more time to care for individuals, improve morale and reduce the administrative burden on front-line staff.

5.8 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: Sarah Heyward

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes
Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes
Name of Legal Officer: Linda Walker

Have the equality and diversity implications been cleared by your EqIA Super User? Yes
Name of Officer: Faye McCarthy

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: Sharmain Lawrence

Have any Public Health implications been cleared by Public Health? Yes
Name of Officer: Raj Lakshman

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

6. Source documents

6.1 None

Agenda Item No: 5

Electricity Procurement for 2024-28

To:	Strategy and Resources Committee
Meeting Date:	26 January 2023
From:	Executive Director of Place and Sustainability
Electoral division(s):	All
Key decision:	Yes
Forward Plan ref:	2023/012
Outcome:	To agree a procurement strategy for an electricity supply contract for the supply period starting October 2024.
Recommendation:	Strategy and Resources Committee is recommended to

a) approve the renewal of the electricity supply contract with Total Energies via the ESPO framework for the supply period October 2024 to September 2028.

b) request an update in 12 months' time as to the steps taken by officers to engage with ESPO, as a shareholder, to support higher levels of low carbon energy in ESPO's forward strategy.

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Member contacts:
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1. Background

1.1 Cambridgeshire County Council consumes around 20 gigawatt-hours (GWh) of electricity per year, at an annual cost of approximately £3.5m in 2021-22, but this cost is likely to be significantly higher in 22-23 and 23-24 onwards, rising to perhaps £8m a year by 2024. The Council currently is liable for electricity bills at circa 200 supply points, which includes our offices, libraries, community centres and other buildings, plus street lighting, feeder pillars, traffic signals etc. but does not include schools. (1 GWh = 1,000,000 kilowatt-hours (kWh).)

1.2 The Council currently has a single contract in place for the supply of electricity with Total Energies, via the Eastern Shires Purchasing Organisation (ESPO) Framework (framework reference 191_B_C_20). This contract will expire at the end of September 2024.

1.3 The purpose of this report is to consider options for the procurement of electricity supplies from October 2024 onwards.

2. Main Issues

2.1 Greenhouse gas emissions. Electricity is the source of all of the Council's 'scope 2' (energy indirect) gross carbon emissions; however these emissions are zero wherever electricity is generated from 100% renewable sources (such as wind or solar). The Council's Corporate Energy Strategy includes 'managing cost' amongst its six strategic focus areas, alongside low carbon energy, local generation and energy efficiency. More recently, the Council's updated Climate Change and Environment Strategy includes the principles of working with our suppliers to improve environmental outcomes and using our purchasing power to drive improvement through our supply chain by specifying more sustainable options. Not only that, but the Strategy sets a target for the Council's scope 1 and 2 carbon emissions to reach net zero by 2030. The Climate Change and Environment Strategy Action Plan also specifically includes the commitment: "At each contract renewal, continue to purchase 100% renewable electricity for all buildings and street lighting operated by County Council."

2.2 Currently, Cambridgeshire County Council purchase Total's 'Pure Green' electricity tariff at a small extra cost. The cost of this is currently 0.56 pence per kWh, equivalent to 1.77% of our total electricity bill, or around £110k per year. This tariff means that we can report zero net greenhouse gas emissions for electricity, under the market-based emissions accounting method, because the electricity we use can be matched to Renewable Energy Guarantees of Origin (REGOs). Continuing to purchase 100% renewable electricity is necessary for the Council to meet its ambitions in the Climate Change and Environment Strategy by reducing net GHG emissions in scope 2 to zero.

2.3 REGO certificates are issued by Ofgem to generators of renewable electricity; one for each megawatt-hour (MWh) of eligible renewable output. (1 MWh = 1,000 kWh). The primary use of REGOs in the UK is for Fuel Mix Disclosure (FMD). FMD requires licensed electricity suppliers to disclose to customers the mix of fuels (e.g. coal, gas, nuclear, renewable and other) used to generate the electricity supplied. The main advantage of REGOs is the ability to demonstrate that the energy we purchase can be matched to the quantity of energy generated from 100% renewable sources. The more customers that demand 100%

renewable tariffs, the more renewable electricity will be required. However, the main disadvantages are that this system does not directly change the source of electricity being fed though the wires on the grid to our particular sites (which would not be possible as long as sites remain connected to the grid), and that the renewable tariffs are usually more expensive. Most suppliers (including Total Energies) offer both 100% renewable and other tariff options, whilst some suppliers only offer 100% renewable tariffs.

2.4 Changes in electricity usage. In the year to 30 September 2022, the Council used over 19 GWh of electricity across its sites, over 11GWh of which was for street lighting. However, the programme of LED replacement street lighting due to start in 2024 will reduce energy use by 6.5 GWh annually by 2026. There will also likely be some increases in electricity use in future years due to the switch away from fossil fuel heating systems to electricity-powered heat pumps and the uptake of electric vehicles, but some of this may be offset by improved energy efficiency, changes to the property portfolio and/or the potential for more on-site solar generation. All of these changes mean that the exact quantity of electricity that the Council will use over the 4 years from October 2024 to September 2028 is very hard to predict, but based on the information we have, could be around the following:

- October 2024 to September 2025: 16.1 GWh
- October 2025 to September 2026: 14.5 GWh
- October 2026 to September 2027: 14.1 GWh
- October 2027 to September 2028: 14.3 GWh

2.5 Volatile markets. The UK and global energy markets have been very volatile recently, especially since the Russian invasion of Ukraine in February 2022, with prices often reaching record highs. Wholesale electricity prices have been driven further up due to a series of reasons, including sanctions on Russian oil and gas, and operational issues at key pipelines, interconnectors and power stations. Electricity prices are also influenced by demand (varies with weather), European gas storage levels, renewables output, and global economic factors as well as UK policy. Therefore it is very difficult to predict future prices now.

2.6 Based on a combination of current prices, future price projections from the UK Government, and market intelligence from ESPO, a central estimate of future prices and usage would lead to an annual spend of around £6.3m for the contract period, meaning the total contract value over four years would be around £25m. However, sensitivity analysis on changes to either prices or usage (or both) means that the likely range is from £3.2m to £8.5m per year, and a contract value of between £15m to £31m.

2.7 The specialist electricity requirements of the County Council, with the large portfolio and particularly the use of un-metered supplies (UMS) which are required for large numbers of streetlights, means that generally only the larger energy suppliers have the capability to supply the Council. There are therefore only a limited number of suppliers who are likely to be willing and able to meet our needs.

2.8 There are a variety of procurement mechanisms available, and we have considered four potential routes to procurement.

2.9 Option 1: ESPO framework (framework reference 191_24) for supply during 2024 to 2028. ESPO is a public buying organisation owned by six member councils, including Cambridgeshire County Council. All ESPO's profits are shared amongst the six member authorities on a pro-rata basis depending on spend.

2.10 ESPO offers a flexible procurement solution, which incorporates a low risk purchasing strategy, in which ESPO purchase gas and electricity between 12 to 18 months prior to the physical supply period. ESPO have an in-house trading team who constantly monitor the markets and make considered purchases on customers' behalf when markets are conducive to do so. The aim is to provide customers with a below average market price and smooth out extremes in forward market prices. Customers using their flexible procurement solution will have their prices fixed for each 12-month term and these will be changed on the anniversary of each term, which for electricity is the 1st of October. Customers joining the Flexible solution will have their volumes aggregated with many thousands of other customers' requirements, enabling the ESPO trading team to operate the risk strategy effectively and make small, multiple purchases over a period of time to flatten the risk curve. The ESPO team manage the procurement and each framework term is for 4 years.

2.11 ESPO has already procured a supplier for the 2024-28 period, and have awarded the contract to Total Energies, who also have the current 2020-24 contract.

2.12 Total Energies is a French multinational publicly-traded oil and gas company, whose businesses cover the entire oil and gas chain, from exploration and production to power generation, transportation, refining, marketing and trading. They employ over 100,000 people (2,353 in the UK) and had annual revenues of over US$184 billion in 2021. Total Energies state on their website that their aim is to reduce their share of petroleum products and "increase natural gas, as a transition fuel, and renewable electricity". (Natural gas is lower carbon than oil but is still a fossil fuel.) In 2021, 44% of Total Energies' sales were from petroleum products (down from 65% in 2015) and 48% were from natural gas (up from 33% in 2015).

2.13 The current ESPO framework (2020-24) is currently used by all six of the member local authorities of ESPO, as well as a large number of other local authorities and other public sector organisations, totalling around 28,000 sites.

2.14 The arrangement with ESPO provides Cambridgeshire County Council with a wide range of services including:

- Development of and periodic review of price risk strategy;
- Data collation and validation;
- Invitation to tender, supplier evaluation, selection and appointment;
- Contract award;
- Supply point transfers;
- Support with disputes and queries;
- Contract performance monitoring;
- Provision of market intelligence information;
- Trading team expertise: purchase required energy volumes in line with agreed price risk strategy.

2.15 For these services, ESPO charge annual fees which are included in the standing charges that we pay. These fees currently equate to around £14,500 per year or ~0.23% of Cambridgeshire County Council’s total electricity bill. The service from ESPO to date has in general been excellent and what we get for the fee is considered good value for money.

2.16 Contract renewal deadlines. ESPO initially asked Cambridgeshire County Council to confirm by 31 January 2023 whether or not we wish to renew our contract from October 2024, but have provisionally agreed to extend the deadline for signing contracts to April 2023. The early deadline is to enable ESPO’s trading team to commence purchasing of electricity up to 18 months in advance of the supply period.

2.17 Option 2: Beond, part of the E-Energy Group PLC, operate a Dynamic Purchasing System (DPS), which is an alternative method of procuring a supplier. Unlike a normal framework contract, suppliers can be added to or removed from the list at any time. (Suppliers are still required to qualify and pass financial, legal and quality checks.) The DPS offers a live, reverse auction process, with fixed price or flexible options. Beond would advise when to run the reverse auction based on market intelligence, and contracts could be for 2, 3 or 4 years. The price paid by the Council would depend on the bids received by suppliers on the day of the auction, although repeat auctions are possible. This option would not need to be implemented so far in advance, so for supplies for October 2024 onwards, Beond would likely run an auction in the second half of 2023 or early 2024. (However, the Council would still need to give notice if it intended to terminate the existing contract with ESPO, in early 2023.)

2.18 The Council’s Energy and Procurement teams undertook some soft market testing with Beond which was carried out in November 2022 to determine the number of bids likely to be received. The teams also met with officers from other local authorities using the DPS, to understand their experience. Feedback from other local authorities was positive. The DPS would enable a wider range of suppliers to bid, compared to using ESPO or another conventional framework. However, it is uncertain which suppliers would be both interested in bidding and capable of meeting the Council’s specialist energy requirements.

2.19 Option 3: Other purchasing organisations such as Crown Commercial Services or YPO offer similar services to those of ESPO. However there would be likely to be no advantage in using these over ESPO. There are also other energy brokers in the market, however these may not have much experience dealing with large local authorities with numerous sites and complex supply requirements. Most energy brokers tend to deal more with SMEs and domestic properties.

2.20 Option 4: An alternative to buying through an organisation such as ESPO or an energy broker would be to run a procurement ourselves to contract with a supplier directly. The advantage of that approach would be that we could define the contract scope ourselves and would have full control over the specification. However, this would necessitate running a full compliant procurement process in-house, which would require significant in-house expertise, not only in procurement but also in the energy markets, and would be time and resource-intensive. It is vital to get the scope and specification of such a contract right, which would have to consider energy markets, trading strategies, metering, Automated Meter Reading, Meter Operator services, site works, data provision, billing platform and more. (A Meter Operator agreement is a legal requirement for all half-hourly electricity supplied meters.) We do not currently have the expertise in-house to trade on wholesale energy markets directly, and a fixed price contract is likely to be significantly higher cost. The high cost, high risk and difficulty of running such an exercise is currently unlikely to be worth pursuing, when compared with the alternative options. Not only that, but the Council would be more likely to incur higher electricity prices when trading directly, when compared to the higher purchasing power of being part of a larger group of customers. This option would also require more resource to manage, including a much greater ongoing contract management capability than is currently in place.

2.21 Comparison of options. In selecting an option, the Council must consider a number of factors including financial cost, environmental impact, quality of service, level of risk and practicality of contract management / administration. None of the available options would provide fixed price tariffs, so the exact costs would remain unknown until the beginning of the supply year.

- Option 1 (ESPO framework with Total Energies) is the best known and lowest risk option. ESPO have an established track record of providing good quality service and good prices. Total Energies offer a 100% renewable electricity tariff, although they are primarily an oil and gas company.
- Option 2 (Beond DPS) could be more likely to lead to greater innovation and the chance of switching to an exclusively 100% renewable supplier, although this is not guaranteed. This option is higher risk on price and customer service due to greater uncertainties.
- Option 3 (Other buying organisations) offers no advantages over option 1 so is not recommended.
- Option 4 (in-house procurement) is the most difficult, costly and highest risk, and so is not recommended.
- Further details on comparison of options is provided in Appendix A

2.22 Additional services. One further consideration is whether it is possible to take advantage of the fact that the Council both buys and sells electricity, as it is both a consumer and also a generator. The Council owns a solar farm already in operation and has further solar generation assets in development. It may be possible to match some of the volumes of electricity exported and sold from its generation assets (such as solar farms), against part of what is purchased through our incoming supplies from the grid, through arrangements such as Power Purchase Agreements (PPA) or sleeving. This may or may not offer cost advantages, and further work is in progress with the Finance, Procurement and Energy teams to establish whether this option is worth pursuing. In any case, a supply contract would still be required, since the volumes bought and sold at different times would not match exactly.

2.23 Energy efficiency and reducing energy consumption will still have a key role to play, whichever procurement option we select. (The cheapest unit of electricity is always the one we don't use.)

3. Alignment with corporate priorities

3.1 Environment and Sustainability
The report above sets out the implications for this priority in paragraphs 2.1 to 2.3 and 2.23.

3.2 Health and Care
There are no significant implications for this priority.

3.3 Places and Communities
There are no significant implications for this priority.

3.4 Children and Young People
There are no significant implications for this priority.

3.5 Transport
There are no significant implications for this priority.

4. Significant Implications

4.1 Resource Implications
The report above sets out details of significant implications in paragraphs 2.4 to 2.8 and 2.22.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications
Both the ESPO and Beond options are fully compliant with the Council's Contract Procedure Rules. The report above sets out further details of significant implications in paragraphs 2.7 to 2.21.

4.3 Statutory, Legal and Risk Implications
The report above sets out details of significant implications in paragraphs 2.5 to 2.7, 2.16, 2.21 and 2.22.

4.4 Equality and Diversity Implications
There are no significant implications within this category. Equality Impact Assessment reference number is CCC478133107.

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.

Positive/neutral/negative Status: Positive
Explanation: A focus on reducing electricity consumption whilst also continuing to purchase 100% renewable electricity supplies will support our drive to net zero carbon for scope 2.

4.8.2 Implication 2: Low carbon transport.
Positive/neutral/negative Status: neutral
Explanation: No impact

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Positive/neutral/negative Status: neutral
Explanation: No impact

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Positive/neutral/negative Status: neutral
Explanation: No impact

4.8.5 Implication 5: Water use, availability and management:
Positive/neutral/negative Status: neutral
Explanation: No impact

4.8.6 Implication 6: Air Pollution.
Positive/neutral/negative Status: neutral
Explanation: No impact

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.
Positive/neutral/negative Status: neutral
Explanation: No impact

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 Head of Procurement? Yes
Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal Services? Yes
Name of Legal Officer: Linda Walker

Have the equality and diversity implications been cleared by your EqIA Super User?
Yes
Name of Officer: Sheryl French

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: Sheryl French

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

5. Source documents

5.1 Cambridgeshire and Peterborough Corporate Energy Strategy, July 2019
Cambridgeshire County Council Climate Change and Environment Strategy, Part 1
Cambridgeshire County Council Climate Change and Environment Strategy, Part 3: High level action plan
ESPO electricity (for supply during 2020-2024) framework
ESPO electricity (for supply during 2024-2028) framework
Total Energies – Transforming to reinvent energy
Total Energies ownership structure

Appendix A – Comparison of Options

Option / details / criteria	Option 1: ESPO / Total Energies	Option 2: Beond DPS	Option 3: Another buying organisation	Option 4: In-house procurement
Buying organisation	ESPO	Beond	Various	N/A
Supplier	Total Energies	Unknown	Unknown	Unknown
Procurement method	Framework	Dynamic Purchasing System	Framework	Direct procurement
Cost of electricity	Unknown. Likely to be lowest cost option due to known strong past performance in trading team and aggregated purchasing with other customers.	Unknown. Likely to be similar cost to option 1 but risk that could be higher.	Unknown. Likely to be similar cost to option 1 but risk that could be higher.	Unknown. Likely to be highest cost as less purchasing power when not aggregated with other customers.
GHG emissions from electricity	Zero if we continue to purchase 100% renewable tariff	Zero if we continue to purchase 100% renewable tariff	Zero if we continue to purchase 100% renewable tariff	Zero if we continue to purchase 100% renewable tariff
Type of green electricity tariff	REGO-backed 100% renewable	Unknown. Council could specify.	Unknown. Council could specify.	Unknown. Council could specify.
Supplier's environmental impact.	Supplier is primarily an oil and gas company.	Unknown. Potential suppliers include mainly oil/gas companies and few others.	Unknown. Potential suppliers include mainly oil/gas companies and few others.	Unknown. Potential suppliers include mainly oil/gas companies and few others.
Quality of customer service	Excellent track record of performance in billing, administration and resolving queries.	Unknown	Unknown	Unknown
Resource required for procurement	Minimal	Small. Some work to agree specification.	Small. Some work to agree specification.	Large amount of work required.
Resource required to manage contract	Same as existing	Unknown. Likely to be same as existing.	Same as existing	Additional full time role likely to be required.
Overall risk level	Low	Medium	Medium	High

Proposed Business Plan for 2023-28

To:	Strategy and Resources Committee
Meeting Date:	26 January 2023
From:	Chief Executive and Service Director: Finance and Procurement
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	Not applicable
Outcome:	The committee is able to review the full draft business plan ahead of consideration by Full Council, including updated estimates, wider context and the outcome of the local government finance settlement.
Recommendation:	It is recommended that the Committee:

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

2. Agrees the proposed approach to balancing the budget in 2023-24 set out in section 3.

3. Reviews and endorses the following recommendations to Council:

a) Approve the Service budget allocations as set out in each Service table in section 3 of the Business Plan.

b) Approve a total county budget requirement in respect of general expenses applicable to the whole County area of £998,433,000, including a levy of £9,878,676 payable to the Cambridgeshire and Peterborough Combined Authority for the delivery of Transport Services and a levy of £442,000 payable to the Environment Agency for flood and coastal services.

c) Approve a recommended County Precept for Council Tax from District Councils of £371,942,139.49 (to be received in equal instalments in accordance with the fall-back provisions of the Local Authorities (Funds) (England) (Amendment) Regulations 1995).

d) Approve a Council Tax increase for each Band of property, based on the number of “Band D” equivalent properties notified to the County Council by the Districts (241,071.60), reflecting a 2% Adult

Social Care precept increase and a 2.99% increase in Basic Council Tax Precept:

Band	Ratio	Amount
A	6/9	£1,028.58
B	7/9	£1,200.01
C	8/9	£1,371.44
D	**9/9**	**£1,542.87**
E	11/9	£1,885.73
F	13/9	£2,228.59
G	15/9	£2,571.45
H	18/9	£3,085.74

e) Approve the Capital Strategy as set out in Section 6 of the Business Plan including:

- Commitments from schemes already approved;
- Expenditure on new schemes in 2023-24.

f) Approve the Treasury Management Strategy as set out in Section 7 of the Business Plan, including:

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

ii. The Affordable Borrowing Limit for 2023-24 (as required by the Local Government Act 2003).

iii. The Investment Strategy for 2023-24 and the Prudential Indicators as set out in Appendix 3 of Section 7 of the Business Plan.

g) Approves the establishment of an Executive Director for Children, Education and Families and an Executive Director for Adults, Health and Commissioning, revising Part 7 of the Constitution, utilising funding allocated through this Business Plan.

4. Authorise the Service Director: Finance and Procurement, as the Section 151 Officer, in consultation with the Leader and Deputy Leader of the Council, to make technical revisions to the Business Plan, including the foregoing recommendations to the County Council, so as to take into account any changes deemed appropriate. This may include updated information on District Council Tax Base and Collection Funds, Business Rates forecasts

and Collection Funds, capital receipts and prudential borrowing, and updated grant values from awarding bodies.

Officer contact:
Name: Stephen Moir / Tom Kelly
Post: Chief Executive / Service Director: Finance and Procurement
Email: Stephen.Moir@cambridgeshire.gov.uk / Tom.Kelly@cambridgeshire.gov.uk
Tel: 01223 699241

Member contacts:
Names: Councillor Lucy Nethsingha / Councillor Elisa Meschini
Post: Chair/Vice-Chair
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Tel: 01223 706398

1. Background and context for business planning

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

1.2 This paper builds on the information which has been provided to committees in October and December and sets out the latest financial position for the period 2023-28 together with potential decisions Full Council could take in order to set a balanced budget in February.

1.3 The draft Strategic Framework for this business planning period was presented to this committee in December. That framework sets the direction for the Council to deliver on its Corporate Strategy, describing our vision for the county and the ambitions which will focus our work. The seven ambitions we have set are:

1. Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes
2. Travel across the county is safer and more sustainable environmentally
3. Health inequalities are reduced
4. People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs
5. People are helped out of poverty and income inequality
6. Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised
7. Children and young people have opportunities to thrive

1.4 Our development of savings and income proposals, as well as the investments we intend to make, presented in this Business Plan, prioritise and drive forward these ambitions. For the first time we have also adopted a triple bottom line approach to business planning decisions, ensuring that across all changes we are actively considering financial sustainability and affordability for the Council alongside social and environmental outcomes for our communities.

1.5 The financial context in which the business plan is developed, remains challenging, with the country facing weak economic growth, high inflation, and rising interest rates. The UK economy has been in a recession since October 2022 which is expected to continue for the first half of 2023-24. Overall, UK economic output is not expected to return to pre-pandemic levels until well into 2024-25. This has resulted in fiscal constraint by the current government, with below inflation increases in government spending announced in the Autumn Statement in November 2022.

1.6 Inflation in particular is making setting a balanced budget for next year difficult. The prices that the Council pays for goods and services, our energy costs, the costs of paying our employees and heating our buildings are increasing by levels not seen for many years. The projections published by the Office of Budgetary Responsibility alongside the Autumn

Statement in November 2022 came late in our planning process and have resulted in increased pressure projections next year, set out below. The scale of the inflationary impact was not foreseen when the Council agreed its current business plan in February 2022. This follows a period of reducing and then constrained funding for local government in recent years, and an unprecedented pandemic, compounding the challenge to our spending power. Overall, inflation alone will have added more than £20m to our budget gap next year.

1.7 Inflation, and weak economic growth, is also having an impact on the people of Cambridgeshire, who are seeing household budgets squeezed by rising costs. This in turn increases demand for council services.

1.8 Projecting demand for council services over the medium-term remains difficult. In many cases, demand has changed since the pandemic, and we are having to adapt to new trends. Demand growth overall is a large part of our increasing costs each year, and there is a risk with uncertain demand that we set inaccurate budgets for services. We have tried to mitigate this by in all cases adopting a medium risk/central assumption to projections, with the aim that overall the right amount of funding will have been allocated.

1.9 It remains our ambition to set a medium-term budget that is closer to being balanced over the whole planning period, rather than just a legally compliant balanced budget for the next financial year. Continued uncertainty in Government funding, combined with short-term and late provisional settlements, as well as changing economic conditions, nationally and globally, make this difficult and, in particular, the second year of this business plan recognises that we continue to have a challenging budget gap to close. We will address this proactively and commence the next planning and replanning cycle straightaway this Spring.

1.10 As part of the December update to Committees, a number of assumptions and risks to the draft business planning figures were highlighted. 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. Risks which remain are:

- Inflation/interest rates
  If inflation/interest rates increase by more than our projections, then costs to deliver services and borrowing will increase, resulting in a cost pressure.

- High needs
  The Council is spending £12m more per annum on meeting costs of high needs education than it receives in funding. Additional funding and national and local reforms are urgently needed. We are engaging with government in the Safety Valve process which we hope will unlock funding and help to reduce the overall and in-year deficit. HM Government has announced an extension to the regulations permitting a ringfenced deficit on this budget. However, it is essential the Council secures a safety valve deal to unlock revenue support and capital investment, our reform plans for this area are ambitious and complex. This means there are both local and national risks to this budget, given the scale of the challenge in an adverse scenario the deficit could exceed the total of our available reserves.

- Forecast overspend
  The Council is currently forecasting an overspend of £2.66m for 2022-23 (0.6%) due to rising costs in certain demand led services, particularly home to school transport, higher than assumed employee pay inflation and delays to some energy generation schemes. In line with Council policy, any overspend will be met from reserves. We have used the November 2022 forecast for planning purposes.

- Employee pay award in 2023/24
  We are currently assuming a 5% average increase in workforce costs in 2023-24. Presently, in public services beyond local government, there has been a significant increase in industrial disputes and associated action as pay proposals have fallen short of employees' requests. If the next nationally agreed pay award for Councils, and any subsequent local decisions, see upward pressure the budget we have allocated could be exceeded.

- Adult Social Care (ASC) market sustainability / reforms
  The government has delayed adult social care reforms until 2025, which averts a short-term uncertainty for our financial position as those reforms are expected to require a significant investment. We would expect funding to come from government, but experience so far is that implementation costs will not necessarily be fully funded. Following the provisional local government finance settlement, set out below, there is now uncertainty about how the government intends to fund these reforms from 2025 as earmarked funding has been re-allocated.

- Partnerships
  Budgets are based upon an assumption of a certain level of funding from or contributions to partner organisations, such as the NHS Cambridgeshire and Peterborough Integrated Care System (ICS) or the Mayoral Combined Authority. These assumed budget levels are still subject to discussion with the relevant body and will be updated as they are finalised.

1.11 Despite the pressures we are facing, and the uncertain planning environment, we have been able to prioritise planned investments, and make some new investments, in this business plan. To ensure that social and environmental outcomes are protected in the drive to set a balanced budget, a range of investments are included, such as:

- Ongoing investment from the Just Transition Fund over the next few years into net zero, flood risk management and development of local social care in communities
- Continuing commitment to paying the real living wage for Cambridgeshire County Council (CCC) employees and for adult social care provider staff
- Retention payments for qualified social workers, and the insourcing of some social care provision
- Investing in renewable energy generation to produce a long-term income stream for the Council as well as environmental benefits
- Increasing in-house workforce in the highways and transport service by over £500k, funded by reducing reliance on external contractors in the design/delivery of works and by achieving better value for money in the works we undertake.

1.12 In addition, we will continue this Council's commitment to funding free school meal vouchers during school holidays for eligible families. This will partly be funded through the extended Household Support Fund but there will be further funding to continue the enhanced scheme in Cambridgeshire for the coming financial year through committing some of our reserves.

1.13 We will also allocate £1.05m from reserves to the Highways and Transport service within the Place and Sustainability Directorate to enable two investments to take place. Firstly, we will create a civil engineering apprenticeship programme for a cohort to undertake both work and training in this area. The development of a comprehensive apprenticeship programme is a key element of CCC breaking the cycle of increasing demand for delivery and a declining supply of people with the appropriate skills and qualifications. This is an invest to save, local skills development and local skilled employment opportunities for Cambridgeshire, with the further opportunity to take the lead locally in addressing these issues and potentially reaching young people. Secondly, we will invest around £350k in implementing a cyclic programme of grip cutting to remove standing water on rural roads. Recutting lost grips will improve drainage and by removing surface water will improve road safety and reduce potholes and edge deterioration.

2. Updates to position from December Committee

2.1 At their December meetings, Policy and Service Committees received information about draft business planning proposals, which were developed in liaison with Members throughout the year using the strategic approach outlined above. These proposals, with some updates, now form the draft business plan alongside the strategic framework, business cases and financial strategies. Despite the budget gap more than doubling at the start of the process due to very high levels of inflation, through our approach we have been able to make progress towards closing the budget gap in 2023-24 by refining estimates for demand and inflation, income generation opportunities and savings.

2.2 Despite good progress, there remained a budget gap in all years of the medium-term plan, with a particularly large gap in 2024-25. The budget gap position set out to Committees in December was:

	2023-24	**2024-25**	**2025-26**	**2026-27**	**2027-28**
£000	12,886	25,398	17,977	13,053	14,333

2.3 Since the drafting of proposals for December committees, a number of updates have had to be made to reflect increased pressures. In the Autumn Statement in November 2022, the Chancellor of the Exchequer reported that inflation next year would be higher than anticipated, remaining as high as 6.5% through 2023-24. This has unfortunately required revisions to our inflation estimates, as the national inflationary position will feed through into increased prices that we pay for services.

2.4 As well as this, the national minimum wage will increase by 10p per hour more than expected. The Council pays its employees the real living wage and is moving towards ensuring that people employed by social care providers are likewise paid the real living wage. Inflation will also impact the cost of doing this, and the need for our suppliers to maintain a pay differential with the rising minimum wage even where they are paying higher than that level.

2.5 Other changes include allocating budget to some services projecting overspends in 2022-23 to ensure a balanced starting position next year where we think these pressures are structural, or additional burdens placed on us by government regulations (such as Persistent Organic Pollutants waste disposal regulations). We have also amended capital financing cost projections – rising interest rates are increasing the revenue cost of our capital programme next year, and the revised capital programme set in the business plan has changed financing cost projections in other years.

2.6 We have fully reviewed all estimates included the current 2022-27 business plan and in previous updates to the draft 2023-28 business plan and have made some adjustments to reflect expected income phasing

2.7 The following table highlights the changes which have occurred since December Committees, before the Finance Settlement, that have impact on the budget gap for 2023-24 and beyond:

Area	Item	2023-24	2024-25	2025-26	2026-27	2027-28
	Budget gap – December	**12,886**	**25,398**	**17,977**	**13,053**	**14,333**
All	Inflation updates	5,685	1,469	-1,170	-1,143	-208
All	Income inflation updates	-273	53	108	40	-51
	Service pressures/Investments:					
CYP	HTS Transport Pressure	1,604	0	0	0	0
S&P	S&P Pressures	58	0	0	0	0
P&S	Coroners Staffing	90	24	0	-24	-24
P&S	Park & Ride and Busway Maintenance	190	0	0	0	0
F&R	Property maintenance, safety and compliance	190	0	0	0	0
P&S	Further waste pressures	1,473	-555	0	0	0
Peopl	Investment in leadership of People Services	800	0	0	0	0
P&S	Guided Busway periodic maintenance	0	0	0	0	1,075
Peopl	Intensive Therapeutic Support Hub for children	0	0	900	0	0
Peopl	Educational Psychologists	200	0	0	0	0
P&S	Guided Busway income estimate	110	0	0	0	0
	Savings and invest-to-save:					
Peopl	Invest to save - LD reviews	280	-280	0	0	0
Peopl	Mid-cost placement review	-203	-203	0	0	0
Peopl	Invest to save - digital social prescribing	28	0	0	0	0

Peopl	Recommissioning mental health contracts	0	-150	0	0	0
Peopl	Digital social prescribing	-61	0	0	0	0
All	Capital Financing	268	243	-1,334	838	1,282
P&S	Income phasing estimate - Energy schemes	1,652	-1,742	0	0	0
Peopl	Income phasing estimate - NHS income	1,700	0	-1,700	0	0
F&R	Business rates indexing	-4,718	0	0	0	0
F&R	Council tax and business rates taxbase estimates	0	-2,276	-254	-2,382	-767
	Miscellaneous Changes	-141	3	-747	-233	-146
	Budget gap, pre- Settlement	**21,818**	**21,984**	**13,780**	**10,149**	**15,494**

2.8 Local Government Finance Settlement

2.8.1 On Monday 19 December, the provisional local government finance settlement was announced by central government. This is a key part of the budget setting process as it confirms several financial allocations from government departments and the principles for setting Council Tax without requiring a local referendum. While this is a provisional settlement that is being consulted on, in reality the final settlement typically matches in all material aspects.

2.8.2 The key elements of the settlement announcements are set out below:

2.8.3 Core Spending Power – overall the government is announcing that core spending power of Cambridgeshire will increase by 9.5% next year (compared to an average across all councils of 9.2%). Of this, however, half relates to additional council tax raising powers, and a further third relates to compensation for business rates not increasing in line with inflation. Genuine new government support, therefore, will increase our budget by much less than the headline figure (and less than inflation).

2.8.4 Grants – the government confirmed announcements made in the Autumn Statement about new grant funding available and set out individual councils' allocations. The general 'services grant' will continue at a lower level to reflect the now reversed increase in National Insurance. Cambridgeshire will see an increase in the un-ringfenced social care grant, as well as further support for Adult Social Care through increased allocations to the Better Care Fund and the market sustainability grant. The New Homes Bonus continues to be reduced, with Cambridgeshire losing around £1m of funding from this grant. The independent living fund grant, also worth around £1m, has also been discontinued. A number of other significant grant allocations, including the Public Health Grant, have not yet been announced. These grant changes are summarised overleaf:

	Item	Additional Funding (£000)	Remarks
1	Services Grant	2,540	Continuation of 2022-23 grant with £2m removed to reflect reversal of funding related to abandoned NI rise.
2	Social Care Grant	11,661	Increase in existing grant relating to adult and children's social care – applied to demand and inflationary pressures.
3	Discharge Fund	2,127	New funding to be applied to the BCF and spent alongside NHS partners. New spend expected.
4	Adult Social Care Market Sustainability and Improvement Funding	3,873	Increase in existing grant, which provides support to adult social care providers. Spend to be reviewed alongside updated grant conditions.
5	New Homes Bonus	-1,085	Reduction in existing grant.
6	Revenue Support Grant	27	After an absence of several years, we now receive a modest allocation.

2.8.5 Items 1, 2 and 6 above are changes in grant that can be applied to cover pressures included in the draft budget, offset by the reduction in item 5. The expenditure relating to item 4 needs to be considered alongside further announcements to come about related grants and the final contribution to adult social care from the Better Care Fund. It is unclear how government will fund the social care reforms now delayed to 2025 as the funding it had earmarked for this has been recycled to create some of the funding in the above table.

2.8.6 There will be an extension to the Household Support Fund for 2023-24, which is used in Cambridgeshire to provide free school meals to eligible children during school holidays, and to provide payments and support to people in need (supplemented by local funds). The value of this extension and the exact parameters have not yet been confirmed by government. The draft business plan proposes that we will continue to use local funds to maintain the support next year to at least the level provided this year.

2.8.7 Council Tax – Council will have the ability in both 2023-24 and 2024-25 to increase general Council Tax by up to 3% without a local referendum, and that councils with adult social care responsibility will be able to levy a further 2% increase in the Adult Social Care Precept. In full, therefore, the Council has the flexibility to raise Council Tax by this much over the next two years:

- General Council Tax – 2.99% - estimated impact of around £10.5m per year
- Adult Social Care Precept – 2% - estimated impact of around £7.1m per year

2.8.8 The draft business plan already assumes that there will be a 2% increase in Council Tax in each year, so the net additional income that could be generated from additional Council Tax is around £10.5m in 2023/24 and then a similar amount again in 2024/25. Due to growth in the underlying taxbase, increases in Council Tax generate additional income in later years of around £135k per percentage point raised. The impact of raising Council Tax by the 2% assumed, and the 4.99% maximum for 2023-24, is set out below in section 3.6.

2.8.9 The settlement also announced £100m of support nationally to allow council tax billing authorities to deliver additional help with council tax to the most vulnerable households.

2.8.10 The settlement announced overall allocations for some grants relating to the 2024-25 financial year. This included increased allocations for the un-ringfenced social care grants and the specific discharge and market support grants in adult social care. Alongside assuming that New Homes Bonus will continue to reduce, we could expect around a further £4m of funding in 2024-25. At this stage, however, in the absence of authority-level grant allocations, it would be imprudent to formally factor into our projections for that year.

2.8.11 The government also stated in the settlement that they noted increased levels of reserves held by local authorities and encourages them 'to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures, taking into account, of course, of the need to maintain appropriate levels of reserves to support councils' financial sustainability and future investment'. In the current 2022-27 business plan, unchanged for this draft plan, around £20m of reserves are to be deployed in a sustainable way over the medium term, including £7.4m in 2023-24 and £6.6m in 2024-25. These reserves predominantly come from the large Covid grants allocated to councils during the pandemic and reflect our estimates of its ongoing impact on services. We do then retain reserves for investment, particularly the Just Transition Fund, and identified time-limited pressures which are committed or earmarked over the medium-term and therefore already planned to reduce.

2.8.12 Additional government funding for social care, and the 2% adult social care precept element of council tax that they are permitting councils to levy, amount in total for Cambridgeshire to around £19m of additional funding. By way of comparison, the total inflation and demand growth in social care services in 2023-24 are estimated to be around £30m. Despite the additional funding, and additional taxation permitted, funding for growth in social care is still substantially un-funded by government. This funding gap amounts to around a further 2% of council tax.

2.9 There remain some uncertainties to be confirmed as part of the final stage of budget setting:

Category	Item	Remarks
Revenue	Local taxation	Taxbase forecasts will be updated by district council colleagues in January and may be different to those currently assumed. There may also be a variation on the collection funds, though we retain a reserve to offset fluctuations on collection funds.
Revenue	General Better Care Fund uplift	While a discharge funding allocation has been announced for the BCF, it is not clear if there will be a general increase in the social care element. In previous years, there has been a real terms increase in this, and we have assumed that for the draft 2023-24 budget.
Revenue	Public Health Grant	There is some indication that this grant may be increased in line with inflation, but as yet there is no confirmation and no authority-level allocations. These are expected in January 2022, and the use of any uplift will be reviewed.

Revenue	Capital financing / cost of debt	We will continue to update projections around the cost of borrowing to finance our capital programme.
Capital	Roads fund / potholes	We are awaiting local authority level allocations of the next stage of investment in roads and pothole.
Capital and Revenue	Safety Valve (High Needs)	We have participated in the safety valve process and our submissions are currently subject to ministerial consideration which could commit and release further funds.

3. Closing the remaining budget gap for 2023-24, and the medium-term

3.1 Significant progress has been made in identifying mitigations to pressures that have arisen as the draft business plan for 2023-28 has been developed. Despite over £10m of savings/income identified, the impact of inflation and other pressures as well as the scale of the opening budget gap has resulted in us still being some way off having a balanced budget for 2023-24. There are also budget gaps remaining in future years, all of them at a challenging level. The Council must set a balanced budget for 2023-24 at least.

3.2 The local government finance settlement announced several new or increased grants, shown above in table 2.8.4. This funding can be used to partially close the budget gap for 2023-24, but many of the grants are expected to come with conditions which require additional spend. Of the funding announced, we can apply around £13.1m to close the budget gap on an ongoing basis.

3.3 The opportunities to generate additional savings at the scale required to close the budget gap in 2023-24 without drastically impacting on the quality of services delivered, and risking being unable to meet statutory minimum service levels, are not there at this late stage of business planning.

3.4 The local government finance settlement also confirmed the limits for raising Council Tax without a referendum. The current assumption on Council Tax agreed as part of last year's business plan is that it will increase by 2% next year. Raising Council Tax by the maximum permitted 4.99% will generate over £10m of additional income. This is ongoing revenue to the Council and provides for a sustainable funding stream and has a cumulative effect as the value of Council Tax in future years is also increased. Maximising tax revenue also puts the Council in an advantageous position in terms of challenging central government funding allocations and campaigning for a fairer funding settlement. As noted in 2.8.3 above, the government assumes in calculations for local government spending power that all available tax rises will be used. Based on informal information gathered to date, we anticipate that at least three-quarters of County Council comparators will also increase their Council Tax precept by the maximum allowable for the coming year.

3.5 Since 2015-16, the Council has not raised council tax by the full amount permitted by regulations in some years, resulting in a lower baseline level of Council Tax than we might otherwise have had.

	Maximum tax rise	Council decision	Recurrent impact of tax not levied £000
2015/16	1.99%	1.99%	0
2016/17	3.99%	2.00%	4,944
2017/18	3.99%	2.00%	5,115
2018/19	4.99%	4.99%	0
2019/20	4.99%	4.99%	0
2020/21	3.99%	3.59%	1,169
2021/22	4.99%*	2.99%	
2022/23	2.99%*	4.99%	
Total			**11,228**

*note: 2021-22 and 2022-23 need to be read together, as unused council tax flexibility was able to be transferred between years. CCC used 2% of 2021-22's allowance in the later year, and between the two years levied the maximum allowed.

3.6 Impact of raising council tax

3.6.1 Impact on budget position – the table below shows the cumulative impact of raising council tax by 4.99% in 2023-24 versus the current 2% assumption. As the underlying taxbase is assumed to grow each year, there is a small annual effect in future years from raising the tax level.

	2023-24	2024-25	2025-26	2026-27	2027-28
£000	10,588	-369	-405	-414	-416

3.6.2 Impact on households – the table below shows the average impact on all bands of the 2% increase currently assumed and a 4.99% increase. The second table shows what proportion of households in Cambridgeshire, and within each district, are in each council tax band. While most council tax numbers are measured against the impact on a band D household, around half of households overall in Cambridgeshire are in bands B and C.

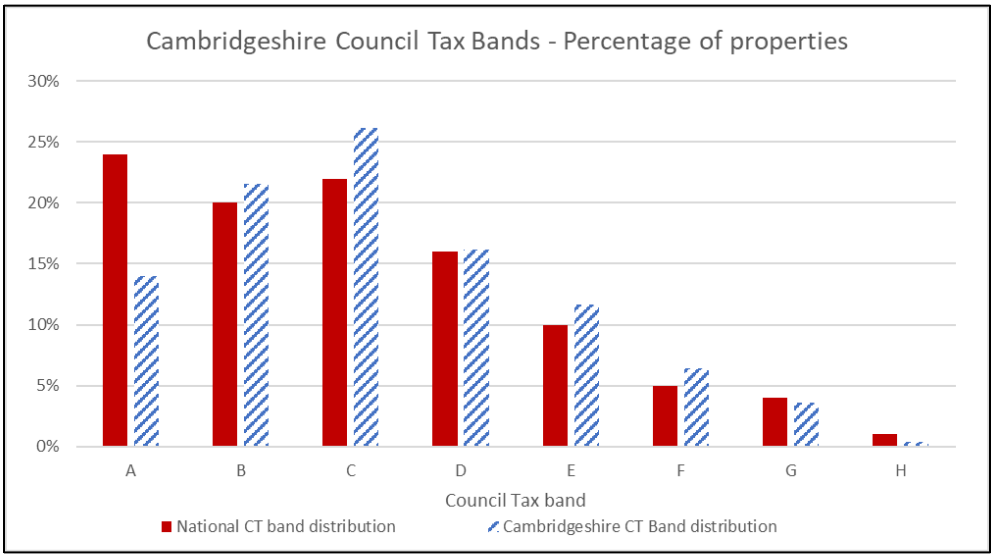
	A	B	C	D	E	F	G	H
Current annual county precept	£980	£1,143	£1,306	£1,470	£1,796	£2,123	£2,449	£2,939
2% Increase - Annual Effect	£20	£23	£26	£29	£36	£42	£49	£59
2% Increase - Weekly Effect	£0.38	£0.44	£0.50	£0.56	£0.69	£0.82	£0.94	£1.13
4.99% Increase - Annual Effect	£49	£57	£65	£73	£90	£106	£122	£147
4.99% Increase - Weekly Effect	£0.94	£1.10	£1.25	£1.41	£1.72	£2.04	£2.35	£2.82

3.6.3 The lower bands pay less in council tax on the following ratio (set out in relevant council tax legislation):

	A	B	C	D	E	F	G	H
Ratio vs band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

3.6.4 The proportion of households in each council tax band (to nearest percentage point) is shown in the table below. This pattern correlates with other measures of affluence, e.g. current property prices, with the average property selling for £238,414 in Fenland from April 2021 to March 2022 compared with £450,969 in South Cambridgeshire, and also with average mean annual pay per person. Broadly speaking, at a district level, higher band properties tend to be in places where there are higher average incomes. The following graph shows how Cambridgeshire's average banding compares nationally.

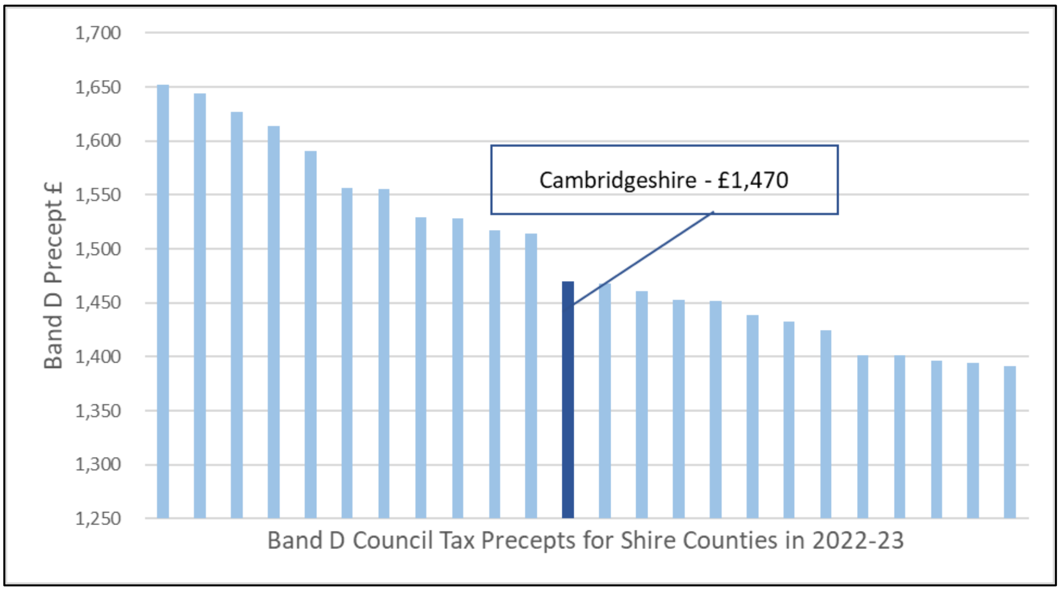
	Plurality Band	A	B	C	D	E	F	G	H
County	C	14%	22%	26%	16%	12%	6%	4%	0%
Cambridge	C	7%	18%	34%	17%	10%	7%	6%	1%
East Cambridgeshire	B	12%	29%	20%	18%	12%	6%	2%	0%
Fenland	A	37%	27%	19%	10%	5%	1%	0%	0%
Huntingdonshire	B	15%	26%	23%	15%	12%	5%	2%	0%
South Cambridgeshire	C	4%	11%	31%	19%	17%	12%	7%	1%



3.6.5 Each district council in Cambridgeshire has a Local Council Tax Reduction Scheme to reduce the tax liability for qualifying individuals, and to ensure that financially vulnerable households receive a bill that reflects their circumstances. Entitlement to the schemes and additional support options such as hardship payments are set by the relevant district council. Information about these can be found on the relevant district council's website. There are approximately 30,000 households claiming under these schemes in Cambridgeshire, around 8% of all households in the county. The government has announced £100m nationally to allow authorities to deliver additional support through these schemes. In addition, a resident's council tax bill can be reduced by a wide range of discounts and exemptions that reflect individual circumstances, such as single-person occupancy.

3.6.6 While CCC is not responsible for specific council tax relief schemes, it does contribute through the Council Tax collection base and also provides support to people in a more targeted way. For example, CCC's anti-poverty hub works to address financial inequality and the cost-of-living crisis and delivers the short-term financial support through the Household Support Fund alongside longer-term personalised support which aims to make a lasting difference to those suffering the effects of poverty. We also provide the Cambridgeshire Local Assistance Scheme, which can provide support to people in need through things like provision of white goods.

3.6.7 The graph below shows that, for the 2022-23 financial year, Cambridgeshire continues to have a below average band D precept compared to other shire counties:



3.7 Closing the remaining gap for 2023-24

3.7.1 The impact of the local government finance settlement on the budget position for 2023-24 is positive, overall, but does not provide enough funding to close the gap and meet all of the pressures caused particularly by inflation. New/expanded grants announced in the settlement close the gap by around £13m, leaving a residual gap of over £10m.

3.7.2 Due to the scale of this remaining budget gap, raising council tax by more than the 2% already budgeted for is unavoidable without creating an unsustainable medium-term financial position. The Council still faces budget gaps of around £60m in total over the final four years of the planning period, which would be even greater if an unsustainable approach to balancing 2023-24's budget was taken. As set out in section 2.8.11 above, much of the Council's unallocated reserves (other than the General Fund which is retained for unforeseen challenges) are committed already over the medium-term. The further items needed to produce a balanced budget for 2023-24 are therefore:

	2023-24	2024-25	2025-26	2026-27	2027-28
Budget gap, pre-Settlement	**21,818**	**21,984**	**13,780**	**10,149**	**15,494**
Settlement - Social care grant	-11,661	-55	-51	-49	0
Settlement - New Homes Bonus	1,085	501	510	0	0
Settlement - Services Grant	-2,540	0	0	0	0
Settlement - RSG	-27	0	0	0	0
Re-phasing of settlement reserve	1,913	-1,913	0	0	0
Council Tax increase of 4.99%, 2.99% above current plan	-10,588	-369	-405	-414	-416
Use of reserves that are above policy level	0	-3,776	3,776	0	0
Final budget gap	**0**	**16,372**	**17,610**	**9,686**	**15,078**

3.8 This set of decisions includes several that touch on reserves deployment. The settlement reserve was created to phase the one-off benefit that was seen in the 2022-23 local government finance settlement and was originally planned to be released equally into 2023-24 and 2024-25; in these proposals we would alter that phasing to deploy more in 2024-25 to even out budget gaps over the medium-term in line with the original purpose of that reserve. We also propose to release some reserve funding into 2024-25 from two other reserves. Firstly, the local taxation collection fund volatility reserve (which insulates us from variability in district council collection funds) has grown in recent years due to better than predicted collection rates for local taxes and so can see some funding release. Secondly, the post-pandemic and budgeting account (which was created in 2022 to offset impact of pandemic recovery) is applied to offset some short-term pressures in 2024-25 in line with its original purpose.

3.9 To ensure that we still have sufficient general reserves to meet unexpected costs, the medium-term financial strategy proposes retaining the General Reserve at 4% of gross expenditure excluding schools.

3.10 The above table shows that there remain significant budget gaps over the final four years of the plan. The government has announced already that upper-tier councils have flexibility to increase council tax by up to 4.99% in 2024-25 as well as next year, which would increase funding above the 2% increase that we have assumed for years 2 to 5 of the draft plan.

4. Capital Strategy

4.1 Including current commitments, the Council will be spending £715.9m on capital investment in the county over the period of the business plan. This is financed by the following funding streams:

- External grants and contributions (£517.1m)
- Prudential borrowing (£123.2m)
- Capital receipts (£75.5m)

4.2 The programme includes expenditure on the following major schemes from 2023-24 onwards:

Major schemes	£m
Schools' Basic Need	310.1
Schools' Conditions & Maintenance	27.3
Schools' Managed Capital	7.8
Schools' Specialist Provision	19.9
Independent Living Services	44.2
Integrated Transport	43.0
Operating the Highways Network (including additional Footpaths and Pavements, and Pothole funding)	105.0
B1050 Shelfords Road	6.8
Wheatsheaf Crossroads	6.4
St Neots and March Future High Street Funds	11.4
A14 De-trunking	24.8
Street-Lighting LED	13.3
Waterbeach Waste Treatment Facilities	19.3
St Ives, Babraham and Trumpington Smart Energy Grids	11.9
Close Landfill Projects	10.3
Decarbonisation Fund	12.1

For further detail, please see section 5d of the Capital Strategy (Appendix 6), or the Capital Tables 4 and 5 (Appendix 3).

4.3 The capital financing budget is now forecast to spend £38.3m in 2023-24, increasing to £43.2m by 2027-28. The table below sets out the advisory limit on capital financing costs for 2024-25 to 2026-27 as agreed by this committee in December, compared against the capital financing costs budget (excluding Invest to Save / Earn schemes). The proposed capital financing budget remains currently exceeds the limit for this 3-year period based on the proposed Capital Programme. This provides little/no headroom for additional schemes to be added to the programme moving forward, or for capacity to manage any future increases to costs of schemes.

Financing Costs	2024-25 £m	2025-26 £m	2026-27 £m
2023-24 Business Plan (net figures excluding Invest to Save / Earn schemes)	44.0	43.2	43.4
Recommend limit	42.2	43.0	43.9
HEADROOM	**1.8**	**0.2**	**-0.4**
Recommend limit (3 years)	129.1		
HEADROOM (3 years)	**1.6**		

4.4 The Highways and Transport Service is proposing to reallocate existing capital budgets, within limits for schemes that have already been set or are proposed in this business plan, to increase the number of Cambridgeshire employed highways staff. This is a revision since the December committee cycle and will reduce the required spend on external agency workers, who cost more than Council employees, and should ensure better optimisation of works. There is no increase in the prudential borrowing requested. A further update will be provided to Highways and transport Committee in due course.

5. Treasury Management Strategy

5.1 The Council is required to set a Treasury Management Strategy (TMS) and to approve and monitor a series of Prudential Indicators for 2023-24 to 2027-28. These include indicators for the authorised limit and operational boundary for external borrowing, the cost of servicing debt as a percentage of net revenue and the Council's underlying borrowing requirement. Maximum principal sums invested for periods longer than 365 days, fixed and variable interest rate exposure and the maturity profile of debt are also reported. The TMS is available as Appendix 7.

5.2 The updated requirements for CIPFA's revised Prudential Code and Treasury Management Code published in December 2021 are due to be implemented for the 2023-24 financial year. This version of the TMS, therefore, includes more fundamental revisions than the usual updates. Changes made to it include:

- Requiring all investments and investment income to be attributable to either treasury management activity, service delivery, or commercial return.
- Adoption of a new 'liability benchmark' in the TMS and in treasury reporting, to support decision makers with risk management in the funding of our capital requirement, showing the differences between our liability benchmark and the actual loans we have.
- More rigorous requirements on knowledge and skills monitoring for officers and members.
- Reporting to members must be done quarterly.
- Environmental, social and governance (ESG) issues are to be addressed within an authority's treasury management policy and practices.

- Risks associated with service and commercial investments should be proportionate to financial capacity, and authorities must not borrow to invest (subject to a small number of caveats).
- An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt
- A new prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream

5.3 Throughout 2023-24, the Council intends to maintain an under-borrowed position, which means borrowing will continue to be lower than it might have been by utilising internal cash balances. This ultimately keeps the level of loan debt, and costs of borrowing, down. As a result, cash balances will generally be lower than they otherwise would be, but we do set a minimum day-to-day cash balance that is available to us. Despite this, loan debt is expected to rise over the medium-term as a direct result of increased capital investment.

5.4 Increased interest rate projections have been factored into the TMS and into capital financing cost projections. We anticipate higher interest rates than we have been used to in recent years to be with us for several years. However, these higher rates do have a beneficial impact in increased rates on our treasury investments.

5.5 The Council will continue to prioritise the security and liquidity of capital and achieve an investment return that is commensurate with these priorities. A prudent investment strategy is proposed, and external advice provides a guide on the creditworthiness of institutions. The majority of the Council's treasury management investments are in liquid instruments and shorter-term deposits with the money market funds and high credit-quality banks. The Council also has previously invested money into multi-class credit funds, infrastructure funds, and the CCLA property and diversified income funds as medium-term investments to generate additional interest income given the inflationary outlook. Our ability to invest anything other than excess cash balances (e.g., borrowing to invest) is constrained by limits put in place in the newly revised Prudential Code.

6. Impact of proposals

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

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the act

- Advance equality of opportunity between people who share a protected characteristic and people who do not share it

- Foster good relations between people who share a protected characteristic and people who do not share it

6.2 The Council takes very seriously the need to be aware of the impact that our policies, decisions, and services have on our workforce and communities across Cambridgeshire including people from any protected characteristic group(s) or people experiencing socio-economic inequalities, and the importance of using this information to inform the preparation of the Business Plan. It is important the Council understands the potential positive and negative impacts that its decision-making has on these groups and the need to ensure compliance with the Equality Act 2010 and its Public Sector Equality Duty. Equality Impact Assessments ensure our plans and outcomes are inclusive. There are nine protected characteristics under the Equality Act (2010); the Council also considers the Socio-economic Inequalities Duty. If a plan or decision has potential adverse effects on people from any protected characteristic group(s) or people experiencing socio-economic inequalities, then a full Equality Impact Assessment is completed.

6.3 Where relevant for each of the detailed business case proposals, services have undertaken an Equality Impact Assessment (EqIA). A summary of the findings of these assessments are included within the business cases summaries. These are published within section 4 of the Business Plan.

6.4 Each Business Case in this Business Plan has been assessed using the triple bottom line approach scoring criteria. These scores are shown in the table overleaf reflecting the portfolio which has been assessed:

BUSINESS CASE		SOCIAL	ENVIRONMENTAL	FINANCIAL
Decommissioning of Block Contracts for car rounds providing homecare	A & H	Neutral	+1	+3
Adults MH Employment Support	A & H	+1	Neutral	+1
Adults Hospital Discharge	A & H	+1	Neutral	+1
LD Mid Cost Placement Review	A & H	Neutral	Neutral	+1
ICB Integration (Adults Early Help BSO)	A & H	Neutral	Neutral	Neutral
Mental Health S75 Vacancy Factor	A & H	Neutral	Neutral	Neutral
Public Health Vacancy Factor	A & H	Neutral	Neutral	+1
Public Health Savings	A & H	Neutral	Neutral	+1
Realigning Schools Partnership & Improvement Service	CYP	Neutral	Neutral	+1
Review of non-statutory services	CYP	Neutral	+1	+1
Family Safeguarding	CYP	Neutral	Neutral	+1
Special guardianship orders	CYP	Neutral	Neutral	+1
Children in Care Placements	CYP	Neutral	Neutral	+4
ICT Service	CYP	Neutral	Neutral	+1
Cambridgeshire Music	CYP	Neutral	Neutral	Neutral
Childrens Residential Short Breaks	CYP	Neutral	Neutral	-2
Teachers Pensions	CYP	Neutral	Neutral	+1
Passenger Transport	CYP	Neutral	Neutral	-5
Educational Psychologists	CYP	+4	Neutral	-1
Investment into Communities	COSMIC	+5	+2	-1
Coroners Service	COSMIC	Neutral	+1	-1
P&S Vacancy Factor	E&GI	Neutral	Neutral	+1
Persistent Organic Pollutants	E&GI	Neutral	Neutral	-4
Waste Gate Fees	E&GI	+1	Neutral	Neutral
Street lighting efficiencies	H&T	+1	+3	+5
Highways materials recycling	H&T	Neutral	+5	-1
Stopping weed killing	H&T	Neutral	+1	+1
Resilience Winter Highway Network	H&T	Neutral	+1	+1
Guided busway yearly maintenance	H&T	Neutral	Neutral	-2
Guided busway 5 yearly maintenance	H&T	Neutral	+1	-1
Council-wide milage reduction	S&R	Neutral	Neutral	+2
Corporate Vacancy Factor	S&R	Neutral	Neutral	+2
Biodiversity developer offsets	S&R	+3	+3	+2
Commercial Investment	S&R	Neutral	Neutral	+5
Insurance Claims & re-procurement	S&R	Neutral	Neutral	+3
External Auditor Fees	S&R	Neutral	Neutral	Neutral
ITDS Capital to Revenue	S&R	Neutral	+2	-5
Property Maintenance	S&R	Neutral	Neutral	-1
Investment into Adults and Children's Services Staffing	S&R	Neutral	Neutral	-3

Note – the scores above relate only to changes to budgets for next year; the underlying services are not being scored.

7. Budget Consultation

7.1 The Council carries out a consultation process to inform the business planning process. It is a statutory requirement for councils to consult on budget proposals each year, and the results should be considered alongside other statutory requirements such as delivering a balanced budget and providing certain services. This year, the Budget Consultation had three parts:

- Door-to-door survey – undertaken by a market research company, using a random stratified sample of households in Cambridgeshire, profiled to match the age, gender and district location of the population and deliver statistically robust results.
- Website survey – open to all to respond to, advertised on the website and via other channels
- Partners' contribution – partners were invited by email by the Director of Strategy and Partnerships to respond to the survey

7.2 The door-to-door survey and the website survey were based on the same questionnaire, which asked whether respondents supported several proposals relating to Council services and whether Council Tax should be increased and by how much. The door-to-door survey was analysed by the market research company, the website survey was analysed by the Research Group in the Business Intelligence Service.

7.3 Results for the door-to-door survey were as follows:
(Comments and further analysis by district / age / socio-economic segmentation are available in the full report in Appendix 5)

Cambridgeshire County Council

2022 BUDGET CONSULTATION

EXECUTIVE SUMMARY

As part of the Business Planning process, the County Council wanted to consult with the public to gain insight into residents' views on areas of investment, ways to make additional savings or generate incomes, and on options of Council Tax. M·E·L Research was commissioned to undertake a public survey on the Council's behalf.

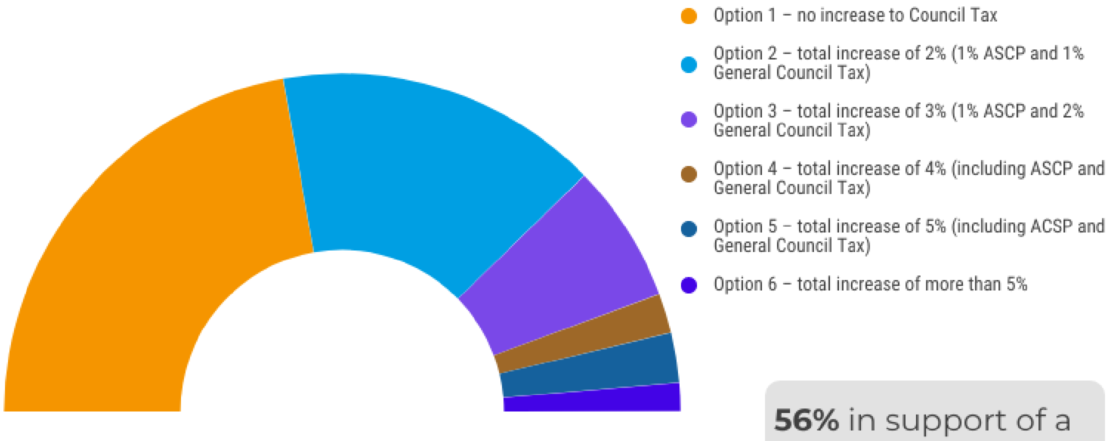
A doorstep survey was carried out with residents which was representative by district, age group and gender to the county as a whole. The fieldwork took place in November 2022 and 1,102 residents responded to the survey. The sections below presents the key findings of the research.

LEVEL OF SUPPORT: SAVINGS AND INCREASING INCOME

(% Strongly support/support)

Looking at opportunities to generate more renewable energy	88% n=1,093
Closing or disposing of some of the buildings the Council works from	73% n=1,067
Increasing its offer to older adults and people with disabilities to provide technology enabled care	69% n=1,085
Taking action to drive down the cost of streetlighting, to save energy and reduce carbon emissions	69% n=1,095
Holding vacancies for those that chose to leave and only recruiting and replacing roles for the most vital frontline services	40% n=1,005
Making savings by reducing road maintenance work in non-emergency areas	14% n=1,094
Reducing the amount the Council spends on the improvement of local schools and early years through non-statutory support services	7% n=1,096

COUNCIL TAX



56% in support of a Council Tax increase
n=1,102

7.4 The website survey results were as follows:

Savings and increasing income

- The majority of respondents supported the Council looking at opportunities to generate more renewable energy (82%).
- The majority of respondents supported taking action to drive down the cost of the Council's electricity bill on streetlighting (74%).
- The majority of respondents supported closing or disposing of some of the buildings the Council works from (72%).
- The majority of respondents supported the Council increasing its offer to older adults and people with disabilities to provide technology enabled care (61%).
- Over half of respondents supported holding vacancies for those that chose to leave and only recruiting and replacing roles for the most vital frontline services (52%).
- The majority of respondents opposed reducing the amount the Council spends on the improvement of local schools and early years through non-statutory support services (61%).
- The majority of respondents opposed making savings by reducing non-emergency road maintenance (71%).

Council Tax

- The majority of respondents indicated they supported an increase of at least 2% (72%).
- Over a quarter of respondents indicated they supported "Option 1 – no increase to Council Tax" (28%).
- Just under a quarter of respondents indicated they supported "Option 2 – total increase of 2% (1% ASCP and 1% General Council Tax)" (24%).
- Less than a fifth of respondents indicated they supported "Option 3 – total increase of 3% (1% ASCP and 2% General Council Tax)" (17%).

Comments are available in the full report within the appendix, along with the responses received from partners.

7.5 Summary
Both surveys showed high levels of support for renewable energy, reducing the cost of the electricity bill for streetlights, reducing the costs of Council buildings and increasing the offer of technology enabled care. There was some support for the idea of holding vacancies outside front line services, but not a majority in the door-to-door survey and only a very slim majority in the website survey.

7.6 The proposals to reduce road maintenance and reduce non-statutory support were not supported by the results of either survey.

7.7 There was a small majority in support for a rise in Council Tax of at least 2% in the door-to-door survey. However, a larger proportion supported 'no increase' compared to last year (44% this year compared to 37% last year), and only 22% supported a rise of 3% or more (compared to 34% last year). Attitudes to Council Tax rises are less favourable than last year.

7.8 The survey did highlight that there may be a desire to protect key services, with very few people supporting reductions to key areas such as road maintenance or school improvement, which may be required if sufficient funding cannot be generated.

7.9 It is recommended to review the detailed comments in the two reports from the survey. Affordability concerns were the main reason for opposing any increase. Amongst people who supported an increase, they cited the need for the services the Council provides and that an increase was fair and in line with inflation.

8 Robustness of estimates and adequacy of reserves

8.1 The Local Government Act 2003 (Section 25) requires that when a local authority is agreeing its annual budget, and precept, the statutory Section 151 chief financial officer must report to it on the following matters:

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

8.2 This statement should be considered along with the rest of this report and the full Business Plan by the County Council in February.

8.3 The estimates that support this budget have used all the data and supporting information that the Council has at its disposal at this point in time. Development of the business plan and budget proposals has progressed iteratively and was submitted to all Service Committees in October and December, as well as this Committee in those months and at this meeting (and thereafter Full Council). This enables multiple layers of challenge, revision and review, by Officers and Members to test and amend the assumptions that have been used to construct that budget.

8.4 There was continued enhancement in the last twelve months of the governance processes enabling business planning with both the business planning panels for revenue and capital budgeting now chaired by a senior finance officer, convening corporate challenge from across the organisation and reporting to the Corporate Leadership Team. There was focused attention on the Cambridgeshire budget from the dedicated leadership team and active engagement at both strategic and operational levels as well as from Members, with Committee Chairs and Vice-Chairs participating in budget focus sessions convened by the Leader, Deputy Leader and the Chief Executive. There is a strong culture of budgetary control and purposeful application to addressing medium term budget constraint to maintain a sustainable financial position.

8.5 In formulating estimates for future demand for services, the Council has drawn on long-term and medium-term trend analysis of activity levels, local estimates of population growth as well as the Council's own in-year experience of spending levels, which are closely monitored from month-to-month. Demand estimates are the result of collaboration and insight from commissioning and operational colleagues and financial professionals, quality assured by business intelligence specialists.

8.6 Building a robust projection of the level of demand for services is always challenging, but the pandemic has greatly increased this difficulty. After a significant underspend was reported against the 2021-22 budget (chiefly attributed to government grants) the Council has seen forecast outturn return to a more predictable position this financial year (currently within 0.7% of budget). Historically, Adults and Children's social care are two of the most volatile activity-led budgets and patterns of demand for older people's services were particularly disrupted by the pandemic. This year, the overall forecasts for these areas has remained broadly stable and in line with budget estimates notwithstanding the complex service and system pressures that these areas are facing.

8.7 The inflation risk presenting to the Council has increased substantially since the County Council considered the 2022-27 business plan. We set out in section 1 and 2 of this report the impact that inflation is having on our budgets, and the consequence is greatest for budgets with exposure to energy prices, travel and fuel related services, construction costs and on our direct staffing and indirect supply chain labour costs. In this budget, our estimates for inflation and cost increases refer to more than 90 individual indices relevant to different service activities. We have drawn on nationally published statistics, economic projections and the Council's direct experience of rising prices in local markets. The Council's Corporate Leadership Team (CLT) Risk and Assurance group and Procurement Governance Board have also recently adopted a price variation protocol that ties our approach to supplier requests to price uplifts to contractual obligations, market conditions and budget allocation/affordability. We have needed to revisit inflationary estimates repeatedly during business planning in recent months to reflect new emerging pressures (such as on home to school transport recognised in December) or updated government estimates. Through this targeted and comprehensive approach, this budget is based on appropriate estimates of inflation, which will be closely monitored, and further reset, given the continuing uncertainty and risk in this area.

8.8 In addition to the challenges of forecasting demand patterns and estimating inflation, the principal risks and uncertainties referred to in this business plan include those set out at section 1.10. It is highlighted that:

- High Needs Block – the recurrent annual overspend has exceeded £11m per annum. Although the statutory override ringfencing this deficit (effectively a negative reserve on the balance sheet) has been extended and the Council has actively engaged in the safety valve programme, has support from mainstream schools for an increased block transfer and ambitious plans to reform and respond to growing demand in this area, ultimately cashflowing the carried forward deficit is the Council's responsibility. Performance will need to be closely monitored to ensure adherence to plans.

- Waste management – as a result of legislative and regulatory developments, as well as contractual obligations, this budget is facing elevated risk. Revenue budgets have been increased (as described in section 2.5) and the Council is planning for a substantial capital investment. Successfully delivering changes this programme and responding effectively to future national reforms is a significant budgetary assumption.

- Partnerships – the Council operates in a complex system of partnerships including with other public sector bodies. This includes, for example, the close dependency between NHS and social care (where this winter the focus on successfully discharging patients from hospital is again paramount), as well as with the Combined Authority who are the major funder of local transport and skills services and neighbouring Councils with which we jointly deliver or share services. Restricted resources can present major issues for collaboration or future funding; we work in partnership to deliver the most cost-effective outcomes for local residents.

- Debt and borrowing costs – against the economic backdrop which has seen high levels of inflation, the second half of 2022 also witnessed major volatility and increases in borrowing costs for the UK public sector. Although the peaks and volatility of September and October has receded, interest rates at the PWLB are around 175 basis points higher than they were this time last year. This has been a significant driver in increasing our cost of capital in this budget. Cambridgeshire has amongst the highest levels of external debt compared to other county councils (both in per capita and absolute terms). There is important context to this in that the County has rightly invested in growth (such as in transport infrastructure and school places) and has a number of commercial and rural property assets set against those liabilities. Nevertheless, the longer-term exposure to interest rates underlines the need for a disciplined and realistic approach to capital budgeting and sound governance for the monitoring of funds previously lent on to the Council's housing development subsidiary, This Land.

- Net Zero – the Council's first ambition, reported at section 1.3 above, is to reach Net Zero for the county by 2045. Risk to Cambridgeshire from the climate crisis is not an uncertainty but the level of investment required and where this will be sourced from is not yet fully known. The Just Transition Fund is funding a number of areas of enabling activity to bring forward more detailed plans.

- Workforce and resourcing – Delivering local services, whether directly, or through our supply chain relies on people. Like many organisations across the economy, we face challenges recruiting colleagues. In the past 12-18 months we have seen agency and locum spending by the Council increase, higher levels of succession/changeover of chief officers and the budgetary impacts from suppliers unable to staff at full capacity meaning supply reductions. This feeds into the inflationary risk we have described above as well as the responses we are making to this through investments in our workforce, growing apprenticeships, and focused occupational specific programmes of work.

8.9 In 2023-24 this budget proposes appropriate budget allocations to address these risks and uncertainties. These include planned proactive investments as well as the earmarking of specific reserves in the event that budget pressures or risks are realised (such as from high needs, waste, commercial factors or litigation).

8.9.1 There is continuing, planned and sustainable draw down of reserves to sustain service levels, unwinding the build-up of reserves during the pandemic in a strategic way linked to our long-range estimate of the impact of covid on patterns of demand (referred to in section 2.8.11 of this report). This is in addition to specific one-off deployment of reserve balances for time-limited or single-event pressures and priorities. Although this budget plans to speed up the overall use of one-off funds, and Cambridgeshire sits in the bottom quartile of county councils for overall reserve levels, it avoids a sudden cliff edge during the term of the MTFS tapering investment and prioritising our strategic ambitions. Investing now in this way should aid the Council's long term financial position.

8.9.2 A target general reserve balance of £28.9m is set through this budget. These funds are unearmarked and available for unforeseen contingencies and sensitivities such as those detailed at 9.1 of the MTFS document. This balance is justified given the heightened risks and uncertainties detailed throughout the business plan documents.

8.10 In terms of cashflow, the Council has also undertaken detailed modelling through the period to 31 March 2024 which demonstrates the Council's ability to work within its Capital Financing Requirement (CFR) and cash management framework throughout the period. The only expectation of external borrowing is to support the Capital Programme, which is consistent with our plans and normal practice. The key assumption within this forecast includes the achievement of £6.8m of savings and income generation proposals in 2022-23 and a further target of £18.7m for 2023-24, following the provisional Local Government Finance Settlement announced in December.

9. Next steps

9.1 This meeting of Strategy and Resources Committee on 26 January 2022 is the last opportunity for the Committee to publicly scrutinise the business plan before Full Council debates the plan for approval on 8 February 2021.

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

10. 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. As the proposals were developed, they considered the existing corporate priorities, below, and the revised ambitions within the new Strategic Framework, as set out in section 1.3 of the report:

- Environment and Sustainability
- Health and Care
- Places and Communities
- Children and Young People
- Transport

11. Significant Implications

11.1 Resource Implications
The proposals set out the response to the financial context described in section 5 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.

11.2 Procurement/Contractual/Council Contract Procedure Rules Implications
There are no significant implications for the proposals set out in this report. Details for specific proposals will be set out in the business cases. All required procurement activity will be fully compliant with the Council's Contract Procedure Rules.

11.3 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 residents.

11.4 Equality and Diversity Implications
Each of the proposals will be developed alongside an Equality Impact Assessment to ensure we have met our duties in line with the Equality Act, including the Public Sector Equality Duty, as well as met our commitment to implementing the Socio-economic Inequalities Duty. Business cases will include a summary of key points from the relevant Equality Impact Assessment. These summaries will highlight any positive impacts identified and outline mitigations for any negative impacts or justification for retaining a negative impact where this is appropriate.

11.5 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.

11.6 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.

11.7 Public Health Implications
It will be important to secure a better understanding of the impact of COVID-19 upon Public Health outcomes along with other service areas. There is emerging evidence of increases on obesity and smoking along with other key Public Health areas. Over the longer term this will increase demand for preventative and treatment services. Savings made in the Public Health service will need to be realised through the substitution of grant funding against other existing Council services that are eligible under the Public Health Grant.

11.8 Environment and Climate Change Implications on Priority Areas
The climate and environment implications vary depending on the detail of each of the proposals. Any positive or negative impacts has been considered for each proposal as part of its development. Environmental impact has further been assessed through the triple bottom line approach, as set out in 6.4.

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 Head of Procurement?
Yes
Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal Services?
Yes
Name of Legal Officer: Linda Walker

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

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

12. Source documents

12.1 Business Plan contents:

Appendix 1:	Business Plan Section 1	Strategic Framework
Appendix 2:	Business Plan Section 2	Medium Term Financial Strategy
Appendix 3:	Business Plan Section 3	Finance Tables
Appendix 4:	Business Plan Section 4	Business Cases
Appendix 5:	Business Plan Section 5	Public Consultation
Appendix 6:	Business Plan Section 6	Capital Strategy
Appendix 7:	Business Plan Section 7	Treasury Management Strategy
Appendix 8:	Business Plan Section 8	Sustainable Procurement Strategy

Cambridgeshire County Council

Draft Strategic Framework 2023-2028

Cambridgeshire County Council

Joint Administration Foreword

Times are tough, for residents and for councils. We are facing the most difficult set of economic circumstances for decades. As residents see their own spending power fall because of inflation, so do councils. Our money buys less, but the need is greater than ever.

It is for these reasons our Joint Administration set as its vision to create a **Greener, Fairer and more Caring Cambridgeshire,** to create a sense of hope and optimism for the future, which we believe we **can** change for the better.

We want the work we do across the council to prioritise those people who are most affected by the cost of living crisis, and whose resilience is lowest, whether that is on their health, finances or the impacts of climate change. Supporting the vulnerable and tackling inequality go hand in hand. The need to look at the effect of poverty across the whole course of people's lives has never been more urgent.

The pressures of this year's economic woes will not distract us from the biggest threat to our area of all, which is climate change. As we manage increased need and falling spending power, we must not lose sight of the need to adapt to, or mitigate the effects of, climate change on our planet, our biodiversity, and our infrastructure. The drought this summer and changes to rain fall patterns have indicated that climate change is already having a major impact in Cambridgeshire and bringing new risks every year.

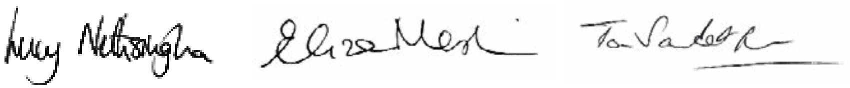
Our roads, houses, and safety infrastructure such as fire services have all seen extraordinary pressures and changes this year. We have ambitious plans to cut emissions and reduce our impact on the environment, because if we don't, the costs will get ever higher.

To achieve everything we need to do, we must acknowledge the need to navigate considerable complexity to achieve our outcomes.

In Cambridgeshire, we have a more complicated set of public service organisations than most areas, with district councils, a county council, 260 town and parish councils, a mayoral combined authority, and a local economic partnership around Greater Cambridge. Our 'rich' local government environment undoubtedly offers us opportunities, but it also affects our ability to have a single port of call for our residents.

We think this makes services and decision making seem further away. That isn't right. We need to make sure people feel closer to decision making and the services they are using, so the support and their outcomes are better. When people can influence services, the support is more personal.

So, we will work to make services more 'decentralised', or in other words more tailored around individual people and the families, households, and communities they live in. We will work to ensure that there are more opportunities for people to take part in the decisions about how those services are planned and run.



Cllr Lucy Nethsingha

Cllr Elisa Meschini

Cllr Tom Sanderson

Chief Executive Foreword

Cambridgeshire is a county of contrasts, a place of both opportunity and challenge. The role of Cambridgeshire County Council is about addressing both the issues of today and building sustainably for tomorrow. Cambridgeshire faces a triple threat from the climate crisis, economic downturn and the lingering effects of the pandemic.

It is our role, as a key public service institution to ensure that we, along with our partners from the public, private, community and voluntary sectors support people, families, and communities to address all of these issues positively and proactively.

In 2021, the Council invited local government peers from leading authorities around the UK to take a detailed look at the way our services were organised and delivered, including our shared arrangements with other authorities. This peer challenge provided us with a great deal of constructive feedback on how we could improve, and the council has responded positively to all these findings.

Since I joined the Council in February 2022, this has led to a much clearer focus on the needs and priorities of Cambridgeshire and its people.

At the same time, increasing demands and expectations for council services continue to grow. The scale, pace and complexity of Government reforms and policy changes continues to impact on the council and these need to be fully funded to enable their delivery.

Having reshaped and restructured our senior management arrangements, my team and I are focussed on working with our partners across Cambridgeshire to ensure we deliver the best possible outcomes for the people of the county. Ensuring we can deliver better outcomes requires us to address two fundamental organisational issues as a Council:

- The medium-term financial sustainability of the Council needs to be secured. Working with our elected members, we will need to take difficult choices and prioritise what we do, because Cambridgeshire continues to receive less funding than we need as growing county.
- We will continue to focus on delivering services for the most vulnerable and those in the greatest need, but this may still require us to do so in different ways in the future.

Lastly, our talented and committed workforce are what makes this Council. We are fortunate to employ dedicated people in a range of professions and specialisms across the whole council. However, we need to continue to attract, recruit, and retain diverse, talented people to deliver high quality services, improved outcomes for residents and manage the impact of our operations on the environment.


Dr Stephen S. Moir

Cambridgeshire **and its people**

Population
678,600

17% 0-14 years
65% 15-64 years
19% 65+ years

9%
The resident population of Cambridgeshire has **grown by 9% in the past decade**

Much higher population growth was seen in **Cambridge**
18%

...than in our **rural districts**
5 to 9%

2nd
Cambridge City second fastest growing local authority area in the East of England

Our rural districts have seen much **HIGHER GROWTH IN OVER 65 POPULATION**

and **SMALLER OR NO GROWTH** in the **YOUNGER POPULATION**

Source: ONS, Census 2021

The Cambridgeshire County Council **Vision**

"Create a greener, fairer and more caring Cambridgeshire"

We want to be 'greener', because tackling the climate crisis and looking after nature is necessary to help our communities to thrive in a changing environment

Carbon footprint for Cambridgeshire in 2020
6.89MILLION TONNES CO2e

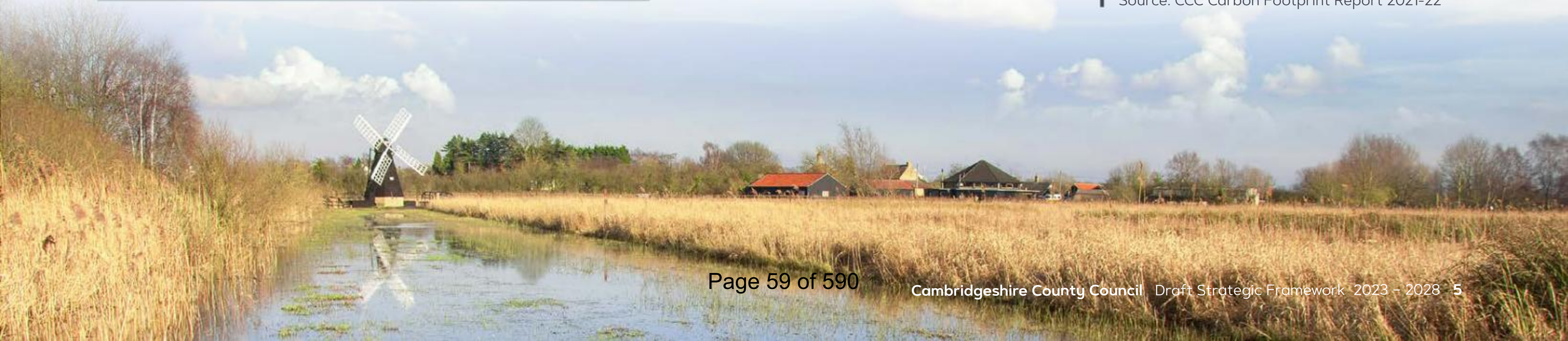
the **largest share** was from the **Land Use, Land Use Change and Forestry** (LULUCF) sector, **followed by transport**

Source: combination of BEIS data and CCC calculations

CARBON FOOTPRINT
for Cambridgeshire County Council as an organisation 2021/22:
131,610 TONNES CO2e

the largest share was from Land Use Change and Forestry (LULUCF) followed by Waste and Construction

Source: CCC Carbon Footprint Report 2021-22



The Cambridgeshire County Council **Vision**

“Create a greener, fairer and more caring Cambridgeshire”

We want to be ‘fairer’, because the pandemic and cost of living crisis that followed have worsened inequalities in health, income, and education, and we need to make sure the prosperity enjoyed in some parts of the County is enjoyed by all

Cambridgeshire has 16 Lower layer Super Output Areas in the 20% most relatively deprived nationally as measured by the Indices of multiple deprivation 2019.

11 of these are in Fenland, 3 in Cambridge City and 2 in Huntingdonshire

Source: CCC Indices of Multiple Deprivation 2019 – Key Findings in Cambridgeshire and Peterborough https://cambridgeshireinsight.org.uk/wp-content/uploads/2019/10/IMD-2019-Briefing-Including-Peterborough.pdf

LIFE EXPECTANCY

figures for males and females is NOT the same across the county

The range for males is **77.4 years** in Fenland through to **82.4 years** in South Cambridgeshire.

77.4 TO 82.4

82.3 TO 86.1

For females life expectancy is slightly higher than for males. However there are still inequalities with Fenland at **82.3 years** through to South Cambridgeshire at **86.1 years**

Source: Fingertips https://fingertips.phe.org.uk/profile/health-profiles/data#page/3/gid/1938132696/pat/6/par/E12000006/ati/101/are/E07000012/iid/90366/age/1/sex/1/cat/-1/ctp/-1/yrr/1/cid/4/tbm/1

The Cambridgeshire County Council **Vision**

"Create a greener, fairer and more caring Cambridgeshire"

We want to be more 'caring', because the most vulnerable in our County are the most at risk of needing additional care and support. We can reduce these risks by intervening early to prevent further escalation of need.

Around 2,500 carers supported at any one time

Around 6,800 children supported with Education Health and Care Plans (EHCPs)

An increase of 100% since January 2017

2,750 social care cases at any one time... including around 600 children in care aged 0-17 and around 300 children with a recorded disability

Over 5,000 Children supported with an early help episode in the past 12 months

Around 7,700 adults aged 18+ receive long-term social care

Fully or partially funded by the County Council

The Cambridgeshire County Council **Vision**

All three elements of this vision interrelate, so that in pursuing one we pursue the others as well:

Being greener ➡ being fairer and more caring

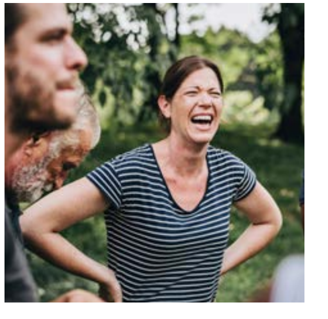
- ✔ Reducing our dependence on fossil fuels reduces our carbon emissions and improves air quality, which reduces health inequalities and lessens the risk of fuel poverty for our residents during the cost of living crisis - boosting public transport is integral to this aim.
- ✔ Adapting to our changing climate includes making our roads more resilient and managing flood risk with our communities

Being fairer ➡ being greener and more caring

- ✔ Making the local economy work for the people of Cambridgeshire includes skills and investment needed to transition to a net zero carbon emission County
- ✔ Supporting people out of poverty will help to increase positive health and care outcomes for individuals and families

Being more caring ➡ being greener and fairer

- ✔ Our social care services can be delivered in ways which are more local, better for quality and for the environment, and which seek to maximise choice and control by those who use the services
- ✔ Protecting our most vulnerable residents will help reduce health and socio-economic inequalities



The Cambridgeshire County Council **Vision**

This vision guides a 'decentralised' approach to our relationships with our partners, communities, and residents, so that Cambridgeshire can become greener, fairer, and more caring in the ways that are most suitable to the variety of people and communities we serve.

To do this we have SEVEN ambitions:

Ambition 1
Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes

Ambition 2
Travel across the county is safer and more environmentally sustainable

Ambition 3
Health inequalities are reduced

Ambition 4
People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs

Ambition 5
People are helped out of poverty and income inequality

Ambition 6
Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised

Ambition 7
Children and young people have opportunities to thrive

Delivering these ambitions often involves us working with all our partners including the voluntary sector, businesses, and communities to tailor services around people, families, and the communities they live in.

Ambition 1

Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes:

Delivering the Ambition:

- Planning for and managing climate risk, so we can cope with the impacts our changing climate brings
- Reducing the council's direct carbon emissions to net zero by 2030 and supporting partners and communities to reduce theirs
- Helping build a local circular economy to increase reuse and recycling while minimising waste
- Embedding net-zero by design and climate resilience into our transport delivery and maintenance programmes
- Delivering energy efficient and flexible street lighting infrastructure
- Maximising the extent and the quality of nature areas across Cambridgeshire, giving more people access to green space
- Supporting Local Nature Groups that manage and enhance their communities' green spaces
- Supporting Community Flood Groups to build resilience in areas at risk of flooding

We will track progress by

- ✔ Monitoring our annual county-wide carbon footprint data
- ✔ Measuring biodiversity to establish where and how we can bring the biggest benefits to nature

Ambition 2

Travel across the county is safer and more sustainable environmentally:

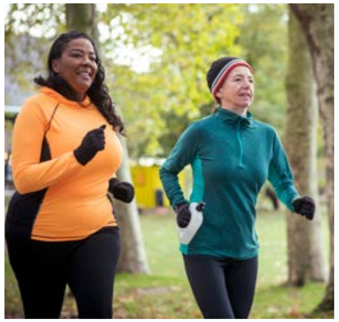
Delivering the Ambition:

- Working with our partners to deliver a single vision for transport across Cambridgeshire
- Engaging proactively with our partners to secure the greatest achievable benefits from major highway schemes
- Working with the Cambridgeshire and Peterborough Combined Authority and the Greater Cambridge Partnership to enhance bus services and to create a sustainable long term local funding solution for bus services
- Managing our Park and Ride sites, and the Cambridgeshire Guided Busway, to contribute to sustainable and high-quality travel options
- Ensuring damaged infrastructure is assessed and repaired to keep people safe as they travel
- Becoming an Active Travel Centre of Excellence
- Ensuring the focus of travel solutions associated with new development are accessible and focus on active travel
- Working through the Vision Zero Partnership to achieve a consistent reduction in deaths or serious injuries by 2040
- Supporting local communities through a refreshed Local Highways Improvement programme
- Recycling and reusing materials removed from highway maintenance works

We will track progress by

- ✔ Monitoring the number of motorised vehicles and the take up of cycling and walking
- ✔ Assessing the condition of our road network
- ✔ Monitoring the numbers of killed or seriously injured casualties

Ambition 3



Health inequalities are reduced

Delivering the Ambition:

Working with partners and the Cambridgeshire and Peterborough Health and Wellbeing Board to support the Integrated Care System:

- Improving outcomes for our children and young people
- Reducing inequalities in preventable deaths under 75 years old
- Increasing the number of years that people live in good health

Delivering the Health and Wellbeing Strategy and Integrated Care System Strategy priorities:

- Creating an environment that gives people the opportunity to be as healthy as they can be
- Reducing poverty through better employment and housing
- Combatting health inequalities by ensuring that all council policies contribute to the better health of our population
- Protecting and enhancing directly provided services and guaranteeing the oversight of elected Members in shaping these services

We will track progress by

- ☑ Monitoring healthy life expectancy
- ☑ Reducing the number of preventable deaths before the age of 75
- ☑ Scrutinising the quality of the Council's public health programmes, prioritising activities which can genuinely 'make a difference'

Ambition 4

People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs

Delivering the Ambition:

- Promoting early intervention and prevention measures to improve physical and mental health and wellbeing
- Involving local people in shaping services which focus on helping people early, fully coordinating with the Council's other services, with the NHS, and our other partners
- Delivering care at a more local, neighbourhood level, personalising care around the individual in ways that maintain high quality services for people who need them, and which empower people and communities to stay healthy, connected, safe and independent
- Protecting and enhancing the choice and control of service users, adopting a rights-based approach to service delivery and expanding opportunities for use of direct payments, individual budgets, and personal assistants
- Ensuring that the services we commission drive up the quality and dignity of care work and bring additional benefits to Cambridgeshire's people and communities
- Ensuring adults at risk are safeguarded from harm in ways that meet their desired outcomes, providing transparency and accountability in cases where the health and care system falls short

We will track progress by

- ✔ Monitoring the social care related quality of life
- ✔ Monitoring the number of permanent admissions to care homes

Ambition 5

People are helped out of poverty and income inequality

Delivering the Ambition:

- Supporting people to access short-term financial support in a crisis
- Helping households in need to boost their income and reduce costs
- Working with our partners to ensure that support for people is straightforward, equitable, and does not stigmatise
- Supporting families with access to free school meals and help for families during school holidays
- Supporting entry to, and good quality participation in, the labour market
- Providing Council Tax support for our care leavers
- Ensuring people can access support to develop their skills as a route to financial security
- Paying our employees the real living wage and influencing our suppliers and providers to do the same for theirs

We will track progress by

- ✔ Monitoring the number of universal credit claimants
- ✔ Monitoring the percentage of learners who go on to further learning, work, or apprenticeships

Ambition 6

Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised

Delivering the Ambition:

- Promoting a mixed economy in Council services, expanding the number of directly provided services, where appropriate, and offering better access to locally-based community groups to be able to work as our partners
- Working alongside the Cambridgeshire and Peterborough Combined Authority to ensure the support for skills development is accessible, targeted, and relevant
- Supporting the local economy to keep more of the Cambridgeshire pound local
- Supporting small business start-ups, self-employment, and social enterprises
- Securing additional benefits and greater social value for our communities when we procure and commission goods and services

We will track progress by

- ✔ Monitoring the social value, or additional benefits for communities, achieved from goods and services the council purchases
- ✔ Monitoring the percentage of organisational spend that is locally based

Ambition 7

Children and young people have opportunities to thrive

Delivering the Ambition:

- Providing families with high quality pre-birth and early years support
- Ensuring our children are ready to enter education and exit education, prepared for the next phase in their lives
- Ensuring all children have access to education from early years through to post 16 provision
- Challenging and supporting all settings to set high aspirations for all children and young people
- Protecting children and young people from harm using safeguarding approaches
- Improving outcomes for children and young people with complex needs, including mental health needs
- Meeting need early and locally through our Special Educational Needs service
- Ensuring that young people who experience care can access the support they need to move into adult life
- Working with partners to coordinate Health, Early Help and Social Care, upholding our principles of directly providing services where this delivers the best outcomes for residents, and guaranteeing the oversight of locally elected and accountable bodies in shaping these services

We will track progress by

- ☑ Monitoring the educational outcomes of our children in care
- ☑ Monitoring the educational attainments as key stages of learning
- ☑ Monitoring the number of children with a child protection plan

The Cambridgeshire County Council **Corporate Approach**

Our Vision and Ambitions are at the heart of everything we do, shaping our key cross-cutting strategies and our day to day service delivery strategies, policies and plans

Our key cross-cutting strategies include :

- Medium Term Financial Strategy
- Climate Change and Environment Strategy
- People Strategy
- EDI Strategy
- IT and Digital Strategy
- Health and Wellbeing Strategy

Our Service Delivery Strategies, policies and Service Plans include:

- Adults and Older People
- Children and Young People
- Education, SEND and adult education
- Carers
- Fostering and Adoption
- Communities
- Highways
- Public Health
- Sustainable Procurement

AMBITION 1 Net zero carbon target

AMBITION 2 Safer, sustainable travel

AMBITION 3 Reduced health inequalities

AMBITION 4 Healthy, safe, independent lives

AMBITION 5 Anti-poverty

AMBITION 6 Places and communities prosper

AMBITION 7 Children and young people thrive

Working with our **public sector partners**

Our Vision and Ambitions for Cambridgeshire County Council align with those of our public sector partners

This has enabled us to agree a single system strategy identifying the issues to tackle together to achieve better outcomes for people

- Skills
- Fair pay and good work
- Opportunities for all
- Wellbeing, safety and security in work
- Affordable lifelong homes
- Better housing
- Social mobility
- Fewer households living in poverty

- Early intervention
- Local support
- Collaborative health
- High-quality acute and social care provision
- Volunteering
- Lifelong activity
- Independent living
- Drugs and alcohol education and support
- Tracking violence against women and girls

- Physical activity
- Ready for the future
- High aspirations for all
- Reduce childhood obesity
- Address inequalities in health and social outcomes
- Social connection
- Better mental health
- Ready for education

- Healthy environments
- Green space and nature
- Connectivity
- Biodiversity
- Sustainability
- Connection and inclusion
- Safe communities
- Active and social places

Financial details to follow after the budget setting meeting at Full Council in February

The Cambridgeshire County Council **Corporate Approach**

www.cambridgeshire.gov.uk

Cambridgeshire County Council

Cambridgeshire County Council

Section 2

Medium Term Financial Strategy

2023-24 to 2027-28

cambridgeshire.gov.uk

Contents

This strategy is broken down into 12 chapters:

Chapter 1 - Executive summary

The Council's strategic financial framework is comprised of three distinct, but interdependent, strategies set out within this Business Plan:

- Medium-Term Financial Strategy (MTFS) (Section 2, this document)
- Capital Strategy (Section 6)
- Treasury Management Strategy (Section 7)

This Medium-Term Financial Strategy sets out the financial picture facing the Council over the coming five years, the resources available to the Council, and the Council's strategy for managing its resources effectively.

As well as outlining the Council's revenue strategy, MTFS includes the organisation's Fees and Charges Policy, Reserves Policy & Strategy and Flexible Use of Capital Receipts Policy.

Budget figures over the MTFS period in this business plan generally show recurring changes. For example, an increase in budget of £100k in 2023-24 will carry over into future years' budgets. Changes for one year only, or that will be for only part of the MTFS period, are shown with a reversing figure in the year the budget is to come out.

The current economic climate, particular rising inflation and public spending constraints, alongside government reforms and the residual effects of the Covid-19 pandemic make forward planning with any degree of certainty extremely challenging. At the start of the process for this planning round our projected budget shortfall in 2023-24 nearly double to over £30m as a result of the inflation. The impact of inflation on our large contracts, staff pay, care costs and powering our buildings & streetlights had a massive impact that we received very little help from government to address, and which we are therefore having to mitigate. Our budget gap over the rest of the five-year medium-term plan has risen as well. At the same time, there is a need to invest in some services to improve outcomes, and to delivery longer-term sustainability or financial benefit, but our capacity to do this is now very limited.

The impact of inflation and fiscal tightening are expected to extend through most of this MTFS period. This is coupled with the longer-term impacts of Covid-19 that we are seeing feeding through into demand for services. Some of the specific challenges that the Council expects to face over the next five years are:

- Potential for growing regional and more local inequalities as a result of the economic fallout from the pandemic
- Ongoing lower levels of fees and charging income, as well as reduced local taxation receipts and increasing default on taxation or charge payments
- Uncertainty about local government funding levels, particularly whether they will rise with inflation
- Viability of business providing services to the Council at current costs
- Providing additional support for our local care markets to ensure sufficient appropriate care provision remains available

In June 2019, the Government legislated for reaching net zero carbon emissions by 2050, and locally the Council's joint administration has put responding to the climate emergency at the centre of our priorities. We have a target to make the Council net zero by 2030 and to work alongside partners to make the county net zero by 2045. Meeting this commitment will require a transformation of our procurement and commissioning practices, establishing a framework for financing the necessary investment, and developing productive relationships with public sector and other partners.

To help meet this commitment, and to ensure a wider ability to help Cambridgeshire move to more sustainable future, we established the Just Transition Fund in 2022. This £14m investment fund is available for work to meet our priority of creating a greener, fairer Cambridgeshire, and already has committed over £9m of funding to work such as our net zero programme and establishing more localised home care.

In the Autumn Statement of November 2022, the Chancellor of the Exchequer set out economic projections that confirmed the challenging context in which we set this business plan, with inflation expected to peak in 2022 at over 10% and remain at over 7% into 2023. He also addressed the public spending deficit of over £55bn, with plans to close that over five years through public sector spending constraint and increasing tax receipts. He confirmed that the UK is forecast to be in a recession through 2023/24.

In terms of public spending, we are expecting departmental budgets to grow by around 3.7% over the current spending review period (to end of 2024-25), with growth in budgets beyond that at a lower rate than growth in the overall economy. For local government, new grants were announced that we await full allocations of, and we are particularly concerned that the rate of growth in funding will not reflect pressures we face. Government policy is for councils to meet their pressures increasingly through higher local taxation, as they will permit a 5% increase for social care authorities in 2023/24 and expect 95% of councils to take that up fully.

Reforming local government funding allocations to reflected up to date needs and populations has not been mentioned by the current government as a priority. Cambridgeshire continues to receive much less per head of population than the average Council, and if it had the average funding of other county councils we might have an additional £20m per year of funding. The lack of reform in this area continues to be a major issue for Cambridgeshire.

The emerging results of the 2021 census are confirming that Cambridgeshire was one of the fastest growing areas of the country over the last decade. As a result of that we have faced rising demands from the number of people accessing our services. The general population is also ageing due to increased life expectancies which puts pressure on the ability of service users to contribute to the long-term costs of their care. In addition to this background population growth, the needs of those requiring care packages are becoming more complex and therefore costly. The uncertainty around this has been increased by the government's proposed reforms to care funding, both in terms of implementation timescales and the funding that will be made available to local government. The census has also confirmed that funding received by Cambridgeshire from central government has not reflected the full scale of our population growth and the needs of our population.

Where possible, we will aim to set a budget with some balance over the medium-term. The current annual nature of local government funding makes this difficult, however, as additional funding and taxation limits tend to be confirmed as late as December of the preceding financial year. Where feasible, though, we will look to longer-term transformation work and mitigations to demand pressures to bring later years of the medium-term closer to balanced. In this plan, over £10m of savings are in years 2-5.

In balancing our budget, some service reductions are inevitable, but we will always focus on reforming services or bringing in additional income rather than cutting services within this approach. The Council will seek to shape proposals so that the most vulnerable are the least affected. The Council has a statutory responsibility to set a balanced budget each financial year and the proposals that are already within the Business Plan for 2023-28 do contain some proposals that reflect considerable risk and uncertainty. This strategy sets out the issues and challenges for the next five financial years and creates a framework within which the detailed budgets will be constructed.

The key elements of this Strategy, on which basis the Business Plan is predicated, are set out below:

- An assumed increase in Council Tax of 4.99% for 2023-24 and 2% each year thereafter.
- An assumed increase in the tax base of 2% for council tax, and variably by district for business rates
- The strategic approach to closing budget gaps to support the business plan will continue to evolve, focussing on reducing demand for our services, increasing income, disinvesting from low priority services, decentralisation, finding efficiency and maintaining a medium-term outlook
- Funding for invest to save schemes or for service reform will continue to be made available through reserves, or capital where appropriate, subject to robust business cases
- The general reserve will be held at 4% of non-schools expenditure, and we will adopt a prudent approach in our reserves strategy to offsetting risks faced by the Council
- Staff pay inflation has been assumed to be 5% for 2023-24 and 3.5% thereafter, with an expected rise at the lower end to keep pace with the real living wage
- Fees and charges will be reviewed annually in line with the Fees and Charges Policy and where appropriate subject to inflationary increases
- The capital programme will be developed in line with the framework set out in the capital strategy, and the level of prudential borrowing by the Council over the medium-term will be reviewed
- Opportunities for cross-sector and organisational working that drive end to end efficiencies and/or improvements in service delivery will be pursued
- Business rates pooling will be fully explored with district councils and the Combined Authority where there is a mutual financial benefit to do so
- The Council will continue to lobby central government for fair funding leading into any national replacement of the current funding formula.

The Council's budget is divided into five main service blocks, and it is in these blocks that detailed budgets are shown in Section 3 of the business plan:

- People Services. This includes Children, Education & Families, and Adults, Health & Commissioning.
- Public Health
- Place and Sustainability
- Strategy & Partnerships
- Finance & Resources

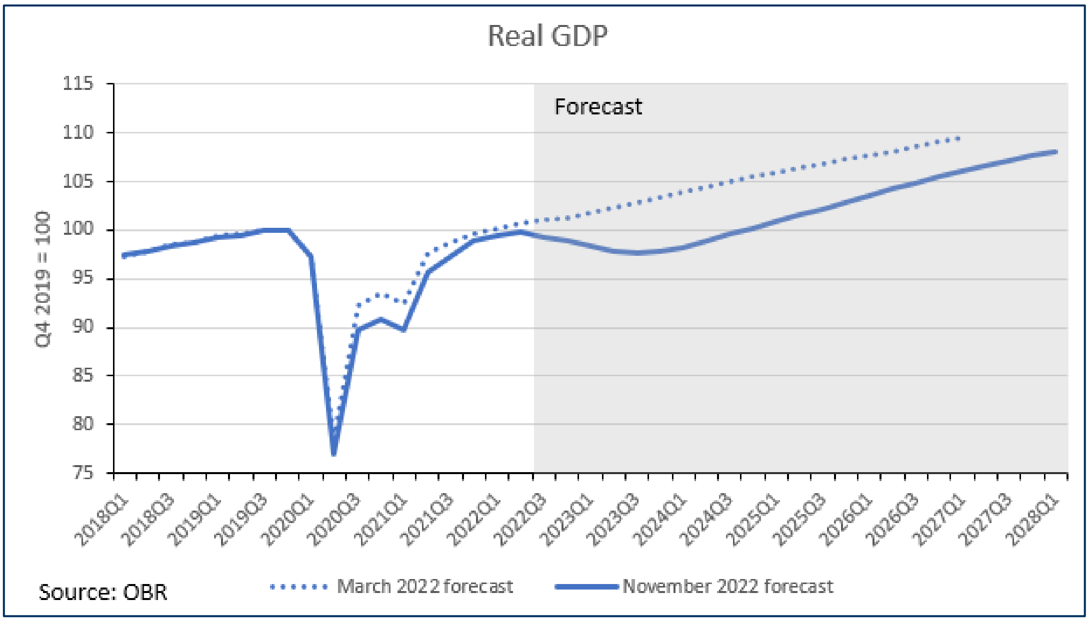
2 – National Context

The Council's business planning process takes place within the context of the national economic environment and the government's public spending plans. This chapter of the MTFS explores that national picture. The national economic position is important in considering the Council's finances as it affects cost drivers such as inflation and demand for services and can impact public spending.

National Economic Outlook

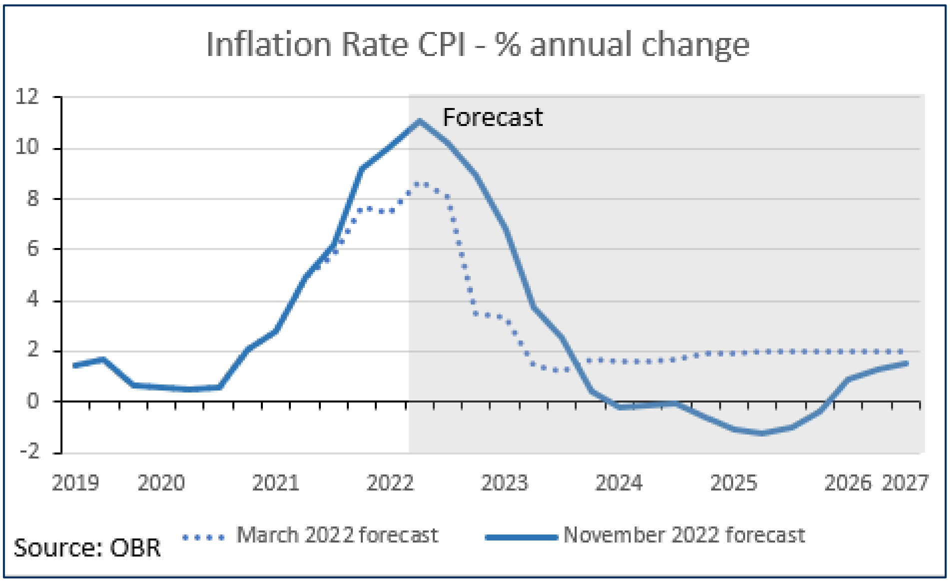
Business planning for 2023-28 is being done at a time when the country is facing economic shocks from rising inflation, and at the beginning of recession expected to last until at least the third quarter of 2023. The economic shock caused by the Truss government's economic policy and international reaction to it has impacted the overall economic outlook. The economy is projected to contract by 2% during this recession, moving back the point at which the country is expected to return to its pre-pandemic level of GDP to around mid-2024. This lengthy effect of Covid 'scarring' the economy for several years, compounded by recent developments, has impacted on household income and will impact on public expenditure levels.

Figure 2.1: Monthly real GDP outturns and near-term forecast



A key driver of the economic picture is inflation levels. Driven by the return to growth after the pandemic, and then compounded by the Russian invasion of Ukraine, inflation levels are higher in the near-term than at any point for decades. This increases the prices we pay as a council for goods and services, and impacts on people's household budgets. Over the medium-term, inflation is expected to drop significantly, but the overall inflationary period will have permanently increased prices. Inflation projections have also increased recently versus projections made earlier in the year. The Office of Budgetary Responsibility (OBR) was predicting in March 2022 that the Consumer Price Index (CPI) measure of inflation would be around 2.5% on average in 2023/24, but by November 2022 were predicting it would be around 5%. The delay in updated economic projections meant that our inflation assumptions internally had to be amended much later in the planning process than usual.

Fig 2.2: Annual growth in CPI inflation

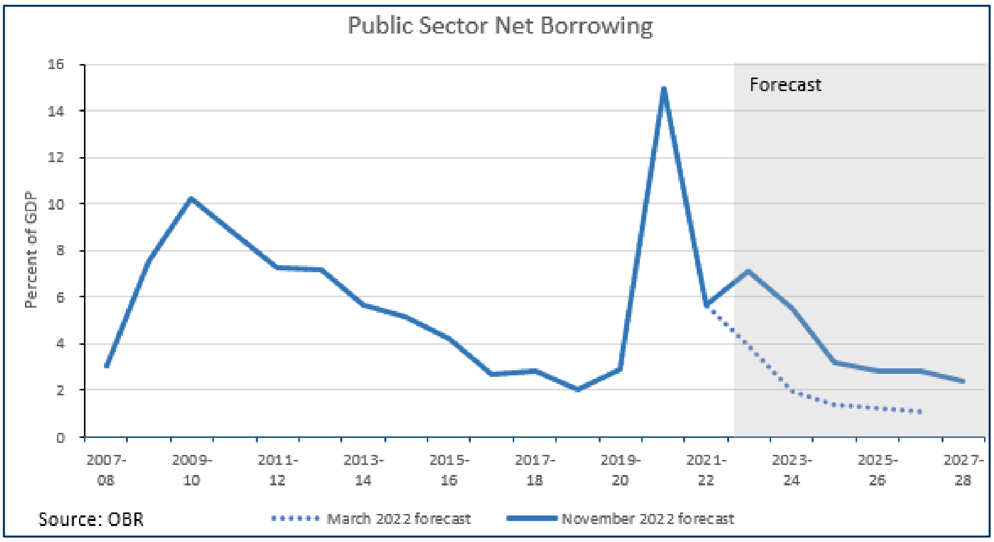


Alongside lower than expected GDP growth, average living standards will reduce by 7% over 2022 and 2023, and even by 2028 they will not have fully returned to pre-pandemic levels. We are also expecting interest rates to increase to combat inflation, which will impact on costs the Council faces for borrowing.

Public sector spending and debt

The total level of public sector debt in the UK has risen significantly compared to pre-pandemic levels. Much of this increase was due to the direct support provided during the pandemic, and debt levels did reduce as normality was restored to the economy. Borrowing had been projected to continue falling throughout 2022-23, but the increased government support provided to households and business to help with energy inflation resulted in borrowing starting to increase again. Latest projections show borrowing peaking in 2023 and falling thereafter, but not getting back to the lower levels predicted in March, or pre-pandemic levels, in the medium-term.

Fig 2.3: Public Sector Net Borrowing



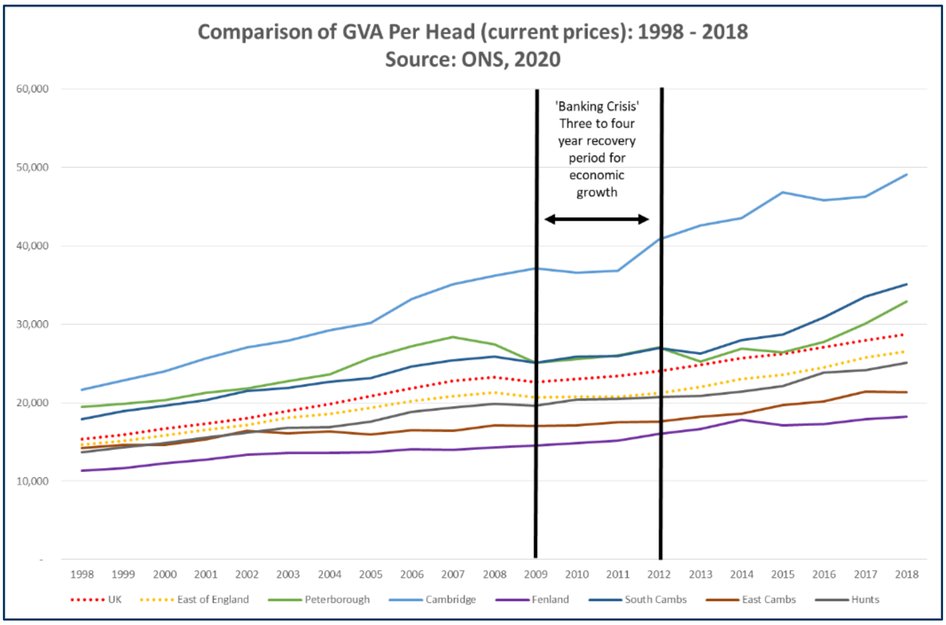
Public sector borrowing is also becoming more expensive as interest rates increase and reflecting the confidence shock caused by the Truss government's economic policies. This reduces the amount of money available to other government departments and is partly behind the fiscal tightening factored into current government spending plans.

3 – Local Context

Economic context

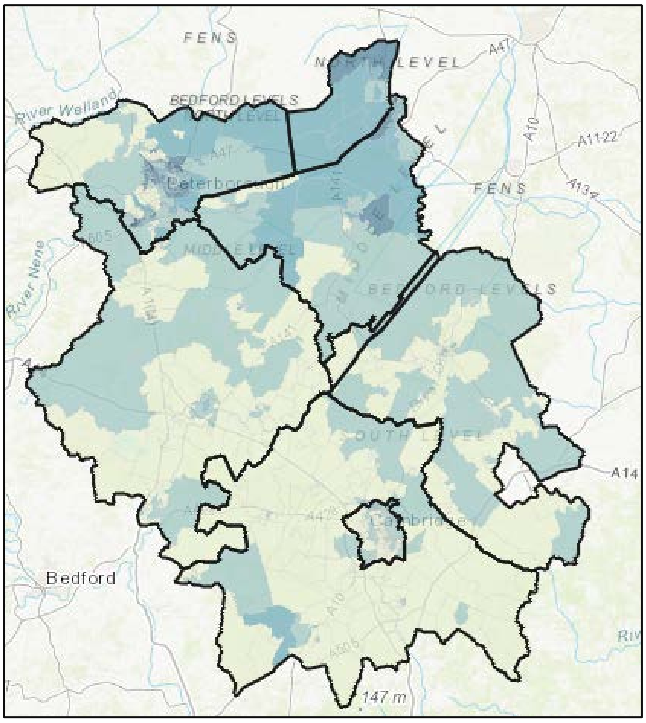
Economic growth in Cambridgeshire has outpaced both the East of England and UK over the last decade. This has been driven primarily by rapid business creation and growth in Cambridge and South Cambridgeshire. Innovation-rich Cambridgeshire businesses have attracted significant investment from overseas, promoting an attractive business environment and high economic and population growth.

Fig 3.1: Gross value added per head in Cambridgeshire



Deprivation across Cambridgeshire is not evenly distributed, with the north of the county on average being more deprived and having access to fewer job opportunities than in the south. This is also the case for people’s health and links to the levels of services that need to be accessed from the Council. Despite this geographic difference, there is high levels of deprivation within the southern part of the county, with Cambridge City and Fenland in particular having some of the most deprived areas in Cambridgeshire. In Cambridge City, high deprivation areas can sit in close proximity to very prosperous ones.

Figure 3.2: Deprivation by area (including Peterborough) – dark is more deprived

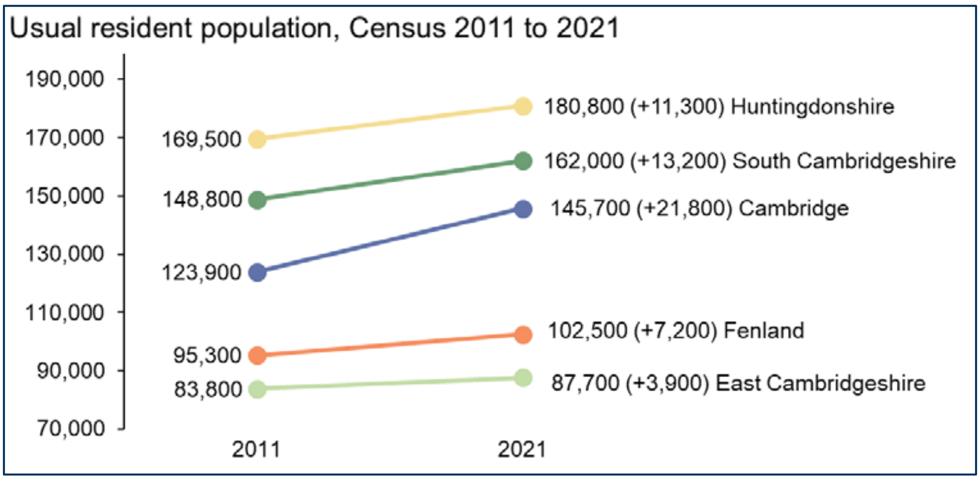


Source: Cambridgeshire Insight

Population

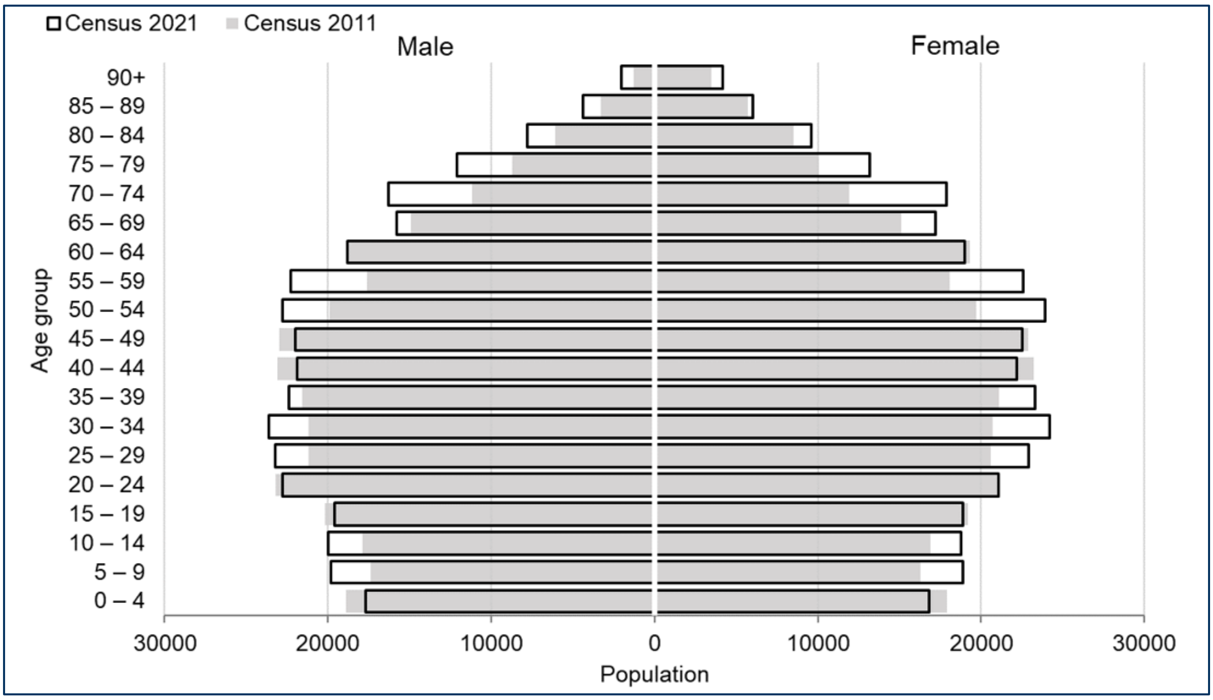
The release of results from the 2021 Census has highlighted that Cambridgeshire's population has grown recently by much more than the average for England and was one of the fastest growing areas in the country. As at that census, the county's population is around 679,000 which is up from around 621,000 ten years ago. All areas of the county have seen growth, but the increase East Cambridgeshire was lower than the national average; Cambridge City grew by 17.6% in those ten years.

Figure 3.3: Population change by district



As well as the overall population growing, we are seeing high growth in the number of older people in the county. Over the next ten years, there will be tens of thousands more elderly residents in Cambridgeshire compared to the last ten years. This increase will likely drive demand for Council services such as social care, and particularly as the average age increases the cost to support each individual will increase on average.

Figure 3.4: Population per age bracket in Cambridgeshire



As with overall population growth, the growth in older residents is not even across the county. Growth in 65+ age brackets is more pronounced in Fenland, East Cambridgeshire and Huntingdonshire which have ageing populations, whereas in Cambridge and South Cambridgeshire growth is more evenly spread across all ages.

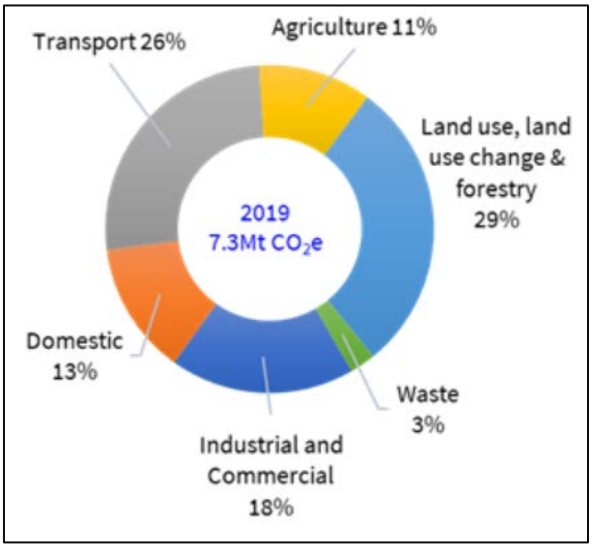
As much of government funding to councils is based on outdated population and relative needs estimates, there is a compounding effect from our growing population. Being able to balance our budget will become increasingly more challenging as we progress through the period of this strategy.

We are refreshing our internal population forecasts for the coming ten years based on the census data. We expect to continue growing at a high rate overall, and also expect the increase in average age to continue.

Climate Change

Recent government datasets show the carbon footprint for Cambridgeshire as a region was around 7.3 million tonnes of CO2e in 2019, the largest element of which came from land use and land use change.

Figure 3.5: Carbon emissions in Cambridgeshire by type



All public sector bodies have a duty to limit the negative impact of climate change by reducing carbon emissions, and the Council has a role to play in reducing them across the whole county. Government has set a legal target of 78% carbon reduction by 2035 compared to 1990 levels, and this duty is increasingly a central part of our financial strategy.

In Cambridgeshire, we have allocated funding to a Just Transition Fund to provide resources for work to reduce our own carbon emissions. We aim to be a carbon neutral council by 2030 and are working towards a carbon neutral county by the mid 2040s.

4 – Revenue Strategy: Local Government Funding

Forecasting our financial resources over the medium term is a key aspect of the revenue strategy, allowing us to understand the context in which the Council must operate. We have carried out a detailed examination of the revenue resources that are available to the Council. Revenue funding comes from a variety of national and local sources, including grants from Central Government and other public bodies, Council Tax, Business Rates and other locally generated income.

In 2023-24, Cambridgeshire is expected to receive £889m of funding excluding grants retained by its schools. The key source of funding is Council Tax, which is budgeted to rise by 4.99% in 2023-24 and 2% in the remaining four years of the planning period. Including business rates and charges, locally generated funds account for 58.5% of our overall non-schools funding.

Figure 4.1: Medium-term funding forecast

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Schools Grants[1]	259	259	259	259	259
Council Tax[2]	374	386	401	417	432
Fees & Charges	169	177	182	183	183
Business Rates	£66	69	70	72	74
Government Grants	142	141	140	140	140
Revenue Support Grant[3]	0	0	0	0	0
Other Grants	108	107	106	106	106
Better Care Funding	35	35	35	35	35
Total gross budget	**1,010**	**1,032**	**1,052**	**1,071**	**1,088**

1. This includes schedule 2 dedicated schools grant, retained by the Council under regulations to support schools and education functions, and grant funding used to purchase traded services from the Council. The majority is passed to schools.
2. Assumed to increase by 4.99% in 2023-24 and 2% thereafter
3. Unlike many councils, Cambridgeshire receives minimal revenue support grant from government.

As is evident from Figure 4.1, the Council will continue to face a challenging funding environment over the medium term. In 2023-24, we are expecting an increase of 8.38% on 2022-23 on the total funding we receive from all sources, despite significant demand and inflationary pressures. The Council expects to see an overall increase in funding (excluding schools grants) of 15.96% to 2027-28, primarily due to increases in Council tax. However inflationary pressures, population growth and increased demand for services are expected to result in much higher additional budget pressures over the same period. This leaves a residual unfunded pressure of £76m.

In recent years local government funding has stabilised following a period of significant fiscal tightening from 2010. During this period income from government grants fell sharply; the Revenue Support Grant, worth £86m a year to the Council in 2013-14, is expected to be just £27k in 2023-24. Additional ring-fenced funding for social care has recently been forthcoming, acknowledging the acute pressures faced by the social care system due to an aging population, increasing complexity of need and the requirement to work more closely with the NHS. Other grants are received from government for a range of services. Despite the reduction in general government grant, these additional ring-fenced grants mean that we still have a dependency on central government funding; with the government capping Council Tax increases this dependency is growing.

The economic and fiscal outlook is challenging and so there is a risk that the local government sector will face further tightening of government funding sources. The current government department spending limits make it clear that funding will not be rising at a level to match inflation, and so while funding streams may not reduce in cash terms they are likely to in real terms.

The government has also committed to reforming Adult Social Care, in particular to cap the level of payments that an individual will need to make towards the cost of their care. This will also involve equalising the prices paid for care between individuals and local authorities (who typically buy care at a cheaper price). These reforms have been repeatedly delayed, with them now expected to come in fully for 2025. We are expecting a substantial increase in costs when the reforms do take place, with a reliance on government providing funding to us. Government had set out a funding stream to this but it was re-allocated in Autumn 2022 and so it is now unclear to what extent funding will be provided. This is a key risk to our medium-term financial position.

Sources of Funding

Council Tax, and Adult Social Care Precept (37% of funding)

Council Tax is a key source of funding for local government and is the main locally raised income stream for Cambridgeshire. It is a tax on domestic properties. The tax rate is set based on the difference between our spending requirement and the other projected income streams, within constraints set by central government.

Council Tax is collected by District Councils on behalf the County Council, and we rely on them for projections of the number of taxable properties in their district and the expected collection rate. District Councils have a 'taxbase', which is the number of taxable households in the area, weighted by band.

In recent years, the rate of growth in Council Tax has been effectively capped by central government at between 2% and 3%. Any growth beyond that would require a referendum locally. The specific referendum limit is set by government each year.

Council Tax receipts can also increase if the underlying taxbase increases. Parts of the County are seeing growth in their taxbase, and these are factored into our funding assumptions using projections supplied by District Councils.

Since 2016, central government has permitted councils with Adult Social Care responsibilities to levy a further element of Council Tax, called the 'Adult Social Care Precept'. This tax has usually been a further 2% or 3% increase and is ringfenced for adult social care services. Other than being hypothecated to funding adult social care services, this ASC precept is functionally identical to Council Tax.

The table below sets out the current assumptions about Council Tax and the ASC Precept over the planning period.

Table 4.2: Council Tax Assumptions

	2023-24	2024-25	2025-26	2026-27	2027-28
Council Tax	2.99%	2.00%	2.00%	2.00%	2.00%
ASC Precept	2.00%	0.00%	0.00%	0.00%	0.00%

Based on District Council projections, we assume a rate of growth in housing stock in each district, which increases the local taxbase. Any shortfall, or surplus, on expected collection rates by each District results in a deficit or surplus on the collection fund. The collection fund is generally returned to its desired balance each year, which can have an impact on the amount of income we get. We are reliant on District Council projections for our estimated income from Council Tax over the medium-term and any fluctuations in those will need to be met from, or released to, the Council's revenue budget. Fluctuations in collection fund values, which are one off changes, will be met from or returned to a dedicated earmarked reserve where possible.

Council Tax Requirement

The current Council Tax Requirement (and all other factors) gives rise to a 'Band D' Council Tax of £1,542.87. This is an increase of 4.99% on the actual 2022-23 level which comprises a 1.99% increase in the general precept and 3% increase in the Adult Social Care Precept. This figure reflects information from the districts on the final precept and collection fund.

Table 4.3: Build-up of recommended Council Tax Requirement and derivation of Council Tax precept 2023-24

	2023-24 £000
Revised base budget	**957,624**
Inflation	33,143
Demography & Demand	12,166
Pressures	13,273
Investments	9,449
Savings	-11,006
Change in reserves/one-off items	-4,758
Total budget	**1,009,891**
Less funding	
Business Rates plus Top-up	66,353
Revenue Support Grant	27
Dedicated Schools Grant	248,545
Unringfenced Grants (including schools)	66,761
Ringfenced Grants	86,280
Fees & Charges	169,312
Surplus/deficit on collection fund	671
Council Tax requirement	**371,942**
District taxbase	241,071.60
Band D	**1,542.87**

Taxes for the other bands are derived by applying the ratios found in the table below. For example, the Band A tax is 6/9 of the Band D tax.

Table 4.4: Ratios and amounts of Council Tax for properties in different bands

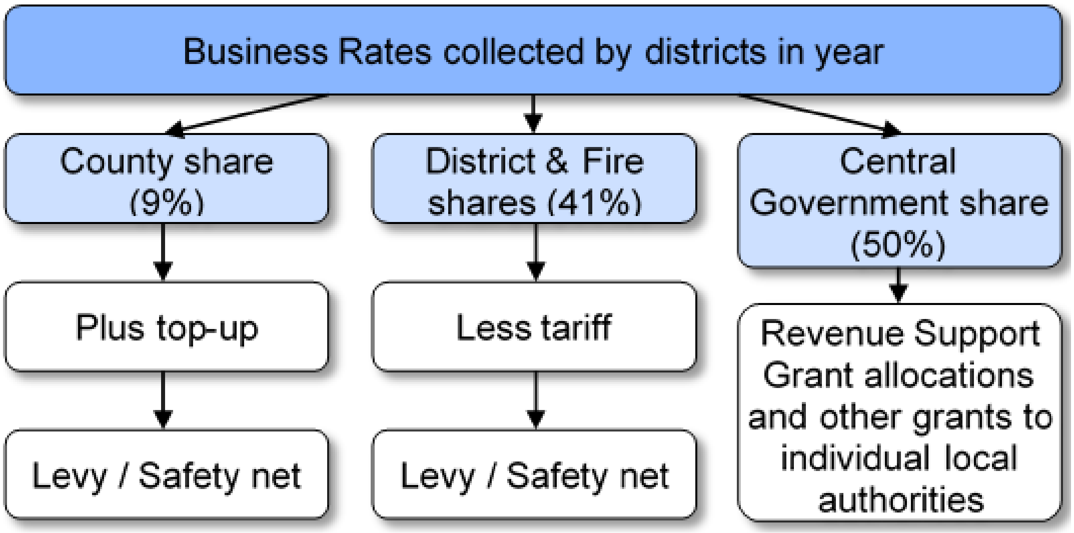
Band	Ratio	Annual Amount £	Increase on 2022-23 £
A	6/9	1,028.58	48.84
B	7/9	1,200.01	56.98
C	8/9	1,371.44	65.12
D	**9/9**	**1,542.87**	**73.26**
E	11/9	1,885.73	89.54
F	13/9	2,228.59	105.82
G	15/9	2,571.45	122.10
H	18/9	3,085.74	146.52

Business Rates (7%)

Business rates are a tax on non-domestic property. Since 2013, councils have retained a portion of the business rates collected locally (the Business Rates Retention Scheme). Business rates collected during the year by billing authorities are split 50:50 between Central Government and Local Government. Central Government's share is used to fund Revenue Support Grant (RSG) and other grants to Local Government.

This is a historic approach that was intended to increase the self-sufficiency of local government and provide an additional incentive for local authorities to invest in local economic growth. It links an element of local authority income to a share of the Business Rates collected in their area. County Councils currently receive a 9% share of Business Rates as compared to the District Councils' share of 40% which provides some stability against the variability of Business Rates. However, this means that County Councils retain a lower proportion of business rates growth and therefore receive smaller increases in funding than Districts with high levels of growth. Figure 4.5 illustrates how the current scheme works:

Figure 4.5: Business rates funding process



In two tier areas such as Cambridgeshire, the County Council will receive a top-up from the Government on top of business rates income and the district authorities will pay a tariff to central government. Tariff and top-ups are designed to realign business rates baselines with assessed need.

Business rates are collected by District Councils, and so we rely on their estimates of collection rates in our funding projections. Any changes in estimates will need to be factored into business planning. Like Council Tax, there is a collection fund for business rates that can have an impact on the amount of income we get, but these one-off adjustments will be factored into the balance on a dedicated earmarked reserve.

There is a revaluation of properties for business rates purposes taking place in 2023. This is overdue and could have some impact on the overall level of rates collected in Cambridgeshire.

For several years we have been expecting further government announcements about the future of business rates, particularly around the retention of a greater proportion of business rates locally. This would provide more incentive to generate economic growth, but reforms have not yet been set out by government.

Ring-fenced Grants (9%)

These are grants received from central government for a specific purpose. If we receive a ringfenced grant, these are passed straight to the relevant service. This funding is managed by the appropriate Service Area and the Council's ringfenced grants are set out within part 7 of Table 3 of the relevant Service Area in Section 3 of the Business Plan. The two largest ring-fenced grants are the Public Health Grant (over £28m) and Better Care Funding (over £35m, funding adult social care).

Unless we have good reason to assume otherwise, we will project ring-fenced government grants forward throughout the MTFS on a flat cash basis. Government grants are usually not confirmed beyond a single year, and even then can be confirmed quite late and it would be imprudent based on experience to assume that these grants will end.

We assume the Public Health Grant will remain ringfenced until 2025-26, at which point it is expected to be rolled into the shift to increased business rates retention. Planning collaboratively across directorates on an outcomes basis should enable the Council to reach a position where the presence or absence of the ringfence becomes less important. However, there may be a risk that when the ringfence is removed, Public Health England will require achievement of performance and activity targets which require more funding to deliver than we are currently allocating. The allocation of any increase to the Public Health Grant will be agreed by Strategy & Resources Committee despite being a ringfenced grant as it is a large source of funding that covers services across the whole Council.

Non-ringfenced Grants (6%)

These grants are received from government without strict conditions for spending. They go to the corporate centre and are used to fund services generally. In some cases, these may be allocated out to a specific service.

The MTFS is currently predicated on the assumption that the Council will receive £56.195m in unringfenced grants in 2023-24, excluding schools grants, an increase of £12.583m on the total 2022-23 allocation of £43.612m. This is predominantly due to the £12.738m increase of Social Care Support Grant.

The government has confirmed the temporary Services Grant as continuing, at a level reduced to reflect the now-cancelled increase in national insurance, for which Councils were compensated in 2022-23 via this grant.

Unringfenced government grant funding is typically announced late in the financial year during the local government finance settlement (usually late December). This has an impact on our ability to draft the business plan as a key funding source remains unclear until close to the end of the planning process.

Table 4.6: Unringfenced grants for Cambridgeshire 2023-24

	2023-24 £000
Social Care Support Grant	31,623
Services Grant	2,540
Section 31 grants and local taxation support[1]	15,457
New Homes Bonus	1,011
Education Services Grants	1,951
Other unringfenced grants	3,613
Total unringfenced grants	**56,195**

1. Section 31 grants are those given under s31 of the Local Government Act 2003, and in this table are generally narrow-focussed grants linked to taxation, such as government reimbursing us where they require exemptions from business rates

Fees & Charges (17%)

A significant, and increasing, proportion of the Council's income is generated by charging for some of the services it provides. The Council reviews its charges on an annual basis, with proposals presented to Members. Local authorities faced significant shortfalls in sales, fees and charges income in 2021-22 as a result of national restrictions imposed in response to the coronavirus pandemic. While in some areas income generation has quickly returned to normal, in other services it is still slow to recover. The pandemic has also accelerated shifting behavioural trends, such as online purchasing and working from home that could impact the Council's fees and charges income and reshape our non-statutory service provision for years to come.

Some of the income we receive is from statutory charging regimes such as in Adult Social Care. In these cases, charging rates are generally defined nationally and we will have a specific policy about how that works in Cambridgeshire. Those policies will define how charges are calculated and how they may be increased year-on-year.

The Fees & Charges Policy forms part of this strategy, in chapter 12.

Dedicated Schools Grant (25%)

The Council receives the Dedicated Schools Grant (DSG) from the Government, and it is therefore included in our gross budget figures. However, this grant is ringfenced to pass directly on to schools, other education providers and services. This plan therefore uses the figure for “total budget excluding grants to schools”.

Due to the continuing increase in the number of children and young people with an EHCP, and the complexity of need of these young people, the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. At the end of 2021/22 there was a net DSG overspend of £12.43m to the end of the year. When added to the existing DSG deficit of £26.83m and following prior-year adjustments in relation to early years a revised cumulative deficit of £39.32m was brought forward into 2022/23. Current forecasts predict a further overspend of around £12m in 2022/23, bringing the total DSG deficit carried forward into 2023/24 to around £51m.

In 2020-21 the DfE introduced the safety valve intervention programme in recognition of the increasing pressures on high needs. The programme is being expanded in 2022-23 and Cambridgeshire are part of the current round of applications. The programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the DfE, to rapidly place them on a sustainable footing. If the authorities can demonstrate sufficiently that their DSG management plans create lasting sustainability and are effective for children and young people, including reaching an in-year balance as quickly as possible, then the DfE will enter into an agreement with the authority, subject to Ministerial approval.

If an agreement is reached, local authorities are held to account for the delivery of their plans and hitting the milestones in the plans via quarterly reporting to the DfE. If adequate progress is being made, authorities will receive incremental funding to eliminate their historic deficits, generally spread over five financial years. If the conditions of the agreement are not being met, payments will be withheld.

Table 4.7: Parameters used in modelling future funding

Funding Source	Parameters
Business Rates	• Assumed 0.5% taxbase growth in Cambridge City, and 0.25% growth in South Cambridgeshire, with no growth in other districts • National CPI inflation for 2023-24 onwards
Top-up	• 2.6% increase in either top-ups or commensurate compensation from government, unless we have confirmed numbers from government
General Council Tax	• Level set by Council for 2023-24 (1.99%), and 2% thereafter • Occupied Cambridgeshire housing stock (1.68% – 2.23% annual increase, as per District Council forecasts)
Adult Social Care Precept	• Level set by Council for 2023-24 (3%), no increase thereafter • Same growth assumption as general council tax
Government grants	• Grants allocated by individual government departments assumed to be flat cash unless otherwise known
Fees & charges	• Charges set by Council (National RPIX inflation for 2023-24 onwards)

Local Government Finance Settlement

In November 2022, the government announced its Autumn Statement setting out changes to public finances. This announced that government spending would rise by less than inflation over the medium-term, as part of a plan to return the national budget closer to balance. The financial implications of the headline funding announcements for individual local authorities were set out in the provisional Local Government Finance Settlement published by the Government in December 2022. This settlement only covered one year in detail with some national allocations confirmed for 2023-24.

The Council's core spending power will increase by 9% next year according to government figures accompanying the settlement. However, half of this relates to the additional Council Tax that the government is allowing councils to levy. Overall, government funding is going up by less than the increased pressures we are facing.

The Council will receive an additional £23.84m of grant in 2023-24, with no further increases announced for 2024-25 or 2025-26. £17m is unringfenced and is mainly due to the £11.6m increase in the Social Care Support Grant. £6m is ringfenced and relates to an increase in the Market Sustainability and Fair Cost of Care Fund and the new Adult Social Care Discharge Fund.

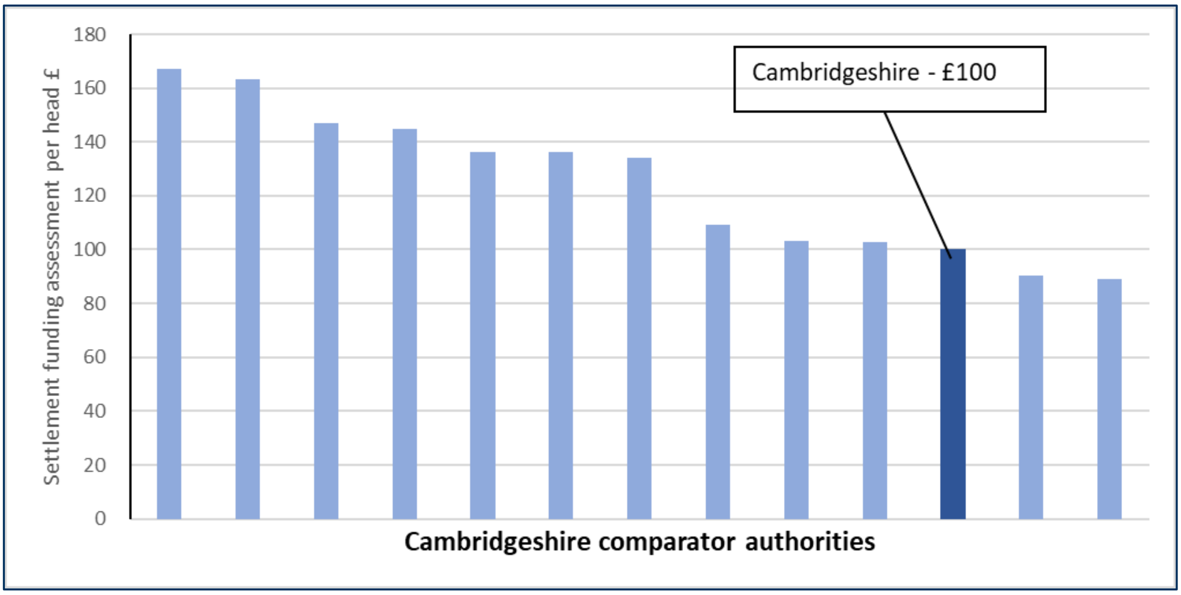
Table 4.8: Comparison of Cambridgeshire's government funding 2018-19 to 2023-24

	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000
Revenue Support Grant	3,915	-	-	-	-	-
Covid Grants	-	-	-	27,538	-	-
Other Unringfenced Grants	11,305	14,645	23,831	26,296	43,886	56,195
Better Care Funding	24,744	27,854	31,675	31,675	33,809	34,681
Other Ringfenced Grants	38,312	38,140	43,079	43,059	44,260	51,599
Government Revenue Funding (excl schools)	**78,276**	**80,639**	**98,585**	**128,568**	**121,955**	**142,475**
Difference	-3,512	+2,363	+17,946	+29,983	-6,613	20,533
Percentage Increase	-2.4%	+3.02%	+22.25%	+30.41%	-5.14%	16.84%

The Council's core revenue funding is described as its Settlement Funding Assessment (SFA) and comprises Business Rates, Top-up grant and Revenue Support Grant. For 2022-23 Cambridgeshire's SFA award per head of population will be the third lowers of our group of similar, comparator authorities, with an SFA of £100 per head compared to the average for the group of £125.

If Cambridgeshire received the average level of SFA per head of population, we would receive £25m more in Government grant funding for 2022/23.

Figure 4.9: SFA per capita 2023-24 for comparator authorities



Fairer Funding Model

The current tariffs and top-ups for business rates were set in 2013-14 based on the previous 'Four Block Model' distribution and increased annually by September's CPI inflation. Cambridgeshire County Council has long been concerned about the use of the Four Block Model, particularly in reflecting accurately the costs and benefits of growth as well as the relative efficiency of local authorities and the pockets of deprivation in some areas of Cambridgeshire.

A consultation on the review of local authorities' relative needs and resources was released as part of the 2019/20 provisional settlement. The Government was minded to implement a per capita foundation formula alongside seven service-specific funding formulas covering key areas of spending such as adult social care and highways maintenance. An Area Cost Adjustment would adjust for differences in labour and business rates costs between local authority areas and will also assess the impact of remoteness and accessibility of services.

It is likely that a notional Council tax level will be used to account for the relative resources of local authorities and to adjust reallocated income accordingly. Shire Counties stand to benefit from this adjustment as they levy relatively high levels of Council Tax and will therefore lose a smaller proportion of their funding via an adjustment set at an average level.

The tier split of business rates between upper and lower tier authorities is one of the most contentious issues to be addressed during the consultation. Shire

Counties have long argued for a larger proportion of business rates income however any change in the current allocations will be limited by the financial sustainability for District Councils. Transitional arrangements and damping adjustments will limit any significant short-term changes to local authority funding. Additionally, as Cambridgeshire has historically ranked relatively close to average in terms of relative need and relative resources, any changes in funding allocation are unlikely to substantially impact the deliverability of the business plan over the medium term.

In April 2020, the government announced that it would delay the move to 75% Business Rates Retention and the implementation of the fair funding review due to the shift in resources required to respond to the pandemic. Since then, no further update has been given by government to indicate when reforms will take place.

5 – Revenue Strategy: Building the Budget

Forecasting the cost of providing current levels of services over the medium term is the second key aspect of our revenue strategy. This allows us to assess the sustainability of current service provision and the level of savings and additional income that we will need to balance the budget over the medium-term. Our cost forecasting takes account of pressures from inflation, demographic and demand changes, amendments to legislation and other factors, as well as any investments the Council has opted to make.

This process has proven challenging for 2023-24 and beyond due to the extensive disruption caused to the global and national economy from events that have taken place in 2022 and in particular their effect on inflation.

Inflation

Calculating and projecting our inflationary pressures over the medium-term have been the most challenging and possibly the most important part of drafting this business plan. Inflation levels in the UK are the highest for decades, and this is impacting on the prices we pay for goods and services, as well as having an impact on the people of Cambridgeshire.

Rising inflation in the economy has a direct and broadly proportionate impact on our costs. Overall CPI inflation is expected to be around 5% on average through 2023-24, but we are also having to address inflationary pressures in 2022-23 that exceeded budget allocations in that year and have increased the baseline cost of services.

The exact inflationary impact on our costs is variable depending on the specific service or budget line. For example, much of our costs are employee related and linked to national negotiations around pay, and we may be bound by contracts that have specific inflationary uplifts each year or are part of a local market that sees different supply & demand issues affecting prices. National changes, such as the effect on supply chains of an increasing minimum wage, can exceed inflation rates and are generally budgeted for as pressures (as they result from government policy changes rather than general economic conditions).

Estimates of inflation in this business plan have been based on indices specific to each service or type of spend, factoring in the national inflation outlook, local trends, and uplifts built into contracts. We calculate nearly a hundred inflation indices that apply to all spend across our budgets to calculate the overall inflationary pressure. We also need to take into account where other changes, such as increases in the minimum wage, will potentially override the effect of inflation. The starting point for many inflation indices has been linked to an average CPI projection for 2023-24 of around 5.5%, but specific inflation rates are calculated for each service. As noted above, cost increases due to policy changes can replace inflationary pressures which can reduce the overall inflation number.

The table below shows expected overall inflation levels for the Council:

Table 5.1: Inflation pressures

	2023-24	2024-25	2025-26	2026-27	2027-28
Inflationary cost increase (£000)	33,143	11,179	9,810	9,600	11,026
Inflationary cost increase (%)	5.1%	1.6%	1.4%	1.3%	1.5%

Demand Pressures

Increases in demand for services can result from changes in population numbers and changes in population need. The underlying general population growth in Cambridgeshire is forecast to be around 0.3% per year across the MTFS period. The demand pressures set out in the table below relate to circumstances where:

- Services cannot absorb the financial impact of general population growth
- Service user population growth exceeds that of the general population
- Needs of service users are expected to increase, resulting in more care being provided or a more expensive mix of care types

Our demand projections are underpinned by models for each service area that are reviewed annually, and factor in demographic information, price projections, trend analysis and knowledge of likely future trajectories.

Table 5.2: Demand pressures

	2022-23	2023-24	2024-25	2025-26	2026-27
Demand cost increase (£000)	12,166	13,065	13,873	14,565	15,269
Demand cost increase (%)	1.9%	1.9%	1.9%	2.0%	2.0%

Covid continues to have an impact on our demand projections and contributes to some uncertainty around costs in future years. Many of our demand models make assumptions about the impact of Covid, and as with any assumptions there is a risk that actual costs faced will be different.

Other Service Pressures

There are some other unavoidable cost pressures that we will have to meet. Where possible services are required to manage pressures, if necessary being met through the achievement of additional savings or income. If this is not possible, particularly if the pressure is caused by a legislative change, pressures are funded corporately, increasing the level of savings that are required across all Council services. Specific pressures are set out in the budget tables for the relevant service. Examples of these pressures include the rising minimum wage and changing environmental regulations around disposal of certain categories of waste. Negative numbers in the table show where temporary pressures are reversed.

The largest pressure in the table below relates to increasing minimum wage levels.

Table 5.3: Other pressures

Service	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Peoples Services	13,924	10,717	5,159	5,626	6,011
Place & Sustainability	-436	-362	-10	33	1,049
Finance & Resources	-297	-231	-163	-	-
Strategy & Partnerships	82	-	-	55	-
Total Pressures	**13,273**	**10,124**	**4,986**	**5,714**	**7,060**
Pressure cost increase (%)	2.03%	1.43%	0.69%	0.77%	0.93%

Investments

Despite the challenging financial position that the Council is in, there remains a need to invest in some services. This may be to improve service outcomes, promote a better financial position over the medium-term, or improve sustainable use of natural resources.

Where investments result in a permanent increase in a service's budget requirement, this is ultimately funded by savings or additional income across the Council. For time-limited investments, it is appropriate to use reserves funding. Chapter 9 of this MTFS provides more detail on the source of reserves funding used for investments that require only short-term budget. As with pressures above, negative numbers in the table below show temporary pressures being reversed.

Table 5.4: Investments

Service	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Peoples Services	1,346	-342	5,159	-49	-49
Place & Sustainability	796	2,694	-10	170	-35
Finance & Resources	674	1,036	-163	-35	-35
Strategy & Partnerships	602	-	-	-	-
Total Investments	**3,418**	**3,388**	**2,558**	**86**	**-119**
Investment cost increase/reduction (%)	0.52%	0.48%	0.35%	0.01%	-0.02%

Financing of Capital Spend

All capital schemes have a potential three-fold impact on the revenue position due to interest payments on borrowing, costs of making a revenue provision for the repayment of borrowing, and the ongoing revenue impact of the asset (pressures, or savings / additional income). Therefore, to ensure that available resources are allocated optimally, capital programme planning is determined in parallel with the revenue budget planning process. Both the borrowing costs and ongoing revenue costs and savings of a scheme are considered as part of a scheme's Investment Appraisal, and therefore, the process for prioritising schemes against their ability to deliver outcomes.

In addition, the Council is required by CIPFA's Prudential Code for Capital Finance in Local Authorities to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to guarantee that it achieves this, at the start of each Business Planning Process the Council determines what proportion of revenue budget is spent on services and the corresponding maximum amount to be spent on financing borrowing. This is achieved by setting an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan. Future changes to the code will be factored into future business plans.

Once the service programmes have been refined, if the amalgamated level of borrowing and thus debt charges breach the advisory limit, schemes will either be re-worked in order to reduce borrowing levels, or the number of schemes included will be limited according to the ranking of schemes within the prioritisation analysis.

Due to the Council's strategic role in stimulating low carbon economic growth across the county through infrastructure investment, any capital proposals able to reliably demonstrate revenue income or savings at least equal to the debt charges generated by the scheme's borrowing requirement, are excluded from contributing towards the advisory borrowing limit. These schemes are called 'Invest to Save' or 'Invest to Earn' schemes and will be self-funded in the medium term.

The estimated impact of the capital programme on revenue through debt charges over the medium-term is shown in table 5.5 below:

Table 5.5: Capital financing charges – absolute and change year on year

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
2022-23 Business Plan	38.3	44.9	44.1	44.3	43.2

Savings & Income Generation

This business plan contains some savings and additional income generation proposals that were agreed in previous years' medium-term financial plans. Proposals carried over from previous plans are reviewed to assess deliverability and value of expected savings/income. Table 5.6 below sets out which saving and income lines in service budgets were agreed in a previous business plan.

Table 5.6: Savings and income proposals agreed in previous business plans

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Peoples Adults	-353	-1,846	-4,233	-2,040	-412
Peoples Children	-665	-345	-	-	-
Place & Sustainability	-5,284	-4,319	719	1,123	1,069
Finance & Resources	-2,667	-883	-660	-330	-330
Total Income and Savings Proposals	**-8,969**	**-7,393**	**-4,174**	**-1,247**	**327**

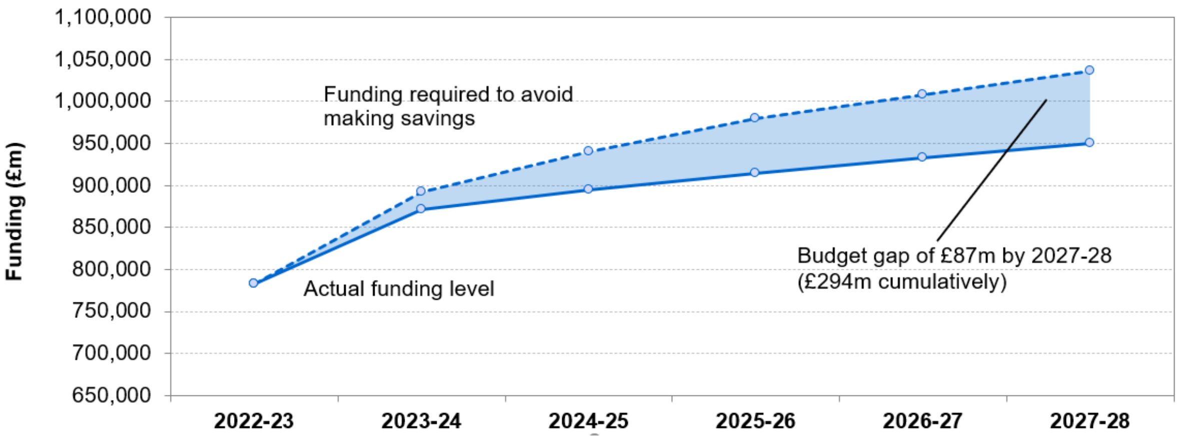
New savings and income proposals to balance 2023-24's budget and close the budget gap over the medium term are described in chapter 6 below.

6 - Revenue Strategy: Balancing the budget

Every local authority has a legal obligation to set a balanced budget every year. It is the Section 151 Officer's statutory responsibility to provide a statement on the robustness of the budget proposals when they are considered by Council.

Inevitably, cost pressures are forecast to outstrip available resources over the medium-term, given the rising costs caused by inflation, growth and associated demand pressures and renewed pressure on levels of funding for local government from public sector spending restraint. Consequently, we will need to make significant further savings, or generate significant additional income, to close the budget gap next year and over the medium-term.

Figure 6.1: Current Budget gap before savings/income



Note: This graph shows the budget gap before the effect of savings or additional income being applied.

Closing this budget gap over the next five years means making tough decisions on which services to prioritise. Sufficient savings and income generation plans are included in this draft business plan in order to balance the first year's budget, with some included in later years.

During the last few years, services have made significant savings through increasing efficiency and targeting areas that are not our highest priority with the aim of minimising the impact on our service users.

We are facing inflationary pressures that are unprecedented in recent years, and demand pressures that are increasing year-on-year, as well as an uncertain economic outlook.

Savings to be made from incremental efficiencies are likely to be minimal as we have had reducing government funding and cost pressures for over a decade. The easy savings have mostly been made, and so more difficult savings opportunities are increasingly the option available to us. We must therefore focus on reviewing any service areas where we can disinvest, drive more innovative and transformative change across the medium-term, ensure appropriate funding of services between public sector bodies, and maximise the income that can be generated locally.

We do not have a medium-term funding settlement for local councils given by central government, which is a key risk in our medium-term financial planning. We therefore cannot rely on any future increases in government funding to close our budget gap unless we have had confirmation of it or can reasonably expect it based on experience.

In working to balance the budget, we have worked in a cross-council way to identify the areas for saving or additional income. Individual services do not have a savings target, and it is the responsibility of senior leaders to identify together the best ways to balance the budget across the whole council. We prioritise the resources available to us to meet the changing and growing needs of communities, and only consider service reductions as a last resort.

Services review their budgets each year to identify any areas that have been given budget in excess of that needed to deliver the service. This is particularly the case in demand-led budgets, where estimates of growth or demand patterns will have been used and may subsequently change. In undertaking this review, services should bear in mind the corporate reserves position and the general provision for risk, and not assume an excessive amount of risk or contingency needing to be met within service budgets.

The Council also undertakes an annual budget review and rebaselining during the first quarter of each financial year to reassess the budget position in light of developments from the point at which the business plan is approved by Full Council in the preceding February. This allows the budget to be flexed to take account of material changes in circumstances such as significant increase in inflationary pressures or any new legislative requirements. This can contribute towards closing the budget gap in future years if budgets are reduced.
If savings are identified and made in the current financial year but were not planned for, for example a reduction in cost on a new contract, then these will

be factored into the business plan for the next financial year. In the meantime, they can be used to mitigate other pressures or funding can be transferred to the general reserve, but they should not be reinvested into ongoing costs.

In generating additional income, we will ensure the Fees & Charges policy is reviewed annually and should assume that by default, charges should go up by inflation each year if permitted.

We will also consider whether services are funded appropriately, or whether any changes can be made. An example of a change would be capitalising expenditure currently funded by revenue. Provided this is within capital financing regulations, it can defray revenue cost over the life of the linked asset.

As well as considering further savings or generating additional income, we need to ensure our projections for income from taxation are accurate. We will work with District Council colleagues, who collect local taxation on our behalf, at several stages throughout the year to receive updated projections for tax base levels and collection rates. Strategy & Resources Committee will also consider an updated approach to the level of Council Tax.

Savings and income generation proposed, or already included in the business plan, to close the budget gap in 2023-24 and reduce the gap in future years are summarised below (and reconcile back to Finance Tables in section 3 of the Business Plan):

Table 6.2: New savings and additional income proposals

	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Peoples Adults	-1,875	-362	0	0	0
Peoples C&YP	-2,010	0	-200	0	0
Place & Sustainability	-4,218	-1,923	2,384	-85	391
Finance & Resources	-1,392	270	-55	0	0
Strategy & Partnerships	-230	0	0	0	0
Total	**-9,725**	**-2,015**	**2,219**	**-85**	**391**

The total savings and income proposals contained in this draft business plan are shown below, adding together table 5.6 and 6.2).

New table 6.3 – all savings and income generation proposals

	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Peoples Adults	-2,228	-2,208	-4,233	-2,040	-412
Peoples C&YP	-2,675	-345	-200	0	0
Place & Sustainability	-9,502	-6,242	3,103	1,038	1,460
Finance & Resources	-4,059	-813	-715	-330	-330
Strategy & Partnerships	-230	0	0	0	0
Total	**-18,694**	**-9,608**	**-2,045**	**-1,332**	**718**

After these changes, budget gaps remain in years 2023-24 to 2027-28, shown below.

Table 6.4: Budget gap 2023-24 to 2027-28

	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Budget Gap	0	16,372	17,610	9,686	15,078

7 – Financial Overview

Funding Summary

The Council's revenue spending is funded from a range of sources, both national and local. A summary of forecast funding levels over the next five years is set out in Table 7.1 below.

Table 7.1: Total funding 2023-24 to 2027-28

	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Business Rates plus Top-up	66,353	68,635	70,409	72,137	73,676
Council Tax	372,613	386,612	401,334	416,603	432,072
Revenue Support Grant	27	27	27	27	27
Other Unringfenced Grants	56,168	54,968	82,146	82,146	82,146
Dedicated Schools Grant (DSG)	248,545	248,545	248,545	248,545	248,545
Other grants to schools	10,593	10,593	10,593	10,593	10,593
Better Care Funding	34,681	34,681	34,681	34,681	34,681
Other Ringfenced Grants	51,599	51,581	23,367	23,367	23,367
Fees & Charges	169,312	176,667	181,523	183,305	182,663
Total gross budget	**1,009,891**	**1,032,309**	**1,052,625**	**1,071,404**	**1,087,770**
Less grants to schools [1]	-259,138	-259,138	-259,138	-259,138	-259,138
Schedule 2 DSG plus income from schools for traded services to schools[2]	120,822	120,822	120,822	120,822	120,822
Total gross budget excluding schools	**871,575**	**893,993**	**914,309**	**933,088**	**949,454**
Less Fees, Charges & Ringfenced Grants	-376,414	-383,751	-360,393	-362,175	-361,533
Total net budget	**495,161**	**510,242**	**553,916**	**570,913**	**587,921**

1. The Dedicated Schools Grant (DSG) and other grants to schools are received by the Council from Government but are ringfenced to pass directly on to schools. Therefore, this plan uses the figure for "Total budget excluding schools".
2. The Council retains some DSG (schedule 2 DSG) to fund services to all schools (predominantly high needs services) as well as earning income through trading services to schools. Budget for these services is added back in here.

Expenditure Summary

The Council's projected revenue spending by department is summarised in table 7.2 below.

Table 7.2: Service net budgets 2023-24 to 2027-28

	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
People Services	344,317	367,400	386,185	406,776	430,231
Place & Sustainability	71,326	69,912	74,157	75,936	79,988
Finance & Resources	18,925	7,490	-4,115	-9,535	-20,142
Strategy & Partnerships	16,270	16,298	17,992	18,080	18,106
Financing Debt Charges	38,263	44,857	44,087	44,333	43,247
Public Health	0	0	27,035	27,035	27,035
Environment Agency Levy	442	451	460	469	478
Combined Authority Levy	9,976	10,174	10,376	10,582	10,792
Net movement on reserves	-4,358	-6,340	-2,261	-2,763	-1,814
Total budget	**495,161**	**510,242**	**553,916**	**570,913**	**587,921**
% Change in budget	8.7%	3.1%	8.6%	3.1%	3.0%

Robustness of Estimates

The Council's s151 Officer is required to report annually on the robustness of estimates made in drafting the Council's budget and for setting its Council Tax precept. A separate formal report on robustness of estimates is provided to the Council meeting that considers the draft budget, and the table below sets out the key assumptions and context used in preparing this business plan.

	Budget Assumption	Explanation of Approach
1	Inflation	5% has been assumed for staff pay inflation in 2023-24 and 3.5% across the rest of the medium-term. The Council is part of national arrangements for setting some pay scales and therefore pay awards will be influenced by any national agreements reached. Other pay scales are set locally. Each 1% increase in staff pay costs around £1.4m. As a proxy, we have tried to use estimates of CPI in 2023-24 to set that year's staffing inflation. Chapter 5 above sets out the approach to service inflation projections. Bespoke inflation indices are calculated for key services and reviewed annually. The relationship between general inflation and cost rises for our services is not linear, as set out in chapter 6 above.

	Budget Assumption	Explanation of Approach
2	Interest rates	Interest rate projections for our borrowing are based on discussions with the Council's external treasury management advisor. Most borrowing is at a fixed rate, and interest rate fluctuations only affect new borrowing or refinancing. We are anticipating, and budgeting for, interest rates on new borrowing to increase, and we expect to use more short-term borrowing for the next few years to minimise ongoing exposure to these rates.
3	Demand & demographic change	Pressures arising from increased demand for our main services are modelled annually and are based on demographic projections, trend analysis and review of activity data. The main areas of demand pressures are in social care (mainly Adults but also Children's), home to school transport and increasing waste tonnage.
4	Legislative changes	We estimate the cost of legislative changes on a case-by-case basis, depending on the certainty and materiality of them. For example, we know that the increasing minimum wage is an annual change made by the government and we take steps to estimate its trajectory, using the Low Pay Commission's estimates as a basis. Where there are discreet changes to legislation proposed by government that will present new costs to the Council, we generally assume these will be funded in part through the new burdens principle.
5	Policy decisions	Policy decisions by the Council can increase costs in our budget, either through new services or increasing spend on existing services. Officers work with senior councillors through the year to advise on and quantify policy decisions. Proposals are scrutinised for affordability and value for money.

	Budget Assumption	Explanation of Approach
6	Savings	Savings development follows a rigorous process of business case development and scrutiny, through both individual services and at a corporate level. The Finance Service is involved in quantification, and amounts should not end up being budgeted for as savings unless there is a plan for delivery at that point in time and confidence in it. Recognising that somethings savings are later not fully deliverable in practice, there is an officer board that routinely looks for further savings in-year that can be brought forward to mitigate. We aim to provide savings lines to close later years in the medium-term as well as the first year. We also review actual spend in services against budgets and have a process for re-baselining services that are deemed to not need the full budget allocation.
7	Additional income	Inflationary increases in fees and charges for our services should be applied as a matter of course each year where this is allowed.
8	Funding changes	The Local Government Finance Settlement provided only one-year allocations of funding covering 2023-24. There is uncertainty about the allocation of funding beyond that year, as well as the review of the business rates system. These both mean that there is funding uncertainty facing the Council in 2024-25 and beyond. There are several grants that have not yet had allocations confirmed for 2023-24 and where this is the case we generally do not provide for them in the budget. We are particularly concerned about the cost of adult social care reform from 2025. We do expect government to fund this (funding has been earmarked for the reforms to be implemented in 2023) but are concerned that there is now no national allocation identified and a risk that any funding will be insufficient.
9	Financial risks inherent in any significant new contracts, capital schemes or partnerships	Financial risks are included in our assessment of the prudent level of the general reserve in this strategy, along with some earmarked reserves to mitigate risks held in some of the more volatile services. Consequently, we intend not to budget for financial risks at a service level. We closely monitor revenue and capital spend to determine whether risks are materialising.

	Budget Assumption	Explanation of Approach
10	Availability of funds to deal with major events	The Council's general reserve has been assessed as part of this strategy and increased above its level in the previous MTFS. All reserves are reviewed annually. The council also has recourse to the national Bellwin Scheme in the event of disasters and emergencies.
11	Capacity to manage budget pressures	The Council's general reserves provides some cushion against unforeseen budget pressures in the short-term, providing enough time to establish plans to address pressures in a sustainable way. Our reserves level generally benchmarks quite low against our statistical neighbours, but we increased the baseline level in last year's MTFS. We also retain earmarked reserves that could be redirected to bolster the general reserve if needed. In recent years, the Council has delivered a close to balanced position at year end, or an underspend, showing some capacity to deal with pressures as they arise in year.
12	Strength of financial reporting arrangements	The Council has a well-established process for monthly financial reporting, feeding from regular reviews by individual budget managers. This results in monthly Finance Monitoring Reports that contain budgets, actual spend and forecasts that are published at committee meetings. Training on budget managers on financial processes takes place, and the central Finance Service prioritises support to the most complex, risky or volatile budget areas. The Council's accounts are reviewed annually by our external auditors and reported on.

8– Capital

The full capital strategy forms section 6 of this business plan, but key elements of the capital programme are summarised below.

The 2023-24 ten-year capital programme worth £715.9m is budgeted to be funded through £517.1m of external grants and contributions, £75.5m of capital receipts and £123.2m of borrowing (Table 8.1). This is in addition to previous spend of £552.6m on some of these schemes creating a total Capital Programme value of £1.3 billion. The related revenue impact of prudential borrowing is due to increase from £38.3m in 2023-24, to £43.2m by 2027-28. This includes some offset by the forecast income from the various Invest to Earn schemes.

Table 8.1: Funding the capital programme 2023-24 to 2032-33

	Previous years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later years £000	Total £000
Grants	170,751	62,036	47,767	34,806	31,290	30,154	44,954	**421,758**
Contributions	89,207	76,482	27,350	21,541	37,124	38,848	64,760	**355,312**
General capital receipts	15,130	2,343	26,187	25,000	3,000	3,000	16,000	**90,660**
Prudential borrowing	161,998	117,781	47,598	42,293	22,507	6,303	1,892	**400,372**
Prudential borrowing (repayable)	115,469	-1,016	122	-392	-27,879	-36,846	-49,126	**332**
Total funding	**552,555**	**257,626**	**149,024**	**123,248**	**66,042**	**41,459**	**78,480**	**1,268,434**

Section 3 later in the Business Plan sets out the detail of the 2023-24 to 2032-33 capital schemes which are summarised in the tables below.

Table 8.2 summarises schemes according to start date, whereas Table 8.3 summarises capital expenditure by service. These tables include schemes that were committed in previous years but are scheduled to complete from 2023-24 onwards. Total expenditure for 2023-24 onwards on major new investments underway or planned includes:

- Schools' Basic Need (£310.1m)
- Schools' Conditions & Maintenance (£27.3m)
- Schools' Managed Capital (£7.8m)
- Schools' Specialist Provision (£19.9m)
- Independent Living Services (£44.2m)
- Integrated Transport (£43.0m)
- Operating the Highways Network (including additional Footpaths and Pavements, and Pothole funding) (£105.0m)
- B1050 Shelfords Road (£6.8m)
- Wheatsheaf Crossroads (£6.4m)
- St Neots and March Future High Street Funds (£11.4m)
- A14 De-trunking (£24.8m)
- Street-Lighting LED (£13.3m)
- Waterbeach Waste Treatment Facilities (£19.3m)
- St Ives, Babraham and Trumpington Smart Energy Grids (£11.9m)
- Close Landfill Projects (£10.3m)
- Decarbonisation Fund (£12.1m)

Table 8.2: Capital programme for 2023-24 to 2032-33

	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000	Total £000
Ongoing	5,421	-7,359	7,661	9,860	18,690	21,950	42,344	98,567
Commitments	547,124	256,081	124,933	66,817	21,067	7,818	32,136	1,055,976
New starts:								
2023-24	10	8,904	13,049	25,434	7,550	4,177	4,000	63,124
2024-25	0	0	3,381	21,037	17,385	6,564	0	48,367
2025-26	0	0	0	100	1,350	950	0	2,400
2026-27	0	0	0	0	0	0	0	0
2027-28	0	0	0	0	0	0	0	0
Total spend	**552,555**	**257,626**	**149,024**	**123,248**	**66,042**	**41,459**	**78,480**	**1,268,434**

Table 8.3: Services' capital programme for 2023-24 to 2032-33

Scheme	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000	Total £000
People Services	59,875	170,089	87,447	80,590	42,926	18,405	45,760	505,092
Place & Sustainability	320,231	76,276	57,788	41,392	22,316	22,254	18,800	559,057
Finance & Resources	159,171	7,716	2,436	1,260	800	800	13,920	186,103
Strategy & Partnerships	13,278	3,545	1,353	6	0	0	0	18,182
Total	**552,555**	**257,626**	**149,024**	**123,248**	**66,042**	**41,459**	**78,480**	**1,268,434**

Flexible Use of Capital Receipts Policy

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their fixed asset receipts on the revenue costs of reform projects. The flexibility was extended to the end of 2024-25.

This flexibility applies as long as the Council complies with the following:

- The expenditure is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years; and

- The expenditure is properly incurred for the financial years that begin on 1 April 2016 to 1 April 2023 (anticipated to be extended to 1 April 2024), and can only be met from capital receipts which have been received in the years to which this direction applies.

It is important to note that avoiding/reducing costs and demand in later years is an increasingly large part of our transformation plan in respect of capital receipts funded costs.

We will use this direction to fund those members of staff, primarily in the Business Improvement Directorate, who are working on designing and delivering service change. This will be used up to £1.656m per year from 2022-23 to 2024-25. The Council funded £2.9m of expenditure in 2017-18 using this direction, £3.9m in 2018-19, £2.7m in 2019-20, £1.5m in 2020-21, £1.3m in 2021-22 and is forecasting to spend £1.7m in 2022-23.

We expect this funding to be applied in 2023/24 to the following work:

Table 8.4: Change work funded in total to date by capital receipts, along with savings to date, and budgeted use of capital receipts and associated savings in 2022/23

Scheme	Total Actual Cost £000	Total Budgeted Saving £000	Total Actual Saving £000	2023-24 Budgeted Cost £000	2023-24 Budgeted Saving £000
Adult Social Care Transformation	3,350	-22,798	-16,423	288	-525
Learning Disability Transformation	112	-930	-843	292	-203
Commissioning	449	-7,136	-6,745	120	-1,111
Children's transformation	1,512	-3,978	-3,612	100	0
Children's Centres & Children's Health Services Transformation	207	-1,022	-1,022	0	0
Learning Transformation	1,054	-819	-719	0	0
Communities	140	-310	-310	0	0
Public Health Transformation	0	-189	-189	0	0
Transport Transformation	404	-2,889	-2,881	150	-570
Assets / Facilities work stream / Property projects	1,689	-2,115	-1,765	0	-120
Automation	339	-397	-191	0	0
Organisational Structure Review	1,192	-1,893	-2,312	0	0
Commercialisation	2,367	-7,851	-3,648	75	-134
Waste Transformation	13	-1,085	-310	96	0
Libraries Transformation	222	-230	-230	0	0
Shared Services	445	-1,615	-537	0	0
IT Strategy	113	0	0	0	0
Contract management	250	-310	-628	110	0
Streetlighting transformation – saving in later years				175	0
Other, including savings in later years	635	0	-47	250	0
	14,493	**-55,567**	**-42,412**	**1,656**	**-2,663**

As a result of using capital receipts in this way rather than applying all capital receipts to the capital programme, prudential borrowing undertaken by the Council for the years 2017-18 to 2024-25 is budgeted to be between £1.5m and £3.9m higher in each respective year. This affects the Council's Prudential Indicators as follows:

Table 8.5: Effect of using Capital Receipts on Prudential Indicators

Prudential Indicator	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
Capital Financing Requirement	+2.9	+6.9	+9.6	+11.1	+12.5	+14.2	+15.8	+17.5
Operational Boundary (Total Borrowing)	899	985	1,058	1,063	1,044	1,060	1,140	1,160
Authorised Limit (Total Borrowing)	929	1,015	1,088	1,093	1,074	1,090	1,170	1,190

9 - Reserves Policy & Position

We need reserves to protect and enhance our medium-term financial sustainability. In particular, reserves are necessary to:

- maintain a degree of in-year financial flexibility
- enable us to deal with unforeseen circumstances and incidents
- set aside monies to fund major developments in future years
- enable us to invest to transform and improve service effectiveness and efficiency
- set aside sums for known and predicted liabilities
- enable us to deal with any unexpected changes in legislation or court judgements
- provide operational contingency at service and school level

We must also bear in mind the risks and sensitivity of assumptions outlined in chapter 10 below.

Creation and use of reserves is governed by our financial regulations, with additions or draw-downs above £175k requiring approval by Strategy & Resources Committee.

Reserve types

The Council maintained the following types of reserve coming in to 2021/22:

- General reserve – a working balance to cushion the impact of uneven cash flows. The reserve also acts as a contingency that we can use in-year if there are unexpected emergencies, unforeseen spending or uncertain developments and pressures where the exact timing and value is not yet known and/or in the Council's control. The reserve also provides coverage for grant and income risk.

- Earmarked reserves – reserves we have set aside to meet known or predicted liabilities (such as insurance claims or ongoing litigation), or that we set aside for specific and designated purposes (such as a reserve for risks within adult social care, or one off investments into services). These can also include grant reserves, sinking funds or income smoothing reserves.

- School reserves – we encourage schools to hold general contingency reserves within advisory limits. The Council, in collaboration with Schools Forum, monitors schools above the advisory limits, and takes steps to encourage appropriate deployment. However, the Council's powers to intervene and insist on spending within delegated and ring-fenced schools budget is limited by legislation. It is also notable that after taking account of the carried forward deficit on the High Needs Block of the Dedicated Schools Grant, the consolidated schools balance is now negative. The Council is taking steps to manage demand on the high needs block and has engaged with government in the safety valve process.

- COVID-19 related – the Council received additional one-off funding from government related to the pandemic in advance of spending requirements. We earmarked some of that funding t to offset the medium- and longer-term effects of the pandemic and recovery.

- Just Transition Fund – a fund created to enable investments to be made into providing a fair and green transition to a low-carbon and more equal society. This allows for one-off investments that have a high return in line with the aims of the fund.

- Post-pandemic Recovery & Budgeting Account – a reserve created in 2022/23 to provide mitigation against unexpected pressures resulting from exiting the pandemic (and recovering services), and changes in economic conditions. This is not committed to spend and will be reviewed in light of the bulge in inflationary pressures faced in the early years of this medium-term plan.

- Business Change Reserve – a reserve created in 2022-23 to provide one off resource to enable organisational change and invest to save proposals.

In considering planning for 2023-28, we are mindful of the additional uncertainty that we face, particularly from:

- The international economic situation, particularly high inflation and the extent to which cost projections are volatile.
- The long-term effects of COVID-19, and the costs we might face as we recover from the pandemic, bearing in mind the earmarked reserve for COVID-19 costs that we have
- The growing deficit on the High Needs Block of the Dedicated Schools Grant, which is projected to be around £51.1m at the start of 2023/24

- Projections for rising interest rates
- Announced government reforms, particularly in adult social care funding, where we do not yet have full details and where any government funding is uncertain
- The ongoing effects of the United Kingdom's exit from the European Union
- Potential for further unpredictable disruptions to global supply chains, increasing prices or causing shortages of goods
- Climate change and the need to move towards being a net-zero county

We also need to consider the general economic conditions, the certainty of these conditions, and the probability and financial impact of service and business risks specific to the Council in order to calculate the level of reserves we need to hold.

At the same time, we do need to ensure there are sufficient reserves to enable the funding of one-off costs that enable innovative or transformative pieces of work to take place, particularly where they contribute towards the longer-term financial sustainability of the Council.

We therefore conduct an annual review in this business plan of the levels of our reserves.

Adequacy of the general reserve

In 2022-23, the Council set the general reserve at 4% of gross non-school expenditure. This was an increase on the previous policy, due to the context of increased uncertainty resulting from the COVID-19 pandemic and worsening economic conditions.

We have reviewed the level of this reserve in the context of the potentially significant risks set out above, and that we benchmark relatively low in terms of reserves against similar authorities. As we retain several other more specific reserves, and typically there are minimal calls on the general reserve, we believe that the current level is sufficient and that it does not need to be increased. The general reserve will therefore be set at 4% of the gross budget for 2023/24 as estimated in December 2022.

If any of the general reserve is required to be used in a given year to meet a revenue pressure, it will be topped-up as a matter of course in the subsequent business planning round.

If the general reserve is above its targeted level at the end of a financial year, we will consider it as part of the next business planning round.

The table below sets out some of the known risks presenting themselves to the Council and their indicative values. There will inevitably be other, unidentified, risks and we have made a limited provision for these as well.

We consider this level to be sufficient based on the following factors:

- The Council continues to hold rolled-forward COVID-19 grant funding, which can be used in a sustainable way to offset COVID-19-related pressures
- We retain other reserves that, while earmarked, are not necessarily committed to expenditure
- We are in discussions with central government to address our accumulated high needs block deficit.

Table 9.1: Target general reserve balance for 2023-24

Risk	**Source of risk**	**Value £m**
Inflation	2% variation on Council inflation forecasts.	5.9
Demand	4% variation on Council demand forecasts.	7.8
Interest rate change	1% variation in the Bank of England Base Rate.	0.9
Council Tax	Inaccuracy in District tax base forecasts and collection levels.	2.0
Business Rates	Inaccuracy in District tax base forecasts of County share of Business Rates to the value which triggers the Safety Net.	1.3
Business Rates payable	Impact of revaluation on Business Rates payable.	0.7
Unconfirmed specific grant allocations	Value of (as yet unannounced) specific grants different to budgeted figures.	1.5
Deliverability of savings against forecast timescales	Risk to contract savings due to financial challenges faced by suppliers, increase in service user need due to the pandemic, shortfall in commercial income due to economic downturn	5.0
Non-compliance with regulatory standards	Eg Information Commissioner fines.	0.6
Major contract risk	Eg contractor viability, misspecification, non-delivery.	3.2
Target general reserve balance		**28.9**

High Needs Block Deficit

The deficit on the High Needs Block is estimated to be around £51.1m at the start of 2023-24. This is partly offset by balances held by maintained schools but is still in overall deficit. This deficit is currently ring-fenced to the DSG, and we are not currently required to use general reserves to offset it. Many Councils now have deficits on the High Needs Block, so it is a national issue.

The statutory instrument on treatment of this deficit expires at the end of 2022-23, but government has announced its intention to extend this by two further years. We are working to reduce the growth in the deficit year-on-year through a programme of transformation working alongside the Department for Education as part of the 'safety valve' process.

We earmarked a reserve in 2022-23 to partially offset deficit, providing some funding to offset the risk this deficit, and we expect to be required to use at this much of Council resources as part of any deal agreed with central government. This reserve is retained at the existing level as an earmarked reserve in this plan.

There is a risk that government requires councils to meet their High Needs Block deficits. Although that is considered a worst-case outcome, if that were to happen, it could potentially overwhelm our general reserve provision causing significant medium-term disruption to our financial planning. It is more likely that government will require councils to meet part of their accumulated deficit. Depending on the scale of this requirement, we may need to consider other reserves to use as well as the earmarked offset reserve.

Other reserve movements

There are several other movements in earmarked reserve balances that form part of this plan:

- Legacy transformation fund: this reserve was closed in 2022-23 and mostly reallocated to form the new Just Transition Fund, other than a residual balance for any committed activity due to receive funding from this reserve. We now estimate there to be around £1.5m of funding needed from this reserve in 2023-24 for projects, and will re-allocate the residual balance above this.

- Winter reserve: we propose to create a £600k reserve to mitigate against risks of difficult winters on Council services, particularly in the highways and gritting departments.

- Highways investment: we propose to earmark £1.5m over several years for an investment in Highways, specifically rural road drainage works and a cohort of apprentice highways engineers.

- Free School Meals: we will earmark funding to continue the current level of support to eligible families for free school meals during school holidays in 2023-24.

- We will hold funding in the specific risks reserve to provide for the costs expected from guided busway litigation, the short-term costs of waste management plant closure while odour management works take place, and business rates liabilities for council properties awaiting disposal.

Table 9.2: Estimated revenue reserves balances over 2023-28

	1 April 2023	1 April 2024	1 April 2025	1 April 2026	1 April 2027	31 March 2028
General reserves[1]	29	30	31	31	32	32
Earmarked reserves[2]	82	60	49	45	43	43
Covid Grant reserve[3]	13	9	5	3	3	0
School reserves[4]	-36	-41	-44	-45	-45	-45
Just Transition Fund	10	8	5	2	1	-0
Total	**99**	**65**	**46**	**37**	**34**	**30**

1. Throughout all these years, the general reserve balance is set at 4% of the Council's gross non-schools budget
2. Includes reserves for balances held by individual services for specific matters, such as litigation risk, insurance claims, service risk offset, temporary investments, or sinking funds.
3. Un-ringfenced government grant funding given during early stages of the pandemic, to be applied to relevant spend over the MTFS period.
4. This comprises individual maintained school balances held as part of their delegated budgets (which are not available to the Council centrally) set against the accumulated high needs block deficit. Under current regulations this leads to a negative balance overall. Reducing this accumulated negative balance forms part of discussions with the Department for Education, and within Earmarked Reserves is a balance to offset part of this risk.

10 - Risks & Sensitivity

In providing budget estimates, we have carefully considered financial and operational risks. The key areas of risk, and the basic response to these risks, are as follows:

- Containing inflation to funded levels – we will achieve this by closely managing budgets and contracts and further improving our control of the supply chain. We will also ensure our inflation projections are robust.

- Managing service demand to funded levels – we will achieve this through clearer modelling of service demand patterns using numerous datasets that are available to our internal Research Team and supplemented with service knowledge. A number of the proposals in the Business Plan are predicated on averting or suppressing the demand for services.

- Delivering savings to planned levels – we will achieve this action plans and detailed reviews. All savings – efficiencies or service reductions – ought to be recurrent. We have built savings requirements into the base budget, and we monitor these monthly as part of budgetary control.

- Containing the revenue consequences of capital schemes to planned levels – capital investments sometimes have revenue implications, either operational or capital financing costs. We will manage these by ensuring capital projects do not start without a tested and approved business case, incorporating the cost of the whole life cycle.

- Future funding changes – our plans have been developed in the context of continued uncertainty due to delays in the introduction of significant reforms to local government funding and other government reforms with potentially significant implications.

- Managing future carbon liabilities – the Council has committed to deliver net-zero carbon emissions by 2050 as part of its pledge to tackle the climate emergency. There is a risk that additional financial resources may be required to achieve this aim which have not been fully accounted for within the MTFS. The funding allocated to deliver the Climate Change and Environment Strategy will be reviewed annually in light of progress towards achieving the Council's net-zero carbon commitment.

- Responding to social care reforms – we will estimate the cost of these reforms and make budget provision for them when we are able to. We will work closely with NHS partners to ensure that additional funding provided to the health and social care system locally is appropriately used to meet the cost of government reforms.

In addition to these risks, there remains a general risk around recovery from the pandemic and the speed of economic recovery, as well as the prospects for the economy over the medium term. This may increase costs the Council faces, increase demand for our services, and reduce income (through lower charging income or taxation relief).

There is also a risk of sensitivity in all of the assumptions made throughout this strategy. The level of sensitivity of key assumptions is shown in the following table:

Table 10.1 – Sensitivity analysis

Variable	Estimated impact
10% savings delivery variance	+/- £1.9m
+/- 1% pay inflation	+/- £1.4m
+/- 3% general inflation	+/- £9.0m
+/- 1% Council Tax base	+/- £3.4m
+/- 1% Council Tax collection rate	+/- £3.2m
+/- 1% Business Rates base	+/- £0.7m
+/- 1% income from sales, fees & charges	+/- £1.3m
+/- 5% on cost of borrowing	+/- £1.0m
Range of sensitivity	**+/- £21.2m**

Uncertainties remain throughout the planning period in relation to the above risks. In line with good practice, we intend to maintain reserves that we can use throughout and beyond the planning period. This is set out in section 9 above. Together with a better understanding of risk and the emerging costs of future development proposals, this will help us to meet such pressures.

11 - Business Plan roles and responsibilities

The Business Plan is developed through the Council's committee structure. It is therefore beneficial to clarify the respective roles and responsibilities of committees within this process. These are defined in the Constitution but are set out below in order.

Full Council

Council is the only body that can agree the Council's budget and the associated Council Tax to support the delivery of that budget. It discharges this responsibility by agreeing the Business Plan in February each year. In agreeing the Business Plan the Council formally agrees the budget allocations for the service blocks (currently based on a departmental structure). The Business Plan includes both revenue and capital proposals and needs to be a 'balanced' budget. The following is set out within Part 3 of the Constitution – Responsibility for Functions.

Council is responsible for:

"(b) Approving or adopting the Policy Framework and the Budget

(c) Subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 4 of this Constitution, making decisions about any matter in the discharge of a committee function which is covered by the Policy Framework or the Budget where the decision-making body is minded to make it in a manner which would be contrary to the Policy Framework or contrary to, or not wholly in accordance with, the Budget

(d) Approving changes to any plan or strategy which form part of the Council's Policy Framework, unless:
   i. that change is required by the Secretary of State or any Government Minister where the plan or strategy has been submitted to him for approval, or

   ii. Full Council specifically delegated authority in relation to these functions when it approved or adopted the plan or strategy"

Strategy & Resources (S&R) Committee

S&R has the responsibility for the delivery of the Business Plan as agreed by Council. It discharges this responsibility through the service committees. In order to ensure that the budget proposals that are agreed by service committees have an opportunity to be considered in detail outside of the Council Chamber, those proposals will be co-ordinated through S&R, though Full Council remains responsible for setting a budget. S&R does not have the delegated authority to agree any changes to the budget allocations agreed by Council save for any virement delegations that are set out in the Constitution.

The following is set out within Part 3 of the Constitution – Responsibility for Functions.

> “The Strategy and Resources Committee is authorised by Full Council to co-ordinate the development to Full Council of the Strategic, Policy and Budget Framework, as described in Article 4 of the Constitution, including in-year adjustments.”
> “Authority to lead the development of the Council’s draft Business Plan (budget), to consider responses to consultation on it, and inform the draft Business Plan to be submitted for approval by Full Council.”
>
> “Authority for monitoring and reviewing the overall performance of the Council against its Business Plan.”
>
> “Authority for monitoring and ensuring that Policy and Service Committees operate within the policy direction of the County Council and making any appropriate recommendations.”

S&R is also a service committee in its own right and, therefore, also has to act as a service committee in considering proposals on how it is to utilise the budget allocation given to it for the delivery of services within its responsibility.

Service Committees

Service committees have the responsibility for the operational delivery of the Business Plan as agreed by Council within the financial resources allocated for that purpose by Council. The specific functions covered by the committee are set out in the Constitution but the generic responsibility that falls to all is set out below:

“This committee has delegated authority to exercise all the Council’s functions, save those reserved to Full Council, relating to the delivery, by or on behalf of, the County Council, of services relating to…”

12 – Fees & Charges Policy

Fees and charges are a very important source of income to the council, enabling important services to be sustained and provided. As the overall cost of service provision reduces, the proportion of costs that are recovered through fees and charges is likely to grow. In order to sustain the delivery of some services in the future this revenue is essential.

This policy will be revised following a corporate review of fees and charges across the Council. The policy and Best Practice Guidance set out the approach to be taken to fees and charges where the Council has discretion over the amounts charged for services provided and for trading activities.

The purpose of this policy is to provide a consistent approach in setting, monitoring and reviewing fees and charges across the authority. This will ensure that fees and charges support Council objectives and are set at a level that maximises income generation in accordance with the Commercial Strategy. The policy currently incorporates the following Charging Principles:

1. Council Priorities

A Schedule of Fees and Charges shall be maintained for all charges where the Council has discretion over the amounts charged for services provided and for income generating activities. All decisions on charges for services and income generating activities will be taken with reference to and in support of Council priorities and recorded as delegated decisions, as appropriate.

2. Charge Setting

In setting charges, any relevant government guidance will be followed. Stakeholder engagement and comparative data will be used where appropriate to ensure that charges do not adversely affect the take up of services or restrict access to services. Full consideration will be given and documented to the full costs of delivery and the opportunities for improving efficiency and reducing bureaucracy.

3. Subsidy

In general, fees and charges will aim to recover the full cost of services except where this is prevented by legislation, market conditions or where alternative arrangements have been expressly approved by the relevant Director. A proportionate business case should be created for all charges that a subsidised by the Council. Approval for the level of subsidy should be obtained from the relevant Service Director, in consultation with the Chief Finance Officer.

4. Charging Levels

A number of factors should be considered when determining the charge and these are documented in the accompanying Best Practice Guidance.

5. Charging Exemptions

All services provided by the Council will be charged for unless prevented by statute, detailed as exempt in the Best Practice Guidance or under exceptional circumstances agreed exempt by the relevant Director, in consultation with the Chief Finance Officer.

6. Concessions

Concessions to priority and target groups will be considered where appropriate, in accordance with any relevant government guidance and will take account of the user's ability to pay. All concessions should be fully justified in terms of achieving the Council's priorities. Wherever possible we will aim to provide concessions consistently across the Authority, in line with the Best Practice Guidance.

7. Review of Charges

All charges and the scope for charging will be reviewed at least annually within the service area, though charges within the same service area may need reviewing at separate times in the year. The review will include those services which could be charged for but which are currently provided free of charge. The annual review will be undertaken in accordance with the Best Practice Guidance.

The Council receives revenue income for the provision of services from a very diverse range of users. These range from large corporate organisations to individual residents. Some charges are set at the total discretion of the Council whereas other charges are set within a strict national framework.

Overall, however, fees and charges income is both an invaluable contribution to the running costs of individual services and a tool for assisting the delivery of specific service objectives. Either way, it is important for the level of charges to be reviewed on an annual basis. This will not necessarily result in an increase but to not do so should be as result of a conscious decision rather than as an oversight. Detailed schedules of fees and charges have been reviewed by relevant services during 2022-23:

- People Services schedule of fees and charges
- Place & Sustainability schedule of fees and charges
- Strategy & Partnerships schedule of fees and charges

For business planning purposes the standard assumption is that all fees and charges will be increased in line with RPIX (a national inflation index that removes mortgage costs) which is around 5% for 2023-24 and 3% for remaining years covered by the Business Plan however some prices are subject to other indexation or must reflect changes to the underlying cost base that may be above or below this average inflation. If a decision is taken to not increase some fees and charges the budget shortfall that this creates will need to be bridged through other operational and cost savings. Conversely, if charges are increased above inflation this can contribute to departmental savings targets.

When considering increases services must take into account elasticities of demand. Whilst the majority of Council services are unaffected by market factors there will be some price sensitivities in all of the services that are provided, albeit many of these may only be short term.

Cambridgeshire County Council

Finance Tables

2023-2024

Cambridgeshire.gov.uk

Section 3 – Finance Tables

Introduction

There are six types of finance tables in our Business Plan. tables 1-3 relate to all Service Areas, while only some Service Areas have tables 4, 5 and/or 6. Tables 1, 2, 3 and 6 show a Service Area's revenue budget in different presentations. Tables 3 and 6 detail all the changes to the budget. Table 2 shows the impact of the changes in year 1 on each policy line. Table 1 shows the combined impact on each policy line over the 5 year period. Some changes listed in Table 3 impact on just one policy line in Tables 1 and 2, but other changes in Table 3 are split across various policy lines in Tables 1 and 2. Tables 4 and 5 outline a Service Area's capital budget, with Table 4 detailing capital expenditure for individual proposals, and funding of the overall programme, by year and Table 5 showing how individual capital proposals are funded.

Table 1

This presents the net budget split by policy line for each of the five years of the Business Plan. It also shows the revised opening budget and the gross budget, together with fees, charges and ring-fenced grant income, for 2022-23 split by policy line. Policy lines are specific areas within a service on which we report, monitor and control the budget. The purpose of this table is to show how the net budget for a Service Area changes over the period of the Business Plan.

Table 2

This presents additional detail on the net budget for 2022-23 split by policy line. The purpose of the table is to show how the budget for each policy line has been constructed: inflation, demography and demand, pressures, investments and savings are added to the opening budget to give the closing budget.

Table 3

Table 3 explains in detail the changes to the previous year's budget over the period of the Business Plan, in the form of individual proposals. At the top it takes the previous year's gross budget and then adjusts for proposals, grouped together in sections, covering inflation, demography and demand, pressures, investments and savings to give the new gross budget. The gross budget is reconciled to the net budget in Section 7. Finally, the sources of funding are listed in Section 8. An explanation of each section is given below:

- **Opening Gross Expenditure:**
  The amount of money available to spend at the start of the financial year and before any adjustments are made. This reflects the final budget for the previous year.

- **Revised Opening Gross Expenditure:**
  Adjustments that are made to the base budget to reflect permanent changes in a Service Area. This is usually to reflect a transfer of services from one area to another.

- **Inflation:**
  Additional budget provided to allow for pressures created by inflation. These inflationary pressures are particular to the activities covered by the Service Area.

- **Demography and Demand:**
  Additional budget provided to allow for pressures created by demography and increased demand. These demographic pressures are particular to the activities covered by the Service Area. Demographic changes are backed up by a robust programme to challenge and verify requests for additional budget.

- **Pressures:**
  These are specific additional pressures identified that require further budget to support.

- **Investments:**
  These are investment proposals where additional budget is sought, often as a one-off request for financial support in a given year and therefore shown as a reversal where the funding is time limited (a one-off investment is not a permanent addition to base budget).

- **Savings:**
  These are savings proposals that indicate services that will be reduced, stopped or delivered differently to reduce the costs of the service. They could be one-off entries or span several years.

- ### Total Gross Expenditure:
  The newly calculated gross budget allocated to the Service Area after allowing for all the changes indicated above. This becomes the Opening Gross Expenditure for the following year.

- ### Fees, Charges & Ring-fenced Grants:
  This lists the fees, charges and grants that offset the Service Area's gross budget. The section starts with the carried forward figure from the previous year and then lists changes applicable in the current year.

- ### Total Net Expenditure:
  The net budget for the Service Area after deducting fees, charges and ring-fenced grants from the gross budget.

- ### Funding Sources:
  How the gross budget is funded – funding sources include cash limit funding (central Council funding from Council Tax, business rates and government grants), fees and charges, and individually listed ring-fenced grants.

Table 4

This presents a Service Area's capital schemes, across the ten-year period of the capital programme. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table. The third table identifies the funding sources used to fund the programme. These sources include prudential borrowing, which has a revenue impact for the Council.

Table 5

Table 5 lists a Service Area's capital schemes and shows how each scheme is funded. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table.

TABLE 6

Table 6 follows the same format and purpose as Table 3 for Service Areas where there is a rationale for splitting Table 3 in two.

Section 3 - A: People Services

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2023-24 to 2027-28

Note – Individual service lines do not contain provision for staffing inflation as pay awards have not yet been agreed. Until that point, a staffing inflation allocation is held centrally

Net Revised Opening Budget 2022-23 £000	Policy Line	Gross Budget 2023-24 £000	Fees, Charges & Ring-fenced Grants 2023-24 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000	Net Budget 2026-27 £000	Net Budget 2027-28 £000
	Director of Adults and Safeguarding							
-18,391	Strategic Management - Adults	-15,074	-9,807	-24,881	-25,006	-25,084	-25,133	-25,182
2,090	Transfers of Care	2,207	-	2,207	2,207	2,207	2,207	2,207
9,880	Prevention & Early Intervention	11,435	-742	10,693	10,701	10,699	10,693	10,697
1,687	Principal Social Worker, Practice and Safeguarding	2,256	-391	1,865	1,852	1,838	1,824	1,809
2,295	Autism and Adult Support	2,939	-94	2,845	3,449	4,032	4,656	5,318
1,785	Adults Finance Operations	1,942	-10	1,932	1,932	1,932	1,932	1,932
	Learning Disability Partnership							
6,722	Head of Service	6,690	-2	6,688	6,440	6,684	6,937	7,199
41,698	LD - City, South and East Localities	49,565	-2,494	47,071	51,277	54,809	58,620	62,653
38,288	LD - Hunts and Fenland Localities	45,214	-2,028	43,186	46,970	50,238	53,758	57,484
11,956	LD - Young Adults Team	13,641	-338	13,303	14,474	15,450	16,507	17,625
7,996	In House Provider Services	8,125	-163	7,962	7,961	7,960	7,958	7,955
-25,891	NHS Contribution to Pooled Budget	-2,821	-26,007	-28,828	-32,568	-38,179	-42,257	-44,823
	Older People and Physical Disability Services							
5,285	Management and Staffing	5,533	-	5,533	5,533	5,533	5,533	5,533
29,427	Older Peoples Services - North	46,514	-12,988	33,526	36,847	39,524	42,281	44,920
35,708	Older Peoples Services - South	55,012	-14,634	40,378	44,187	47,374	50,573	53,623
4,181	Physical Disabilities - North	6,099	-873	5,226	6,136	6,978	7,891	8,867
4,662	Physical Disabilities - South	6,985	-1,084	5,901	6,979	7,981	9,068	10,226
	Mental Health							
3,617	Mental Health Central	3,678	-54	3,624	3,775	3,827	3,881	3,937
5,527	Adult Mental Health Localities	7,140	-402	6,738	7,822	8,792	9,799	10,836
7,272	Older People Mental Health	10,153	-1,392	8,761	9,935	11,076	12,191	13,246
175,794	**Subtotal Director of Adults and Safeguarding**	**267,233**	**-73,503**	**193,730**	**210,846**	**223,285**	**238,204**	**255,018**
	Director of Commissioning							
367	Strategic Management - Commissioning	1,305	-940	365	364	363	362	361
1,362	Access to Resource & Quality	1,468	-43	1,425	1,425	2,325	2,325	2,325
300	Local Assistance Scheme	300	-	300	300	300	300	300
	Adults Commissioning							
14,438	Central Commissioning - Adults	51,077	-36,768	14,309	14,796	15,181	15,589	16,008
1,779	Integrated Community Equipment Service	8,257	-6,009	2,248	2,519	2,430	2,257	2,303
2,325	Mental Health Commissioning	2,783	-339	2,444	2,399	2,461	2,527	2,597
	Childrens Commissioning							
23,122	Children in Care Placements	25,724	-	25,724	27,155	28,403	29,923	31,819
819	Commissioning Services	819	-	819	819	819	819	819
44,512	**Subtotal Director of Commissioning**	**91,733**	**-44,099**	**47,634**	**49,777**	**52,282**	**54,102**	**56,532**

Section 3 - A: People Services

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2023-24 to 2027-28

Net Revised Opening Budget 2022-23 £000	Policy Line	Gross Budget 2023-24 £000	Fees, Charges & Ring-fenced Grants 2023-24 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000	Net Budget 2026-27 £000	Net Budget 2027-28 £000
	Director of Children & Safeguarding							
2,598	Strategic Management - Children & Safeguarding	2,897	-67	2,830	2,823	2,816	2,809	2,802
2,787	Safeguarding and Quality Assurance	3,672	-531	3,141	3,236	3,333	3,432	3,533
9,316	Fostering and Supervised Contact Services	10,159	-559	9,600	9,600	9,600	9,600	9,600
3,096	Corporate Parenting	7,719	-4,482	3,237	3,232	3,227	3,222	3,216
4,275	Integrated Front Door	4,814	-323	4,491	4,494	4,498	4,502	4,506
7,287	Children's Disability Service	9,036	-870	8,166	8,389	8,638	8,903	9,184
178	Support to Parents	1,867	-1,670	197	198	199	200	201
5,561	Adoption	6,224	-649	5,575	5,660	5,747	5,836	5,926
2,050	Legal Proceedings	2,050	-	2,050	2,050	2,050	2,050	2,050
1,306	Youth Offending Service	2,445	-1,057	1,388	1,404	1,420	1,437	1,455
	District Delivery Service							
-123	Children´s Centres Strategy	47	-170	-123	-123	-123	-123	-123
1,058	Safeguarding West	1,081	-	1,081	1,073	1,065	1,057	1,048
5,036	Safeguarding East	4,855	-30	4,825	4,825	4,825	4,825	4,825
4,208	Early Help District Delivery Service - North	4,495	-54	4,441	4,439	4,437	4,435	4,433
5,079	Early Help District Delivery Service - South	5,405	-30	5,375	5,374	5,372	5,370	5,368
53,712	**Subtotal Director of Children & Safeguarding**	**66,766**	**-10,492**	**56,274**	**56,674**	**57,104**	**57,555**	**58,024**
	Director of Education							
965	Strategic Management - Education	1,488	-678	810	800	790	780	769
2,235	Early Years Service	4,403	-2,116	2,287	2,271	2,255	2,238	2,219
1,031	School Improvement Service	1,719	-733	986	985	985	984	982
551	Virtual School	1,921	-1,312	609	619	619	614	623
-73	Outdoor Education (includes Grafham Water)	1,868	-1,945	-77	-77	-77	-77	-78
7	Cambridgeshire Music	1,443	-1,468	-25	-25	-25	-25	-25
-200	ICT Service (Education)	2,239	-2,539	-300	-300	-300	-300	-300
3,717	Redundancy & Teachers Pensions	4,613	-622	3,991	4,222	4,324	4,428	4,534
	SEND Specialist Services (0 - 25 years)							
11,133	SEND Specialist Services	11,630	-123	11,507	11,508	11,510	11,511	11,511
40,896	Funding to Special Schools and Units	40,896	-	40,896	40,896	40,896	40,896	40,896
34,561	High Needs Top Up Funding	34,561	-	34,561	34,561	34,561	34,561	34,561
15,022	SEN Placements	15,610	-588	15,022	15,022	15,022	15,022	15,022
5,035	Out of School Tuition	5,035	-	5,035	5,035	5,035	5,035	5,035
7,263	Alternative Provision and Inclusion	7,300	-108	7,192	7,192	7,192	7,192	7,192
-1,871	SEND Financing - DSG	-1,871	-	-1,871	-1,871	-1,871	-1,871	-1,871
	0-19 Place Planning & Organisation Service							
2,880	0-19 Organisation & Planning	3,828	-899	2,929	2,927	2,927	2,924	2,918

Section 3 - A: People Services

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2023-24 to 2027-28

Net Revised Opening Budget 2022-23 £000	Policy Line	Gross Budget 2023-24 £000	Fees, Charges & Ring-fenced Grants 2023-24 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000	Net Budget 2026-27 £000	Net Budget 2027-28 £000
180	Education Capital	185	-1	184	184	184	184	184
17,757	Home to School Transport - Special	21,344	-155	21,189	23,339	26,064	29,059	32,356
1,628	Children in Care Transport	1,706	-	1,706	1,716	1,703	1,706	1,734
9,747	Home to School Transport - Mainstream	11,301	-152	11,149	11,466	11,789	12,119	12,456
152,464	**Subtotal Director of Education**	**171,219**	**-13,439**	**157,780**	**160,470**	**163,583**	**166,980**	**170,718**
	Executive Director							
921	Executive Director	2,199	-346	1,853	2,587	2,885	2,889	2,893
20	Central Financing	20		20	20	20	20	20
179	Lost Sales, Fees & Charges Compensation	-	65	65	65	65	65	65
1,120	**Subtotal Executive Director**	**2,219**	**-281**	**1,938**	**2,672**	**2,970**	**2,974**	**2,978**
-113,039	DSG Adjustment	-	-113,039	-113,039	-113,039	-113,039	-113,039	-113,039
314,563	**PEOPLE SERVICES BUDGET TOTAL**	**599,170**	**-254,853**	**344,317**	**367,400**	**386,185**	**406,776**	**430,231**

Section 3 - A: People Services

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2023-24

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Director of Adults and Safeguarding							
Strategic Management - Adults	-18,391	970	-	-21	184	-7,623	-24,881
Transfers of Care	2,090	135	-	-18	-	-	2,207
Prevention & Early Intervention	9,880	885	-	-72	-	-	10,693
Principal Social Worker, Practice and Safeguarding	1,687	91	-	-13	100	-	1,865
Autism and Adult Support	2,295	51	381	114	4	-	2,845
Adults Finance Operations	1,785	153	-	-6	-	-	1,932
Learning Disability Partnership							
Head of Service	6,722	289	-	-400	280	-203	6,688
LD - City, South and East Localities	41,698	613	1,862	2,793	107	-2	47,071
LD - Hunts and Fenland Localities	38,288	528	1,735	2,539	97	-1	43,186
LD - Young Adults Team	11,956	202	525	746	29	-155	13,303
In House Provider Services	7,996	-2	-	-32	-	-	7,962
NHS Contribution to Pooled Budget	-25,891	-510	-957	-1,417	-54	1	-28,828
Older People and Physical Disability Services							
Management and Staffing	5,285	272	-	-134	110	-	5,533
Older Peoples Services - North	29,427	1,096	621	2,551	103	-272	33,526
Older Peoples Services - South	35,708	1,436	363	3,043	122	-294	40,378
Physical Disabilities - North	4,181	39	678	316	12	-	5,226
Physical Disabilities - South	4,662	60	795	371	14	-1	5,901
Mental Health							
Mental Health Central	3,617	174	-	-17	-	-150	3,624
Adult Mental Health Localities	5,527	64	786	347	15	-	6,738
Older People Mental Health	7,272	461	496	511	21	-	8,761
Subtotal Director of Adults and Safeguarding	**175,794**	**7,007**	**7,285**	**11,201**	**1,144**	**-8,700**	**193,730**
Director of Commissioning							
Strategic Management - Commissioning	367	-1	-	-1	-	-	365
Access to Resource & Quality	1,362	74	-	-11	-	-	1,425
Local Assistance Scheme	300	-	-	-	-	-	300
Adults Commissioning							
Central Commissioning - Adults	14,438	400	-	561	21	-1,111	14,309
Integrated Community Equipment Service	1,779	435	34	-	-	-	2,248
Mental Health Commissioning	2,325	39	-	115	5	-40	2,444
Childrens Commissioning							
Children in Care Placements	23,122	1,780	1,822	-	-	-1,000	25,724
Commissioning Services	819	-	-	-	-	-	819
Subtotal Director of Commissioning	**44,512**	**2,727**	**1,856**	**664**	**26**	**-2,151**	**47,634**

Section 3 - A: People Services

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2023-24

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Director of Children & Safeguarding							
Strategic Management - Children & Safeguarding	2,598	254	-	-24	2	-	2,830
Safeguarding and Quality Assurance	2,787	122	-	-18	250	-	3,141
Fostering and Supervised Contact Services	9,316	313	-	-29	-	-	9,600
Corporate Parenting	3,096	164	-	-23	-	-	3,237
Integrated Front Door	4,275	234	-	-18	-	-	4,491
Children's Disability Service	7,287	401	200	278	-	-	8,166
Support to Parents	178	20	-	-1	-	-	197
Adoption	5,561	174	-	-10	-	-150	5,575
Legal Proceedings	2,050	-	-	-	-	-	2,050
Youth Offending Service	1,306	93	-	-11	-	-	1,388
District Delivery Service							
Children´s Centres Strategy	-123	-	-	-	-	-	-123
Safeguarding West	1,058	48	-	-25	-	-	1,081
Safeguarding East	5,036	171	-	-30	-	-352	4,825
Early Help District Delivery Service - North	4,208	263	-	-30	-	-	4,441
Early Help District Delivery Service - South	5,079	324	-	-28	-	-	5,375
Subtotal Director of Children & Safeguarding	**53,712**	**2,581**	**200**	**31**	**252**	**-502**	**56,274**
Director of Education							
Strategic Management - Education	965	74	-	-8	2	-223	810
Early Years Service	2,235	66	-	-14	-	-	2,287
School Improvement Service	1,031	51	-	-11	-	-85	986
Virtual School	551	65	-	-7	-	-	609
Outdoor Education (includes Grafham Water)	-73	-4	-	-	-	-	-77
Cambridgeshire Music	7	-	-	-	-	-32	-25
ICT Service (Education)	-200	-	-	-	-	-100	-300
Redundancy & Teachers Pensions	3,717	424	-	-	-	-150	3,991
SEND Specialist Services (0 - 25 years)							
SEND Specialist Services	11,133	204	-	170	-	-	11,507
Funding to Special Schools and Units	40,896	-	-	-	-	-	40,896
High Needs Top Up Funding	34,561	-	-	-	-	-	34,561
SEN Placements	15,022	-	-	-	-	-	15,022
Out of School Tuition	5,035	-	-	-	-	-	5,035
Alternative Provision and Inclusion	7,263	4	-	-	-	-75	7,192
SEND Financing - DSG	-1,871	-	-	-	-	-	-1,871
0-19 Place Planning & Organisation Service							
0-19 Organisation & Planning	2,880	58	-	-9	-	-	2,929
Education Capital	180	5	-	-1	-	-	184
Home to School Transport - Special	17,757	1,141	2,432	260	-	-401	21,189
Children in Care Transport	1,628	78	-	-	-	-	1,706
Home to School Transport - Mainstream	9,747	629	113	660	-	-	11,149
Subtotal Director of Education	**152,464**	**2,795**	**2,545**	**1,040**	**2**	**-1,066**	**157,780**

Section 3 - A: People Services

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2023-24

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Executive Director							
Executive Director	921	21	-	988	-78	-	1,853
Central Financing	20	-	-	-	-	-	20
Lost Sales, Fees & Charges Compensation	179	-	-	-	-	-114	65
Subtotal Executive Director	**1,120**	**21**	**-**	**988**	**-78**	**-114**	**1,938**
DSG Adjustment	-113,039	-	-	-	-	-	-113,039
PEOPLE SERVICES BUDGET TOTAL	**314,563**	**15,131**	**11,886**	**13,924**	**1,346**	**-12,533**	**344,317**

Section 3 - A: People Services

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
1	**OPENING GROSS EXPENDITURE**	**557,199**	**599,170**	**624,919**	**648,464**	**672,459**	
A/R.1.001	Budget Preparation Adjustments	4,581	-	-	-	-	Virements approved by Strategy and Resources committee in July 2022.
A/R.1.002	Permanent Virement - PVs	-4,056	-	-	-	-	Increase in expenditure budgets (compared to published 2022-27 Business Plan) as advised during the budget preparation period and permanent in-year changes made during 2022-23.
A/R.1.003	Transfer of Function - Splitting out PVs - People to P&S	-71	-	-	-	-	Accounting for transfer of budgets between departments
A/R.1.004	Transfer of Function - Splitting out PVs - People to S&P	1,170	-	-	-	-	Accounting for transfer of budgets between departments
A/R.1.005	Base Adjustment - Restructure - People to P&S	-7,461	-	-	-	-	Accounting for leadership structure movements between departments
A/R.1.006	Base Adjustment - Restructure - People to S&P	-9,647	-	-	-	-	Accounting for leadership structure movements between departments
A/R.1.007	Increase in centrally retained Dedicated Schools Grant	11,233	-	-	-	-	An increase in centrally retained Dedicated Schools Grant (DSG) funding as a result of uplifts in overall DSG funding.
A/R.1.008	Transferred Function - Independent Living Fund (ILF)	-56	-54	-51	-49	-49	The ILF, a central government funded scheme supporting care needs, closed in 2015. Since then the local authority has been responsible for meeting eligible social care needs for former ILF clients. The government has told us that their grant will be based on a 5% reduction in the number of users accessing the service each year.
A/R.1.009	Market Sustainability Grant	750	-	-	-	-	Reallocation of budget relating to this grant in 2022-23
A/R.1.011	Arts Council Grant increase	7	-7	-	-	-	Increase in Arts Council (Music Grant) for 2023-24
A/R.1.012	Adult Social Care Market Sustainability & Improvement Fund	3,373	-	-	-	-	Expenditure budget related to this ringfenced grant
A/R.1.013	Adult Social Care Discharge Fund	2,127	-	-	-	-	Expenditure budget relating to this new ringfenced grant
A/R.1.014	Improved BCF	1	-	-	-	-	Minor adjustment in system budget for this grant
A/R.1.015	Increase in Retained Duties grant	145	-	-	-	-	Increase in Retained Duties grant for 2023-24
1.999	**REVISED OPENING GROSS EXPENDITURE**	**559,295**	**599,109**	**624,868**	**648,415**	**672,410**	
2	**INFLATION**						
A/R.2.002	Centrally funded inflation - Care Providers	6,075	1,968	3,419	2,931	2,406	Forecast pressure from general inflation relating to care providers. Further pressure funding is provided in A/R.4.009 and A/R.5.011 to enable the cost of the rising real and national living wage (RLW and NLW) rates to be factored into rates paid to providers.

Section 3 - A: People Services

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
A/R.2.003	Centrally funded inflation - Children in Care placements	1,967	339	-7	247	624	Net inflation across the relevant Children in Care budgets is currently forecast at 5.5% for 2023/24.
A/R.2.004	Centrally funded inflation - Transport	1,845	577	551	589	641	Forecast pressure for inflation relating to transport. This is estimated at 4.8% for 2023/24
A/R.2.005	Centrally funded inflation - Miscellaneous other budgets	1,776	856	499	431	685	Forecast pressure from inflation relating to miscellaneous other budgets, on average this is calculated at 0.4% increase for 2023/24
A/R.2.008	2022-23 Staff Pay Award	5,854	-	-	-	-	Adjustment to reflect 2022-23 pay awards in permanent base
2.999	**Subtotal Inflation**	**17,517**	**3,740**	**4,462**	**4,198**	**4,356**	
3	**DEMOGRAPHY AND DEMAND**						
A/R.3.002	Funding for additional Physical Disabilities demand	1,473	1,536	1,602	1,670	1,741	Additional funding to ensure we meet the increased demand for care for people with physical disabilities. The current pattern of activity and expenditure is modelled forward using population forecasts and activity data. Account is then taken of increasing complexity as a result of increasing need, in particular, more hours of domiciliary care are being provided per person. This work has supported the case for additional funding of £1,473k in 2023-24 to ensure we can continue to provide the care for people who need it.
A/R.3.003	Additional funding for Autism and Adult Support demand	381	507	504	525	545	Additional funding to ensure we meet the rising level of needs amongst people with autism and other vulnerable people. Demand funding reflects both expected increases in numbers of people being supported, and increasing needs of the existing cohort.
A/R.3.004	Additional funding for Learning Disability Partnership (LDP) demand	3,165	3,462	3,664	3,846	4,037	Additional funding to ensure we meet the rising level of needs amongst people with learning disabilities. Approximately 77% of the demographic pressure is due to a net increase in service users due to new service-users transitioning to the LDP from Children's Services, or seeking support later in their lives. This number is growing year on year, while the number of service users exiting the service remains stable, leading to a growing net increase in demand. The remaining 23% of the demography bid is to allow for increasing needs among the existing cohort of service users. We're allocating a total of £3,165k as the council's share to this pooled budget to ensure we provide the right care for people with learning disabilities.

Section 3 - A: People Services

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
A/R.3.005	Funding for Adult Mental Health Demand	786	786	786	786	786	Additional funding to ensure we meet the increased demand for care amongst working age adults with mental health needs. The current pattern of activity and expenditure is modelled forward using population forecasts and data relating to the prevalence of mental health needs. This data is showing particular growth in supported living placements. Some account is taken of the recovery over time of clients in receipt of section 117 aftercare and the additional demand this is placing on social care funding streams. This work has supported the case for additional funding of £786k in 2023-24 to ensure we can continue to provide the care for people who need it.
A/R.3.006	Additional funding for Older People demand	1,384	2,192	2,283	2,374	2,469	Additional funding to ensure we meet the demand for care amongst older people providing care at home. For several years demand bids were modelled on residential care growing in line with population growth. However, the impact of Covid-19 has resulted in a shift away from bed based care with increasing numbers of people being cared for at home for longer, and entering residential care at a later stage with higher needs. The demand bid expects this trend to continue n the short term but returns to assumed growth in aservice users in line with population growth from 2024-25.
A/R.3.007	Funding for Older People Mental Health Demand	496	518	541	563	586	Additional funding to ensure we meet the increased demand for care amongst older people with mental health needs, providing care at home as well as residential and nursing placements. The current pattern of activity and expenditure is modelled forward using population forecasts to estimate the additional budget requirement for each age group and type of care. Some account is then taken of the recovery over time of clients in receipt of section 117 aftercare and the additional demand this is placing on social care funding streams. This work has supported the case for additional funding of £496k in 2023-24 to ensure we can continue to provide the care for people who need it.
A/R.3.008	Home to school transport mainstream	113	115	118	121	124	Additional funding required to provide home to school transport for pupils attending mainstream schools. This additional funding is required due to the anticipated increase in the number of pupils attending Cambridgeshire's schools in 2023-24.
A/R.3.010	Funding for Home to School Special Transport demand	2,432	2,129	2,361	2,618	2,904	Additional funding required to provide transport to education provision for children and young people with special educational needs (SEN). The additional funding is needed as there are increasing numbers of children with SEN and there is a trend towards increasingly complex needs, often requiring bespoke transport solutions.
A/R.3.011	Funding for rising numbers and need of Children in Care	1,822	1,282	1,448	1,470	1,473	Additional budget required to provide care for children who become looked after. Whilst children in care numbers have begun to reduce in Cambridgeshire as a result of the implementation of the Family Safeguarding model, at the same time we are experiencing an increase in the complexity of need and therefore the cost of suitable placements. The additional investment will ensure we can fully deliver our responsibilities as corporate parents and fund suitable foster, residential or other supported accommodation placements for all children entering care.

Section 3 - A: People Services

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
A/R.3.017	Funding for additional demand for Community Equipment	34	34	35	35	35	Over the last five years, our social work strategy has been successful in supporting a higher proportion of older people and people with disabilities to live at home (rather than requiring residential care). Additional funding is required to maintain the proportion of service users supported to live independently, through the provision of community equipment and home adaptations. This requirement is important in the context of a rising population and the increasing complexity of the needs of the people in question.
A/R.3.019	Children with Disabilities	200	218	239	261	285	Additional funding required for the increase in Direct Payment packages provided for children and young people with disabilities under the age of 18 years.
A/R.3.026	Adults Rebaselining Demand	-400	-	-	-	-	This budget rebaseline reflects reduced net demand during 2021-22 and 2022-23 as a result of the impact of the Covid pandemic on service user numbers and costs.
3.999	**Subtotal Demography and Demand**	**11,886**	**12,779**	**13,581**	**14,269**	**14,985**	
4	**PRESSURES**						
A/R.4.009	Impact of increases in the National Living Wage (NLW) on Adult Social Care Contracts	13,138	10,049	5,247	5,626	6,011	Based on projections by the Low Pay Commission, the National Living Wage will rise by 9.7% to £10.42 in 2023-24 and then to £11.08 in 2024-25. This will have an impact on the cost of purchasing care from external providers. Increases in the NLW will also drive up the Real Living Wage which the Council has committed to fund. Pressures in later years follow OBR estimates and assume a 3% increase each year.
A/R.4.022	Dedicated Schools Grant Contribution to Combined Budgets	1,000	732	-	-	-	Based on historic levels of spend, an element of the Dedicated Schools Grant (DSG) spend is retained centrally and contributes to the overall funding for the LA. Schools Forum is required to approve the spend on an annual basis and, following national changes, these historic commitments/arrangements will unwind over time. This pressure reflects the planned reduction in the contribution to combined budgets.
A/R.4.024	Children's Residential Short Breaks	311	-	-	-	-	Pressure resulting from running costs of the residential short breaks Children's homes following their insourcing back to Council management.
A/R.4.025	Educational Psychologists - additional staffing	200	-	-	-	-	Increased requirement for Educational Psychologists to meet statutory demands in respect of Education, Health and Care Plan Needs Assessments
A/R.4.026	Home to School Transport - Special	261	-	-	-	-	Rising pupil numbers and increasing complexity of needs, alomgside an increasing cost of transportation in the context of a reduced marketplace in terms of drivers and taxi operators.
A/R.4.027	Home to School Transport - Mainstream	661	-	-	-	-	Increasing costs of transportation in the context of marketplace pressures
A/R.4.042	Impact of the Health and Social Care Levy on care providers	-1,000	-	-	-	-	Removal of provider funding for the Health and Social Care Levy following the withdrawal of the levy.

Section 3 - A: People Services

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
A/R.4.043	Reversal of Increase in National Insurance - Council staff	-647	-	-	-	-	Reversal of impact on People Services of the £998k increase on National Insurance for council staff
A/R.4.044	Adult Social Care market pressures - workforce development	-	-64	-88	-	-	Ending of one off funding to support workforce development in the Adult Social Care market. Total investment £220k over 2 years.
4.999	**Subtotal Pressures**	**13,924**	**10,717**	**5,159**	**5,626**	**6,011**	
5	**INVESTMENTS**						
A/R.5.006	Care Homes Team	100	-	-	-	-	Dedicated team of social workers to provide support to care homes continuing the work of the pilot commenced during the Covid pandemic.
A/R.5.008	Family Group Conferencing	250	-	-	-	-	Permanent investment in Family Group Conferencing service to replace temporary grant funding.
A/R.5.010	Expanding support for informal carers	-50	-	-	-	-	Planned partial reduction in investment made in 2022-23 into a range of areas that will provide additional support to carers, over and above the current commissioned and operational support services. Some of these services are jointly funded alongside NHS Partners to support carer well being and support them in their caring role which will improve outcomes for them and their cared for person as well as delaying the need for individuals requiring higher cost and longer term adult social care.
A/R.5.011	Real Living Wage for the adult social care market	500	-	-	-	-	Investment in the adult social care market to allow care providers to pay their staff the real living wage by April 2024. Work with the market during 2022/23 has evidenced that most providers are already paying the real living wage to their staff. This investment will be targeted to any providers paying less than real living wage rates.
A/R.5.020	Adults Retention Payments	152	-62	10	-49	-49	Retention payment scheme to address recruitment difficulties in some social care teams
A/R.5.022	Decommissioning of block contracts for car rounds providing homecare	45	-	-	-	-	Investment in brokerage support to maximise efficiency of block purchased homecare cars. Links to saving A/R.6.203
A/R.5.023	Investment in resourcing for post hospital discharge reviews	110	-	-	-	-	Investment in resourcing for post hospital discharge reviews to ensure care needs are adapted as people recover post dicharge from hospital. Links to saving A/R.6.204
A/R.5.024	Council-wide senior structure changes	-69	-	-	-	-	Overall an investment has been made into senior leadership, with this line reflecting the net change required in each service
A/R.5.025	Reviews of Learning Disability packages	280	-280	-	-	-	One off Investment in reviews of Learning Disability packages to ensure the right level of care is provided (links to A/R.6.206)
A/R.5.026	Adult Early Help - Business Support Officer	28	-	-	-	-	Additional capacity for integration with the Integrated Care System on digital social prescribing (links to saving A/R.6.209)

Section 3 - A: People Services

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

		Detailed Plans	Outline Plans				
Ref	**Title**	**2023-24 £000**	**2024-25 £000**	**2025-26 £000**	**2026-27 £000**	**2027-28 £000**	**Description**
A/R.5.027	Intensive Therapeutic Support Hub (ITSH)	-	-	1,100	-	-	Investment in revenue running costs of the Hub once the initial grant funded ends
5.999	**Subtotal Investments**	**1,346**	**-342**	**1,110**	**-49**	**-49**	
6	**SAVINGS**						
	A&H						
A/R.6.176	Adults Positive Challenge Programme	-154	-	-	-	-	The Preparing for Adulthood workstream of the Adults Positive Challenge Programme will continue to support children and families to manage the transition into adulthood by increasing the focus on independence and planning for that transition which will reduce the level of demand on services and improve outcomes.
A/R.6.180	Independent Living Service - East Cambridgeshire	-	-68	-51	-	-	We are exploring alternative models of delivery for residential and nursing care provision, including a tenancy based model that offers more choice and control for people at a lower cost to the council.
A/R.6.185	Additional block beds - inflation saving	-263	-277	-291	-	-	Through commissioning additional block beds, we can reduce the amount of inflation funding needed for residential and nursing care. Block contracts have set uplifts each year, rather than seeing inflationary increases each time new spot places are commissioned.
A/R.6.194	Interim and respite bed recommissioning	70	-	-	-	-	The redesign and recommissioning of interim and respite bed provision in care homes has created a more efficient model and therefore generated the Council cashable savings and potential for further cost avoidance. Reinvestment of £70k in 2023-24 is to expand the new model.
A/R.6.199	Independent Living Service - Huntingdonshire	-	-	-114	-	-	We are exploring alternative models of delivery for residential and nursing care provision, including a tenancy based model that offers more chice and control for people at a lower cost to the council.
A/R.6.200	Expansion of Direct Payments	-6	-32	-60	-	-	Savings generated by investment in 2022-23 to increase the uptake of Direct Payments
A/R.6.202	Adults and mental health employment support	-40	-	-	-	-	Contract efficiencies as a result of reprocuring the contract
A/R.6.203	Decommissioning of block contracts for Car rounds providing homecare	-1,111	-109	-	-	-	Savings from the decommissioning of a number of contracted block cars providing care to people in their own homes, as we transition to a new model of delivery. Links to investment A/R.5.022
A/R.6.204	Post hospital discharge reviews	-310	-	-	-	-	Post hospital discharge reviews to ensure care is adapted as people recover. Links to investment A/R.5.023.

Section 3 - A: People Services

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
A/R.6.205	Mental Health s75 vacancy factor	-150	100	-	-	-	Savings from vacant posts due to staff turnover in our s75 agreement with health partners. This aligns with the vacancy factors we carry across our own staffing teams recognising that there will always be some posts vacant as people leave and new people are recruited.
A/R.6.206	Learning Disability mid-cost range placement review	-203	-203	-	-	-	Review of Learning Disability packages to ensure the right level of care is provided (links to A/R.5.205)
A/R.6.207	Mental Health supported accommodation	-	-150	-	-	-	Savings on retendering and restructuring of mental health supported accommodation provision.
A/R.6.208	Integration with the Integrated Care System on digital social prescribing	-61	-	-	-	-	Savings from integration with the Integrated Care System on digital social prescribing (links to A/R.5.026)
	C&YP						
A/R.6.250	Efficiencies resulting from implementation of new IT system	-223	-	-	-	-	Estimated savings as a result of efficiencies in processes resulting from implementation of a new IT system within Education.
A/R.6.253	Teachers Pensions	-150	-	-	-	-	Saving on teachers pensions costs due to reduction in overall numbers
A/R.6.254	Realign schools partnership and improvement service	-85	-	-	-	-	Realign schools partnership and improvement service with reduced role of local authority as set out in the White Paper.
A/R.6.255	Children in Care Placements	-1,000	-	-	-	-	Modelling the likely demand for placements over the next financial year, allowing for some headroom for continued increases in unit placement costs in 2023/4, indicates the continued slow reduction in overall numbers and the impact of greater placement stability over the current financial year. Further work planned for 2023/24 which will help to meet the savings target include the launch of a Residential Services Strategy, a Gateway to Fostering poilot for CYP ready to move on from residential provision and working to develop high needs foster placements to avoid costly spot purchasing of placements.
A/R.6.255	Review of non-statutory services	-75	-	-	-	-	Review and disinvestment of non-statutory services.
A/R.6.256	Family Safeguarding Team restructure	-352	-	-	-	-	Reduction of posts to reflect reduction in referrals into Family Safeguarding. This will be achieved through removing vacant posts where these align with reduced resource requirements.
A/R.6.257	Special Guardianship Orders	-150	-	-	-	-	Following the 2019 implementation of Family Safeguarding, there has been a reduction in care proceedings resulting in an inherent budget underspend in relation to allowances for Special Guardianship Order arrangements. This offers the opportunity to offer a saving with no impact on users of the service.

Section 3 - A: People Services
Table 3: Revenue - Overview
Budget Period: 2023-24 to 2027-28

Ref	Title	2023-24 £000 (Detailed Plans)	2024-25 £000 (Outline Plans)	2025-26 £000	2026-27 £000	2027-28 £000	Description
A/R.6.268	Social Care and Education Transport	-401	-345	-	-	-	Deliver savings through a review and retendering of routes serving special schools, and an operational review of the transport service, following a detailed plan (with investment) commenced in 2022-23.
A/R.6.270	Intensive Therapeutic Support Hub (ITSH) linked	-	-	-200	-	-	Savings made in upsteam services as a result of the ITSH
A/R.6.271	savings Outdoor Centres	-134	-	-	-	-	Anticipated saving from the review of the viability of outdoor centres.
6.999	**Subtotal Savings**	**-4,798**	**-1,084**	**-716**	**-**	**-**	
	TOTAL GROSS EXPENDITURE	**599,170**	**624,919**	**648,464**	**672,459**	**697,713**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
A/R.7.001	Previous year's fees, charges & ring-fenced grants	-235,620	-254,853	-257,519	-262,279	-265,683	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
A/R.7.002	Changes to Fees and Charges from previous year	-5,763	-	-	-	-	Adjustment for permanent changes to income expectation from decisions made in 2022-23.
A/R.7.003	Changes to Fees and Charges Restructure - People to P&S	4,168	-	-	-	-	Budget movement reflecting change in organisational structure
A/R.7.004	Changes to Fees and Charges Restructure - People to S&P	3,716	-	-	-	-	Budget movement reflecting change in organisational structure
A/R.7.006	Fees and charges inflation	-647	-137	-269	-297	-320	Increase in external charges to reflect inflationary increases.
A/R.7.007	Client contributions inflation	-1,739	-1,067	-1,067	-1,067	-1,067	Increase in anticipated contributions paid for care in line with the current charging policy and national regulations
A/R.7.015	Market Sustainability and Fair Cost of Care Grant - moving to service	-750	-	-	-	-	Transfer of Market Sustainability and Fair Cost of Care Grant to service.
	Changes to fees & charges						
A/R.7.108	COVID Impact - Outdoor Centres	-114	-	-	-	-	Planned reversal of funding to support a reduction of income due to effects of the pandemic.
A/R.7.109	Outdoor Centres	134	-	-	-	-	Investment to mitigate the potential of lost income while a review of the viability of outdoor centres is undertaken.
A/R.7.110	Cambridgeshire Music	-25	-	-	-	-	Contribution to the cost of the new music base in Histon through surplus traded income.
A/R.7.111	Cambridgeshire ICT	-100	-	-	-	-	Additional income recovery as a result of expansion of existing service delivery.

Section 3 - A: People Services

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	2023-24 £000 (Detailed Plans)	2024-25 £000 (Outline Plans)	2025-26 £000	2026-27 £000	2027-28 £000	Description
A/R.7.113	Learning Disability Partnership Pooled Budget	-	-1,469	-3,717	-2,040	-412	In Cambridgeshire most spend on care for people with learning disabilities is paid for from the Learning Disability Pooled Budget, to which both the Council and NHS contribute. In November 2019, Adults Committee agreed funding for a programme of work to review the relative health and social care needs of people with learning disabilities to establish if the Council and NHS contributions to the pool should be rebaselined. While this work has been delayed due to Covid and is now expected to be completed in 2023-24, early work on a sample of cases suggests a rebaselining will likely be in the Council's favour. This line is based on the outcomes for that sample being representative, with some dampening.
	Changes to ring-fenced grants						
A/R.7.201	Change in Public Health Grant	-	-	293	-	-	Change in ring-fenced Public Health grant to reflect expected treatment as a corporate grant from 2025-26, due to anticipated removal of ring-fence.
A/R.7.210	Uplift in Better Care Fund - 2022-23	-873	-	-	-	-	The 2022-23 Better Care Fund uplft exceeded the budget set in the last Business Plan. In addition, an uplift for 2023-24 is anticipated. These annual uplifts enable us to utilise these funds to offset the demand pressures in Adult Social Care in line with the national conditions of the grant.
A/R.7.211	Arts Council Funding (Music Grant)	-7	7	-	-	-	Arts Council Funding (Music Grant) anticipated increase in revenue grant for 2023-24
A/R.7.214	Additional centrally retained DSG grant	-11,233	-	-	-	-	An increase in centrally retained Dedicated Schools Grant (DSG) funding as a result of uplifts in overall DSG funding. To be confirmed in December 2022.
A/R.7.215	Adult Social Care Market Sustainability and Improvement Fund	-3,873	-	-	-	-	Increase in Adult Social Care Market Sustainability and Improvement Fund over previous Market Sustainability and Fair Cost of Care Fund
A/R.7.216	Adult Social Care Discharge Fund	-2,127	-	-	-	-	New Adult Social Care Discharge Fund
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-254,853**	**-257,519**	**-262,279**	**-265,683**	**-267,482**	
	TOTAL NET EXPENDITURE	**344,317**	**367,400**	**386,185**	**406,776**	**430,231**	

Ref	Title	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
A/R.8.001	Budget Allocation	-344,317	-367,400	-386,185	-406,776	-430,231	Net spend funded from general grants, business rates and Council Tax.
A/R.8.002	Fees & Charges	-82,458	-85,131	-90,184	-93,588	-95,387	Fees and charges for the provision of services.
A/R.8.003	Expected income from Cambridgeshire Maintained Schools	-7,783	-7,783	-7,783	-7,783	-7,783	Expected income from Cambridgeshire maintained schools.
A/R.8.004	Dedicated Schools Grant (DSG)	-113,039	-113,039	-113,039	-113,039	-113,039	Elements of the DSG centrally managed by People Services to support High Needs and central services.
A/R.8.005	Better Care Fund (BCF) Allocation for Social Care	-19,510	-19,510	-19,510	-19,510	-19,510	The NHS and County Council pool budgets through the Better Care Fund (BCF), promoting joint working. This line shows the revenue funding flowing from the BCF into Social Care.

Section 3 - A: People Services

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
A/R.8.007	Youth Justice Board Good Practice Grant	-500	-500	-500	-500	-500	Youth Justice Board Good Practice Grant.
A/R.8.009	Social Care in Prisons Grant	-359	-359	-359	-359	-359	Care Act New Burdens funding.
A/R.8.011	Improved Better Care Fund	-15,171	-15,171	-15,171	-15,171	-15,171	Improved Better Care Fund grant.
A/R.8.012	Cambridgeshire and Peterborough Combined Authority / Education and Skills Funding Agency Grant	-2,080	-2,080	-2,080	-2,080	-2,080	Ring-fenced grant funding for the Adult Learning and Skills service.
A/R.8.015	Staying Put Implementation Grant	-210	-210	-210	-210	-210	DfE funding to support young people to continue to live with their former foster carers once they turn 18
A/R.8.016	Unaccompanied Asylum Seeking Children (UASC)	-3,700	-3,700	-3,700	-3,700	-3,700	Home Office funding to reimburse costs incurred in supporting and caring for unaccompanied asylum seeking children
A/R.8.018	Pupil Premium Grant	-1,364	-1,364	-1,364	-1,364	-1,364	Deployment of Pupil Premium Grant to support the learning outcomes of care experienced children
A/R.8.019	Arts Council Grant (Music)	-817	-810	-810	-810	-810	Cambridgeshire Music grant from the Arts Council
A/R.8.021	Adult Social Care Market Sustainability and Improvement Fund	-5,442	-5,442	-5,442	-5,442	-5,442	Adult Social Care Market Sustainability and Improvement Fund (replacing Market Sustainability and Fair cost of Care Fund)
A/R.8.022	Adult Social Care Discharge Fund	-2,127	-2,127	-2,127	-2,127	-2,127	Adult Social Care Discharge Fund
A/R.8.401	Public Health Funding	-293	-293	-	-	-	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-599,170**	**-624,919**	**-648,464**	**-672,459**	**-697,713**	

Section 3 - A: People Services
Table 4: Capital Programme
Budget Period: 2023-24 to 2032-33

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
Ongoing	47,463	-	-11,198	-545	318	4,934	8,194	45,760
Committed Schemes	391,575	59,875	180,227	82,661	50,585	15,707	2,520	-
2023-2024 Starts	15,287	-	1,060	1,950	8,550	3,550	177	-
2024-2025 Starts	48,367	-	-	3,381	21,037	17,385	6,564	-
2025-2026 Starts	2,400	-	-	-	100	1,350	950	-
TOTAL BUDGET	**505,092**	**59,875**	**170,089**	**87,447**	**80,590**	**42,926**	**18,405**	**45,760**

Summary of Schemes by Category	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
Basic Need - Primary	152,060	14,182	44,312	44,470	33,512	13,032	2,552	-
Basic Need - Secondary	189,348	20,124	104,100	30,588	26,406	7,700	430	-
Basic Need - Early Years	7,367	5,453	1,904	10	-	-	-	-
Adaptations	10,024	6,006	3,855	163	-	-	-	-
Condition & Maintenance	27,250	-	3,250	3,250	3,250	2,500	2,500	12,500
Building Schools for the Future	-	-	-	-	-	-	-	-
Schools Managed Capital	7,800	-	780	780	780	780	780	3,900
Specialist Provision	35,106	15,222	12,150	3,539	3,235	930	30	-
Site Acquisition & Development	1,050	-	1,050	-	-	-	-	-
Temporary Accommodation	9,250	-	750	750	750	1,000	1,000	5,000
Children Support Services	7,500	-	850	850	850	850	850	3,250
Adult Social Care	113,883	658	19,840	12,638	21,067	20,425	11,905	27,350
Capital Programme Variation	-55,546	-1,770	-22,752	-9,591	-9,260	-4,291	-1,642	-6,240
Information Technology	-	-	-	-	-	-	-	-
TOTAL BUDGET	**505,092**	**59,875**	**170,089**	**87,447**	**80,590**	**42,926**	**18,405**	**45,760**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
A/C.01	**Basic Need - Primary**											
A/C.01.021	North West Cambridge (NIAB site) primary	New 2 form entry school with 52 Early Years provision and community facilities: Basic Need requirement 420 places Early Years Basic Need 52 places Community facilities - Children's Centre		Committed	19,749	582	170	12,000	6,600	397	-	-

Section 3 - A: People Services

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
A/C.01.029	Sawtry New Primary	Expansion of provision in Sawtry: Primary Basic Need requirement 210 places with 2FE core. Early Years Basic Need 52 places		Committed	11,400	320	8,050	2,800	230	-	-	-
A/C.01.040	Confidential Scheme	Confidential Scheme		Committed	4,080	36	1,770	2,150	124	-	-	-
A/C.01.043	Confidential Scheme	Confidential Scheme		Committed	7,850	132	718	100	4,200	2,500	200	-
A/C.01.044	Confidential Scheme	Confidential Scheme		Committed	9,848	-	50	450	6,300	2,900	148	-
A/C.01.049	Confidential Scheme	Confidential Scheme		Committed	21,800	700	11,600	9,100	400	-	-	-
A/C.01.056	Confidential Scheme	Confidential Scheme		2023-24	11,887	-	60	550	7,600	3,500	177	-
A/C.01.067	Marleigh Primary - Cambridge (WING)	New 2 form entry school with 52 Early Years provision and community facilities: Basic Need requirement 420 places Early Years Basic Need 52 places		Committed	10,848	10,721	127	-	-	-	-	-
A/C.01.069	Confidential Scheme	Confidential Scheme		Committed	1,000	10	-	-	-	50	940	-
A/C.01.071	Confidential Scheme	Confidential Scheme		Committed	10,123	450	6,000	3,400	273	-	-	-
A/C.01.072	Confidential Scheme	Confidential Scheme		Committed	6,585	-	200	4,100	2,200	85	-	-
A/C.01.073	Confidential Scheme	Confidential Scheme		Committed	4,000	182	2,500	1,250	68	-	-	-
A/C.01.075	Confidential Scheme	Confidential Scheme		2024-25	2,719	-	-	100	1,500	1,050	69	-
A/C.01.076	Confidential Scheme	Confidential Scheme		2024-25	1,500	-	-	70	950	450	30	-
A/C.01.077	Waterbeach New Town Primary	New 2 form entry school with 3 form entry Core and 52 place Early Years provision: Basic Need requirement 420 places Early Years Basic Need 52 places		Committed	19,521	987	11,750	6,300	484	-	-	-
A/C.01.078	Confidential Scheme	Confidential Scheme		Committed	2,350	12	-	100	1,500	700	38	-
A/C.01.080	Confidential Scheme	Confidential Scheme		Committed	1,900	50	1,217	600	33	-	-	-
A/C.01.081	Confidential Scheme	Confidential Scheme		2023-24	2,500	-	100	1,400	950	50	-	-
A/C.01.082	Confidential Scheme	Confidential Scheme		2025-26	2,400	-	-	-	100	1,350	950	-
	Total - Basic Need - Primary				**152,060**	**14,182**	**44,312**	**44,470**	**33,512**	**13,032**	**2,552**	**-**
A/C.02	**Basic Need - Secondary**											
A/C.02.007	Confidential Scheme	Confidential Scheme		Committed	34,680	50	300	1,200	25,000	7,700	430	-
A/C.02.009	Alconbury Weald secondary and Special	New 4 form entry school (with 8 form entry core facilities): Basic Need requirement 600 places SEN 150 places		Committed	74,827	4,626	56,500	13,000	701	-	-	-
A/C.02.014	Confidential Scheme	Confidential Scheme		Committed	31,650	950	15,000	15,000	700	-	-	-
A/C.02.015	Sir Harry Smith Community College	Expansion of 2 form entry: Basic Need requirement 300 places		Committed	9,991	1,921	8,000	70	-	-	-	-

Section 3 - A: People Services

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
A/C.02.016	Cambourne Village College Phase 3b	New 2 form entry secondary places with new 350 place sixth form provision: Basic Need requirement 650 places		Committed	35,820	12,477	22,800	543	-	-	-	-
A/C.02.017	NCA secondary Cambridge Expansion	Expansion of 1 form entry: Basic Need requirement 150 places		Committed	1,000	50	200	745	5	-	-	-
A/C.02.018	Witchford Village College	Expansion of 0.5FTE Basic Need 75 additional places.		Committed	1,380	50	1,300	30	-	-	-	-
	Total - Basic Need - Secondary				**189,348**	**20,124**	**104,100**	**30,588**	**26,406**	**7,700**	**430**	**-**
A/C.03	**Basic Need - Early Years**											
A/C.03.003	LA Early Years Provision	Funding which enables the Council to increase the number of free Early Years funded places to ensure the Council meets its statutory obligation. This includes providing one-off payments to external providers to help meet demand as well as increasing capacity attached to Cambridgeshire primary schools.		Committed	7,367	5,453	1,904	10	-	-	-	-
	Total - Basic Need - Early Years				**7,367**	**5,453**	**1,904**	**10**	**-**	**-**	**-**	**-**
A/C.04	**Adaptations**											
A/C.04.007	Confidential Scheme	Confidential Scheme		Committed	353	38	300	15	-	-	-	-
A/C.04.008	Duxford Community C of E Primary School Rebuild	Rebuild of Duxford Primary after fire left preschool, reception, year 1 and year 2 class bases and ancillary rooms including offices, toilets, stores, entrance lobby's either completely destroyed or deemed uninhabitable as a result of structural damage and contamination by asbestos debris, fire, water and smoke.		Committed	7,951	5,803	2,050	98	-	-	-	-
A/C.04.010	Confidential Scheme	Confidential Scheme		Committed	1,600	50	1,500	50	-	-	-	-
A/C.04.011	Confidential Scheme	Confidential Scheme		Committed	120	115	5	-	-	-	-	-
	Total - Adaptations				**10,024**	**6,006**	**3,855**	**163**	**-**	**-**	**-**	**-**

Section 3 - A: People Services

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
A/C.05	**Condition & Maintenance**											
A/C.05.001	School Condition, Maintenance & Suitability	Funding that enables the Council to undertake work that addresses condition and suitability needs identified in schools' asset management plans, ensuring places are sustainable and safe.		Ongoing	27,250	-	3,250	3,250	3,250	2,500	2,500	12,500
	Total - Condition & Maintenance				**27,250**	**-**	**3,250**	**3,250**	**3,250**	**2,500**	**2,500**	**12,500**
A/C.07	**Schools Managed Capital**											
A/C.07.001	School Devolved Formula Capital	Funding is allocated directly to Cambridgeshire Maintained schools to enable them to undertake low level refurbishments and condition works.		Ongoing	7,800	-	780	780	780	780	780	3,900
	Total - Schools Managed Capital				**7,800**	**-**	**780**	**780**	**780**	**780**	**780**	**3,900**
A/C.08	**Specialist Provision**											
A/C.08.004	Confidential Scheme	Confidential Scheme		2024-25	4,000	-	-	50	2,990	930	30	-
A/C.08.007	Samuel Pepys Special School	Expansion to 165 places.		Committed	10,720	1,475	6,200	2,800	245	-	-	-
A/C.08.010	Confidential Scheme	Confidential Scheme		Committed	2,600	150	2,450	-	-	-	-	-
A/C.08.011	New SEMH Provision Wisbech	SEMH provision: SEMH Provision 30 additional places		Committed	17,786	13,597	3,500	689	-	-	-	-
	Total - Specialist Provision				**35,106**	**15,222**	**12,150**	**3,539**	**3,235**	**930**	**30**	**-**
A/C.09	**Site Acquisition & Development**											
A/C.09.001	Site Acquisition, Development, Analysis and Investigations	Funding which enables the Council to undertake investigations and feasibility studies into potential land acquisitions to determine their suitability for future school development sites.		Ongoing	150	-	150	-	-	-	-	-
A/C.09.004	Confidential Scheme	Confidential Scheme		2023-24	900	-	900	-	-	-	-	-
	Total - Site Acquisition & Development				**1,050**	**-**	**1,050**	**-**	**-**	**-**	**-**	**-**

Section 3 - A: People Services
Table 4: Capital Programme
Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
A/C.10	**Temporary Accommodation**											
A/C.10.001	Temporary Accommodation	Funding which enables the Council to increase the number of school places provided through use of mobile accommodation. This scheme covers the cost of purchasing new mobiles and the transportation of provision across the county to meet demand.		Ongoing	9,250	-	750	750	750	1,000	1,000	5,000
	Total - Temporary Accommodation				**9,250**	**-**	**750**	**750**	**750**	**1,000**	**1,000**	**5,000**
A/C.11	**Children Support Services**											
A/C.11.003	P&C Buildings & Capital Team Capitalisation	Salaries for the Buildings and Capital Team are to be capitalised on an ongoing basis. These are budgeted as one line, but are eventually capitalised against individual schemes.		Ongoing	7,500	-	850	850	850	850	850	3,250
	Total - Children Support Services				**7,500**	**-**	**850**	**850**	**850**	**850**	**850**	**3,250**
A/C.12	**Adult Social Care**											
A/C.12.004	Disabled Facilities Grant	Funding provided through the Better Care Fund, in partnership with local housing authorities. Disabled Facilities Grant enables accommodation adaptations so that people with disabilities can continue to live in their own homes.		Ongoing	50,700	-	5,070	5,070	5,070	5,070	5,070	25,350
A/C.12.005	Integrated Community Equipment Service	Funding to continue annual capital investment in community equipment that helps people to sustain their independence. The Council contributes to a pooled budget purchasing community equipment for health and social care needs for people of all ages.		Ongoing	4,000	-	400	400	400	400	400	2,000
A/C.12.007	Independent Living Service : East Cambridgeshire	Independent Living Service accommodation in Ely for 65 people and an additional 15 health beds.	A/R.6.180, C/R.7.119	Committed	19,035	658	14,370	4,007	-	-	-	-
A/C.12.008	Independent Living Services	Independent Living Service accommodation in Fenland, Huntingdonshire and South Cambridgeshire, providing accommodation for 160 people in total across the three schemes.	TBC	2024-25	40,148	-	-	3,161	15,597	14,955	6,435	-
	Total - Adult Social Care				**113,883**	**658**	**19,840**	**12,638**	**21,067**	**20,425**	**11,905**	**27,350**

Section 3 - A: People Services

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
A/C.14	**Capital Programme Variation**											
A/C.14.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-59,187	-	-22,448	-11,645	-10,782	-5,666	-2,406	-6,240
A/C.14.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	7,140	-	1,425	2,054	1,522	1,375	764	-
A/C.14.003	Environment Fund Transfer	Reallocation of Environment Fund in order to support some of the NZEB costs incurred by school schemes.		Committed	-3,499	-1,770	-1,729	-	-	-	-	-
	Total - Capital Programme Variation				**-55,546**	**-1,770**	**-22,752**	**-9,591**	**-9,260**	**-4,291**	**-1,642**	**-6,240**
	TOTAL BUDGET				**505,092**	**59,875**	**170,089**	**87,447**	**80,590**	**42,926**	**18,405**	**45,760**

Funding	Total Funding £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
Government Approved Funding								
Basic Need	39,199	15,612	2,259	12,479	5,677	2,154	1,018	-
Capital Maintenance	26,800	500	3,800	2,500	2,500	2,500	2,500	12,500
Devolved Formula Capital	7,800	-	780	780	780	780	780	3,900
Specific Grants	69,621	4,098	19,893	5,070	5,070	5,070	5,070	25,350
Total - Government Approved Funding	**143,420**	**20,210**	**26,732**	**20,829**	**14,027**	**10,504**	**9,368**	**41,750**
Locally Generated Funding								
Agreed Developer Contributions	109,636	12,538	59,454	18,885	12,104	5,679	976	-
Anticipated Developer Contributions	17,265	18	2,821	5,169	6,595	2,601	61	-
Prudential Borrowing	233,210	24,262	82,108	42,432	48,256	24,142	8,000	4,010
Prudential Borrowing (Repayable)	332	1,618	-1,026	132	-392	-	-	-
Other Contributions	1,229	1,229	-	-	-	-	-	-
Total - Locally Generated Funding	**361,672**	**39,665**	**143,357**	**66,618**	**66,563**	**32,422**	**9,037**	**4,010**
TOTAL FUNDING	**505,092**	**59,875**	**170,089**	**87,447**	**80,590**	**42,926**	**18,405**	**45,760**

Section 3 - A: People Services

Table 5: Capital Programme - Funding

Budget Period: 2023-24 to 2032-33

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	47,463	84,000	-19,154	-	-	-17,383
Committed Schemes	391,575	54,126	131,804	1,229	-	204,416
2023-2024 Starts	15,287	1,000	11,926	-	-	2,361
2024-2025 Starts	48,367	1,894	2,325	-	-	44,148
2025-2026 Starts	2,400	2,400	-	-	-	-
TOTAL BUDGET	**505,092**	**143,420**	**126,901**	**1,229**	**-**	**233,542**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.01	**Basic Need - Primary**									
A/C.01.021	North West Cambridge (NIAB site) primary		-	Committed	19,749	90	9,082	-	-	10,577
A/C.01.029	Sawtry New Primary		-	Committed	11,400	2,820	2,029	-	-	6,551
A/C.01.040	Confidential Scheme		-	Committed	4,080	-	3,356	-	-	724
A/C.01.043	Confidential Scheme		-	Committed	7,850	130	708	-	-	7,012
A/C.01.044	Confidential Scheme		-	Committed	9,848	1,199	8,649	-	-	-
A/C.01.049	Confidential Scheme		-	Committed	21,800	4,969	12,714	-	-	4,117
A/C.01.056	Confidential Scheme		-	2023-24	11,887	-	11,887	-	-	-
A/C.01.067	Marleigh Primary - Cambridge (WING)		-	Committed	10,848	1,339	8,642	-	-	867
A/C.01.069	Confidential Scheme		-	Committed	1,000	-	990	-	-	10
A/C.01.071	Confidential Scheme		-	Committed	10,123	2,738	4,090	-	-	3,295
A/C.01.072	Confidential Scheme		-	Committed	6,585	-	6,585	-	-	-
A/C.01.073	Confidential Scheme		-	Committed	4,000	1,386	136	-	-	2,478
A/C.01.075	Confidential Scheme		-	2024-25	2,719	1,330	1,389	-	-	-
A/C.01.076	Confidential Scheme		-	2024-25	1,500	564	936	-	-	-
A/C.01.077	Waterbeach New Town Primary		-	Committed	19,521	150	10,456	-	-	8,915
A/C.01.078	Confidential Scheme		-	Committed	2,350	2,338	-	-	-	12
A/C.01.080	Confidential Scheme		-	Committed	1,900	600	-	-	-	1,300
A/C.01.081	Confidential Scheme			2023-24	2,500	1,000	39	-	-	1,461
A/C.01.082	Confidential Scheme			2025-26	2,400	2,400	-	-	-	-
	Total - Basic Need - Primary		**-**		**152,060**	**23,053**	**81,688**	**-**	**-**	**47,319**
A/C.02	**Basic Need - Secondary**									
A/C.02.007	Confidential Scheme		-	Committed	34,680	-	6,863	-	-	27,817
A/C.02.009	Alconbury Weald secondary and Special		-	Committed	74,827	10,644	21,567	-	-	42,616
A/C.02.014	Confidential Scheme		-	Committed	31,650	2,773	17,027	-	-	11,850
A/C.02.015	Sir Harry Smith Community College		-	Committed	9,991	1,943	2,304	-	-	5,744
A/C.02.016	Cambourne Village College Phase 3b		-	Committed	35,820	10,250	14,810	-	-	10,760
A/C.02.017	NCA secondary Cambridge Expansion			Committed	1,000	50	-	-	-	950
A/C.02.018	Witchford Village College			Committed	1,380	80	1,069	-	-	231
	Total - Basic Need - Secondary		**-**		**189,348**	**25,740**	**63,640**	**-**	**-**	**99,968**

Section 3 - A: People Services

Table 5: Capital Programme - Funding

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.03	**Basic Need - Early Years**									
A/C.03.003	LA Early Years Provision		-	Committed	7,367	1,600	721	168	-	4,878
	Total - Basic Need - Early Years		**-**		**7,367**	**1,600**	**721**	**168**	**-**	**4,878**
A/C.04	**Adaptations**									
A/C.04.007	Confidential Scheme		-	Committed	353	-	-	-	-	353
A/C.04.008	Duxford Community C of E Primary School Rebuild		-	Committed	7,951	500	6	1,061	-	6,384
A/C.04.010	Confidential Scheme			Committed	1,600	800	-	-	-	800
A/C.04.011	Confidential Scheme		-	Committed	120	-	-	-	-	120
	Total - Adaptations		**-**		**10,024**	**1,300**	**6**	**1,061**	**-**	**7,657**
A/C.05	**Condition & Maintenance**									
A/C.05.001	School Condition, Maintenance & Suitability		-	Ongoing	27,250	25,500	-	-	-	1,750
	Total - Condition & Maintenance		**-**		**27,250**	**25,500**	**-**	**-**	**-**	**1,750**
A/C.07	**Schools Managed Capital**									
A/C.07.001	School Devolved Formula Capital		-	Ongoing	7,800	7,800	-	-	-	-
	Total - Schools Managed Capital		**-**		**7,800**	**7,800**	**-**	**-**	**-**	**-**
A/C.08	**Specialist Provision**									
A/C.08.004	Confidential Scheme		-	2024-25	4,000	-	-	-	-	4,000
A/C.08.007	Samuel Pepys Special School		-	Committed	10,720	2,812	-	-	-	7,908
A/C.08.010	Confidential Scheme		-	Committed	2,600	-	-	-	-	2,600
A/C.08.011	New SEMH Provision Wisbech		-	Committed	17,786	4,915	-	-	-	12,871
	Total - Specialist Provision		**-**		**35,106**	**7,727**	**-**	**-**	**-**	**27,379**
A/C.09	**Site Acquisition & Development**									
A/C.09.001	Site Acquisition, Development, Analysis and Investigations		-	Ongoing	150	-	-	-	-	150
A/C.09.004	Confidential Scheme		-	2023-24	900	-	-	-	-	900
	Total - Site Acquisition & Development		**-**		**1,050**	**-**	**-**	**-**	**-**	**1,050**
A/C.10	**Temporary Accommodation**									
A/C.10.001	Temporary Accommodation		-	Ongoing	9,250	-	-	-	-	9,250
	Total - Temporary Accommodation		**-**		**9,250**	**-**	**-**	**-**	**-**	**9,250**

Section 3 - A: People Services

Table 5: Capital Programme - Funding

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
A/C.11	**Children Support Services**									
A/C.11.003	P&C Buildings & Capital Team Capitalisation		-	Ongoing	7,500	-	-	-	-	7,500
	Total - Children Support Services		**-**		**7,500**	**-**	**-**	**-**	**-**	**7,500**
A/C.12	**Adult Social Care**									
A/C.12.004	Disabled Facilities Grant		-	Ongoing	50,700	50,700	-	-	-	-
A/C.12.005	Integrated Community Equipment Service		-	Ongoing	4,000	-	-	-	-	4,000
A/C.12.007	Independent Living Service : East Cambridgeshire	A/R.6.180, C/R.7.119	-937	Committed	19,035	-	-	-	-	19,035
A/C.12.008	Independent Living Services	TBC	-	2024-25	40,148	-	-	-	-	40,148
	Total - Adult Social Care		**-937**		**113,883**	**50,700**	**-**	**-**	**-**	**63,183**
A/C.14	**Capital Programme Variation**									
A/C.14.001	Variation Budget		-	Ongoing	-59,187	-	-19,154	-	-	-40,033
A/C.14.002	Capitalisation of Interest Costs		-	Committed	7,140	-	-	-	-	7,140
A/C.14.003	Environment Fund Transfer		-	Committed	-3,499	-	-	-	-	-3,499
	Total - Capital Programme Variation		**-**		**-55,546**	**-**	**-19,154**	**-**	**-**	**-36,392**
	TOTAL BUDGET				**505,092**	**143,420**	**126,901**	**1,229**	**-**	**233,542**

Section 3 - B: Place & Sustainability

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2023-24 to 2027-28

Note – Individual service lines do not contain provision for staffing inflation as pay awards have not yet been agreed. Until that point, a staffing inflation allocation is held centrally

Net Revised Opening Budget 2022-23 £000	Policy Line	Gross Budget 2023-24 £000	Fees, Charges & Ring-fenced Grants 2023-24 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000	Net Budget 2026-27 £000	Net Budget 2027-28 £000
	Executive Director							
2,164	P&S Executive Director	1,622	-1,156	466	-46	-48	-47	-74
700	P&S Lost Sales, Fees & Charges Compensation	-	-	-	-	-	-	-
2,864	**Subtotal Executive Director**	**1,622**	**-1,156**	**466**	**-46**	**-48**	**-47**	**-74**
	Highways Maintenance							
159	Asst Dir - Highways Maintenance	167	-	167	167	167	167	167
10,036	Highway Maintenance	7,554	-158	7,396	7,578	11,487	11,915	12,358
487	Highways Asset Management	1,003	-507	496	1,491	1,486	1,480	1,472
2,833	Winter Maintenance	3,075	-	3,075	2,883	2,990	3,101	3,216
13,515	**Subtotal Highways Maintenance**	**11,799**	**-665**	**11,134**	**12,119**	**16,130**	**16,663**	**17,213**
	Project Delivery							
200	Asst Director - Project Delivery	200	-	200	200	200	200	200
147	Project Delivery	147	-	147	147	147	147	147
7,961	Street Lighting	14,652	-3,989	10,663	9,641	8,062	7,482	7,658
8,308	**Subtotal Project Delivery**	**14,999**	**-3,989**	**11,010**	**9,988**	**8,409**	**7,829**	**8,005**
	Transport, Strategy and Policy							
161	Asst Director - Transport, Strategy & Development	168	-	168	168	168	168	168
-155	Traffic Management	3,829	-3,212	617	641	483	321	153
424	Road Safety	885	-459	426	418	529	519	508
22	Transport Strategy and Policy	64	-	64	34	3	-29	-62
-	Highways Development Management	1,712	-1,712	-	-	-	-	-
-	Park & Ride	1,088	-788	300	300	300	300	300
-	Parking Enforcement	7,003	-7,003	-	-	-	-	-
452	**Subtotal Transport, Strategy and Policy**	**14,749**	**-13,174**	**1,575**	**1,561**	**1,483**	**1,279**	**1,067**
	Planning, Growth & Environment							
180	Asst Director - Planning, Growth & Environment	185	-	185	185	185	185	185
918	Planning and Sustainable Growth	1,644	-708	936	932	934	928	911
722	Natural and Historic Environment	1,499	-720	779	774	769	764	758
40,986	Waste Management	49,000	-4,119	44,881	46,413	47,144	47,806	49,258
42,806	**Subtotal Planning, Growth & Environment**	**52,328**	**-5,547**	**46,781**	**48,304**	**49,032**	**49,683**	**51,112**

Section 3 - B: Place & Sustainability

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2023-24 to 2027-28

Net Revised Opening Budget 2022-23 £000	Policy Line	Gross Budget 2023-24 £000	Fees, Charges & Ring-fenced Grants 2023-24 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000	Net Budget 2026-27 £000	Net Budget 2027-28 £000
	Regulatory Services							
-818	Registration & Citizenship Services	1,217	-2,039	-822	-822	-822	-822	-822
1,901	Coroners	3,259	-1,179	2,080	2,080	2,117	2,132	2,148
707	Trading Standards	739	-	739	765	792	820	849
2,007	Domestic Abuse and Sexual Violence Service	2,715	-648	2,067	2,053	2,038	2,023	2,007
3,797	**Subtotal Regulatory Services**	**7,930**	**-3,866**	**4,064**	**4,076**	**4,125**	**4,153**	**4,182**
	Climate Change & Energy Service							
-303	Energy Projects Director	2,019	-5,848	-3,829	-6,215	-5,099	-3,749	-1,642
118	Energy Programme Manager	311	-186	125	125	125	125	125
-185	**Subtotal Climate Change & Energy Service**	**2,330**	**-6,034**	**-3,704**	**-6,090**	**-4,974**	**-3,624**	**-1,517**
71,557	**P&S BUDGET TOTAL**	**105,757**	**-34,431**	**71,326**	**69,912**	**74,157**	**75,936**	**79,988**

Section 3 - B: Place & Sustainability

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2023-24

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Executive Director							
P&S Executive Director	2,164	-93	-	-1,680	98	-23	466
P&S Lost Sales, Fees & Charges Compensation	700	-	-	-	-	-700	-
Subtotal Executive Director	**2,864**	**-93**	**-**	**-1,680**	**98**	**-723**	**466**
Highways Maintenance							
Asst Dir - Highways Maintenance	159	5	-	-	3	-	167
Highway Maintenance	10,036	1,545	-	-	40	-4,225	7,396
Highways Asset Management	487	9	-	-	-	-	496
Winter Maintenance	2,833	192	-	-	50	-	3,075
Subtotal Highways Maintenance	**13,515**	**1,751**	**-**	**-**	**93**	**-4,225**	**11,134**
Project Delivery							
Asst Director - Project Delivery	200	-	-	-	-	-	200
Project Delivery	147	-	-	-	-	-	147
Street Lighting	7,961	2,702	-	-	-	-	10,663
Subtotal Project Delivery	**8,308**	**2,702**	**-**	**-**	**-**	**-**	**11,010**
Transport, Strategy and Policy							
Asst Director - Transport, Strategy & Development	161	3	-	-	4	-	168
Traffic Management	-155	772	-	-	-	-	617
Road Safety	424	49	-	-	-	-47	426
Transport Strategy and Policy	22	42	-	-	-	-	64
Highways Development Management	-	-	-	-	-	-	-
Park & Ride	-	-	-	190	-	110	300
Parking Enforcement	-	-	-	-	-	-	-
Subtotal Transport, Strategy and Policy	**452**	**866**	**-**	**190**	**4**	**63**	**1,575**

Section 3 - B: Place & Sustainability

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2023-24

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Planning, Growth & Environment							
Asst Director - Planning, Growth & Environment	180	3	-	-	2	-	185
Planning and Sustainable Growth	918	19	-	-	-	-	936
Natural and Historic Environment	722	57	-	-	-	-	779
Waste Management	40,986	3,042	239	573	-	41	44,881
Subtotal Planning, Growth & Environment	**42,806**	**3,121**	**239**	**573**	**2**	**41**	**46,781**
Regulatory Services							
Registration & Citizenship Services	-818	67	-	-6	-	-65	-822
Coroners	1,901	118	41	80	-60	-	2,080
Trading Standards	707	32	-	-	-	-	739
Domestic Abuse and Sexual Violence Service	2,007	64	-	-4	-	-	2,067
Subtotal Regulatory Services	**3,797**	**281**	**41**	**70**	**-60**	**-65**	**4,064**
Climate Change & Energy Service							
Energy Projects Director	-303	2	-	411	659	-4,599	-3,829
Energy Programme Manager	118	7	-	-	-	-	125
Subtotal Climate Change & Energy Service	**-185**	**9**	**-**	**411**	**659**	**-4,599**	**-3,704**
P&S BUDGET TOTAL	**71,557**	**8,637**	**280**	**-436**	**796**	**-9,508**	**71,326**

Section 3 - B: Place and Sustainability

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans	Outline Plans				
		2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
1	**OPENING GROSS EXPENDITURE**	**90,889**	**105,757**	**108,797**	**112,292**	**113,073**	
B/R.1.001	Base Adjustments	31	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2022-23.
B/R.1.002	Permanent Virements	2,054	-	-	-	-	Increase in expenditure budgets (compared to published 2022-27 Business Plan) as advised during the budget preparation period and permanent in-year changes made during 2022-23.
B/R.1.003	Base Adjustment - Restructure - People to P&S	7,461	-	-	-	-	Base adjustment following the organisational changes, specifically the communities budgets from People Services to Place & Sustainability.
B/R.1.005	Waste PFI grant	-40	-	-	-	-	Adjustment to reflect change in PFI Grant
B/R.1.006	Change in expected Bikeability grant	47	-	-	-	-	Adjustment to reflect expected grant
1.999	**REVISED OPENING GROSS EXPENDITURE**	**100,442**	**105,757**	**108,797**	**112,292**	**113,073**	
2	**INFLATION**						
B/R.2.001	Inflation	6,903	2,345	422	378	1,486	The total inflation allocation is calculated based on the different inflation indicator estimates for each budget type – so pay awards, oil, gas, etc all have specific inflationary assumptions applied.
B/R.2.002	Inflation - Highway Services	1,000	-	-	-	-	Highways Services specific inflation due to rising materials and labour costs.
B/R.2.003	Signals energy inflation	298	-	-	-	-	Allocation to reflect higher than expected inflation in signals in 2022-23
B/R.2.004	2022-23 Staff pay award	831	-	-	-	-	Permanent funding for the pay award made in 2022-23
2.999	**Subtotal Inflation**	**9,032**	**2,345**	**422**	**378**	**1,486**	
3	**DEMOGRAPHY AND DEMAND**						
B/R.3.007	Waste Disposal	239	243	247	249	235	Extra cost of landfilling additional waste produced by an increasing population.
B/R.3.018	Coroner Service	41	43	45	47	49	Demand for Coroner Services is expected to continue to rise due to the increasing population size, and the number of referrals increasing into the service.
3.999	**Subtotal Demography and Demand**	**280**	**286**	**292**	**296**	**284**	
4	**PRESSURES**						
B/R.4.013	Guided Busway Defects	-1,610	-650	-	-	-	The Council is in dispute with the contractor over defects in the busway construction. The original funding was to support repairs to defects and legal costs in support of the Council's legal action against the Contractor. This entry is the planned reversal of part of this funding.

Section 3 - B: Place and Sustainability

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
B/R.4.014	Waterbeach Waste Facility	-900	580	-	-	-	Potential revenue costs from work to conform with odour regulations. Partial reduction in the initial investment made in 2022/23 and permanent increased cost from 2024/25, as already agreed by Committee. One off costs to be met from reserves.
B/R.4.018	Reversal of Increase in National Insurance - Council Staff	-90	-	-	-	-	Reversal of impact on P&S of the £998k increase on national insurance for council staff
B/R.4.020	Stanground Closed Landfill Site - operating costs	-	120	3	3	3	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. These are the expected operating costs.
B/R.4.022	Swaffham Prior Community Heat Scheme - operating costs	36	30	-55	34	34	The Council is building an energy centre in Swaffham Prior that will use ground source and air source heat pumps to provide heat to people's homes via a heat network. The heat network has been built via a wholly owned Special Purpose Vehicle, which is funded through a mixture of external grant and direct grant from CCC. The network is intended to provide heat to some 300 houses in Swaffham Prior. The electricity for the heat pumps will mainly come from North Angle Solar Farm via a private wire connection. These are the operating costs for project.
B/R.4.023	Babraham Smart Energy Grid - operating costs	49	1	19	22	-37	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. These are the expected operating costs.
B/R.4.024	St Ives Smart Energy Grid - operating costs	16	1	13	-13	-13	The Council is building a Smart Energy Grid at the St Ives Park & Ride site, capital project reference F/C.2.118. These are the expected operating costs.
B/R.4.026	North Angle Solar Farm, Soham - operating costs	310	87	10	11	11	The proposal is to construct a 39MW DC / 29.4MW AC solar farm on an area of approximately 200 acres of Rural Estate property in Soham. Members approved the progression of the project from the initial outline business case to the development of an Investment Grade Proposal. These are the operating costs for the project.
B/R.4.027	Coroners staffing	90	24	-	-24	-24	Includes temporary increase in Coroners staffing budget to address backlog of cases which increased during Covid.
B/R.4.028	Increased costs for the Guided Busway	90	-	-	-	-	To fund costs including increased business rates and grounds maintenance
B/R.4.029	Guided Busway safety	100	-	-	-	-	For Guided Busway safety measures as recommended by a recent HSE report.
B/R.4.030	Waste - POPs	918	-	-	-	-	Estimated cost of disposing of persistant organic pollutants.
B/R.4.031	Waste - Short term additional gate fees	555	-555	-	-	-	Additional green waste diversion costs.
B/R.4.032	Guided Busway 5 yearly maintenance	-	-	-	-	1,075	Guided Busway 5 yearly maintenance - this includes work on white lining, resurfacing, anti skid and solar studs.
4.999	**Subtotal Pressures**	**-436**	**-362**	**-10**	**33**	**1,049**	

Section 3 - B: Place and Sustainability

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	2023-24 £000 (Detailed Plans)	2024-25 £000 (Outline Plans)	2025-26 £000 (Outline Plans)	2026-27 £000 (Outline Plans)	2027-28 £000 (Outline Plans)	Description
5	**INVESTMENTS**						
B/R.5.104	Investment in Highways Services	-	1,000	-	-	-	Investment in Highways Services to increase funding for proactive treatment and maintenance of roads, bridges and footpaths.
B/R.5.110	County Biodiversity Enhancements	40	-	-	-	-	Additional funding to develop the actions required for the biodiversity commitments within the Climate Change & Environment Strategy and to ensure the best biodiversity and natural capital benefits are gained from CCC owned public assets.
B/R.5.115	St Ives Smart Energy Grid - Interest Costs	-	306	-4	-4	-4	The Council is building a Smart Energy Grid at St Ives Park & Ride site, capital project reference F/C.2.118. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
B/R.5.116	Babraham Smart Energy Grid - Interest Costs	33	376	-5	-4	-4	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
B/R.5.117	Stanground Closed Landfill Site - Interest costs	-	-	434	-4	-5	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy and provision of grid services.
B/R.5.119	Swaffham Prior Community Heat Scheme - Interest Costs	368	-4	-3	-4	-4	These are the expected borrowing costs associated with the scheme, to be repaid using income from the sale of renewable energy to homeowners and the sale of carbon credits.
B/R.5.120	Trumpington Smart Energy Grid - Interest Costs	-	-	-	200	-3	The Council is building a Smart Energy Grid at the Trumpington & Ride site, capital project reference F/C.2.120. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
B/R.5.121	North Angle Solar Farm, Soham - Interest Costs	218	1,166	-15	-14	-15	The Council is installing a solar park facility at North Angle Farm, Soham, capital project reference F/C.2.123. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.
B/R.5.124	Coroners service - reversal of previous temporary investment	-60	-60	-	-	-	Reversal of temporary funded posts required to clear backlog of cases
B/R.5.125	CLT restructure changes	107	-	-	-	-	CLT restructure changes
B/R.5.130	Weedkilling	40	-40	-	-	-	Investment to enable future years savings.
B/R.5.131	Gritting	50	-50	-	-	-	Investment to enable future years savings.
5.999	**Subtotal Investments**	**796**	**2,694**	**407**	**170**	**-35**	

Section 3 - B: Place and Sustainability

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
6	**SAVINGS**						
	H&T						
B/R.6.215	Recycle asphalt, aggregates and gully waste	-20	-	-	-	-	Savings achieved through recycling and reuse of materials.
B/R.6.216	Capitalisation of Highways Investment	-4,000	-	3,500	-	-	Short term capitalisation of Highways Investment
B/R.6.218	To move from network wide chemical weedkilling to priority based weed removal by non-chemical means	-125	-	-	-	-	To move from network wide chemical weedkilling to priority based weed removal by non-chemical means.
B/R.6.219	Risk based review of Winter gritting network and spend	-	-300	-	-	-	We will undertake a risk-based review of the network covered by Winter gritting to ensure it is optimised and giving value for money.
B/R.6.220	Highways Materials Recycling	-100	-150	-	-	-	Existing materials to be recycled for Highways work.
B/R.6.221	Street lighting Energy savings	-	-1,473	-1,116	-96	399	Expected savings from LED replacement of street lights
	E&GI, H&T						
B/R.6.222	Vacancy factor	-112	-	-	-	-	At any given time we expect some posts to be vacant due to recruitment timescales, and as such we will budget for a vacancy factor of around 2%.
6.999	**Subtotal Savings**	**-4,357**	**-1,923**	**2,384**	**-96**	**399**	
	TOTAL GROSS EXPENDITURE	**105,757**	**108,797**	**112,292**	**113,073**	**116,256**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
B/R.7.001	Previous year's fees, charges & ring-fenced grants	-24,788	-34,431	-38,885	-38,135	-37,137	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
B/R.7.002	Fees and charges inflation	-395	-135	-89	-136	-192	Additional income for increases to fees and charges in line with inflation.
B/R.7.006	Changes to fees, charges & ring-fenced grants	779	-	-	-	-	Adjustment for changes to fees, charges & ring-fenced grants reflecting decisions made in 2022-23.
B/R.7.007	Changes to Fees and Charges - Restructure - People to P&S	-4,876	-	-	-	-	Accounting for changing organisational structure
	Changes to fees & charges						
B/R.7.102	Review and re-baselining of P&S income	100	150	-	-	-	Review and re-baselining of P&S income
B/R.7.110	COVID Impact - Registration Service	-65	-	-	-	-	Reversal of funding to support a reduced level of income in the early part of 2021-22.
B/R.7.121	COVID Impact - Park & Ride	-150	-	-	-	-	Removal of covid financial support as no longer required.
B/R.7.122	COVID Impact - Guided Busway	-200	-	-	-	-	Removal of covid financial support as no longer required.
B/R.7.124	COVID Impact - Parking	-300	-	-	-	-	Removal of covid financial support as no longer required.

Section 3 - B: Place and Sustainability

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
B/R.7.126	COVID Impact - Other	-50	-	-	-	-	Removal of covid financial support as no longer required.
B/R.7.128	St Ives Smart Energy Grid - Income Generation	-133	-5	-6	-6	-6	This is the revenue expected to be generated from the Smart Energy Grid at St Ives Park & Ride site, through the sale of energy to customers.
B/R.7.129	Babraham Smart Energy Grid - Income Generation	-335	-295	28	45	3	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. This is the expected revenue generation from selling electrcity to customers.
B/R.7.131	Stanground Closed Landfill Site - Income Generation	-	-510	-23	-24	-24	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. This is the revenue expected to be generated from the sale of energy and provision of grid services.
B/R.7.132	Swaffham Prior Community Heat Scheme - Income Generation	-274	-35	-120	-121	-121	This is the expected revenue to be generated from the sale of renewable energy to homeowners and the sale of carbon credits.
B/R.7.133	North Angle Solar Farm, Soham - Income Generation	-3,857	-3,624	840	1,229	1,217	The proposal is to construct a 39MW DC / 29.4MW AC solar farm on an area of approximately 200 acres of Rural Estate property in Soham. Members approved the progression of the project from the initial outline business case to the development of an Investment Grade Proposal. This is the revenue expected to be generated from selling electrcity to the national grid.
B/R.7.134	Light blue fibre income	-11	-	-	11	-8	Light blue fibre anticipated income.
B/R.7.135	Parking Services income	20	-	-	-	-	Reduction in anticipated parking income.
B/R.7.136	Reduction in Guided Busway operator income	110	-	-	-	-	Rebasing of income to match reduced services including the temporary closure of the southern track.
	Changes to ring-fenced grants						
B/R.7.202	Change in Public Health Grant	-	-	120	-	-	Change in ring-fenced Public Health grant to reflect change of function and expected treatment as a corporate grant from 2022-23 due to removal of ring-fence.
B/R.7.205	Change in Waste PFI grant	41	-	-	-	-	Adjustment to grant payable
B/R.7.206	Change in Bikeability Grant	-47	-	-	-	-	Adjustment to match expected grant
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-34,431**	**-38,885**	**-38,135**	**-37,137**	**-36,268**	
	TOTAL NET EXPENDITURE	**71,326**	**69,912**	**74,157**	**75,936**	**79,988**	

Section 3 - B: Place and Sustainability

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
B/R.8.001	Budget Allocation	-71,326	-69,912	-74,157	-75,936	-79,988	Net spend funded from general grants, business rates and Council Tax.
B/R.8.002	Public Health Grant	-120	-120	-	-	-	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
B/R.8.003	Fees & Charges	-27,537	-31,991	-31,361	-30,363	-29,494	Fees and charges for the provision of services.
B/R.8.004	PFI Grant - Street Lighting	-3,944	-3,944	-3,944	-3,944	-3,944	PFI Grant from DfT for the life of the project.
B/R.8.005	PFI Grant - Waste	-2,570	-2,570	-2,570	-2,570	-2,570	PFI Grant from DEFRA for the life of the project.
B/R.8.007	Bikeability Grant	-260	-260	-260	-260	-260	DfT funding for the Bikeability cycle training programme.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-105,757**	**-108,797**	**-112,292**	**-113,073**	**-116,256**	

Section 3 - B: Place and Sustainability

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
Ongoing	48,473	4,329	5,576	8,134	8,858	12,956	12,956	-4,336
Committed Schemes	463,087	315,902	63,186	38,555	15,650	5,360	5,298	19,136
2023-2024 Starts	47,497	-	7,514	11,099	16,884	4,000	4,000	4,000
TOTAL BUDGET	**559,057**	**320,231**	**76,276**	**57,788**	**41,392**	**22,316**	**22,254**	**18,800**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
B/C.1	**Integrated Transport**											
B/C.1.002	Air Quality Monitoring	Funding towards supporting air quality monitoring work in relation to the road network with local authority partners across the county.		Ongoing	125	-	25	25	25	25	25	-
B/C.1.009	Major Scheme Development & Delivery	Resources to support the development and delivery of major schemes.		Ongoing	1,000	-	200	200	200	200	200	-
B/C.1.011	Local Infrastructure improvements	Provision of the Local Highway Improvement Initiative across the county, providing accessibility works such as disabled parking bays and provision of improvements to the Public Rights of Way network.		Ongoing	4,475	-	895	895	895	895	895	-
B/C.1.012	Safety Schemes	Investment in road safety engineering work at locations where there is strong evidence of a significantly high risk of injury crashes.		Ongoing	3,000	-	600	600	600	600	600	-
B/C.1.015	Strategy and Scheme Development work	Resources to support Transport & Infrastructure strategy and related work across the county, including long term strategies and District and Market Town Transport Strategies, as well as funding towards scheme development work.		Ongoing	1,725	-	345	345	345	345	345	-
B/C.1.019	Delivering the Transport Strategy Aims	Supporting the delivery of Transport Strategies and Market Town Transport Strategies to help improve accessibility and mitigate the impacts of growth.		Ongoing	6,750	-	1,350	1,350	1,350	1,350	1,350	-
B/C.1.020	Bar Hill to Northstowe cycle route	Bar Hill to Longstanton		Committed	1,279	244	1,035	-	-	-	-	-
B/C.1.023	Boxworth to A14 Cycle Route	Boxworth to A14 Cycle Route		2023-24	550	-	550	-	-	-	-	-
B/C.1.024	Dry Drayton to NMU link cycle route	Dry Drayton to NMU link cycle route		Committed	300	109	191	-	-	-	-	-
B/C.1.026	Hilton to Fenstanton Cycle Route	Hilton to Fenstanton Cycle Route		2023-24	500	-	500	-	-	-	-	-
B/C.1.027	Buckden to Hinchingbrooke cycle route	Buckden to Hinchingbrooke cycle route funded by National Highways.		2023-24	780	-	780	-	-	-	-	-
B/C.1.050	A14	Improvement of the A14 between Cambridge and Huntingdon. This is a scheme led by the National Highways but in order to secure delivery a local contribution to the total scheme cost, was agreed.		Committed	26,120	3,240	1,040	1,040	1,040	1,040	1,040	17,680
	Total - Integrated Transport				**46,604**	**3,593**	**7,511**	**4,455**	**4,455**	**4,455**	**4,455**	**17,680**

Section 3 - B: Place and Sustainability

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
B/C.2	**Operating the Network**											
B/C.2.001	Carriageway & Footway Maintenance including Cycle Paths	Allows the highway network throughout the county to be maintained. With the significant backlog of works to our highways well documented, this fund is crucial in ensuring that we are able to maintain our transport links.		Ongoing	37,650	-	9,450	7,050	7,050	7,050	7,050	-
B/C.2.002	Rights of Way	Allows improvements to our Rights of Way network which provides an important local link in our transport network for communities.		Ongoing	1,175	-	235	235	235	235	235	-
B/C.2.004	Bridge strengthening	Bridges form a vital part of the transport network. With many structures to maintain across the county it is important that we continue to ensure that the overall transport network can operate and our bridges are maintained.		Ongoing	11,735	-	2,347	2,347	2,347	2,347	2,347	-
B/C.2.005	Traffic Signal Replacement	Traffic signals are a vital part of managing traffic throughout the county. Many signals require to be upgraded to help improve traffic flow and ensure that all road users are able to safely use the transport network.		Ongoing	3,890	-	778	778	778	778	778	-
B/C.2.006	Smarter Travel Management - Integrated Highways Management Centre	The Integrated Highways Management Centre (IHMC) collects, processes and shares real time travel information to local residents, businesses and communities within Cambridgeshire. In emergency situations the IHMC provides information to ensure that the impact on our transport network is mitigated and managed.		Ongoing	915	-	183	183	183	183	183	-
B/C.2.007	Smarter Travel Management - Real Time Bus Information	Provision of real time passenger information for the bus network.		Ongoing	590	-	118	118	118	118	118	-
	Total - Operating the Network				**55,955**	**-**	**13,111**	**10,711**	**10,711**	**10,711**	**10,711**	**-**
B/C.3	**Highways & Transport**											
B/C.3.002	Footpaths and Pavements	Additional funding for surface treatments, such as footway repairs, and deeper treatments, including resurfacing and reconstruction.		Committed	28,000	8,000	4,000	4,000	4,000	4,000	4,000	-
B/C.3.003	B1050 Shelfords Road	Full reconstruction of the B1050 Shelfords Road between Earith and Willingham.		2023-24	6,800	-	-	-	6,800	-	-	-
B/C.3.004	Pothole Funding	Additional funding for Potholes.		Ongoing	33,324	4,329	8,179	7,829	4,329	4,329	4,329	-
B/C.3.005	Ely Bypass	The project has now been completed and the brand-new bypass opened to traffic on 31 October 2018.		Committed	49,006	48,996	10	-	-	-	-	-

Section 3 - B: Place and Sustainability

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
B/C.3.006	Guided Busway	Guided Busway construction contract retention payments.		Committed	149,791	145,923	3,868	-	-	-	-	-
B/C.3.007	King's Dyke	Scheme to bypass the level crossing at King's Dyke between Whittlesey and Peterborough has long been a problem for people using the A605.		Committed	33,500	32,900	600	-	-	-	-	-
B/C.3.009	Wheatsheaf Crossroads	Scheme to deliver traffic signals at the Wheatsheaf Crossroads, Bluntisham.		Committed	6,795	400	200	6,195	-	-	-	-
B/C.3.010	St Neots Future High Street Fund	St Neots Future High Street Fund		Committed	7,770	940	4,367	2,463	-	-	-	-
B/C.3.011	March Future High Street Fund	March Future High Street Fund		Committed	4,984	413	4,571	-	-	-	-	-
B/C.3.014	St Ives local improvements	Delivery of St Ives local improvement schemes		Committed	2,300	1,000	1,300	-	-	-	-	-
B/C.3.015	A141 and St Ives Improvements Scheme	Funding is being provided by the CPCA to CCC for the delivery of the Outline Business Case to further investigate and develop options for improvements to the A141 in the area of St Ives		Committed	5,805	1,451	2,903	1,451	-	-	-	-
B/C.3.016	A10 Ely to A14 Improvement Scheme	Funding is being provided by the CPCA to CCC for the delivery of the Outline Business Case to further investigate and develop options for improvements to the A10 between Ely and A14.		Committed	3,803	1,268	2,535	-	-	-	-	-
B/C.3.017	A14 De-trunking	Funding allocated to fund the on-going costs of the former parts of the A14.		2023-24	24,750	-	4,750	4,000	4,000	4,000	4,000	4,000
B/C.3.018	Street Lighting LED	Scheme to reduce Street lighting energy costs.		2023-24	13,283	-	100	7,099	6,084	-	-	-
B/C.3.019	Highways materials recycling	Capital investment to achieve savings on material recycling.		Committed	2,500	-	500	2,000	-	-	-	-
	Total - Highways & Transport				**372,411**	**245,620**	**37,883**	**35,037**	**25,213**	**12,329**	**12,329**	**4,000**
B/C.4	**Planning Growth and Environment**											
B/C.4.002	Waste – Household Recycling Centre (HRC) Improvements	To deliver Household Recycling Centre (HRC) improvements by acquiring appropriate sites, gaining planning permission, designing and building new or upgraded facilities. New facilities are proposed in the Greater Cambridge area and in March where planning permissions for the existing sites are due to expire. Capital works are required to maintain/upgrade other HRCs in the network as population growth places additional pressure on the existing facilities.		Committed	7,424	1,439	2,180	2,845	960	-	-	-

Section 3 - B: Place and Sustainability
Table 4: Capital Programme
Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
B/C.4.003	Waterbeach Waste Treatment Facilities	Amendments to the Waterbeach waste treatment facilities following changes to the Industrial Emissions Directive to reduce emissions to levels which are able to meet the sector specific Best Available Technique conclusions (BATc) and comply with new Environmental Permit conditions issued by the Environment Agency.		Committed	20,367	1,047	19,320	-	-	-	-	-
B/C.4.004	Reallocation and funding of cost cap for Northstowe Phase 1	Reallocation and funding of cost cap for Northstowe Phase 1		2023-24	834	-	834	-	-	-	-	-
	Total - Planning Growth and Environment				**28,625**	**2,486**	**22,334**	**2,845**	**960**	**-**	**-**	**-**
B/C.5	**Climate Change & Energy Service**											
B/C.5.013	Swaffham Prior Community Heat Scheme	A ground breaking scheme enabling the residents of Swaffham Prior to decarbonise their heating and hot water. The project comprises an energy centre located at Goodwin Farm supplying heat via a network of underground pipes that runs through the village connecting to homes and businesses.	B/R.7.132	Committed	10,965	10,965	-	-	-	-	-	-
B/C.5.014	Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	Low carbon energy generation assets with battery storage on Council assets at St Ives Park and Ride.	B/R.7.128	Committed	5,486	3,420	2,066	-	-	-	-	-
B/C.5.015	Babraham Smart Energy Grid	The project is to develop a high level assessment, then an Investment Grade Proposal for a renewable energy scheme on the Babraham Park and Ride site. This project at Babraham will look to build on the skills developed in the St Ives project to replicate on other Park and Ride sites. A 2.1 MW solar canopy project is proposed at the HLA stage.	B/R.7.129	Committed	8,840	6,021	2,819	-	-	-	-	-
B/C.5.016	Trumpington Smart Energy Grid	The project is to develop a high level assessment, then an Investment Grade Proposal for a renewable energy scheme on the Trumpington Park and Ride site. This project at Trumpington will look to build on the skills developed in the St Ives project to replicate on other Park and Ride sites. A 2.1 MW solar canopy project is proposed at the HLA stage.	B/R.7.130	Committed	6,970	4	-	3,483	3,483	-	-	-
B/C.5.017	Stanground Closed Landfill Energy Project	The project is to develop a high level assessment, then an Investment Grade Proposal for a clean energy scheme on the closed landfill site in Stanground. Bouygues propose a 2.25MW Solar PV ground mounted array on the site together with a 10MW 2C battery storage system for demand side response.	B/R.7.131	Committed	8,267	465	3,000	4,802	-	-	-	-

Section 3 - B: Place and Sustainability

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
B/C.5.018	Woodston Closed Landfill Energy Project	The project is to develop a high level assessment, then an Investment Grade Proposal for a clean energy scheme on the closed landfill site in Woodston. A tailored 3MW 2C Battery Storage for Demand Side Response services is proposed. This would provide a steady revenue stream, while being respectful of the local environment in terms of disruption and visual amenity.	TBC	Committed	2,526	15	-	2,511	-	-	-	-
B/C.5.019	North Angle Solar Farm, Soham	Investment in a second solar farm at Soham, bordering the Triangle Farm solar farm site. The scheme aims to maximise potential revenue from Council land holdings, help to secure national energy supplies and help meet Government carbon reduction targets.	B/R.7.133	Committed	28,867	28,440	427	-	-	-	-	-
B/C.5.020	Fordham Renewable Energy Network Demonstrator	Development of an Investment Grade Proposal for a 58 acre solar park at Glebe Farm in Fordham. The scheme aims to assist local businesses in decarbonising their energy supplies while generating a return for the Council and contributing to the aims of the Climate Change and Environment Strategy.		Committed	635	226	409	-	-	-	-	-
B/C.5.021	Decarbonisation Fund	An investment in the decarbonisation of Council owned and occupied buildings (approximately 69 buildings). All Council buildings will be taken off fossil fuels (primarily oil and gas) and will be replaced with low carbon heating solutions such as Air or Ground Source Heat Pumps. This investment is expected to be recouped in full from savings delivered on the Council's energy bills.		Committed	15,000	2,913	1,627	5,230	5,230	-	-	-
B/C.5.023	Oil Dependency Fund	Provision of financial support for oil dependent schools and communities to come off oil and onto renewable sources of energy. The initial investment of £500k will be paid back through business case investments into heat infrastructure.		Committed	500	-	167	167	166	-	-	-
B/C.5.024	Climate Action Fund	A fund to support the delivery of projects brought forward by services to improve the carbon efficiency of Council assets and services.		Committed	300	70	230	-	-	-	-	-
	Total - Climate Change & Energy Service				**88,356**	**52,539**	**10,745**	**16,193**	**8,879**	**-**	**-**	**-**
B/C.6	**Connecting Cambridgeshire**											
B/C.6.002	Investment in Connecting Cambridgeshire - Fixed Connectivity	Promoting and facilitating commercial coverage and managing gap funded intervention contract to increase full fibre and Superfast broadband coverage across Cambridgeshire and Peterborough.		Committed	10,875	9,506	879	490	-	-	-	-

Section 3 - B: Place and Sustainability

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
B/C.6.003	Investment in Connecting Cambridgeshire - Mobile Connectivity	Working with government and commercial operators to improve 2G, 4G and 5G coverage across the county.		Committed	1,365	585	630	150	-	-	-	-
B/C.6.004	Investment in Connecting Cambridgeshire - Public Access WiFi	Increasing the provision of free public access Wi-fi in public buildings, community and village halls and in city and town centres across Cambridgeshire and Peterborough.		Committed	605	605	-	-	-	-	-	-
B/C.6.005	Investment in Connecting Cambridgeshire - Smart Work Streams	Using connectivity, advanced data techniques and emerging technologies across a range of work streams in Cambridgeshire and Peterborough to help meet growth and sustainability challenges and support the local economy.		Committed	1,702	1,551	111	40	-	-	-	-
B/C.6.006	Investment in Connecting Cambridgeshire - Programme Delivery	"Keeping Everyone Connected" Covid-19 response and recovery programme supporting businesses and communities to access connectivity and digital technologies. Staff and support costs (including specialist legal, technical and data services) to deliver all elements of the Connecting Cambridgeshire programme.		Committed	5,525	3,746	870	909	-	-	-	-
	Total - Connecting Cambridgeshire				**20,072**	**15,993**	**2,490**	**1,589**	**-**	**-**	**-**	**-**
B/C.7	**Capital Programme Variation**											
B/C.7.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-57,881	-	-19,129	-13,821	-9,597	-5,499	-5,499	-4,336
B/C.7.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	4,915	-	1,331	779	771	320	258	1,456
	Total - Capital Programme Variation				**-52,966**	**-**	**-17,798**	**-13,042**	**-8,826**	**-5,179**	**-5,241**	**-2,880**
	TOTAL BUDGET				**559,057**	**320,231**	**76,276**	**57,788**	**41,392**	**22,316**	**22,254**	**18,800**

Section 3 - B: Place and Sustainability

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Funding	Total Funding £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
Government Approved Funding								
Department for Transport	222,838	107,105	26,302	23,882	20,773	20,786	20,786	3,204
Specific Grants	55,279	43,364	8,875	3,040	-	-	-	-
Total - Government Approved Funding	**278,117**	**150,469**	**35,177**	**26,922**	**20,773**	**20,786**	**20,786**	**3,204**
Locally Generated Funding								
Agreed Developer Contributions	16,140	14,796	1,044	300	-	-	-	-
Anticipated Developer Contributions	14,828	3,801	3,113	846	808	780	780	4,700
Prudential Borrowing	191,574	107,680	27,121	27,570	17,777	565	503	10,358
Other Contributions	58,398	43,485	9,821	2,150	2,034	185	185	538
Total - Locally Generated Funding	**280,940**	**169,762**	**41,099**	**30,866**	**20,619**	**1,530**	**1,468**	**15,596**
TOTAL FUNDING	**559,057**	**320,231**	**76,276**	**57,788**	**41,392**	**22,316**	**22,254**	**18,800**

Section 3 - B: Place and Sustainability

Table 5: Capital Programme - Funding

Budget Period: 2023-24 to 2032-33

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	48,473	75,246	-1,726	-2,772	-	-22,275
Committed Schemes	463,087	178,121	32,694	57,191	-	195,081
2023-2024 Starts	47,497	24,750	-	3,979	-	18,768
TOTAL BUDGET	**559,057**	**278,117**	**30,968**	**58,398**	**-**	**191,574**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
B/C.1	**Integrated Transport**									
B/C.1.002	Air Quality Monitoring		-	Ongoing	125	125	-	-	-	-
B/C.1.009	Major Scheme Development & Delivery		-	Ongoing	1,000	1,000	-	-	-	-
B/C.1.011	Local Infrastructure improvements		-	Ongoing	4,475	3,475	-	1,000	-	-
B/C.1.012	Safety Schemes		-	Ongoing	3,000	3,000	-	-	-	-
B/C.1.015	Strategy and Scheme Development work		-	Ongoing	1,725	1,725	-	-	-	-
B/C.1.019	Delivering the Transport Strategy Aims		-	Ongoing	6,750	6,750	-	-	-	-
B/C.1.020	Bar Hill to Northstowe cycle route		-	Committed	1,279	43	1,236	-	-	-
B/C.1.023	Boxworth to A14 Cycle Route		-	2023-24	550	-	-	550	-	-
B/C.1.024	Dry Drayton to NMU link cycle route		-	Committed	300	175	-	125	-	-
B/C.1.026	Hilton to Fenstanton Cycle Route		-	2023-24	500	-	-	500	-	-
B/C.1.027	Buckden to Hinchingbrooke cycle route		-	2023-24	780	-	-	655	-	125
B/C.1.050	A14		-	Committed	26,120	-	-	1,120	-	25,000
	Total - Integrated Transport		**-**		**46,604**	**16,293**	**1,236**	**3,950**	**-**	**25,125**
B/C.2	**Operating the Network**									
B/C.2.001	Carriageway & Footway Maintenance including Cycle Paths		-	Ongoing	37,650	36,150	-	-	-	1,500
B/C.2.002	Rights of Way		-	Ongoing	1,175	1,175	-	-	-	-
B/C.2.004	Bridge strengthening		-	Ongoing	11,735	11,735	-	-	-	-
B/C.2.005	Traffic Signal Replacement		-	Ongoing	3,890	3,890	-	-	-	-
B/C.2.006	Smarter Travel Management - Integrated Highways Management Centre		-	Ongoing	915	915	-	-	-	-
B/C.2.007	Smarter Travel Management - Real Time Bus Information		-	Ongoing	590	590	-	-	-	-
	Total - Operating the Network		**-**		**55,955**	**54,455**	**-**	**-**	**-**	**1,500**
B/C.3	**Highways & Transport**									
B/C.3.002	Footpaths and Pavements		-	Committed	28,000	28,000	-	-	-	-
B/C.3.003	B1050 Shelfords Road		-	2023-24	6,800	-	-	2,274	-	4,526
B/C.3.004	Pothole Funding		-	Ongoing	33,324	25,974	-	-	-	7,350
B/C.3.005	Ely Bypass		-	Committed	49,006	22,000	1,000	5,944	-	20,062

Section 3 - B: Place and Sustainability
Table 5: Capital Programme - Funding
Budget Period: 2023-24 to 2032-33

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact *	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
B/C.3.006	Guided Busway		-	Committed	149,791	94,667	29,486	9,282	-	16,356
B/C.3.007	King's Dyke		-	Committed	33,500	8,000	-	20,201	-	5,299
B/C.3.009	Wheatsheaf Crossroads		-	Committed	6,795	-	500	-	-	6,295
B/C.3.010	St Neots Future High Street Fund		-	Committed	7,770	-	-	7,770	-	-
B/C.3.011	March Future High Street Fund		-	Committed	4,984	-	-	4,984	-	-
B/C.3.014	St Ives local improvements			Committed	2,300	-	-	2,300	-	-
B/C.3.015	A141 and St Ives Improvements Scheme			Committed	5,805	5,805	-	-	-	-
B/C.3.016	A10 Ely to A14 Improvement Scheme			Committed	3,803	3,803	-	-	-	-
B/C.3.017	A14 De-trunking			2023-24	24,750	24,750	-	-	-	-
B/C.3.018	Street Lighting LED			2023-24	13,283	-	-	-	-	13,283
B/C.3.019	Highways materials recycling			Committed	2,500	-	-	-	-	2,500
	Total - Highways & Transport		**-**		**372,411**	**212,999**	**30,986**	**52,755**	**-**	**75,671**
B/C.4	**Planning Growth and Environment**									
B/C.4.002	Waste – Household Recycling Centre (HRC) Improvements		-	Committed	7,424	-	472	-	-	6,952
B/C.4.003	Waterbeach Waste Treatment Facilities		-	Committed	20,367	-	-	-	-	20,367
B/C.4.004	Reallocation and funding of cost cap for Northstowe Phase 1			2023-24	834	-	-	-	-	834
	Total - Planning Growth and Environment		**-**		**28,625**	**-**	**472**	**-**	**-**	**28,153**
B/C.5	**Climate Change & Energy Service**									
B/C.5.013	Swaffham Prior Community Heat Scheme	B/R.7.132	-21,598	Committed	10,965	608	-	-	-	10,357
B/C.5.014	Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	B/R.7.128	-2,892	Committed	5,486	1,844	-	-	-	3,642
B/C.5.015	Babraham Smart Energy Grid	B/R.7.129	-7,575	Committed	8,840	-	-	-	-	8,840
B/C.5.016	Trumpington Smart Energy Grid	B/R.7.130	-7,001	Committed	6,970	-	-	-	-	6,970
B/C.5.017	Stanground Closed Landfill Energy Project	B/R.7.131	-8,898	Committed	8,267	-	-	-	-	8,267
B/C.5.018	Woodston Closed Landfill Energy Project	TBC	-9,222	Committed	2,526	-	-	-	-	2,526
B/C.5.019	North Angle Solar Farm, Soham	B/R.7.133	-39,988	Committed	28,867	-	-	-	-	28,867
B/C.5.020	Fordham Renewable Energy Network Demonstrator		-	Committed	635	-	-	-	-	635
B/C.5.021	Decarbonisation Fund		-	Committed	15,000	869	-	-	-	14,131
B/C.5.023	Oil Dependency Fund		-	Committed	500	-	-	-	-	500
B/C.5.024	Climate Action Fund		-	Committed	300	-	-	-	-	300
	Total - Climate Change & Energy Service		**-97,174**		**88,356**	**3,321**	**-**	**-**	**-**	**85,035**
B/C.6	**Connecting Cambridgeshire**									
B/C.6.002	Investment in Connecting Cambridgeshire - Fixed Connectivity		-	Committed	10,875	5,975	-	3,200	-	1,700
B/C.6.003	Investment in Connecting Cambridgeshire - Mobile Connectivity		-	Committed	1,365	1,365	-	-	-	-
B/C.6.004	Investment in Connecting Cambridgeshire - Public Access WiFi		-	Committed	605	605	-	-	-	-
B/C.6.005	Investment in Connecting Cambridgeshire - Smart Work Streams		-	Committed	1,702	1,702	-	-	-	-

* The Net Revenue Impact for schemes within the Climate Change & Energy Service currently only relates to the five-year period 2023-24 to 2027-2028

Section 3 - B: Place and Sustainability
Table 5: Capital Programme - Funding
Budget Period: 2023-24 to 2032-33

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
B/C.6.006	Investment in Connecting Cambridgeshire - Programme Delivery		-	Committed	5,525	2,660	-	2,265	-	600
	Total - Connecting Cambridgeshire		**-**		**20,072**	**12,307**	**-**	**5,465**	**-**	**2,300**
B/C.7	**Capital Programme Variation**									
B/C.7.001	Variation Budget		-	Ongoing	-57,881	-21,258	-1,726	-3,772	-	-31,125
B/C.7.002	Capitalisation of Interest Costs		-	Committed	4,915	-	-	-	-	4,915
	Total - Capital Programme Variation		**-**		**-52,966**	**-21,258**	**-1,726**	**-3,772**	**-**	**-26,210**
	TOTAL BUDGET				**559,057**	**278,117**	**30,968**	**58,398**	**-**	**191,574**

Section 3 - C: Financing & Resources

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2023-24 to 2027-28

Note – Individual service lines do not contain provision for staffing inflation as pay awards have not yet been agreed. Until that point, a staffing inflation allocation is held centrally

Net Revised Opening Budget 2022-23 £000	Policy Line	Gross Budget 2023-24 £000	Fees, Charges & Ring-fenced Grants 2023-24 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000	Net Budget 2026-27 £000	Net Budget 2027-28 £000
	Customer & Digital Services							
2,075	Customer Services	2,634	-382	2,252	2,251	2,250	2,249	2,248
10,967	IT & Digital Service	12,863	-753	12,110	13,094	14,199	14,253	14,332
13,042	**Subtotal Customer & Digital Services**	**15,497**	**-1,135**	**14,362**	**15,345**	**16,449**	**16,502**	**16,580**
	Finance & Procurement							
359	Service Director of Finance & Procurement	558	-	558	558	558	558	558
1,899	Professional Finance	2,347	-331	2,016	2,013	2,010	2,006	2,003
920	Procurement	911	-41	870	870	870	870	870
149	CCC Finance Operations	257	-103	154	153	153	152	149
2,436	Insurance Fund	2,193	-55	2,138	2,319	2,514	2,725	2,953
75	External Audit	202	-	202	202	202	202	202
1,040	Lead Authority Services	3,831	-2,741	1,090	1,046	2,068	2,073	2,077
6,878	**Subtotal Finance & Procurement**	**10,299**	**-3,271**	**7,028**	**7,161**	**8,375**	**8,586**	**8,812**
	Corporate & Miscellaneous							
5,622	Central Services and Organisation-Wide Risks	5,945	-920	5,025	9,100	13,267	17,434	21,601
110	Local Government Subscriptions	110	-	110	110	110	110	110
818	Authority-wide Miscellaneous	1,091	-649	442	442	287	287	287
6,550	**Subtotal Corporate & Miscellaneous**	**7,146**	**-1,569**	**5,577**	**9,652**	**13,664**	**17,831**	**21,998**
	Investment Activity							
-3,610	Property Investments	3,817	-8,642	-4,825	-5,162	-5,527	-5,753	-5,979
-571	Shareholder Company Dividends & Fees	-	-574	-574	-574	-574	-574	-574
-6,063	Housing Investment (This Land Company)	2,437	-8,500	-6,063	-6,063	-6,063	-6,063	-6,063
-405	Contract Efficiencies & Other Income	1	-215	-214	-423	-433	-443	-453
-1,050	Collective Investment Funds	-	-1,050	-1,050	-1,050	-1,050	-1,050	-1,050
-222	Renewable Energy Investments	895	-1,134	-239	-256	-256	-256	-256
-11,921	**Subtotal Investment Activity**	**7,150**	**-20,115**	**-12,965**	**-13,528**	**-13,903**	**-14,139**	**-14,375**
	Property Services							
6,028	Facilities Management	10,188	-2,087	8,101	7,664	7,368	7,365	7,362
925	Property Services	977	-	977	1,275	1,388	1,463	1,691
210	Property Compliance	403	-66	337	337	337	337	337
-4,502	County Farms	962	-5,928	-4,966	-4,716	-4,681	-4,680	-4,667

Section 3 - C: Financing & Resources

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2023-24 to 2027-28

Net Revised Opening Budget 2022-23 £000	Policy Line	Gross Budget 2023-24 £000	Fees, Charges & Ring-fenced Grants 2023-24 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000	Net Budget 2026-27 £000	Net Budget 2027-28 £000
830	Strategic Assets	891	-17	874	872	870	868	866
3,491	**Subtotal Property Services**	**13,421**	**-8,098**	**5,323**	**5,432**	**5,282**	**5,353**	**5,589**
	Financing Costs							
33,275	Debt Charges and Interest	49,783	-11,520	38,263	44,861	44,095	44,345	43,263
33,275	**Subtotal Financing Costs**	**49,783**	**-11,520**	**38,263**	**44,861**	**44,095**	**44,345**	**43,263**
	Greater Cambridge Partnership							
-	City Deal with Greater Cambridge Partnership	1,682	-1,682	-	-	-	-	-
-	**Subtotal Greater Cambridge Partnership**	**1,682**	**-1,682**	**-**	**-**	**-**	**-**	**-**
-	**UNIDENTIFIED SAVINGS TO BALANCE BUDGET**		**-**	**-**	**-16,372**	**-33,982**	**-43,668**	**-58,746**
51,315	**F&R BUDGET TOTAL**	**104,978**	**-47,390**	**57,588**	**52,551**	**39,980**	**34,810**	**23,121**

Section 3 - C: Financing & Resources

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2023-24

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Customer & Digital Services							
Customer Services	2,075	177	-	-	-	-	2,252
IT & Digital Service	10,967	463	-	23	727	-70	12,110
Subtotal Customer & Digital Services	**13,042**	**640**	**-**	**23**	**727**	**-70**	**14,362**
Finance & Procurement							
Service Director of Finance & Procurement	359	3	-	-	196	-	558
Professional Finance	1,899	116	-	-	1	-	2,016
Procurement	920	42	-	-	-92	-	870
CCC Finance Operations	149	5	-	-	-	-	154
Insurance Fund	2,436	107	-	-	-	-405	2,138
External Audit	75	-	-	127	-	-	202
Lead Authority Services	1,040	216	-	-	-	-166	1,090
Subtotal Finance & Procurement	**6,878**	**489**	**-**	**127**	**105**	**-571**	**7,028**
Corporate & Miscellaneous							
Central Services and Organisation-Wide Risks	5,622	1,823	-	-1,491	910	-1,839	5,025
Local Government Subscriptions	110	-	-	-	-	-	110
Authority-wide Miscellaneous	818	-	-	650	-1,026	-	442
Subtotal Corporate & Miscellaneous	**6,550**	**1,823**	**-**	**-841**	**-116**	**-1,839**	**5,577**
Investment Activity							
Property Investments	-3,610	3	-	-	-35	-1,183	-4,825
Shareholder Company Dividends & Fees	-571	-3	-	-	-	-	-574
Housing Investment (This Land Company)	-6,063	-	-	-	-	-	-6,063
Contract Efficiencies & Other Income	-405	-9	-	200	-	-	-214
Collective Investment Funds	-1,050	-	-	-	-	-	-1,050
Renewable Energy Investments	-222	-	-	6	-9	-14	-239
Subtotal Investment Activity	**-11,921**	**-9**	**-**	**206**	**-44**	**-1,197**	**-12,965**
Property Services							
Facilities Management	6,028	2,001	-	72	-	-	8,101
Property Services	925	50	-	-	2	-	977
Property Compliance	210	11	-	116	-	-	337
County Farms	-4,502	69	-	-	-	-533	-4,966
Strategic Assets	830	44	-	-	-	-	874
Subtotal Property Services	**3,491**	**2,175**	**-**	**188**	**2**	**-533**	**5,323**

Section 3 - C: Financing & Resources

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2023-24

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Financing Costs							
Debt Charges and Interest	33,275	-	-	-	26,563	-21,575	38,263
Subtotal Financing Costs	**33,275**	**-**	**-**	**-**	**26,563**	**-21,575**	**38,263**
F&R BUDGET TOTAL	**51,315**	**5,118**	**-**	**-297**	**27,237**	**-25,785**	**57,588**

Section 3 - C: Finance and Resources

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
1	**OPENING GROSS EXPENDITURE**	**62,142**	**55,195**	**44,227**	**32,399**	**27,419**	
C/R.1.002	Base Adjustment - Restructure F&R to S&P	-10,668	-	-	-	-	Accounting for budget movements needed due to change in organisational structure.
C/R.1.003	Base Adjustments	631	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2022-23.
C/R.1.004	Splitting out PVs following CLT restructure - F&R to S&P	-863	-	-	-	-	Accounting for structure changes in respect of budget movements in the 2022/23 financial year.
C/R.1.014	Public health funding to support Health related spend	61	-	-	-	-	Public Health business planning for 2023-24 pulls together outstanding underspends across several service areas. These will have minimal disruption as they are demand led services which are already underspending. In addition, savings are available from contingency and holding funds where the funding is no longer required. Funding from the grant will be applied to other eligible costs across the Council.
C/R.1.015	Base Adjustment relating to Public Health Savings	-220	-30	250	-	-	Base Adjustment relating to Public Health Savings, which will contribute to costs across the rest of the Council in line with the Public Health Grant conditions.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**51,083**	**55,165**	**44,477**	**32,399**	**27,419**	
2	**INFLATION**						
C/R.2.001	Inflation	2,449	662	487	574	723	Inflation for Finance & Resources budgets
C/R.2.003	Salary Inflation - All Services	6,347	4,167	4,167	4,167	4,167	Forecast pressure from inflation relating to pay and employment costs. 5% in year 1, and 3.5% thereafter. This is all held centrally until the pay award in each relevant year is confirmed, when it will be allocated to services.
C/R.2.009	2022/23 Staff Pay Award	4,044	-	-	-	-	Pressure relating to the 2022/23 staff pay award. The pay award was higher than budgeted for in that year, and so catch-up funding is required.
C/R.2.010	Inflation for lead authority service budgets	44	-	-	-	-	Inflation required for the lead authority service budgets.
C/R.2.011	22-23 Staff pay award for F&R	899	-	-	-	-	2022-23 staff pay award posted into 2023-24 as permanent budget.
C/R.2.012	Allocating the 22-23 staff pay award across all services	-8,568	-	-	-	-	Apportioning the total 2022-23 pay award to all service budgets.
2.999	**Subtotal Inflation**	**5,215**	**4,829**	**4,654**	**4,741**	**4,890**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	

Section 3 - C: Finance and Resources

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
4	**PRESSURES**						
C/R.4.018	IT - Continued Remote Working	-	-134	-55	-	-	Costs of data and licenses increased during the pandemic with more staff working remotely. This cost was expected to be temporary.
C/R.4.021	IT - Microsoft Enterprise Agreement	114	241	50	-	-	Cambridgeshire County Council uses Microsoft software extensively across all services. The Council is licensed to do so under the terms of its Microsoft Enterprise Agreement, which was renewed in 2020 and the cost of the new contract increased. Following the migration to Office 365 and reviewing the strategic requirements of the organisation in areas such as reporting (PowerBI) and automation (Power Apps) additional licences are required at an additional cost.
C/R.4.025	Pandemic risks provision	-600	-	-	-	-	Planned reversal of temporary funding intended to mitigate against risks during the pandemic.
C/R.4.027	IT - Systems	189	-5	-	-	-	There are requirements for additional modules in existing systems to meet new requirements and planned projects in services. There may also be a period of dual running of systems in the Education space as services are migrated from one to the other.
C/R.4.028	IT - Telephony	50	-341	-	-	-	Funding for an increase in telephony costs due to a contract overlap, and then reduce the budget in 2024/25.
C/R.4.029	IT - Hardware & Infrastructure	-380	-	-	-	-	In order to ensure fit for purpose laptops for staff and members it was anticipated thata significant number of devices would need to be replaced in 2022-23. This budget has been revised to re-establish the ongoing requirement.
C/R.4.030	IT - Shared Health Care Record	50	-	-	-	-	This is the estimated revenue costs to CCC for funding towards the Cambridgeshire & Peterborough Shared Health Care Record.
C/R.4.034	Renewable Energy - Soham	6	6	-	-	-	Operating costs associated with the capital investment in Renewable Energy, at the Soham Solar Farm. Links to capital proposal C/C.2.102 in BP 2016-17.
C/R.4.035	Alconbury Solar Carport - operating costs	-2	2	-3	-	-	The proposal is to construct a series of four solar canopies over the car park, which will generate electricity that will be used to charge electric vehicles (EVs) on site and that can be used directly by the building to offset the use of grid electricity.
C/R.4.036	External Auditor Fees	127	-	-	-	-	The annual fee expected to meet statutory external audit costs is due to increase. The Council is opted-into the national commissioning arrangement for audit services, in line with the majority of councils.
C/R.4.037	Pension Fund Contribution Level	-661	-	-	-	-	The pension fund is currently more than fully funded for its anticipated liabilities, and so the annual contribution the Council makes to it can be slightly reduced. The pension contribution rates and benefits for employees are unchanged.
C/R.4.038	Legionella Compliance	116	-	-	-	-	This cost relates to the statutory work required for water testing in corporate buildings and resources required for the increasing demands on the service, with a reduction in external work.

Section 3 - C: Finance and Resources

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
C/R.4.039	Increase in National Insurance - Council Staff	-230	-	-	-	-	Reversal of impact of increase in employers' national insurance payments for staff in Finance & Resources
C/R.4.040	Building Maintenance	74	-	-	-	-	There is a requirement to increase the budget for maintenance across the estate, to help with the demand for repairs and to remain compliant.
C/R.4.045	Re-baselining of F&R Budgets	850	-	-155	-	-	Following review of several historic income targets, this adjustment is needed to bring budgets in line with expected income.
4.999	**Subtotal Pressures**	**-297**	**-231**	**-163**	**-**	**-**	
5	**INVESTMENTS**						
C/R.5.005	Renewable Energy Soham - Interest Costs	-9	-10	-	-	-	The Council has invested in building a solar park at Triangle Farm, Soham. These are the borrowing costs associated with the scheme to be repaid using income from the sale of energy.
C/R.5.006	Commercial Investments - Interest Costs	-35	-35	-35	-35	-35	The Council is developing a portfolio of commercial property investments. This change is required in order to amend the associated borrowing costs to be repaid using rental income generated from the leases of these properties.
C/R.5.009	ITDS Capital to Revenue Funding	726	1,173	1,076	-	-	A shift from capital to revenue funding is required for Information Technology & Digital Service (ITDS) programmes over the next 3 financial years, due to the nature of IT services changing to cloud based systems.
C/R.5.011	CLT Structure and Shared Posts Changes	208	-	-	-	-	The restructure of the extended Corporate Leadership Team and several shared posts was agreed by the Council in 2022/23. The net investment into posts will be funded through the business change reserve for two years until the eventual structure of the council is finalised at which point, if no mitigations, this investment will be required. This is the impact for Finance & Resources.
C/R.5.115	Think Communities - Creating a Unified Approach	-1,028	-	-	-	-	Planned reversal of the temporary transformation funding put into previous financial years. We are reviewing the long term funding options for this service.
C/R.5.119	Development of an Asset-Based Area Approach to Commissioning and Delivery	2	-92	-	-	-	Ongoing transformation funded scheme through to 2024/25. Development of a sustainable model of community-based care and support for adults using an Asset-Based Area approach to commissioning and delivery. The project aims to delay demand for long term adult social care and improve outcomes for adults with care and support needs in the community.
C/R.5.120	Governance	10	-	-	-	-	We are reviewing the level of staffing in the Legal & Governance directorate
C/R.5.121	Investment into Adults & Children’s Services Staffing	800	-	-	-	-	Funding provided to bolster leadership and management roles in Adults and Children’s services to ensure focus on delivering services for Cambridgeshire.
5.999	**Subtotal Investments**	**674**	**1,036**	**1,041**	**-35**	**-35**	

Section 3 - C: Finance and Resources

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
6	**SAVINGS**						
	S&R						
C/R.6.106	Contract Savings	-	-200	-	-	-	The ability to renegotiate or procure to achieve contractual savings is expected in 2024-25.
C/R.6.108	IT - Education Software	-70	-	-	-	-	Estimated annual software saving expected from the implementation of the new education system.
C/R.6.109	Council Wide Mileage	-500	-	-	-	-	Reduction in mileage budgets across the council, reflecting permanently changed travelling patterns.
C/R.6.110	Corporate Vacancy Factor	-400	-	-	-	-	Whilst effort is made to ensure all critical posts are filled, this is to recognise slippage on staffing budgets that inevitably take place.
C/R.6.111	Public Health Grant Contribution to Overheads	-61	-	-	-	-	Funded by a ring-fenced grant, the Public Health service makes a contribution to the cost of overheads that support it in the rest of the Council. This contribution is inflated.
C/R.6.113	Insurance re-procurement	-405	-	-	-	-	Following a successful re-procurement of our Insurance contracts, a reduction in cost is expected from insurance premiums and provisions.
C/R.6.114	Lead Authority Services - Governance	-25	-	-	-	-	A saving target has been agreed for the Lead Authority Performance and Governance Service.
C/R.6.116	Payment Card Compliance	-19	-	-	-	-	Efficiencies from improved payment card processes.
6.999	**Subtotal Savings**	**-1,480**	**-200**	**-**	**-**	**-**	
	UNIDENTIFIED SAVINGS TO BALANCE BUDGET	**-**	**-16,372**	**-17,610**	**-9,686**	**-15,078**	
	TOTAL GROSS EXPENDITURE	**55,195**	**44,227**	**32,399**	**27,419**	**17,196**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
C/R.7.001	Previous year's fees, charges & ring-fenced grants	-34,331	-35,870	-36,537	-36,514	-36,954	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
C/R.7.002	Changes to fees and charges from previous year	-134	-	-	-	-	Adjustment for permanent changes to income expectation from decisions made in 2022-23.
C/R.7.003	Fees and charges inflation	-97	-35	-28	-110	-54	Uplift in external charges to reflect inflation pressures on the costs of services.
C/R.7.004	2022/23 Staff Award Pay Inflation	-71	-	-	-	-	Recharges for shared staff are expected to be higher in light of the 2022/23 staff pay award.
C/R.7.005	Changes to Fees and Charges - Restructure F&R to S&P	1,422	-	-	-	-	Changes to Fees and Charges - Restructure F&R to S&P

Section 3 - C: Finance and Resources

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	2023-24 £000 (Detailed Plans)	2024-25 £000 (Outline Plans)	2025-26 £000 (Outline Plans)	2026-27 £000 (Outline Plans)	2027-28 £000 (Outline Plans)	Description
	Changes to fees & charges						
C/R.7.104	Alconbury Solar Carport - Income Generation	-	-1	-1	-3	-3	The proposal is to construct a series of four solar canopies over the car park, which will generate electricity that will be used to charge electric vehicles (EVs) on site and that can be used directly by the building to offset the use of grid electricity.
C/R.7.105	Renewable Energy Soham - Income Generation	-14	-13	-	-	-	Income generation resulting from capital investment in solar farm at Soham. Links to capital proposal C/C.2.102 in BP 2016-17.
C/R.7.111	New rental income - Evolution Business Park	-900	-	-	-	-	Anticipated additional income from a new investment the Council is expected to make.
C/R.7.115	Student Accommodation - Income Generation	-70	-62	-65	-65	-65	Estimated annual rent increase.
C/R.7.116	Leisure Park - Income Generation	-84	-118	-	-	-	Estimated change in annual rent, including two vacant units for part of the year.
C/R.7.117	Supermarket Site - Income Generation	-150	-112	-116	-121	-126	Estimated annual change in rent income
C/R.7.118	Business Park - Income Generation	32	-10	-54	-5	-	Estimated annual change in rent income
C/R.7.119	Independent Living Service: East Cambridgeshire	-	-438	-292	-	-	Rent received from the lease of the new building.
C/R.7.120	County Farms -Agricultural Rent	-46	-129	-132	-136	-136	Increase expected in rental income for the county farms estate.
C/R.7.150	COVID Impact - Leisure Park	-16	-	-	-	-	Cromwell Leisure consists of a cinema and three restaurant units. This is the final recovery amount for the impact on rent received due to COVID.
C/R.7.154	COVID Impact - Commercial Income	-849	-	-	-	-	For the additional income expected across the Commercial Strategy, based on the current funds for investments, we forecast that the 2021-22 & 2022-23 target will be achieved in full by 2023-24.
C/R.7.155	Kingsbridge - Income Generation	5	-	-95	-	-	Estimated annual change in rent income.
C/R.7.156	Biodiversity Net Gain Offset	-487	270	40	-	-	To deliver an innovative Biodiversity Net Gain (BNG) scheme at Lower Valley Farm, Fulbourn, South Cambridgeshire. The annual maintenance is expected to be £15k per annum.
	Changes to ring-fenced grants						
C/R.7.201	Change in Public Health Grant	-80	-19	766	-	-	Change in ring-fenced Public Health grant to reflect expected contribution from Public Health to budget gap, and thereafter the expected removal of the grant ringfence.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-35,870**	**-36,537**	**-36,514**	**-36,954**	**-37,338**	
	TOTAL NET EXPENDITURE	**19,325**	**7,690**	**-4,115**	**-9,535**	**-20,142**	

Section 3 - C: Finance and Resources

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	2023-24 £000 (Detailed Plans)	2024-25 £000 (Outline Plans)	2025-26 £000	2026-27 £000	2027-28 £000	Description
FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
C/R.8.001	Budget Allocation	-18,925	-7,490	4,115	9,535	20,142	Net spend funded from general grants, business rates and Council Tax or reserves.
C/R.8.002	Public Health Grant	-747	-766	-	-	-	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
C/R.8.003	Fees & Charges	-35,123	-35,771	-36,514	-36,954	-37,338	Fees and charges for the provision of services.
C/R.8.005	Public Health Reserve	-400	-200	-	-	-	Drawn down of public health reserve to fund pressures in service
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-55,195**	**-44,227**	**-32,399**	**-27,419**	**-17,196**	

Section 3 - C: Finance and Resources

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
Ongoing	3,840	1,092	-867	410	685	800	800	920
Committed Schemes	182,075	158,069	8,405	2,026	575	-	-	13,000
2023-2024 Starts	188	10	178	-	-	-	-	-
TOTAL BUDGET	**186,103**	**159,171**	**7,716**	**2,436**	**1,260**	**800**	**800**	**13,920**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
C/C.1	**Information Technology**											
C/C.1.006	Data Centre Relocation	Removal and relocation/transformation of all IT infrastructure & Systems from Shire Hall Data Centre prior to disposal of the site.		Committed	4,642	3,770	872	-	-	-	-	-
C/C.1.007	IT Strategy	Implementation of the IT Strategy to support sharing of services across Cambridgeshire and Peterborough. To include: - Operations - Business Systems - Digital Engagement		Committed	5,939	3,339	1,600	1,000	-	-	-	-
C/C.1.008	IT Infrastructure Refresh	Upgrades/refresh of the core CCC IT systems that underpin use of IT across the Council. This essential work will ensure that the critical IT Infrastructure continues to be fit for purpose and supports changes in technology and business requirements.		Committed	674	568	106	-	-	-	-	-
C/C.1.010	IT Education System Replacement	This programme gathers the system information workflows across the Education Directorate, including the student journey and the touch points across the teams. With a myriad of systems in use there is a business challenge in maintaining consistent, accurate data, especially within shared data sets. Where the current systems are identified as not fit for purpose in supporting education services, the projects under the Education Systems Programme will then procure and implement the most suitable IT system solution, ensuring that separate reporting for both authorities is preserved.		Committed	2,921	1,832	1,089	-	-	-	-	-
	Total - Information Technology				**14,176**	**9,509**	**3,667**	**1,000**	**-**	**-**	**-**	**-**

Section 3 - C: Finance and Resources
Table 4: Capital Programme
Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
C/C.2	**Investments**											
C/C.2.001	Housing schemes	The Council is a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. CCC has moved from being not only a seller of sites, but also a developer of sites, through a Housing Company. CCC is continuing to make the best use of its sites with development potential in a co-ordinated and planned manner, developing them for a range of options, generating capital receipts to support site development and also significant revenue and capital income to support services and communities.		Committed	148,720	135,720	-	-	-	-	-	13,000
C/C.2.002	Development Funding	Capital expenditure related to planning applications.		Committed	1,613	563	350	350	350	-	-	-
	Total - Investments				**150,333**	**136,283**	**350**	**350**	**350**	**-**	**-**	**13,000**
C/C.3	**Property Services**											
C/C.3.003	Building Maintenance	This budget is used to carry out replacement of failed elements and maintenance refurbishments.		Ongoing	6,492	1,092	600	600	600	600	600	2,400
C/C.3.004	Condition Survey Works	Condition surveys have reviewed the structural, M&E and internal finishes of corporate buildings. The surveys are reviewed by the Property Services team to determine priority and criticality. Indicative costs are applied to each element of work. The scheme intends to make the necessary repairs to bring buildings back to a decent standard, taking into account statutory requirements, property H&S and compliance.		Committed	2,983	927	2,056	-	-	-	-	-
C/C.4.014	Haviland Way Children's Home	The completion of property works at Haviland Way is required to support the home to comply with the Children's Homes Regulations by making the home safe to live and work in and ensuring that the interior decorations make the service homely and in line with CCC priority outcomes make Haviland Way Children's Home a great place to live.		2023-24	188	10	178	-	-	-	-	-
	Total - Property Services				**9,663**	**2,029**	**2,834**	**600**	**600**	**600**	**600**	**2,400**

Section 3 - C: Finance and Resources
Table 4: Capital Programme
Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
C/C.4	**Strategic Assets**											
C/C.4.001	Lower Portland Farm	To replenish the rural portfolio with agricultural land that has the opportunity for diversification in renewable energy projects, commercial and residential development whilst receiving regular income from agricultural land let to tenant farmers. Long Term (10 years) plan to obtain planning permissions for development leading to a significant increase in value across 68 acres of agricultural land.		Committed	3,741	3,516	-	-	225	-	-	-
C/C.4.006	County Farms investment (Viability)	To invest in projects which protect and improve the County Farms Estate's revenue potential, asset value and long term viability.		Ongoing	3,000	-	300	300	300	300	300	1,500
C/C.4.007	Local Plans - representations	Making representations to Local Plans and where appropriate following through to planning applications with a view to adding value to County Farms and other Council land, whilst meeting Council objectives through the use / development of such land.		Ongoing	1,000	-	100	100	100	100	100	500
C/C.4.008	Community Hubs - East Barnwell	Provision of a replacement community centre, children's nursery and library on a site owned by Cambridge City Council in the Abbey ward as part of a regeneration project led by the City Council which includes the existing community centre and library.		Committed	1,259	552	107	600	-	-	-	-
C/C.4.010	Cambs 2020 Spokes Asset Review	The Cambs 2020 Programme will see the current Shire Hall site will be disposed, moving to a 'Hub and Spokes' model with a central purpose built Hub in Alconbury Weald and Spokes sites across the County. This was an opportunity to review our asset portfolio based on organisational needs. This project includes: - acquisition of a new freehold asset - disposal of properties surplus to requirements - major refurbishment works - minor refurbishment works		Committed	5,582	5,542	40	-	-	-	-	-
C/C.4.011	Mill Farmhouse	Demolition of the exisiting house that has been deemed structurally beyond economical repair and replace with a new dwelling.		Committed	451	113	338	-	-	-	-	-

Section 3 - C: Finance and Resources

Table 5: Capital Programme - Funding

Budget Period: 2023-24 to 2032-33

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	3,840	-	-	-2,604	72,840	-66,396
Committed Schemes	182,075	-	-	140,191	5,882	36,002
2023-2024 Starts	188	-	-	-	-	188
TOTAL BUDGET	**186,103**	**-**	**-**	**137,587**	**78,722**	**-30,206**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
C/C.1	**Information Technology**									
C/C.1.006	Data Centre Relocation		-	Committed	4,642	-	-	-	-	4,642
C/C.1.007	IT Strategy		-	Committed	5,939	-	-	-	-	5,939
C/C.1.008	IT Infrastructure Refresh		-	Committed	674	-	-	-	-	674
C/C.1.010	IT Education System Replacement		-	Committed	2,921	-	-	-	-	2,921
	Total - Information Technology		**-**		**14,176**	**-**	**-**	**-**	**-**	**14,176**
C/C.2	**Investments**									
C/C.2.001	Housing schemes		-58,161	Committed	148,720	-	-	140,191	5,851	2,678
C/C.2.002	Development Funding		-	Committed	1,613	-	-	-	-	1,613
	Total - Investments		**-58,161**		**150,333**	**-**	**-**	**140,191**	**5,851**	**4,291**
C/C.3	**Property Services**									
C/C.3.003	Building Maintenance		-	Ongoing	6,492	-	-	-	-	6,492
C/C.3.004	Condition Survey Works		-	Committed	2,983	-	-	-	-	2,983
C/C.4.014	Haviland Way Children's Home			2023-24	188	-	-	-	-	188
	Total - Property Services		**-**		**9,663**	**-**	**-**	**-**	**-**	**9,663**
C/C.4	**Strategic Assets**									
C/C.4.001	Lower Portland Farm		-15,134	Committed	3,741	-	-	-	-	3,741
C/C.4.006	County Farms investment (Viability)		-5,000	Ongoing	3,000	-	-	-	-	3,000
C/C.4.007	Local Plans - representations		-	Ongoing	1,000	-	-	-	-	1,000
C/C.4.008	Community Hubs - East Barnwell			Committed	1,259	-	-	-	31	1,228
C/C.4.010	Cambs 2020 Spokes Asset Review			Committed	5,582	-	-	-	-	5,582
C/C.4.011	Mill Farmhouse		-	Committed	451	-	-	-	-	451
C/C.4.012	Intensive Therapeutic Support Hub - Hawthorns			Committed	3,227	-	-	-	-	3,227
	Total - Strategic Assets		**-20,134**		**18,260**	**-**	**-**	**-**	**31**	**18,229**

Section 3 - C: Finance and Resources
Table 5: Capital Programme - Funding
Budget Period: 2023-24 to 2032-33

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
C/C.6	**Capital Programme Variation**									
C/C.6.001	Variation Budget		-	Ongoing	-6,652	-	-	-2,604	-	-4,048
C/C.6.002	Capitalisation of Interest Costs		-	Committed	323	-	-	-	-	323
	Total - Capital Programme Variation		**-**		**-6,329**	**-**	**-**	**-2,604**	**-**	**-3,725**
C/C.9.001	Excess Corporate Services capital receipts used to reduce total prudential borrowing			Ongoing	-	-	-	-	72,840	-72,840
	TOTAL BUDGET				**186,103**	**-**	**-**	**137,587**	**78,722**	**-30,206**

Section 3 - C: Finance and Resources

Table 6: Revenue - Financing Debt Charges Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	2023-24 £000 (Detailed Plans)	2024-25 £000 (Outline Plans)	2025-26 £000	2026-27 £000	2027-28 £000	Description
1	**OPENING GROSS EXPENDITURE**	**34,828**	**49,783**	**55,927**	**54,824**	**53,971**	
G/R.1.001	Base Adjustments	-909	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2022-23.
G/R.1.002	Permanent Virements	9,693	-	-	-	-	Increase in expenditure budgets (compared to published 2022-27 Business Plan) as advised during the budget preparation period and permanent in-year changes made during 2022-23.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**43,612**	**49,783**	**55,927**	**54,824**	**53,971**	
2	**INFLATION**						
2.999	**Subtotal Inflation**	**-**	**-**	**-**	**-**	**-**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
4.999	**Subtotal Pressures**	**-**	**-**	**-**	**-**	**-**	
5	**INVESTMENTS**						
G/R.5.001	Revenue impact of Capital decisions	6,031	6,204	-419	-1,250	-3,665	Change in borrowing costs as a result of changes to levels of prudential borrowing in the capital programme.
5.999	**Subtotal Investments**	**6,031**	**6,204**	**-419**	**-1,250**	**-3,665**	
6	**SAVINGS**						
	S&R						
G/R.6.003	MRP: Accountable Body	1,077	-221	-1,101	-	-	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.

Section 3 - C: Finance and Resources

Table 6: Revenue - Financing Debt Charges Overview

Budget Period: 2023-24 to 2027-28

		Detailed Plans	Outline Plans				
Ref	**Title**	**2023-24 £000**	**2024-25 £000**	**2025-26 £000**	**2026-27 £000**	**2027-28 £000**	**Description**
G/R.6.004	Capitalisation of interest on borrowing	-937	161	417	397	574	Through a change in the Council's accounting policy in 2017-18, the cost of borrowing within all schemes will be capitalised. This will help to better reflect the cost of assets when they actually become operational.
6.999	**Subtotal Savings**	**140**	**-60**	**-684**	**397**	**574**	
	TOTAL GROSS EXPENDITURE	**49,783**	**55,927**	**54,824**	**53,971**	**50,880**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
G/R.7.001	Previous year's fees & charges	-784	-11,520	-11,070	-10,737	-9,638	Previous year's fees and charges for the provision of services rolled forward.
G/R.7.003	Changes to brought forward Fees and Charges due to decisions made in 2022-23	-10,736	450	333	1,099	2,005	Expected interest receivable on cash deposits held in money market funds and call accounts.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-11,520**	**-11,070**	**-10,737**	**-9,638**	**-7,633**	
	TOTAL NET EXPENDITURE	**38,263**	**44,857**	**44,087**	**44,333**	**43,247**	

FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
G/R.8.101	Budget Allocation	-38,263	-44,857	-44,087	-44,333	-43,247	Net spend funded from general grants, business rates and Council Tax.
G/R.8.102	Fees and Charges	-11,520	-11,070	-10,737	-9,638	-7,633	Fees and charges for the provision of services.
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-49,783**	**-55,927**	**-54,824**	**-53,971**	**-50,880**	

Section 3 - C: Strategy & Partnerships

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2023-24 to 2027-28

Note – Individual service lines do not contain provision for staffing inflation as pay awards have not yet been agreed. Until that point, a staffing inflation allocation is held cetrally

Net Revised Opening Budget 2022-23 £000	Policy Line	Gross Budget 2023-24 £000	Fees, Charges & Ring-fenced Grants 2023-24 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000	Net Budget 2026-27 £000	Net Budget 2027-28 £000
	Strategy & Partnerships							
351	Executive Director: Strategy & Partnerships	595	-87	508	508	508	508	508
244	Chief Executive	247	-3	244	244	244	244	244
738	Communication and Information	823	-36	787	781	775	769	763
175	Elections	190	-	190	191	190	192	197
1,865	Human Resources	2,219	-208	2,011	2,008	2,006	2,002	1,996
1,910	Learning & Development	2,279	-259	2,020	2,019	2,018	2,016	2,013
5,283	**Subtotal Strategy & Partnerships**	**6,353**	**-593**	**5,760**	**5,751**	**5,741**	**5,731**	**5,721**
	Policy & Communities							
708	Policy, Design and Delivery	881	-162	719	716	2,370	2,367	2,364
1,212	Business Intelligence	1,616	-282	1,334	1,327	1,319	1,311	1,303
149	Emergency Planning	225	-69	156	154	151	148	145
0	Cambridgeshire Skills	2,277	-2,312	-35	-35	-35	-35	-35
377	Archives	419	-19	400	400	400	400	400
112	Cultural Services	371	-252	119	119	119	119	119
-250	Strategic Management - Policy & Communities	134	-225	-91	-86	-80	-74	-68
3,566	Public Library Services	4,698	-833	3,865	3,861	3,862	3,913	3,902
475	Think Communities	775	-24	751	750	749	748	747
390	Youth and Community Services	574	-181	393	393	393	393	393
6,739	**Subtotal Policy & Communities**	**11,970**	**-4,359**	**7,611**	**7,599**	**9,248**	**9,290**	**9,270**
	Legal and Governance Services							
104	Strategic Management - Legal & Governance	105	-71	34	34	34	34	34
446	Internal Audit	546	-76	470	469	469	468	466
911	Information Management	1,028	-38	990	1,007	1,026	1,047	1,070
1,349	Democratic Services and Member Services	1,519	-114	1,405	1,438	1,474	1,510	1,545
2,810	**Subtotal Legal and Governance Services**	**3,198**	**-299**	**2,899**	**2,948**	**3,003**	**3,059**	**3,115**
		-						
14,832	**S&P BUDGET TOTAL**	**21,521**	**-5,251**	**16,270**	**16,298**	**17,992**	**18,080**	**18,106**

Section 3 - C: Strategy & Partnerships

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2023-24

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Strategy & Partnerships							
Executive Director: Strategy & Partnerships	351	13	-	-	524	-380	508
Chief Executive	244	-	-	-	-	-	244
Communication and Information	738	43	-	-	6	-	787
Elections	175	15	-	-	-	-	190
Human Resources	1,865	83	-	58	5	-	2,011
Learning & Development	1,910	110	-	-	-	-	2,020
Subtotal Strategy & Partnerships	**5,283**	**264**	**-**	**58**	**535**	**-380**	**5,760**
Policy & Communities							
Policy, Design and Delivery	708	104	-	-	-93	-	719
Business Intelligence	1,212	88	-	-	34	-	1,334
Emergency Planning	149	6	-	-	-	-	156
Cambridgeshire Skills	-	-	-	-	-35	-	-35
Archives	377	26	-	-3	-	-	400
Cultural Services	112	8	-	-1	-	-	119
Strategic Management - Policy & Communities	-250	9	-	-	-	150	-91
Public Library Services	3,566	260	-	39	-	-	3,865
Think Communities	475	55	-	-9	230	-	751
Youth and Community Services	390	6	-	-3	-	-	393
Subtotal Policy & Communities	**6,739**	**562**	**-**	**23**	**136**	**150**	**7,611**
Legal and Governance Services							
Strategic Management - Legal & Governance	104	-	-	-	-70	-	34
Internal Audit	446	24	-	-	-	-	470
Information Management	911	79	-	-	-	-	990
Democratic Services and Member Services	1,349	56	-	-	-	-	1,405
Subtotal Legal and Governance Services	**2,810**	**159**	**-**	**-**	**-70**	**-**	**2,899**
S&P BUDGET TOTAL	**14,832**	**985**	**-**	**81**	**601**	**-230**	**16,270**

Section 3 - C: Strategy and Partnerships

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

		Detailed Plans	Outline Plans				
Ref	**Title**	**2023-24 £000**	**2024-25 £000**	**2025-26 £000**	**2026-27 £000**	**2027-28 £000**	**Description**
1	**OPENING GROSS EXPENDITURE**		**21,521**	**21,579**	**23,296**	**23,419**	
D/R.1.001	Base Adjustment - Restructure People to S&P	9,645	-	-	-	-	Re-allocation of budget between departments following organisational structure changes
D/R.1.002	Base Adjustment - Restructure F&R to S&P	10,672	-	-	-	-	Re-allocation of budget between departments following organisational structure changes
D/R.1.003	Base Adjustment - Splitting out permanent virements - F&R to S&P	841		-	-	-	Accounting for structure changes in respect of budget movements in the 2022/23 financial year.
D/R.1.004	Base Adjustment - Splitting out permanent virements - People to S&P	-1,170	-	-	-	-	Accounting for structure changes in respect of budget movements in the 2022/23 financial year.
D/R.1.007	Base funding for the teams funded by capital receipts	-	-	1,656	-	-	We can currently fund some posts from capital receipts if they are undertaking work that results in transformation of services. The rules that enable this are expected to expire in 2025-26 and so these teams will need base budget.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**19,988**	**21,521**	**23,235**	**23,296**	**23,419**	
2	**INFLATION**						
D/R.2.002	22-23 Staff pay award for S&P	984	-	-	-	-	2022-23 staff pay award posted into 2023-24 as permanent budget.
2.999	**Subtotal Inflation**	**1,079**	**58**	**61**	**68**	**75**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
D/R.4.003	Reversal of Increase in National Insurance - Council staff	-31	-	-	-	-	Reversal of impact of the increase on National Insurance for council staff.
D/R.4.023	Libraries to serve new developments	55	-	-	55	-	Growth reflecting increased demand in South Cambs from new developments - Cambourne library expansion & providing Northstowe outreach services in 2023-24, and Waterbeach new library estimated to open in 2026-27.
D/R.4.024	Recruitment team staffing	58	-	-	-	-	Provision for potential cost of uncoupling this service with Peterborough City Council
4.999	**Subtotal Pressures**	**82**	**-**	**-**	**55**	**-**	

Section 3 - C: Strategy and Partnerships

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
5	**INVESTMENTS**						
D/R.5.001	Investment into Communities	230	-	-	-	-	Investment into Communities services to give service ongoing budget
D/R.5.002	Senior leadership capacity	372	-	-	-	-	The restructure of the extended Corporate Leadership Team and several shared posts was agreed by the Council in 2022/23. The net investment into posts will be funded through the business change reserve for two years until the eventual structure of the council is finalised at which point, if no mitigations, this investment will be required. This is the impact for Strategy & Partnerships.
5.999	**Subtotal Investments**	**602**	**-**	**-**	**-**	**-**	
6	**SAVINGS**						
	S&R						
D/R.6.001	Review of S&P Budgets	-380	-	-	-	-	Budgets will be reviewed across Strategy & Partnership services to identify sufficient funding for the Communities investment listed at D/R.5.001 and historic saving at D/R.6.002.
	CS&I						
D/R.6.002	Reversal of previous year Communities savings	150	-	-	-	-	Savings allocated to Communities services in previous business plans have not been able to be fully delivered.
6.999	**Subtotal Savings**	**-230**	**-**	**-**	**-**	**-**	
	TOTAL GROSS EXPENDITURE	**21,521**	**21,579**	**23,296**	**23,419**	**23,494**	

Section 3 - C: Strategy and Partnerships

Table 3: Revenue - Overview

Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans	Outline Plans				Description
Ref	Title	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
7	**FEES, CHARGES & RING-FENCED GRANTS**						
D/R.7.001	Previous year's fees, charges & ring-fenced grants	-	-5,251	-5,281	-5,304	-5,339	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
D/R.7.002	Fees & Charges Inflation (S&P)	-94	-30	-23	-35	-49	Adjustment for permanent changes to income expectation from decisions made in 2022-23.
D/R.7.003	Changes to Fees and Charges - Restructure F&R to S&P	-1,422	-	-	-	-	Accounting for adjustment in organisational changes
D/R.7.004	Changes to Fees and Charges - Restructure People to S&P	-3,716	-	-	-	-	Accounting for adjustment in organisational changes
D/R.7.005	Splitting out permanent virements - F&R to S&P	-19	-	-	-	-	Accounting for structure changes in respect of budget movements in the 2022/23 financial year.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-5,251**	**-5,281**	**-5,304**	**-5,339**	**-5,388**	
	TOTAL NET EXPENDITURE	**16,270**	**16,298**	**17,992**	**18,080**	**18,106**	

FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
D/R.8.001	Budget Allocation	-16,270	-16,298	-17,992	-18,080	-18,106	Net spend funded from general grants, business rates and Council Tax.
D/R.8.002	Fees and Charges	-5,251	-5,281	-5,304	-5,339	-5,388	Fees & charges for the provision of services
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-21,521**	**-21,579**	**-23,296**	**-23,419**	**-23,494**	

Section 3 - D: Strategy and Partnerships

Table 4: Capital Programme

Budget Period: 2023-24 to 2032-33

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
Ongoing	-1,209	-	-870	-338	-1	-	-	-
Committed Schemes	19,239	13,278	4,263	1,691	7	-	-	-
2023-2024 Starts	152	-	152	-	-	-	-	-
TOTAL BUDGET	**18,182**	**13,278**	**3,545**	**1,353**	**6**	**-**	**-**	**-**

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
D/C.1	**Policy & Communities**											
D/C.1.001	Capitalisation of Policy, Design and Delivery Team	Funding the Policy, Design and Delivery Team from capital instead of revenue, by using the flexibility of capital receipts direction.		Committed	12,612	9,248	1,682	1,682	-	-	-	-
D/C.1.004	Community Fund	A £5m fund that will help to deliver a range of community based investments that support the Council's aspiration of "Making Cambridgeshire a great place to live".		Committed	5,000	3,278	1,722	-	-	-	-	-
D/C.1.006	Libraries - Open access & touchdown facilities	The introduction of Open Access (self-service) technology to maximise the use of our library properties supporting the Cambs 2020 hub and spokes approach with staff increasingly operating in localities. Open access will extend the times libraries are open to our communities and enable Council, public sector and partner agency staff, particularly peripatetic staff, to increasingly use libraries as touchdown and meeting sites, in line with the objectives of One Public Estate. This will provide open access in 9 hub libraries and equipment/furnishings to ensure fit for purpose accessible touchdown facilities and digital access across the library network.		Committed	1,172	680	492	-	-	-	-	-
D/C.1.009	EverySpace - Library Improvement Fund	Refurbishment of 3rd floor at Cambridge Central and unused learning centre at March library as a pilot for a new flexible community space as part of the Future Libraries initiative.		Committed	389	72	301	9	7	-	-	-
D/C.1.010	Darwin Green Library	New library provision to meet the community needs and emulates a welcoming central venue for the Darwin Green community.		2023-24	152	-	152	-	-	-	-	-
	Total - Policy & Communities				**19,325**	**13,278**	**4,349**	**1,691**	**7**	**-**	**-**	**-**

Section 3 - D: Strategy and Partnerships
Table 4: Capital Programme
Budget Period: 2023-24 to 2032-33

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
D/C.6	**Capital Programme Variation**											
D/C.6.001	Variation Budget	The Council includes a service allowance for likely Capital Programme slippage, as it can sometimes be difficult to allocate this to individual schemes due to unforeseen circumstances. This budget is continuously under review, taking into account recent trends on slippage on a service by service basis.		Ongoing	-1,209	-	-870	-338	-1	-	-	-
D/C.6.002	Capitalisation of Interest Costs	The capitalisation of borrowing costs helps to better reflect the costs of undertaking a capital project. Although this budget is initially held on a service basis, the funding will ultimately be moved to the appropriate schemes once exact figures have been calculated each year.		Committed	66	-	66	-	-	-	-	-
	Total - Capital Programme Variation				**-1,143**	**-**	**-804**	**-338**	**-1**	**-**	**-**	**-**
	TOTAL BUDGET				**18,182**	**13,278**	**3,545**	**1,353**	**6**	**-**	**-**	**-**

Funding	Total Funding £000	Previous Years £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Later Years £000
Government Approved Funding								
Specific Grants	221	72	127	16	6	-	-	-
Total - Government Approved Funding	**221**	**72**	**127**	**16**	**6**	**-**	**-**	**-**
Locally Generated Funding								
Agreed Developer Contributions	229	-	229	-	-	-	-	-
Prudential Borrowing	5,794	3,958	1,836	-	-	-	-	-
Prudential Borrowing (Repayable)	-	-	10	-10	-	-	-	-
Ring-Fenced Capital Receipts	11,938	9,248	1,343	1,347	-	-	-	-
Total - Locally Generated Funding	**17,961**	**13,206**	**3,418**	**1,337**	**-**	**-**	**-**	**-**
TOTAL FUNDING	**18,182**	**13,278**	**3,545**	**1,353**	**6**	**-**	**-**	**-**

Section 3 - D: Strategy and Partnerships

Table 5: Capital Programme - Funding

Budget Period: 2023-24 to 2032-33

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	-1,209	-39	-52	-	-674	-444
Committed Schemes	19,239	260	129	-	12,612	6,238
2023-2024 Starts	152	-	152	-	-	-
TOTAL BUDGET	**18,182**	**221**	**229**	**-**	**11,938**	**5,794**

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
D/C.1	**Policy & Communities**									
D/C.1.001	Capitalisation of Policy, Design and Delivery Team		-	Committed	12,612	-	-	-	12,612	-
D/C.1.004	Community Fund			Committed	5,000	-	-	-	-	5,000
D/C.1.006	Libraries - Open access & touchdown facilities		-	Committed	1,172	-	-	-	-	1,172
D/C.1.009	EverySpace - Library Improvement Fund			Committed	389	260	129	-	-	-
D/C.1.010	Darwin Green Library			2023-24	152	-	152	-	-	-
	Total - Policy & Communities		**-**		**19,325**	**260**	**281**	**-**	**12,612**	**6,172**
D/C.6	**Capital Programme Variation**									
D/C.6.001	Variation Budget			Ongoing	-1,209	-39	-52	-	-674	-444
D/C.6.002	Capitalisation of Interest Costs			Committed	66	-	-	-	-	66
	Total - Capital Programme Variation		**-**		**-1,143**	**-39**	**-52**	**-**	**-674**	**-378**
	TOTAL BUDGET				**18,182**	**221**	**229**	**-**	**11,938**	**5,794**

Section 3 - D: Public Health

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2023-24 to 2027-28

Note – Individual service lines do not contain provision for staffing inflation as pay awards have not yet been agreed. Until that point, a staffing inflation allocation is held cetrally

Net Revised Opening Budget 2022-23 £000	Policy Line	Gross Budget 2023-24 £000	Fees, Charges & Ring-fenced Grants 2023-24 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000	Net Budget 2026-27 £000	Net Budget 2027-28 £000
	Children Health							
7,621	Children 0-5 PH Programme	10,875	-3,254	7,621	7,621	7,621	7,621	7,621
1,705	Children 5-19 PH Programme - Non Prescribed	2,468	-763	1,705	1,705	1,705	1,705	1,705
341	Children Mental Health	341	-	341	341	341	341	341
9,667	**Subtotal Children Health**	**13,684**	**-4,017**	**9,667**	**9,667**	**9,667**	**9,667**	**9,667**
	Drugs & Alcohol							
5,393	Drug & Alcohol Misuse	5,680	-297	5,383	5,383	5,383	5,383	5,383
5,393	**Subtotal Drugs & Alcohol**	**5,680**	**-297**	**5,383**	**5,383**	**5,383**	**5,383**	**5,383**
	Sexual Health & Contraception							
3,677	SH STI testing & treatment - Prescribed	5,347	-1,671	3,676	3,676	3,676	3,676	3,676
1,096	SH Contraception - Prescribed	1,086	-	1,086	1,086	1,086	1,086	1,086
367	SH Services Advice Prevention/Promotion - Non-Prescribed	397	-30	367	367	367	367	367
5,140	**Subtotal Sexual Health & Contraception**	**6,830**	**-1,701**	**5,129**	**5,129**	**5,129**	**5,129**	**5,129**
	Behaviour Change / Preventing Long Term Conditions							
2,372	Integrated Lifestyle Services	2,995	-793	2,202	2,202	2,202	2,202	2,202
411	Other Health Improvement	470	-69	401	401	401	401	401
666	Smoking Cessation GP & Pharmacy	666	-	666	666	666	666	666
704	NHS Health Checks Programme - Prescribed	704	-	704	704	704	704	704
4,153	**Subtotal Behaviour Change / Preventing Long Term Conditions**	**4,835**	**-862**	**3,973**	**3,973**	**3,973**	**3,973**	**3,973**
	Falls Prevention							
87	Falls Prevention	87	-	87	87	87	87	87
87	**Subtotal Falls Prevention**	**87**	**-**	**87**	**87**	**87**	**87**	**87**
	General Prevention Activities							
1	General Prevention, Traveller Health	1	-	1	1	1	1	1
1	**Subtotal General Prevention Activities**	**1**	**-**	**1**	**1**	**1**	**1**	**1**

Section 3 - D: Public Health

Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2023-24 to 2027-28

Net Revised Opening Budget 2022-23 £000	Policy Line	Gross Budget 2023-24 £000	Fees, Charges & Ring-fenced Grants 2023-24 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000	Net Budget 2025-26 £000	Net Budget 2026-27 £000	Net Budget 2027-28 £000
	Adult Mental Health & Community Safety							
257	Adult Mental Health & Community Safety	257	-	257	257	257	257	257
257	**Subtotal Adult Mental Health & Community Safety**	**257**	**-**	**257**	**257**	**257**	**257**	**257**
	Public Health Directorate							
0	Public Health Strategic Management	-	-	-	-	-	-	-
-24698	Public Health Directorate Staffing and Running Costs	3,114	-27,611	-24,497	-24,497	-24,497	-24,497	-24,497
0	Enduring Transmission Grant	-	-	-	-	-	-	-
0	Contain Outbreak Management Fund	-	-	-	-	-	-	-
0	Community Testing Grant	-	-	-	-	-	-	-
0	0	-	-	-	-	-	-	-
0	0	-	-	-	-	-	-	-
-24698	**Subtotal Public Health Directorate**	**3,114**	**-27,611**	**-24,497**	**-24,497**	**-24,497**	**-24,497**	**-24,497**
	Future Years							
	Inflation	-	-	-	-	-	-	-
		-						
-	**PUBLIC HEALTH TOTAL**	**34,488**	**-34,488**	**-**	**-**	**-**	**-**	**-**

Section 3 - D: Public Health

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2023-24

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Children Health							
Children 0-5 PH Programme	7,621	-	-	-	-	-	7,621
Children 5-19 PH Programme - Non Prescribed	1,705	-	-	-	-	-	1,705
Children Mental Health	341	-	-	-	-	-	341
Subtotal Children Health	**9,667**	**-**	**-**	**-**	**-**	**-**	**9,667**
Drugs & Alcohol							
Drug & Alcohol Misuse	5,393	-	-	-	-	-10	5,383
Subtotal Drugs & Alcohol	**5,393**	**-**	**-**	**-**	**-**	**-10**	**5,383**
Sexual Health & Contraception							
SH STI testing & treatment - Prescribed	3,677	-	-	-	-	-1	3,676
SH Contraception - Prescribed	1,096	-	-	-	-	-10	1,086
SH Services Advice Prevention/Promotion - Non-Prescribed	367	-	-	-	-	-	367
Subtotal Sexual Health & Contraception	**5,140**	**-**	**-**	**-**	**-**	**-11**	**5,129**
Behaviour Change / Preventing Long Term Conditions							
Integrated Lifestyle Services	2,372	-	-	-	-	-170	2,202
Other Health Improvement	411	-	-	-	-	-10	401
Smoking Cessation GP & Pharmacy	666	-	-	-	-	-	666
NHS Health Checks Programme - Prescribed	704	-	-	-	-	-	704
Subtotal Behaviour Change / Preventing Long Term Conditions	**4,153**	**-**	**-**	**-**	**-**	**-180**	**3,973**
Falls Prevention							
Falls Prevention	87	-	-	-	-	-	87
Subtotal Falls Prevention	**87**	**-**	**-**	**-**	**-**	**-**	**87**
General Prevention Activities							
General Prevention, Traveller Health	1	-	-	-	-	-	1
Subtotal General Prevention Activities	**1**	**-**	**-**	**-**	**-**	**-**	**1**
Adult Mental Health & Community Safety							
Adult Mental Health & Community Safety	257	-	-	-	-	-	257
Subtotal Adult Mental Health & Community Safety	**257**	**-**	**-**	**-**	**-**	**-**	**257**

Section 3 - D: Public Health

Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2023-24

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Public Health Directorate							
Public Health Strategic Management	-	-	-	-	-	-	-
Public Health Directorate Staffing and Running Costs	-24,698	-	-	-	-	201	-24,497
Test and Trace Support Grant	-	-	-	-	-	-	-
Enduring Transmission Grant	-	-	-	-	-	-	-
Contain Outbreak Management Fund	-	-	-	-	-	-	-
Community Testing Grant	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Subtotal Public Health Directorate	**-24,698**	**-**	**-**	**-**	**-**	**201**	**-24,497**
Public Health Ring-fenced Grant and Fees & Charges				-			-
PUBLIC HEALTH TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Section 3 - E: Public Health

Table 3: Revenue - Overview
Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
1	**OPENING GROSS EXPENDITURE**	**31,843**	**34,488**	**34,458**	**34,458**	**34,458**	
E/R.1.001	Base Adjustments	1,396	-	-	-	-	Adjustment for an increase in the Public Health Grant announced in Feb 2022.
E/R.1.002	Public Health Grant - Base Adjustment	775	-	-	-	-	Base adjustment for Public Health grant increase for 2022/23 announced subsequent to the publication of the 2022-2027 Business Plan
E/R.1.002	Permanent Virements	755	-	-	-	-	Increase in expenditure budgets (compared to published 2022-27 Business Plan) as advised during the budget preparation period and permanent in-year changes made during 2022-27.
1.999	**REVISED OPENING GROSS EXPENDITURE**	**34,769**	**34,488**	**34,458**	**34,458**	**34,458**	
2	**INFLATION**						
2.999	**Subtotal Inflation**	**-**	**-**	**-**	**-**	**-**	
3	**DEMOGRAPHY AND DEMAND**						
3.999	**Subtotal Demography and Demand**	**-**	**-**	**-**	**-**	**-**	
4	**PRESSURES**						
4.999	**Subtotal Pressures**	**-**	**-**	**-**	**-**	**-**	
5	**INVESTMENTS**						
5.999	**Subtotal Investments**	**-**	**-**	**-**	**-**	**-**	
6	**SAVINGS** **A&H**						
E/R.6.034	Public Health savings	-201	-30	-	-	-	Public Health business planning for 2023-24 pulls together outstanding underspends and options for savings across several service areas. These will have minimal disruption as they are largely from services which are already underspending as a result of savings already made.
E/R.6.036	Vacancy factor for Public Health staffing	-80	-	-	-	-	As with other areas of the Council there are normally some vacant posts within the Public Health Directorate as a result of staff turnover and whilst recruitment processes are underway. This creates a small underspend in staffing budgets on an annual basis.
6.999	**Subtotal Savings**	**-281**	**-30**	**-**	**-**	**-**	

Section 3 - E: Public Health

Table 3: Revenue - Overview
Budget Period: 2023-24 to 2027-28

Ref	Title	Detailed Plans 2023-24 £000	Outline Plans 2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	Description
	TOTAL GROSS EXPENDITURE	**34,488**	**34,458**	**34,458**	**34,458**	**34,458**	
7	**FEES, CHARGES & RING-FENCED GRANTS**						
E/R.7.001	Previous year's fees, charges, other income & ring-fenced grants	-31,798	-34,488	-34,458	-7,423	-7,423	Fees and charges expected to be received for services provided and Public Health ring-fenced grant from Government.
E/R.7.002	Changes to fees & charges (previous year)	-2,196	-	-	-	-	Permanent changes to income from fees, charges & ring-fenced grants as a result of decisons made in 2022-23.
	Changes to fees & charges						
E/R.7.200	Previous year's Public Health Grant increase	-775	-	-	-	-	Due to late announcement of the Public Health Grant uplift, the 2022-27 business plan did not include a budget adjustment for it. This line corrects the starting point for 2023-24.
E/R.7.201	Change in spend funded by Public Health Grant	-	-	27,035	-	-	The Public Health grant total for 2023-24 has not yet been announced but it is assumed that the Public Health Grant will fully fund inflation within the Public Health services. Further, it is assumed that the Public Health grant ring-fence will remain in place until 2024-25 but be removed thereafter.
E/R.7.203	Public Health Funding to support Health related spend across the Council	281	30	-	-	-	Increase in Memorandum of Understanding between Public Health and other parts of the Council for provision of Health focussed services.
7.999	**Subtotal Fees, Charges & Ring-fenced Grants**	**-34,488**	**-34,458**	**-7,423**	**-7,423**	**-7,423**	
	TOTAL NET EXPENDITURE	**-**	**-**	**27,035**	**27,035**	**27,035**	
FUNDING SOURCES							
8	**FUNDING OF GROSS EXPENDITURE**						
E/R.8.001	Budget Allocation	-	-	-26,990	-26,990	-26,990	Net spend funded from general grants, business rates and Council Tax or reserves.
E/R.8.101	Public Health Grant	-27,020	-26,990	-	-	-	Direct expenditure funded from Public Health grant. As the ring-fence is assumed to be removed in 2025-26, the grant will be treated corporately and replaced with budget allocation for Public Health services.
E/R.8.102	Fees, Charges and Other Income	-7,468	-7,468	-7,468	-7,468	-7,468	Income generation (various sources).
8.999	**TOTAL FUNDING OF GROSS EXPENDITURE**	**-34,488**	**-34,458**	**-34,458**	**-34,458**	**-34,458**	

Cambridgeshire County Council

Business Cases

Children & Young People

Community and Social Mobility & Inclusion

Adults and Health

Highways and Transport

Environment & Green Investment

Strategy and Resources

Children & Young People Services - Business Case Summaries

Activity Title:	Cambridgeshire Music		
BP Reference No:	A/R.7.110		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 0
Business lead / sponsor:	Matthew Gunn Fran Cox		
Document prepared by:	Matthew Gunn		
Financial Summary:	Additional income of £25k per year		
Financials signed off by:	Martin Wade		
Date:	05.09.2022	**Version**	1.0

1. Driver / reason for the activity

Cambridgeshire County Council has a significant gap to close in its budget for 2023-24 requiring support from teams to generate additional income or savings.

2. Proposed activity or intervention(s)

Cambridgeshire Music is tasked to generate a 25k surplus in its budget towards the Council's 2023-24 target to help reduce the gap.

Cambridgeshire Music operates on a full cost recovery basis using a zero-balance budget model, as it is not a commercial trading unit (music education hubs/services are supported by grant funding and earned income on a 50/50 (approximately) basis and therefore exists as a not-for-profit enterprise, with the expectation by investors that significant surpluses are reinvested for growth and development).

As part of prudent budget modelling the service operates a contingency for in-year fluctuations to ensure that year-end targets are met. This is particularly because the academic year nature of chargeable education work can mean that out-turn is difficult to predict accurately until at least October each year. Activities carried out with settings and families can change over the summer depending on socio-economic conditions -e.g., cost of living rises.

In most years Cambridgeshire Music works to achieve a £25k surplus (which is an acceptable level of return within the parameters of grant funding by investors (Dfe/Arts Council of England). The current year 2022-23 is a transition year to new operations and the service may have additional pressures which have currently been budgeted for through the use of remaining set-aside reserve for the new building development.

In order to achieve the additional £25k towards the Council's budget gap, and with more guarantee of achieving it, the service proposes to increase the contingency budget for 2023-24 by an additional £25k. This will make it easier to operate to achieve the annual intended £25k surplus, as well as the additional return for the Council, whilst ensuring that the full cost recovery and zero budget model basis expected by investors is maintained as in previous years.

This is the simplest solution, alternatives that were considered:

- Formalising an annual surplus target.
  This would change the category of trading unit previously approved by committee (through their outcomes focussed review process) from non-commercial to a commercial approach. The non-commercial categorisation is due to the grant funded and reinvestment expectations outlined above. In the future, it may be more appropriate to consider "supported" trading unit categories in order to achieve Council objectives to support children in challenging circumstances.

- Creating a new cost in the service budget associated with premises use.
  It is expected that work with council property in the future will lead to an agreement for a cost and level of building maintenance covered by a central budget. Until this is agreed the service will continue to manage all building costs.

We recommend the increase in contingency and forecasting for the £25k surplus is initially most efficient for the 2023-24 budget while the service develops new opportunities and activities at the Centre. This will allow the service to model the potential mix of surplus and reinvestment to determine if an ongoing level of return will be possible in subsequent years at a similar level. This will be reviewed after the first year of new provision, starting from September 2022.

This proposal also means that no additional service resources and therefore costs will need to be provided and the management of the additional set-aside funds is already part of the advisory support from finance, just at a higher level.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

The positive impacts will be that this contributes to the council's overarching savings targets. The negative impact would be there may be less provision which would affect all users. We will manage this by adjusting programme and budget planning for next year. It may not be possible to mitigate all negative effects. Additional fundraising to support targeted work may be possible, however there will be a lead-in time before it can be applied.

4. Financial Impact for Business Plan 2023-2028

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income			-25				
Investment							
Pressure							
Total			**-25**				

Activity Title:	Cambridgeshire ICT		
BP Reference No:	A/R.7.111		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1
Business lead / sponsor:	John Chapman ICT Service Manager Fran Cox Assistant Director		
Document prepared by:	Richard Brock		
Financial summary:	£100k additional income target		
Financials signed off by:	Martin Wade		
Date:	31/08/22	**Version**	V1.2

1. Driver / reason for the activity

The ICT Service is a charging service within the Education Directorate that provides a range of ICT services (Information and Communication Technologies) to schools in Cambridgeshire and neighbouring counties. The service is self-funding and delivers a budget over-recovery of £200,000 each year.

In the context of the financial pressures the council is under, the service is seeking to generate an additional £100k over-recovery in 2023/24. This can only be achieved by selling our services to schools and multi-academy trusts (MATs) outside of Cambridgeshire, providing they are scalable and deliverable remotely.

2. Proposed activity or intervention(s)

We have identified two services that could be marketed to schools and multi-academy trusts nationwide and one service that can be marketed to Local Authorities (the promotion of which has already begun). All three services currently exist and are being delivered successfully locally.

We intend to develop targeted marketing campaigns to promote and raise awareness of these services.

The service has limited capacity to grow these services based on current resource. We already operate on a commercial, self-funding basis and our proposal is to win new contracts and fund additional staff resource required to deliver these contracts directly from this income.

The three services we intend to grow are:

School Data Protection Officer (DPO) Service
This service is currently taken by 212 schools across the East of England and generates revenue of £163,000 per annum. The average revenue per school is £769; Maintained school fee is £850 and MATs benefit from a 40% discount, equivalent to £510 per school.
Equivalent services from other councils are significantly more expensive:

Lincolnshire County Council	£950
Herts4Learning	£1,170
Essex County Council	£1,500
Camden Borough Council	£2,000

DPO Service Growth Opportunity
Current market penetration is approximately 1%
Doubling our penetration to 2% would deliver additional revenue of £163,000 but would require additional staff. Approximate cost of additional staff required would be £75,000.
Incremental over-recovery potential growth of £88,000

Management Information System (MIS) Support
All schools are required to use a Management Information System to record attendance and assessment data and for use in the production of mandatory reporting. The supplier ESS (formerly Capita) controversially locked all UK schools into a three-year contract for SIMS (Schools Information Management System) earlier this year, which included support services. This means that there is very little opportunity to grow our SIMS support service until 2025. We plan to heavily promote our SIMS support services to schools and MATS throughout 2024.

We recently gained accreditation to support the Bromcom MIS and are in discussions to become one of a small number of regional support hubs, supporting schools beyond Cambridgeshire. Bromcom have doubled their MIS market share in the last three years and have ambitious growth plans but limited capacity to support their system.
The typical revenue is £900 for Primary schools and £2,400 for Secondary schools (assuming they take both MIS and Finance packages).

Bromcom Support Growth Opportunity
100 Schools (80 Primary/20 Secondary) equates to £120,000 additional revenue but would require additional staff. Approximate cost of additional staff £70,000.
Incremental over-recovery potential growth of £50,000

Prejudice Reporting for Education (PRfE)
PRfE is an online reporting tool that allows schools within a local authority to log prejudice-related incidents. Local authorities have complete oversight of all incidents

recorded across all schools and can analyse the data at local authority, district, and individual school level. Our brochure for PRfE aimed at Local Authorities (LAs) can be seen here https://prfe.education/introduction/
There are 152 Local Authorities in England with responsibility for Education. Peterborough and Cambridgeshire are already using PRfE, leaving a total market opportunity of 150.
The annual subscription fee for LAs is £7,980. The total market opportunity is just under £1.2m.

PRfE Growth Opportunity
10% of the total market opportunity represents 15 Local Authorities and equates to additional revenue of £119,700, but likely to require additional staff at a cost of £37,000.

Incremental over-recovery potential growth of £82,700
In order to realise the potential of PRfE we would need support and guidance as to who we should target within other local authorities, utilising existing networks, contacts and appropriate forums. Promotional activities undertaken so far include developing a strong social media presence on LinkedIn and Facebook, featuring in the Innovation Zone and Exhibition at the LGA Conference in June and we are about to mailshot every LA with a hardcopy brochure. PRfE has also been accepted as a member of the Anti-Bullying Alliance.

In addition, based on feedback at the LGA Conference, the biggest potential obstacle to LAs adopting the system is the fear that schools will refuse to participate and log their incidents. While a large number of schools in Cambridgeshire and Peterborough have begun using the system, there are still a significant number who have yet to engage. We will be working with Safeguarding /PSHE colleagues to promote engagement – the learnings from which will help address concerns from LAs. Some support around this would be appreciated. Note we already had an initial meeting with safeguarding teams early September.

School Data Protection Officer (DPO) Service: Incremental over-recovery potential growth of £88,000

Management Information System (MIS) Support: Incremental over-recovery potential growth of £50,000

Prejudice Reporting for Education (PRfE)
Incremental over-recovery potential growth of £82,700

Total *potential* incremental over-recovery: £220,700

RISK

A significant contribution to The ICT Service income is derived from management and delivery of EastNet for schools across Cambridgeshire. EastNet is the full fibre internet connectivity solution for schools which also includes safeguarding and cybersecurity. Prior to 2020, the cost of broadband provision for schools in Cambridgeshire was fully subsidised by centrally retained funding from the DfE (part of the Central Schools Services Block). In 2020/21 the subsidy reduced to 80% and for the first-time schools were asked to contribute to the full cost for their EastNet connection. Since then, the subsidy has reduced further each year and from April 2023 the subsidy will be removed completely (one year earlier than expected). In real terms this will add a £2,000 cost to primary schools and £3,500 cost to secondary schools when compared with their 2022/23 EastNet fee. The removal of the EastNet subsidy may have a significant detrimental impact on the service's whole business model in the event that a significant number of schools choose to source a cheaper, alternative solution.

In addition, approximately 40% of The ICT Service income is derived from reselling ICT equipment to schools, such as laptops, servers and network infrastructure. In the last few months schools have noticeably reduced their expenditure on ICT equipment in light of the adverse financial situation relating to inflation, energy pricing and staff salaries.

The success of this proposal is likely to be impacted by this, therefore it is proposed that the increased £100k income is an estimated target for 23/24, where the service is able to test the market with a view to formalise the £100k additional income target from 24/25.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

This proposal is to grow our customer base by providing some of our existing services to a wider market. The proposal will affect the staff within our Helpline and Data Protection teams as they will be fulfilling the new contracts; we will recruit additional staff to support the new contracts and therefore limit any material impact on our existing customer base. Our customers are the schools, rather than the individuals, therefore we do not foresee any impact to the protected characteristics of individuals and any adverse impact on socio-economic inequalities.

4. Financial Impact for Business Plan 2023-2028

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income			-100				
Investment							
Pressure							
Total			**-100**				

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? £200,000 over recovery for 22/23
What financial mitigations have been considered? Following a restructure in 2018, there is no scope to reduce headcount costs without impeding the service's ability to deliver existing contracts
What other funding sources have been explored? We have investigated grant funding for PRfE but no appropriate grants currently exist that are available to Councils
Could you meet the costs from your own budget? We intend to meet the cost of additional staff entirely from incremental income generated from new contracts won from customers outside of Cambridgeshire.

Activity Title:	Realign schools partnership and improvement service			
BP Reference No:	A/R.6.254			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0		Financial Score 1
Business lead / sponsor:	Jon Lewis Director of Education			
Document prepared by:	Carley Holliman Assistant Director – Schools and Setting Improvement			
Financial Summary:	£85k permanent saving			
Financials signed off by:	Martin Wade			
Date:	21/10/22		**Version**	1.0

1. Driver / reason for the activity

The role of the school improvement team has narrowed due to the enhanced role of the Teaching Hub and government academy agenda. Due to the resignation of some team members this is an opportunity to review the structure and realign the work of the team to our statutory duties.

One key area of focus is the remit of the Early Career Teacher (ECT) authorising body which will be delivered by the Teaching Hub from September 2023. This results in a loss of income and a post which needs to be deleted.

2. Proposed activity or intervention(s)

Review the structure within the team and consider how to utilise expertise more effectively, and not replace vacant posts.

Work with the Teaching Hub to TUPE over the ECT adviser position for September 2023.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

Services will not cease to be offered to early careers teachers, but they will be offered differently via the Teaching Hub. Services will continue to be monitored following the change, monitoring equality considerations throughout.

There are no known negative or positive impact to any protected characteristics.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			-85				
Income							
Investment							
Pressure							
Total			**-85**				

Activity Title:	Review of non-statutory services (Cambridgeshire)			
BP Reference No:	A/R.6.255			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 1	Financial Score 1	
Business lead / sponsor:	Toni Bailey Assistant Director – SEND and Inclusion			
Document prepared by:	Toni Bailey			
Financial Summary:	£75k permanent saving			
Financials signed off by:	Martin Wade			
Date:	20/10/2022	**Version**	1.0	

1. Driver / reason for the activity

The Special Educational Needs and Disability (SEND) service has to find efficiency savings and will undertake a review of non-statutory functions, particularly where these functions can be delivered through other services/options, whilst continuing to ensure we follow guidance from the Department for Education (DfE) to limit any potential impact.

An initial estimated saving relating to non-statutory functions is £75,475K, depending on a full review and consultation with staff.

2. Proposed activity or intervention(s)

To review the non-statutory service, fully consulting with all staff.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

A full consultation process, including equality considerations will take place if the business case is approved.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			-75				
Income							
Investment							
Pressure							
Total			**-75**				

Activity Title:	Family Safeguarding Team restructure			
BP Reference No:	A/R.6.256			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1	
Business lead / sponsor:	Nicola Curley			
Document prepared by:	Samantha Howlett			
Financial Summary:	£352k Permanent saving			
Financials signed off by:	Martin Wade			
Date:	20/10/2022	**Version**	1.0	

1. Driver / reason for the activity

Cambridgeshire Children's Social Care were awarded Trailblazer Status from the Department for Education (DfE) to launch 'Family Safeguarding' as the model of intervention to support children and families. The model went live in February 2020 shortly before the onset of the pandemic and lockdown.

Prior to the launch, the teams were structured to meet the demand of need within Cambridgeshire.

Since implementation of the model, we have sustained a number of Social Work vacancies. We have not been able to recruit to these posts due to the market climate being complicated by the pandemic. A focus visit from Ofsted in March 2022 highlighted high caseloads and limited numbers of staff in some areas to respond to the needs of the families, but this was not connected to the number of available posts.

We have worked hard to embed the model in Cambridgeshire. This has resulted in a reduction of the number of children subject to Child Protection planning in Cambridgeshire and a reduction in the number of children being placed into the care of the Local Authority. There is scrutiny around decision-making to ensure the right children are receiving the right service at the right time.

Therefore, these existing vacancies are no longer required.

2. Proposed activity or intervention(s)

A review of the existing Social Work vacancies concludes that the Family Safeguarding model can reduce the current team structure by eight Social Workers (these are current vacancies) equating to a saving of £352k.

The review considered the current average case load per worker as well as scrutiny of threshold from the Assessment Service to ensure the right children receive the right service at the right time. Referrals from the Assessment Service to Family Safeguarding have remained consistent.

Predicated on consistent demand at this point in the system, the Family Safeguarding team is confident we can operate a service to meet the needs of children and families.

The team structure will remain the same; 1 x Team Manager, 1 x Senior Practitioner, Social Workers and Child Practitioners (alternatively qualified workers) with the saving coming from existing vacancies across Cambridgeshire.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

There is no change in impact. The saving comes from vacant posts, and we are fully delivering the service without these in place.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			-352				
Income							
Investment							
Pressure							
Total			**-352**				

Activity Title:	Special Guardianship Orders		
BP Reference No:	A/R.6.257		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1
Business lead / sponsor:	Nicola Curley		
Document prepared by:	Fiona Van den Hout		
Financial Summary:	£150k permanent saving		
Financials signed off by:	Jenny Dowling		
Date:	25/10/2022	**Version**	1.0

1. Driver / reason for the activity

The Local Authority has continued to see a reduction in care proceedings following the 2019 restructure and implementation of the Family Safeguarding model. Whilst this reduction is primarily responsible for the continued underspend in the budget related to the payment of allowances, the Local Authority has also introduced a Special Guardianship Allowance Policy which applies clear parameters regarding the length of, as well as the amount of, post order financial contributions the Council will pay to Special Guardians in line with the Special Guardianship Regulations. As part of implementing its policy, the Council also adopted the Department for Education (DfE) financial means test tool in April 2022, which is used to calculate annually reviewed allowances, which has also resulted in a reduction of expenditure.

The service is set to deliver the savings required for 2022 – 23 (250k) and proposes that a further saving of £150k for 2023-24 is achievable with minimal risk to the budget and no risk to users of the service.

2. Proposed activity or intervention(s)

This is a demand-led budget; underspends have arisen because we have been successful in reducing the number of children coming into care following the extensive restructure of the service in 2018/19. This reduction has continued through the use of our Family Safeguarding model (launched in March 2020), which enables more children to safely remain in the care of their birth parents.

The reduction in the numbers of children subject to care proceedings is expected to be permanent. Should this not be the case, the number of Special Guardianship Order arrangements would be likely to increase, placing pressure on the associated allowance budgets. In addition, the current Independent Review of Children's

Services (https://childrenssocialcare.blog.gov.uk/category/independent-review-of-childrens-social-care) and the Kinship Care Bill currently in its second reading in the House of Commons, has raised the profile of Kinship Care (which includes Special Guardianship carers) and recognises such arrangements as good outcomes for children. Both recommend that these arrangements require a greater level of support, including financial, which may place pressure on allowances budgets in the future.

The Family Safeguarding approach involves the secondment of adult-facing practitioners into the children's social work teams who work with children in need and children in need of protection. These adult-facing practitioners work with the parents to enable them to address the issues that they are facing, and which are impacting on their ability to provide safe, stable, and loving homes.

Our statutory duties include providing services and support to families to reduce the likelihood of children needing to come into care. The evidence base for the effectiveness of the Family Safeguarding model has grown since it was initially developed in Hertfordshire in 2016/17, and then piloted in four other local authorities including Peterborough.

Special Guardianship Order arrangements where carers are entitled to a financial allowance almost always arise as a result of care proceedings; the reduction in care proceedings is the primary reason for the reduced demand on the Special Guardianship Order allowance budget.

Similar reductions have been seen across many of our statistical local authority neighbours.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

Special Guardianship Order allowance budgets are demand-led, and payments of allowances are dictated by statutory guidance. There is no discretion in relation to who does or does not qualify for a Special Guardianship Order allowance.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			-150				
Income							
Investment							
Pressure							
Total			**-150**				

Activity Title:	Children in Care Placements			
BP Reference No:	A/R.6.255			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 4	
Business lead / sponsor:	Nicola Curley			
Document prepared by:	Helene Carr – Head of Service Children's Commissioning			
Financial Summary:	£1,000k permanent saving			
Financials signed off by:	Martin Wade			
Date:	24/10/2022		**Version**	1.0

1. Driver / reason for the activity

Placement budgets for meeting the cost of externally provided placements for children and young people in care are adjusted annually to allow for both demand growth and the impact of inflation. These changes are built into the budget. After taking these changes into account, it is possible to deliver a saving of £1m.

2. Proposed activity or intervention(s)

Children and young people in care access a variety of different types of care placements according to their assessed needs and their age. These placements include:

- In-house foster care
- Kinship care, where children in care are placed with relatives or others who know the child well, who are approved as foster carers for the specific child or children only
- Foster care provided by an Independent Fostering Agency
- Residential care
- Supported accommodation, which is available for young people aged 16 and 17.

In line with current trends, we have re-baselined the budgets associated with all placements for children and young people in care, while modelling the likely demand for placements over the next financial year. Allowing for some headroom for continued increases in unit placement costs in 2023/4, this work indicates the continued slow reduction in overall numbers and the impact of greater placement stability over the current financial year.

Plans for 2023/4 include:

- the launch of the Residential Services Strategy aimed at increasing in area provision and opportunities for local authority owned provision
- the full implementation of the 'Gateway to Fostering' pilot aimed at securing move on foster placements for children and young people identified through the care planning process as being ready to move on from residential provision; and
- the High Acuity pilot, supported through the Dynamic Purchasing System, where foster care providers will bid to offer high needs foster placements supported by local authority resources [e.g., the Clinical Offer, support via the Intensive Therapeutic Short Break offer etc], when the local authority has no readily available options locally or nationally and supports avoiding spot purchasing bespoke high-cost unregistered placements.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

There is no change to service delivery and children and young people in care will continue to be placed in placements that are in line with their age and assessed needs.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			-1,000				
Income							
Investment							
Pressure							
Total			**-1,000**				

Activity Title:	Teachers Pensions			
BP Reference No:	A/R.6.253			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1	
Business lead / sponsor:	Jonathan Lewis Service Director – Education			
Document prepared by:	Kerry Newson			
Financial Summary:	£150k permanent saving			
Financials signed off by:	Martin Wade			
Date:	01/11/2022	**Version**	1	

1. Driver / reason for the activity

CCC (Cambridgeshire County Council) has been responsible for historical pension costs for teachers that were employed by CCC and retired pre-1998.

Over the years the number of individuals, or their widow in receipt of pension payments, has reduced resulting in a £150,000 saving.

Teachers' pensions are however increased in line with CPI inflation every April, based on the CPI rate for the previous September. The savings found will partly offset the expected CPI inflation requirement of 10.1% for 2023/24.

2. Proposed activity or intervention(s)

There are no interventions that can be undertaken by CCC to impact on the drivers in section 1.

4. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? N/A

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

An EqIA is not required for this business case as there are no changes taking place. Confirmation of statutory responsibilities to pay teacher pension costs.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving			-150				
Income							
Investment							
Pressure							
Total			**-150**				

Activity Title:	Children's Residential short breaks - Harmonisation of terms and conditions and in-year pressures		
BP Reference no:	A/R.4.024		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social score 0	Environment score 0	Financial score -2
Business lead / sponsor:	Sasha Long, Head of Service, and Tracy Gurney, Assistant Director.		
Document prepared by:	Sasha Long; Head of Service.		
Financial summary:	£311k of permanent investment		
Financial signed off by:	Martin Wade		
Date:	28/06/22	Version	1

1. Driver / reason for the activity

Cambridgeshire County Council (CCC) offers a range of short breaks services for disabled children and young people with complex needs, which includes the delivery of residential overnight short breaks through three Ofsted registered children's homes across Cambridgeshire: Haviland Way (delivering shared care and short breaks), Woodland Lodge (delivering full time care, shared care and short breaks), and London Road (delivering full time care and shared care). These services provide essential short breaks to parent carers of disabled children and young people aged 8-18 years who would otherwise be at significant risk of family breakdown or placement in an out-of-county residential setting. These essential short breaks enable the parent carers to retain their resilience, alleviate their exhaustion and to be supported to keep the children and young people living at home as long as possible. In addition to this, the short breaks provide the children and young people with the opportunity to develop their independence, promote and support their physical and emotional health, build relationships and enjoy new experiences.

The three residential children's homes were previously commissioned via a block contract with an external provider. However, there were a range of issues in relation to this arrangement, including the lack of choice for families and the need for the council to have more flexibility with the budget moving forwards to enable dynamic service delivery changes. Following extensive public consultation, the decision was made to bring these services in-house in September 2020. This proposal was heard at the Children and Young People Committee (Jan 2020 and July 2020) who approved the plan, followed by the Commercial and Investments Committee (September 2020).

Despite the many benefits of this move, it was acknowledged from the offset that the in-sourcing would present significant financial challenges, as acknowledged within the committee business case. The contract, with a value of £2,473,525, had been awarded in October 2015 for four years and it was acknowledged the service would cost the same, if not more, to provide in-house. Through the in-sourcing process, additional cost pressures were identified in relation to the significant cost to the service from LGPS pension contributions once staff transferred (TUPEd) over to CCC, and property costs required in order to bring the buildings up to standard. A cost pressure was therefore acknowledged in advance of the decision to bring these services in-house, with the business case to the committees consistently forecasting an anticipated £300,000 business pressure.

The service was originally directed not to harmonise the staff pay (and on-costs) as this would not be cost effective, so the original budget was based on maintaining all staff wages at their previous pay scales / TUPE costs. However, following the TUPE of staff to CCC, some staff immediately opted to resign from their posts and to re-apply for vacant posts as these posts offered better rates of pay and terms and conditions. This created an increased staffing cost in the initial year of service delivery, and also entitled these staff to pay enhancements that were not relevant when the staff were employed by the external provider. This resulted in the total cost pressure of £400,000 for the financial year 2021/22 (which included the originally forecasted £300K business pressure). This was covered in the 2021 business planning (BP Reference: A/R.4.039.)

Since then, more staff have opted to resign / re-apply to vacant posts, creating an ongoing in-year budget pressure. We have also recently received updated HR advice and significant challenge from the Union, both of whom are recommending full harmonisation of all staff.

2. Proposed activity or intervention(s)

To harmonise all of the remaining children's home staff onto CCC's terms and conditions, and pay enhancements (e.g., additional pay for night shifts, bank holidays etc.) This will result in a £253,993 in-year pressure (covering the cost to harmonise all remaining staff over to CCC pay / enhancements, plus the cost of budgeting for all existing vacancies to be covered by CCC costs), followed by a permanent investment of £311,280 per year, to enable all staff to remain on CCC terms, conditions and enhancements.

2.1. Why

The residential short breaks children's homes provide essential services to some of the most vulnerable disabled children and young people across Cambridgeshire. The homes provide a combination of short breaks, shared care and full-time care to children and young people aged 8-18 years, who would otherwise be at significant risk of family breakdown and potentially requiring placements in out-of-county provisions. The homes are open 365 days per year and are regulated by Ofsted. Maintaining a stable, skilled and experienced staffing team is essential to the ongoing running of the service and a mandatory part of the statutory regulations. Without this we would be unable to deliver care or to meet the needs of this vulnerable cohort of children, young people and families.

The issue of harmonisation has been raised via the Union and is supported by our Human Resources service. The vast majority of the staff are in support of being assimilated over to CCC terms and conditions as these are more favourable.

2.2. Impact of not doing

Business continuity / service delivery may be impacted: We need to establish a stable, skilled and experienced staffing team in order to be able to consistently deliver a high-quality service to the vulnerable disabled children and young people accessing short breaks, shared care and full-time care through these provisions. Without these children's homes being operational and consistently available, there is a considerable risk of an increased number of children and young people becoming Children in Care, and potentially needing externally commissioned out-of-county residential placements.
Given the position of the local market currently and the increased competition amongst providers to recruit staff, there is a risk that if harmonisation is not offered, the staff could leave in favour of posts offering higher pay / enhancements.

Impact to children and young people's quality of life: We want to support these children and young people to thrive in their local communities, by enabling them to continue attending their local schools alongside their friends, maintaining strong family relationships and accessing their local health services. We strongly believe that disabled children and young people have a right to be accepted as an integral aspect of any local community, enhancing the community's inclusive sense of identity, providing a valuable contribution to community enterprises, and eventually joining the workforce.

Safeguarding impact: The three children's homes require a highly skilled staffing team who are experienced in safely managing challenging behaviour and can therefore protect the children, and those residents / staff around them, from injury. The service has seen a significant increase in the complexity of children and young people being referred to the provisions, and the majority of them require a 2:1 staffing ratio in order to keep everyone safe due to their extensive challenging behaviours. It is therefore essential that we have adequate staffing numbers to meet these needs, as well as the ability to retain experienced / skilled staff within the service.

Cost effective impact: The average placement cost for a single disabled child or young person with complex needs placed out-of-county is around £250,000 per year. We currently support 14 children at Haviland Way, two full-time / permanent children at London Road, and 21 children at Woodland Lodge.

Recruitment / Retention / Staff wellbeing impact: For staff to feel valued and that their hard work is recognised, we need to be able to offer a fair, commensurate pay scale. At present, new starters (automatically placed on CCC contracts) are paid at a higher level than the TUPE staff, with additional benefits such as the enhancements making their terms and conditions considerably more attractive. This does not support staff retention and does not encourage staff to invest in their roles / the delivery of the service.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

By agreeing this proposal, the council will be supporting essential services for children and young people with disabilities (and their families) and enabling them to access their community / maintain their right to family life by supporting them to remain residing in their local areas.

Not to carry out / allow other specified kinds of discrimination against these groups, including discrimination by association and failing to make reasonable adjustments for disabled people - Without agreeing this proposal, there is a considerable risk to the council's ability to continue delivering these essential services, as our staffing levels may reduce to such an extent that it is no longer safe or feasible for the service to remain open. This would negatively impact against the children, young people and families who rely on this essential support.

Advance equality of opportunity between people who share a protected characteristic and those who do not - This proposal will allow equality of pay to staff working within the care sector.

Foster good relations between people who share a protected characteristic and those who do not - This proposal will allow staff to feel as though their hard work is recognised and they are receiving the same pay and benefits as new members of staff who are automatically inducted on CCC terms and conditions.

Positive impact from being able to continue delivering an essential respite service to disabled children, young people and their families. Offering all staff members the opportunity to be harmonised to CCC terms and conditions, resulting in pay equality, access to enhancements, and recognition of their skills / experience.

The only negative impact related to this proposal is the cost to the council to harmonise all staff. However, by enabling these essential services to remain fully staffed and operational, the council will support the prevention of family breakdown and avoid the costs associated with children and young people being placed out of county. This is an investment in an essential service which will support staff recruitment and retention. By enabling these services to continue functioning, the council will support children and young people to continue residing within their local areas / with their families and avoid the need for more costly out-of-county placements.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment	Permanent		311				
Pressure	One off	254					
Total		254	**311**				

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? Without this pressure funding, there will be a £253,993 pressure at the end of the current financial year.
What financial mitigations have been considered? We have: • Reviewed the staffing structure across the children's homes, making efficiencies where possible, and restructured the business support model. This has achieved savings of £84,698 which have been taken into account when calculating the remaining pressure, above. • Considered reducing the number of available beds in each of the children's homes, therefore reducing the number of staff required. However, this would have a significant impact upon families, would risk family breakdown / children having to move to out-of-county placements and would be in breach of their human rights to family life. • Considered moving to an alternative service delivery model, where we replace the residential overnight short breaks with alternative overnight

options (such as Direct Payments where a PA supports the child within their own home.) However, the unprecedented impact of the COVID-19 pandemic and Brexit have significantly depleted the PA workforce and whilst this is a model that we hope to be able to move towards in the future, this is not a realistic option at the current time. • Considered not harmonising all staff and to keep them on their existing terms and conditions. However, in addition to the impact upon staff retention and recruitment (as outlined above), the staff have demonstrated that they are willing to resign from their existing roles and to re-apply for resultant vacancies offering the more attractive CCC terms and conditions. In not harmonising all staff, we are creating additional work for the council through greater recruitment activity and in any case are not achieving any savings in the longer term (as staff will move over regardless and the financial impact of this would still need to be met).
What other funding sources have been explored? We explored the option of using vacancy savings from across Children's Services as a potential alternative funding source. However, once the recruitment of social workers improves, this will not be a stable source of funding going forward.
Could you meet the costs from your own budget? No. The original budget was built on the understanding that we would not be harmonising all staff over to CCC terms, conditions and enhancements. This new direction has caused additional pressures which cannot be met within the existing budget.

Activity Title:	Passenger Transport – additional inflationary request 23/24		
Reference No:	A/R.3.010, A/R.2.004, A/R.4.026, A/R.4.027, A/R.6.268		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score -5
Business lead / sponsor:	Fran Cox Assistant Director Education		
Document prepared by:	Fran Cox		
Financial Summary:	£2.1m pressures funding from 23/24		
Financials signed off by:	Martin Wade		
Date:	21/12/22	**Version**	1

1. Driver / reason for the activity

Current Context

It is well recognised that Children's and Adults transport services in Cambridgeshire are under a huge amount of pressure. The reasons for this are multiple and listed briefly below;

- Rising numbers and increasing complexity of SEND pupils
- Rising numbers of social care clients who need to be transported to multiple locations in one day
- Increasing cost of transportation
- Decreasing marketplace in terms of drivers and taxi operators
- Changes in education legislation around school operating hours, necessitating changes in routes and leading to increased contract costs.

This academic year has continued to prove extremely difficult. Both SEN (Special Educational Need) and mainstream operations have been severely impacted by the national lack of suppliers, taxi drivers and bus drivers. There continues to be a decline in new entrants to the procurement systems and a shift of professional taxi and bus drivers moving to other better paid jobs. For example, PCV (passenger carrying vehicle) drivers have moved into HGV (heavy goods vehicle) roles and taxi drivers have found better and higher paid employment in the growing delivery industry. The NHS is supporting their ambulance crisis and car collection service by offering low risk work to taxi providers. Taxis and bus companies are also being offered lucrative work impacted by rail strikes and postal strikes.

The situation is not likely to improve and taxi drivers are now realising they can name their price as they see council contracts constantly coming back out for tender. CCC has had 200 contracts handed back since August 2022. Usually there would only be a handful of hand backs at any one time.

Current financial outturn forecast

Whilst activity is already underway to mitigate the inflationary pressures the service area faces; the current forecasts are showing the impact in-year.

Analysis of the data in relation to demand and inflation shows an interesting picture in Cambridgeshire suggesting some of the activity around SEND (Special Educational Needs and Disability) growth is already starting to take effect. Considering the SEND route data below, it is clear that whilst the overall number of SEND routes have reduced the Special School routes, the most complex and costly routes requiring specialist vehicles and skilled passenger assistants have increased by 70 since last year.

Entitlement Code	Main/SEND	2022	2021	Difference
ASC - After School Club	SEND	**33**	**54**	-21
EOT - EOTAS	SEND	**49**	**44**	5
ITT - Independent Travel Trained	SEND	**6**	**0**	6
OTH - Other - see notes	SEND	**2**	**3**	-1
OLA - paid by Other Local Authority	SEND	**2**	**3**	-1
PSBE - Post-16 SEN Benefit	SEND	**222**	**276**	-54
PSPR - Post-16 SEN Payer	SEND	**247**	**255**	-8
SPEC - Special needs	SEND	**1314**	**1244**	70
		1875	1879	-4

Alongside this growth there is a clear impact of inflationary pressures on contract costs which has led to a 37% rise in the cost per pupil per day in the SEND cohort.

Following the retender of 330 SEN routes for September 2022, average contract costs have gone up by 18.5% from 2021.

There has also been a 261 increase in the numbers of mainstream children entitled to transport from September 21 to September 22. This is largely due to growth in the county generally, but also due to an unexpected migration impact (Ukrainian guests but also other international migration) to certain areas of the county. Whilst there has been a rise in costs per pupil per day for mainstream transport this has not been so significant at 13%.

In addition, the lack of bus operators and drivers has resulted in one school needing to be covered with five taxis, as a 53-seater bus could not be procured, despite multiple tenders and market testing.

The lack of places continues to generate extra taxi provision. This has been higher in the Cambridge South area, where refugees are taking up places that had already been forecasted for, resulting in pupils being transported further afield.

Children in care delivery has seen a marked increase in the numbers of children and young people being transported to both contact (9 children in September 2021, 27 children in September 2022).

The pressures on the passenger transport budgets (as of December 2022) are listed below:

Children in care transport: £300k pressure

Mainstream transport: £0.715m pressure

Special transport: £2.13m pressure

TOTAL Passenger Transport pressure: **£3.145m**

2. Proposed activity or intervention(s)

2023/24 Additional Inflation Investment

Based on the in-year pressures, we have calculated a revised inflation / demand request for funding for 23/24, in an attempt to reflect as a starting point a more realistic position.

The budget requirement for 23/24 has been revisited based on current commitments, revised inflation forecasts, updated pupil number forecasts and net of rephased savings.

This results in a **£2.1m additional requirement** over and above what is included in the current business plan figures presented in November (across mainstream, special and children in care), and circa £4.9m (17%) over and above the current 22/23 available budget (£1.8m / 6% over current forecast 22/23 spend).

These proposed revised figures still come with large caveats, given the current volatility of the market and continuing driver shortage, but represent a more realistic starting point based on current spend.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

- No identified negative impact to protected groups

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment							
Pressure	Permanent		2,100				
Total			**2,100**				

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? Children in care transport: +£0.3m Mainstream transport: +£0.715m Special transport: +£2.13m TOTAL Passenger Transport pressure: **£3.145m**
What financial mitigations have been considered? The transport transformation strategy is being implemented with a view to mitigate as much of the inflationary increase as possible. Savings plan in place.
What other funding sources have been explored? N/A - council's statutory duty and the council must fund
Could you meet the costs from your own budget? No

Activity Title:	Educational Psychologists – additional staffing (SEND District Team)			
Reference No:	A/R.4.025			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 4	Environment Score 0		Financial Score -1
Business lead / sponsor:	Kirsten Branigan, Principal Educational Psychologist			
Document prepared by:	Jenny Dowling, Finance Business Partner			
Financial Summary:	£200k permanent increase in funding			
Financials signed off by:	Martin Wade			
Date:	20.12.2022		**Version**	1.0

1. Driver / reason for the activity

The Educational Psychologists (EP) workforce in Cambridgeshire is currently insufficient to meet the statutory demands placed on the service. The current capacity within the team is unable to complete over 300 of the existing EHCNA (Education, Health and Care Plan Needs Assessments) plans. Since April 2022 we have required locums to pick up over 170 pieces of statutory work at an approximate cost of £190k. The full year effect of this will be £285k.

Increase in capacity within the team has not kept pace with the increase in EHCP (Education, Health and Care Plan) numbers. We have seen a rise from 4820 ECHP in March 2020, to 6340 in March 2022, with figures for November 2022 currently at 6996. This represents an increase of 14% per year over the last two years, with EP FTE (full time equivalent) increase not keeping pace.

EPs in Cambridgeshire are completing twice as many EHCNAs per year than EPs in other authorities (based on National Association of Principal Educational Psychologists (NAPEP) figures). The locum spend has helped to reduce the numbers of advice unallocated or late significantly in the current year; without the use of locums this would not have been possible. This feeds into the DfE (Department for Education) expectations of Cambridgeshire in terms of meeting deadlines.

Essential early intervention work is not being undertaken in Cambridgeshire while current capacity is focused on statutory workload.

EPs have indicated they feel deskilled and stressed. Two new EP positions were created in September 2022 and were filled. However, we have received resignations from three EPs this term (2.6 FTE).

New EPs are not able to do the breadth of work they trained for during their doctorate.

It is difficult to compete with other Local Authority areas where statutory workload is significantly less (NAPEP survey data).

2. Proposed activity or intervention(s)

The EP service has been carrying a base pressure for a number of years, due to increasing need for locum support. The proposal to increase the funding by £200k would remove this pressure so the service can set a balanced budget, and allow permanent recruitment of additional EPs, thus reducing the reliance on locums. This would alleviate workload pressures on the existing team, and aid retention of skilled staff.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

In securing these additional resources we will be better able to meet the demand of the growing population and the significant rise in EHCNA requests. This will have a more positive impact on the staff (countywide and within specific teams). This will also better support the existing service, for which this proposal may positively impact:

1) Children and young people providing better access to an EP, including those with complex needs.
2) Earlier intervention will mean that children and young people may not require higher levels of support later on and families will feel more confident with the SEND system.
3) There will be more EPs to support children 0-25 with SEN and disabilities

We operate a social justice model of work and will be able to offer more resources and support to those with socio-economic inequalities.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table has been completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment	Perm		200				
Pressure							
Total			**200**				

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? £250k pressure
What financial mitigations have been considered? The only mitigations possible would be to either hold vacancies, or reduce locum spend. Both would result in failure to meet statutory functions and therefore cannot be considered.
What other funding sources have been explored? No other funding sources available
Could you meet the costs from your own budget? There is no capacity within the existing budget.

Communities, Social Mobility and Inclusion - Business Case Summaries

Activity Title:	Investment Into Communities		
Reference No:	D/R.5.001		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 5	Environment Score 2	Financial Score -1
Business lead / sponsor:	Sue Grace, Executive Director of Strategy and Partnerships		
Document prepared by:	Paul Fox, Interim Deputy Director: Communities, Employment and Skill		
Financial Summary:	Ongoing investment £230k		
Financials signed off by:	Martin Wade		
Date:	28/11/2022	**Version**	1.0

1. Driver / reason for the activity

The Think Communities Service funding was extended in September 2020 using £1.354m Just Transition Funding. It meant that the service could continue to bring together the Strengthening Communities and Youth in Communities teams to meet the aims of the Think Communities Approach, joining systems together in a placed based way and putting people at the heart of solutions to local issues.

The service model of identifying and developing community assets (people and non-people) to enable communities to address issues that are important to them and support the delivery of council services and other activity that may be considered preventative (e.g., youth offers), is ever more important in the current financial climate.

Local and hyper-local activity of this type is central to the Joint Administration ambitions on decentralisation with services that are closely tailored to the needs and wants of local communities that can make the most of existing assets, connections, and expertise. Enabling systemic change in this way is necessary to achieve significantly improved outcomes for many of our residents and to drive a just transition to a greener, fairer more caring Cambridgeshire. To that end, the recent strategic reorganisation of the Council in September 2022 brought together communities, skills, libraries, and anti-poverty services and placed them at the corporate centre of the organisation.

The service also supports the council to meet its statutory requirement to provide a "Sufficient Youth Offer" delivered through the activities of the Youth in Communities team that sits within the Think Communities Service.

The Think Communities Service is funded using a combination of core budgets and the non-recurrent investment from the Just Transition Fund. The service model for 2023/24 was costed at £939,896. The resource available from core budgets is £376,491 - a shortfall of £563,406.

2. Proposed activity or intervention(s)

In order to address the funding shortfall identified above, efficiency opportunities can be realised through the reorganisation and integration of the Think Communities and Youth in Communities teams. This will involve maximising the use of staff, knowledge, skills, and abilities across both teams.

We anticipate that in reviewing our approach we can significantly reduce the funding shortfall - from £563,406 to £233,776. A consultation on the proposed new 'communities service' is being prepared and will be undertaken from January.

This investment will be offset by savings made elsewhere in the Strategy & Partnerships Directorate. Agreement and delivery of these savings will fall under the remit of the Strategy & Resources Committee.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts, and any mitigations:

Activity of the Communities Team is to work in partnership with statutory partners, Voluntary and Community Sector organisations and communities to support self-sufficiency, resilience and service delivery by communities and community groups themselves. While by nature our statutory partners will be mindful of EDI (Equality, Diversity and Inclusion) matters and wish to address socio-economic inequality, we need to accept that decentralised approaches such as this mean we are responding to the agendas and priorities of others. Similarly, natural communities do not conduct EqIA's (Equality Impact Assessments) before expressing their needs.

It is clear that this decentralised, responsive, targeted ways of working with communities cannot guarantee equity of action across geographies, communities of interest or groups of individuals defined by protected characteristics. The risk of negative outcomes from this approach need to be mitigated by considered service management and staff awareness of equality and other issues. Aside from the above, a significant part of the work programme for the Communities Team is being aligned to the Care Together approach to support older people to remain active and independent in their own homes and communities. Any changes to staffing within the service will be carried out in full consultation, following HR policy and procedures. A full and specific EqIA will need to be carried out at that time.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment	Permanent	230					
Pressure							
Total		**230**					

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? The core funding elements supporting the staffing of these services will be spent in full. Core budgets fully spent, supplemented by drawdown from Just Transition Fund
What financial mitigations have been considered? As set out above, the funding gap for the continued provision of these services has been reduced from £563k to £234k
What other funding sources have been explored? Net investment is zero as this investment will be offset by savings made elsewhere in the Strategy & Resources Directorate.
Could you meet the costs from your own budget? No, the business case addresses a lack of budget.

Activity Title:	Coroners pressure		
Reference No:	B/R.4.027		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social score 0	Environmental score 1	Financial score -1
Business lead / sponsor:	Steve Cox, Executive Director Place and Sustainability		
Document prepared by:	Rachel Lovelidge, Coroner Service Business manager		
Financial Summary	Permanent investment of 66k plus a smaller temporary investment		
Financials signed off by:	Martin Wade		
Date:	29/07/2022 updated 29/10/22	**Version**	V1

1. Driver / reason for the activity

Background:

The coroner conducts investigations into deaths that are unexpected or unexplained; including those where it is suspected that the deceased died a violent or unnatural death; the cause of death is unknown; or the deceased died while in custody or otherwise in state detention. The coroner will determine the identity of the deceased together with how, when and where the deceased came by his or her death.

Local Authorities have a statutory duty to provide a Coronial Service. Though Coroners themselves are judicial appointments, the council is required to fund the appointments, the supporting team and infrastructure necessary for Coroners to be able to fulfil their judicial responsibilities.

Cases over 12 months:

The Coroner and Justice Act 2009 requires that all inquest cases are heard within six months. The Senior Coroner for a jurisdiction is required to provide an annual report of all cases that remain open over 12 months old to the Chief Coroner of England & Wales as part of a national performance return.

Though there will always be cases beyond 12 months, the number across Cambridgeshire and Peterborough has been increasing. The last performance return reported 297 cases, and consequently the service is focused on reducing the backlog. The COVID-19 pandemic exacerbated an existing backlog, and cases beyond 12 months in the jurisdiction increased during this period, as they did nationally. The number the service has been able to conclude has been greater than the previous year.

Table 1: Number of cases over 12 months

	Total number of cases over 12 months	Cases concluded that were over 12 months old
2021/22	297	108
2020/21	242	37

This demonstrates a commitment to clearing the backlog but highlights that the service has been hampered by other service pressures as detailed below.

Nature of coronial investigations

In 2021 the number of referrals to the Cambridgeshire and Peterborough coronial jurisdiction decreased by 2%, however the number of cases requiring a post-mortem (PM) increased by 9% ‘113’, and those requiring an inquest increased by 15% ‘47’, adding cost and service demand.

Table 2: Reported deaths, post-mortems and inquests 2021, and comparison with 2022

	Reported Deaths	Post-Mortems	Post-Mortems as % of reported deaths	Inquest opening	Inquests as a % of reported deaths
2021	2,907	1,472	51%	529	18%
2020	2,978	1,356	46%	463	16%

The reason for the increased number of PM and inquests is due to a combination of increasing complexity of cases, in some cases due to next of kin being represented by counsel, and through referrals to the service via the Medical Examiner Scheme.

The table on the next page shows the reason for the delay in the cases being concluded.

Table 3: Reasons for delay in concluding cases

	Reason for delay					
	Complex case	COVID-19 pandemic	Current criminal in the CC	Investigation or prosecution by external authority	Death abroad	Prep for inquest
As of 30 April 2022	139	125	28	2	3	N/A
As of 30 April 2021	120	75	23	5	10	9

In July 2021, the service submitted a report to the Joint Management Team (JMT) to request funding to support additional resources to address a back log of cases built up over many years prior to the pandemic. Within the report it was estimated that it would take a minimum of two years to effectively manage and reduce the backlog, once capacity was in place. Since that point the pandemic and other factors outlined below have resulted in an increased backlog, not a reduced one. The backlog reported in 2022 is 297 as against 242 for 2021.

Current Pressures

Pre COVID-19, approximately 4,000 deaths were referred to the coroner service, followed by a drop during the pandemic due to a temporary change in the law. The law has reverted to the pre-pandemic situation, so referrals are rising again, and are expected to do so over the next year and beyond.

It should be noted that nationally the average time to hold an inquest from the start of an investigation to conclusion has increased by four weeks in the last 12 months. This is indicative of the complexity of some of the cases coming into coronial services, and inevitably adds cost to service delivery.

There are three areas that drive the costs from a demand management perspective, these are:

- number of deaths referred to the coroner service
- number and type of Post-mortems (PMs) and the
- number and duration of inquests.

Staffing issues:

There was a marked increase in staff absence in terms of long-term sickness for a variety of reasons. This has included experienced staff in key positions. The impact of this has been exacerbated by staff leaving the service, again for a variety of reasons, including temporarily through maternity leave.

Due to the uniqueness of the role, the service has faced difficulties in being able to recruit suitably qualified staff to backfill these positions, resulting in significant training and development requirements to bring officers up to speed.

During the period of 1st April 2021 and 31st March 2022, the service has had a total of 296 Coroner Officer days off sick; the main reason for this is due to planned medical operations, minor illnesses and mental health issues.

This has had the following impact on the service:

- Reduction on case work
- Lack of temporary cover within the service as budget unavailable
- Other staff trying to cover the workload

Partnership agencies:

Partnership agencies such as the NHS are experiencing their own resourcing challenges and are trying to clear their own backlog of appointments and operations. This is resulting in delays in the Coroners Service receiving evidence from them, and in being able to secure witnesses for inquests and pre-inquest hearing reviews. The service is working with partners to agree turn-around times for evidence. However, this has meant that hearing dates are delayed while waiting for vital documents.

Complex case work

The Jurisdiction has some of the most complex cases referred in the country. This is due to the number of hospitals (two of which are world leading), prisons, travel infrastructure and mix of both rural and urban living. These types of cases are different from the majority of cases due to:

- Media attention
- Risk of a judicial review
- Large number of interested persons (IPs)
- High ranking lawyers, counsel and legal representatives of the cases.

- Complexity of legal issues

2. Proposed activity or intervention(s)

Backlog of cases over 12 months

Due to the reduced number of staff for the reasons set out above, the funding previously given to the service has not been able to be used as intended and instead has been used to plug the unavoidable expenditure in the service which could not be foreseen.

The service has therefore been operating with a relatively inexperienced team, with those in post stretched to capacity in order to cover the gaps left by their more experienced colleagues.

The service now has a full team of officers, which includes two officers funded from a previous business case until September 2023. However, in order to continue to process the backlog of cases, it is vital theses posts are extended by a further three years. The timeframe to clear the backlog has increased in line with the increased number of cases older than 12 months.

The table below shows the associated costs in keeping those posts for a further three years.

Table 4: Coroner Officer costs

Resources	CCC Cost (65%)	PCC Cost (35%)	Total
2x Coroner Officers	£144,690	£77,910	£222,600 *

**Salary based on experienced Officer, £74,200 per year for 3 years*

Complex case work

The service is requesting funding for a permanent Project Lawyer to complete work on specific complex cases, replacing what has been temporary arrangements. If this type of cases is not managed properly by an experienced person, there is an increased risk of a judicial review which would increase costs for the Authority and also cause reputational damage. Current Inquest Officers do not have the same level of experience and knowledge to support these exceptionally complex cases and previous attempts to manage these with less experienced members of staff has proven unsuccessful.

Table 5: Project Lawyer costs

Resources	CCC Cost (65%)	PCC Cost (35%)	Total per year
Project Lawyer	£31,177.9	£16,788.1	£47,966

**Salary based on Project lawyer budget as of Sep 2022*

Court Ushers

The Court Usher roles are a permanent vital part of the court proceedings for the Service. The Ushers are required to set up the court rooms (including IT equipment), swear-in any witnesses, record the hearing, liaise with the coroner and also meet those that are attending in person. They effectively ensure the smooth running of the court on the day and this function mirrors that of every other court within the country.

Without having funding for court ushers, it will add additional pressures and delays within the team.

Table 6: Outlines the costs associated with the funding for two permanent Court Ushers

Resources	CCC Cost (65%)	PCC Cost (35%)	Total per year
Court Usher x 2	£35,176.70	£18,941.30	£54,118.00

**Salary based on a budget for an administrator as of Sep 2022 £27,059 x 2*

Conclusion of costs being requested:

1. Temporary funding extension of Coroners Officer posts for three further years:

Resources	CCC Cost (65%)	PCC Cost (35%)	Total
2x Coroner Officers	£144,690	£77,910	£222,600

2. Temporary funding broken down by year

	Total amount	CCC (65%)	PCC (35%)	Comment
2022/3	0	0	0	Existing funding in place until Sept 2023
2023/4	£37,100	£24,115	£12,985	Existing funding in place until Sept 2023
2024/5	£74,200	£48,230	£25,970	

2025/6	£74,200	£48,230	£25,970	
2026/7	£37,100	£24,115	£12,985	Funding for 6 months
Total	**£ 222,600**	**£ 144,690**	**£ 77,910**	

3. Permanent funding for the following posts:

Resources	CCC Cost (65%)	PCC Cost (35%)	Total per year
Project Lawyer	£31,178	£16,788	£47,966
Court Usher x 2	£35,177	£18,941	£54,118

Total permanent investment for these (CCC and PCC) from 2023 / 4 = £102,085

1. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

Protected Characteristic	Benefits	Mitigations
Age	All aspects of this business proposal are able to support those that are in any age range	These roles will enable the service to continue to be able to offer support to older people in engaging with the service, most notably in attending court in the event of an Inquest
Disability	With the support from the Court Ushers, the service is able to facilitate attendance at court for all service users	Accessibility, particularly for anyone with a disability, will be able to be maintained. This includes remote attendance at Inquests as may be preferred
Religion or belief (including no belief)	We are able to heed religious, or non-religious, wishes as appropriate	With sufficient Officers, we increase capacity within the service, ensuring that we are able to heed religious, or non-religious, wishes as appropriate

	Socio-economic inequalities	Adequate staff to be able to support those service users that fall within this category.	Having the staff mentioned in this business case will mean that we have adequate staff to be able to support those service users that fall within this category	

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment	Permanent	0	66,355*				
Investment	Temporary	0	24,115	24,115	0	-24,115	-24,115
Pressure							
Total			**90,470**	**24,115**	**0**	**-24,115**	**-24,115**

Please NB: this was based on salaries from Sept 2022

*1 – this funding becomes mainstreamed from 2023/24

For pressures / investments only, please provide further details regarding:

What is the service's forecast outturn for the current financial year?

The current outturn is £3,073,614, this is the full-service amount, 65% for CCC equates to 1,997,849.

What financial mitigations have been considered?

Reviewing current roles within the service, reviewing other lines of expenditure.

The service takes action to mitigate against rising costs where it can. Work in this respect includes closely reviewing all invoices to ensure contractors are only charging for costs agreed within the respective contract terms and challenging invoices where necessary.

The service has been optimising the use of council owned buildings to hold inquests. Due to the use of New Shire Hall, and Peterborough Town Hall, costs for use of external facilities for inquests has reduced from £46,000 in 2020/21 to less

than £5,000 in 2021/22, with the service on target for a further reduction by the end of 2022/23. The use of Assistant Coroners has been reduced since the appointment of our Area Coroners, this being more efficient, they are now used primarily for specialist cases and complex cases. The use of Contain Outbreak Management Funding (COMF) to invest in technology has enabled the service to operate remote hearings, as well as providing the choice for expert witnesses and friends and family of deceased to decide if they want to travel to inquests or dial-in remotely. This has been particularly beneficial for expert witnesses who predominantly choose this option, leading to cost reducing for the council. Tight controls ensure that overtime is only agreed in exceptional circumstances, where it is a necessity from a service delivery perspective.
What other funding sources have been explored? COMF has been used during the pandemic to offset costs, although is no longer viable
Could you meet the costs from your own budget? No, due to service pressures as described above.

Adults and Health - Business Case summaries

Activity Title:	Decommissioning of Block Contracts for car rounds providing homecare			
Reference No:	A/R.5.022 & A/R.6.203			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 1	Financial Score 3	
Business lead / sponsor:	Will Patten Director of Commissioning			
Document prepared by:	Ruth Miller			
Financial Summary:	£1,220k ongoing saving from June 2023/24 with permanent investment of £45k required to facilitate saving			
Financials signed off by:	Justine Hartley			
Date:	13.10.22	**Version**	1.1.	

1. Driver / reason for the activity

The block car provision delivers domiciliary care to people in the county and allows the Council to meet the needs of service users quickly and effectively. The purchase of block hours allows the Brokerage service to source care in the following circumstances:

- To return home from hospital as soon as possible once a person is medically fit
- To provide care for people who are in hard-to-reach areas or to fulfil hard to place packages of care.

The block provision is not always the most efficient use of money, although it is very effective in supporting the discharge process and aiding pressures in the system when demand changes quickly and the market cannot meet the increase.

Two key areas for savings are proposed:

1. A more cost-effective solution for future service delivery with a reduction in double up cars.

2. A reviewed contract: The existing contract is due to end June 2023 and needs to be replaced. The plan is to replace with fewer cars, but that are better utilised through tighter contract management and the introduction of a ‘rationalisation broker’ (see option 2 below).

2. Proposed activity or intervention(s)

Block homecare provision plan 23/24 onwards:

- Improved Better Care Fund (IBCF) block provision January 2022, five-year contract, to support hospital discharge – grant funded.
- Winter pressure/ cars, recently extended to March 2023. Funded by NHS Winter Surge funding – grant funded.
- Rapid Discharge Team / local authority core-funded cars, ending June 2023.

1) Have already decommissioned a number of block cars securing a permanent net saving of £525k.

2) Commission another contract using the local authority budget, with fewer cars, on a flexible six-month rolling contract, to allow for stepping down as needed for the place-based model.

(Options considered for replacement of the remaining cars are outlined below)

Option	Benefits	Risks	Potential savings
Option 1: do nothing. There is an option to allow the existing contract to end in June 2023 with no replacement.	This option uses the least resource. It would also save money in the short term.	Risks losing significant capacity for hospital discharge and emergency provision for those requiring care at home at short notice to avoid accommodated care. Puts pressure on other systems. Could put service users at risk if there is no provision immediately available, for both discharge and emergency care. We could end up spending on placing off-contract to get placements filled as soon as possible for Discharge to Assess (D2A).	£1.370m

Option	Benefits	Risks	Potential savings
Option 2 (preferred): commission another contract using the local authority budget, with fewer cars, on a flexible 6 month rolling contract, to allow for stepping down as needed for the place-based model. E.G., currently 14 cars utilised at 27%, change to 7 cars and aim for 60% utilisation with 'Block Provision Broker' to rationalise rounds and improve utilisation.	Also, option to call off from Dynamic Purchasing System (DPS) for tender. This will also allow for tailoring the contract to allow for the East Cambs place-based pilot, to be explored further in later paper. Better utilisation due to focused Broker, able to rationalise the car rounds. This option will allow for a new contract to be informed by care utilisation data, including geographical demand and demand by time.	Six-month flexible rolling contract may not appeal to providers. May result in higher bids to allow for shorter duration of contract. Reducing cars from our supplier / Winter pressures may put pressure on the existing cars for Better Care Fund. IBCF cars may not be enough alone to sustain demand.	£650k Plus, an additional £45k to fund a broker to work with block cars
Option 3: complete a new tender, like for like	Replicate the number of cars and locations of cars that we already have. Least work. Reuse specifications etc.	Risk paying more for same contract. Capacity issues across teams. Risk getting lower quality providers. Risk ongoing under-utilisation of the provision, therefore not achieving efficient use of public funds.	None, possible pressures due to cost increases

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

There are no significant positive or negative impacts from the proposed Option 2. The provision provides support to some of the most vulnerable people in the County, and this proposal enables us to continue providing the block homecare to support hospital discharge without breaking service provision but making savings and efficiencies. The service will continue, and the service users will be protected and therefore no impact upon protected characteristics.

4. Financial impact for Business Planning 2023-28

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent	-1,111	-109			
Income						
Investment	Permanent	45				
Pressure						
Total		**-1,066**	**-109**			

Activity Title:	Adults and Mental Health Employment Support		
Reference No:	A/R.6.202		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 1	Environment Score 0	Financial Score 1
Business lead / sponsor:	Will Patten Director of Commissioning		
Document prepared by:	Guy Fairbairn		
Financial Summary:	Permanent yearly saving of £40k		
Financials signed off by:	Justine Hartley		
Date:	12/9/22	**Version**	1.0

1. Driver / reason for the activity

The Mental Health Supported Employment service contract (with an annual value of £190,393 (and includes £56,534 annual funding from Public Health) ends on 30 November 2022. A replacement is needed in order to continue to support individuals with a moderate to severe enduring mental health condition move closer to or into employment.

A solution or solutions that deliver better outcomes is required.

A full review of the current provision, the outcomes delivered and the current support available for mental health within the employment sector has been undertaken, along with Service User/Co-Production engagement.

Background
The current contract delivers the Cambridgeshire Access to Work Service which specialises in providing support for adults living with or recovering from moderate to severe mental ill health to find paid employment, voluntary work, education, and training or to retain their current employment.

The service is aimed at those aged between 18 and 64 and is to be delivered equitably across the County. The expectation is that the service will support individuals for up to six months. The service is open to referrals from a range of sources including social work teams, Health professionals and self-referral.

This specialist employment service provides one-to-one support for people who have been off work due to mental health challenges and are keen to return to employment, voluntary work, education, or relevant training. The service should provide an evidenced-based Employment Service working through the principles and practice of Individual Placement and Support (IPS) service for adults of a working age who have moderate to severe mental health needs. The principles of IPS focus on a time limited intervention, working collaboratively with health, social care and employers to get people into paid employment as quickly as possible and then to provide intensive support in order to retain their employment.

From March 2020 due to the health pandemic, the service utilised new methods of remote working to maintain support to individuals accessing the service, typically via telephone and digital (Teams/Zoom).

Following the lifting of restrictions relating to the pandemic, the service now has the choice of either face-to-face appointments, phone/digital appointments, or a mix of the two.

The current contract started in November 2016. The service has offices in Huntingdon and Cambridge and co-locates with the Change Grow Live (CGL) Substance Misuse service.

The contract does not have any specific targets for outcomes however the Key Performance Indicators (KPI's) monitor the principle sets of data (e.g., referrals, programme starts) and outcomes.

Overall, the contract, since its inception, has seen a steady flow of referrals, impacted by the health pandemic, with consistent referrals coming from the Psychological Wellbeing Service (IAPT) and self-referral sources. There has been a reduction in referrals from Health sources, particularly since the pandemic, and consistent referrals from the CGL service following the co-location of the services.

The outcomes into paid employment are low when compared to other employment and skills programmes. The IPS service performs at 24% for the region and 36% for Cambridge and Peterborough and the Department of Work and Pensions (DWP) Work and Health programme performs at between 16% and 26% for those from the Disability group.

Mental Health Employment Support market 2022
Since the inception of the current contract, both the visibility of and the need for mental health support has significantly increased and the services available within the employment market have evolved to meet this. In addition, employer support has also changed, with a greater emphasis on employee well-being in many organisations.

Extensive engagement with many organisations and partners has taken place to understand what support and services are available, how the current contract fits with these and to identify any crossover or gaps. Many of these services were not in place when this contract was commissioned.

Examples of these are that the overarching DWP Work and Health programme now includes support for mental health as does the DWP Intensive Personalised Employment Support (IPES) service and DWP Restart service. In addition, there are several third sector organisations that include employment support within their offers.

Additionally, the Local Government Association has mapped the full range of employment and skills programmes nationally and regionally: Mapping national employment and skills provision | Local Government Association

When the current contract was commissioned, there was a more limited programme of support for individuals with a mental health condition via DWP and Health routes. As a result of the market changes outlined above, there is now and overlap of support, as irrespective of an individual's benefits status, there are services that can be accessed in most cases.

2. Proposed activity or intervention(s)

There has been on-going engagement as part of the project to review this contract with the provider, Cambridgeshire and Peterborough NHS Foundation Trust (CPFT), Cambridgeshire & Peterborough Integrated Care System (ICS), Public Health as well as SUN Network. SUN Network have carried out user engagement activity.

The following are the solutions based on the extensive market research and engagement that has taken place since September 2021 and May 2022:

1. To continue to use the Public Health contribution of £56,534 to support Mental Health Employment Services in Cambridgeshire

2. To contribute to the **IPS Service**

3. To contribute to a smaller holistic and sign-posting service to mitigate against gaps in support resulting from the cessation of the current service.

4. Deliver an annual budget saving of £40,393

1) To continue to use the Public Health Contribution of £56,534 to support Mental Health Employment Services in Cambridgeshire

Continued contribution of this amount to support mental health employment services has been agreed with Public Health. This will deliver against the priorities identified in the JSNA around deprivation, it will align to future mental health strategies to support employment and it will mitigate against any risks in service gaps in the future.

2) To contribute to the IPS Service

Following the extensive research and engagement that has taken place, contribution to this service in the future will deliver significantly better outcomes than the current service. The agreement is that the criteria of the IPS service will broaden to cover both Primary and Secondary care referrals and have the inclusion of self-referral.

The service will give equitable coverage across the county with a focus on areas of deprivation.

The service is part of a national scheme co-ordinated by NHS England. It delivers to an agreed set of principles and outcomes and can be easily monitored and compared.

The contribution recommended will deliver 2.5 x full-time equivalent (FTE) Employment Advisors (handling a case load of circa 110 per year) plus a % of management and administration (overhead) time as well as travel costs.

Procurement for this would be via a Horizontal Agreement with Health (Public Sector to Public Sector) that would negate the need to go out for procurement. There is no TUPE liability identified.

3) To contribute to a smaller holistic support and sign-posting service to mitigate against gaps in support resulting from the cessation of the current service

As part of the evaluation process, it is recognised that the current service provides a valuable sign-posting element as well as a more holistic and longer-term approach for several service users. Whilst the IPS Service will provide the sign-posting element, the service is time limited. In order to ensure that both areas continue to be supported, and the risk of leaving individuals unsupported is mitigated, an increased contribution to the existing holistic support service delivered will provide support for this.

The contract for this holistic support service is commissioned by the Integrated Care System (ICS) and will require a variation to the agreement to show the increase in the annual contribution. The contribution will allow the holistic support service to provide the resources necessary.

4) Deliver an annual budget saving of £40,393 - see breakdown of the annual contribution for the recommendations:

Service	Annual contribution	Saving
Current annual budget (including Public Health)	£190,393	
Proposed IPS Contribution	£120,000	

Proposed contribution increate to holistic support/sign-posting service	£30,000		
Proposed Annual Budget Saving		**£40,393**	

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

This proposal is to extend an existing service which specialises in providing support for adults living with or recovering from moderate to severe mental ill health, to find paid employment, voluntary work, education, and training or to retain their current employment. This extension will deliver better outcomes for the above-mentioned targeted people. Therefore, the proposed changes will not directly impact negatively any persons with protected characteristics or people experiencing socio-economic inequalities, although some positive improvement is expected.

We have made this proposal after carrying out service user engagement (during late 2021, early 2022) which informed the model for delivery, taking on more co-produced approach.

We will regularly review the service model with both suppliers to ensure the set KPIs around volume and outcomes are fully met, to deliver better outcomes for all service users.

4. Financial Impact for Business Plan 2023-2028

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent	-40				
Income						
Investment						
Pressure						
Total		**-40**				

Activity Title:	Mental Health Section 75 vacancy factor		
Reference No:	A/R.6.205		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 0
Business lead / sponsor:	Shauna Torrance, Head of Commissioning		
Document prepared by:	Guy Fairbairn		
Financial Summary:	One off saving of £150k in 2023/24 reducing to an annual saving of £50k thereafter		
Financials signed off by:	Justine Hartley		
Date:	20/10/22	**Version**	1.0

1. Driver / reason for the activity

Due to existing staffing vacancies and staff turnover, there is an underspend on the Cambridgeshire County Council Mental Health S75 budget for 2023/24 and 2024/25.

2. Proposed activity or intervention(s)

The driver for the underspend is the challenge in recruitment, therefore the underspend relates to actual headcount versus budget headcount projected in 2023/24 and 2024/25

There will be an underspend of £150,000 in 2023/24, however only £50,000 of this will be recurrent in further years. This is due to recruitment challenges and staff turnover, resulting in a forecast underspend on the budget. There are significant operational pressures that will continue on the service, and we are not proposing to reduce the budgeted staffing headcount, and the expectation is that recruitment to vacant posts will be carried out in a phased approach, with a full return to the budgeted headcount in 2025/26.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

Noting that there has been a consistent underspend on the staffing budget over recent years, due to the challenges in social work and associated roles recruitment, and that the teams are currently operating at a below headcount level, by agreeing to a temporary underspend next financial year, it will not be possible to recruit to the agreed headcount if this were possible. Effectively the social work teams will be smaller for a period.

This will impact the effectiveness of the social work teams and have a cumulative impact on other colleagues working across the mental health system, providers supporting service users, service users directly (e.g. delays to care and support changes, access to benefits and services, signposting/referral to other support services), their families and carers and will also increase the general risks linked to this cohort of service users. This impact for both staff and service users will be continually monitored throughout delivery of the service in the coming years into 25/26 when recruitment to vacant posts will complete.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	£100k one off / £50k permanent		-150	100			
Income							
Investment							
Pressure							
Total			**-150**	**100**			

Activity Title:	Post Hospital Discharge Reviews - Prevent, Reduce, Delay		
Reference No:	A/R.5.023 & A/R.6.204		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 1	Environment Score 0	Financial Score 1
Business lead / sponsor:	Debbie McQuade Director of Adults and Safeguarding		
Document prepared by:	Kirstin Clarke		
Financial Summary:	£110k permanent investment to deliver £310k recurrent saving		
Financials signed off by:	Justine Hartley		
Date:	24/10/2022	**Version**	1.0

1. Driver / reason for the activity

When people are discharged from hospital and require support with their social care needs, there is an opportunity to ensure we consider a range of options which support a better recovery. Through the targeted use of interventions such as TEC (Technology Enabled Care) and reablement, and through the right strengths-based conversations and links to community assets we can support speedier recovery and greater independence in the longer term, thus preventing, reducing or delaying the need for more costly long-term care being required.

This project will enhance the current working practices of the Discharge and Review Teams and the Long-Term Teams support at Review stage to:

- achieve more reablement,
- use more technology enabled care (TEC),
- increase the use of Occupational Therapists,
- apply more joint working, to focus on maximising independence, and
- recognise patient strengths and assets.

These changes will prevent, reduce or delay the number of patients discharged from hospital who require a long-term care plan, which will result in cost avoidance.

2. Proposed activity or intervention(s)

This proposal describes how the required changes in operating behaviour will be achieved and sustained.

1. A strength-based practice training package will be delivered across all hospital and community adult social care teams. This will be embedded within team meetings and management briefings and include feedback on practice improvements and progress towards financial savings. Monitoring will also be undertaken via supervision and case file audit.

2. The "Challenge to Care Practice" tool will be re-introduced at the same time as the training noted in 1. above. This will be used to monitor improvements in practice.

3. Cost avoidance will be tracked initially through an 'off-line' spreadsheet for each service user; this will need to be maintained by the relevant team as the service user progresses through the care pathway. Consideration will be given to replace this 'off-line' spreadsheet system by building the necessary data capture elements into our existing Mosaic IT system, as part of the overall hospital system review. Our Finance team will report to the Assistant Director of Adults and Safeguarding, initially on an 8-weekly basis on the notional cost avoidance assessment.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

Predominantly those over the age of 65 will be disproportionately affected, as they form the largest user groups from care and support services. However, there would also be an impact on adults of working age who are carers or who have disabilities / long term conditions. However, the existing Adults Positive Challenge Programme has evidence that these ways of working generally deliver better outcomes for individuals, and therefore the impact is not anticipated to be negative. A positive impact is intended and very likely. These impacts will be monitored over this next financial year to ensure better outcomes are being achieved and the impacts are positive.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent		-310				
Income							
Investment	Permanent		110				
Pressure							
Total			**-200**				

Activity Title:	Learning Disability mid-cost range placement review		
Reference No:	A/R.5.025 & A/R.6.206		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1
Business lead / sponsor:	Will Patten Director of Commissioning		
Document prepared by:	Gurdev Singh, Head of Service, Commissioning Directorate		
Financial Summary:	£280k one off investment in 2023-24 to save £406k yearly from half-way into 2023-24		
Financials signed off by:	Supported by Rebecca Bartram		
Date:	05 Dec 2022	**Version**	1

1. Driver / reason for the activity

The Learning Disabilities Partnership service has focused its resources on meeting its statutory duties; reviewing placements for the most complex people; and those where NHS services are most in need. There is an opportunity to review placements which are mid-cost (the next tier down) applying the same principles.

2. Proposed activity or intervention(s)

The Learning Disability Partnership supports approximately 2,000 people. Over the years, notably from the start of COVID-19, care and support packages have evolved to ensure people’s needs are met in unprecedented circumstances. In doing so, there may have been occasions where hours of care have been added without consideration to other people within the same service. Consequently, some inefficiency may have occurred.

The proposal is to review care and support packages and remove any restrictions that prevent service users leading a more independent life.

The work will include but not be limited to:

- mapping the use of hours of care across the day across service users in the same setting
- establishing if some hours are remnants of COVID-19 support

- checking the council's commitment record matches the providers understanding of price
- reviewing the use of care funding calculators
- checking if there is an advantage from increasing the use of technology
- reviewing the feasibility of de-registration.

Should a change be required, then the work would extend to completing a care and support assessment and updating the providers contracts.

The table below shows the numbers of people who are recorded within the Learning Disability Partnership's case management system (Mosaic) as of 1 December 2022, and which placement category they are currently in. This includes those people living within the county and outside of the county. It also includes those who are transitioning from Children's services.

Package value	Placement category	Number of people	Combined package values
£1 – £49,999	Low-cost	918	£16,725,000
£50,000 - £99,999	Low to Mid-cost	421	£30,085,000
£100,000 - £149,999	Mid-cost	188	£22,876,000
£150,000 - £199,999	High cost	34	£5,760,000
+£200,000	Very High cost	24	£6,258,000
Total		**1,585**	**£81,705,000**

Table 1: Excludes CHC packages and block contracts such as voids. Figures are LDP gross costs

The middle row highlighted in yellow (mid-cost) is considered in scope for this programme. The average care and support package value is £121k.

In 2017/18, the council reviewed over 250 high-cost placement packages delivering over £1m in cashable savings.

In 2019/20 we carried out a feasibility study on all the packages where NHS services were identified as part of the service people needed. This study, for 700 placement packages, identified over £7m in cashable savings. Work continues to realise this benefit.

For the mid-cost placement, a sample of 30 care and support plans were reviewed. They indicated there was a potential for savings of £80k in total. When extrapolated it would make a project opportunity of £530k gross saving for the Learning Disability Pooled Budget, which means £406k net saving to the authority, per the agreed percentage split of the budget with the NHS.

Whilst the scope is to review 188 packages, there will be more people being considered. People who live in the same settings will have packages reviewed. This will require close co-ordination with social work colleagues annual review plans. The upside is the savings potential could be higher.

An efficient way of agreeing changes will be to restate policies such as direct payment levels, transport fees/use of mobility allowances, overnight respite rates, how to re-distribute shared hours. This will help conversations with providers and families alike, and subsequently support the implementation of successful change. Work on policies will require Committee approval and consequently this will affect when any savings can be realised. Some savings may arise without the need to restate policies.

Implementing changes should lead to benefits, however, until the policies have been implemented and review plans assessed, it's not practical to more accurately predict a savings level. We anticipate the first year's savings to be phased and achieve £203k cashable savings in 23/24.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

The proposal will affect service users accessing support via The Learning Disability Partnership. The significance of the impact is that care hours will be reviewed to ensure that there is efficiency in service provision and therefore some service users may see a reduction in the number of hours of care and support delivered to them. The Learning Disability Partnership delivers care across the county and therefore the proposals do not relate to any area of known inequalities.

One of the ways inefficiencies may be addressed is to reinstate policies such as direct payments, transport fees/use of mobility allowances and overnight respite. This will provide services users with protected characteristics greater independence whilst still in a supportive environment.

The proposal will also affect carers delivering this care. The significance of the impact to carers could be very positive. By reducing non-essential hours, carers will have more time to deliver more personalised care. The proposal has the potential to reduce pressure on carers as the mapping out of the use of hours may lead to more efficiency in their working day; this has the potential to reduce stress and lead to more meaningful and greater job satisfaction.

Once the processes of change are identified, a specific action plan for the service user will be established, detailing how the changes will be managed to reduce stress and distress whilst achieving personal outcomes. Monitoring arrangements will also be included and considered.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent		-203	-203			
Income							
Investment	One off		280	-280			
Pressure							
Total			**-77**	**-483**			

Activity Title:	Adult Early Help – Business Support Officer		
Reference No:	A/R.5.026 & A/R.6.208		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social 0	Environmental 0	Financial 0
Business lead / sponsor:	Tina Hornsby, Head of Adult Performance, and Strategic Development		
Document prepared by:	Angela Smith, Strategic Business Development Manager Sunny Singh, Strategic Development Manager		
Financial Summary:	Part-year investment for 22-23 of £8,868. Yearly recurring investment thereafter of £27,670 from 2023-24 to deliver £61,560 yearly from 2023-24 in avoided costs.		
Financials signed off by:	Supported by Rebecca Bartram		
Date:	30.11.22	**Version**	1.0

1. Driver / reason for the activity

Context

The move towards collaboration through the development of the Integrated Care Systems (ICSs), Provider Collaboratives and Primary Care Networks has highlighted the need for greater integration and connection between digital systems, this is evident in the developments within Social Prescribing.

Social Prescribing and the interface with Primary Care reaches across all health and wellbeing domains, including Adult Social Care (ASC), wider local government, the voluntary and community sectors, private organisations, and housing. To ensure ASC responds to this changing environment it is important we work to support joined-up channels of communication between different parts of the system, enabling collaboration between health and care partners in the new Integrated Care Systems.

This sits well with the adult social care outcome - Early intervention and prevention – supporting people early with targeted information and advice and low-level and community support and reablement services, to prevent or delay the need for long term care and support. It also will support place-based support by ensuring a simple referral pathway for primary care into the appropriate locality team. This may also support GP's making referrals to Adults Early Help team rather than inappropriately to the MASH (Multi-Agency Assessment Hub) where there is a care and support need rather than safeguarding.

Implementation of the Joy App is currently an outcome under the scope of the Adult Social Care Reform Programme - information and advice workstream.

Local Landscape
To support the move to localised care within the PCNs structure, Cambridgeshire and Peterborough Integrated Care Board made a three-year investment in the Joy, Social Prescribing digital platform (April 2022). The platform is a case management and referral tool for GPs and Personalised Care staff.

The system links to HAY – How Are You Cambridgeshire & Peterborough, a front-facing directory allowing professionals and individuals to refer to activities and services. The platform is currently being rolled out across the ICS footprint within Cambridgeshire and Peterborough and provides:

- An interface with GP systems to allow them to electronically refer to their social prescribers.
- A case management system for social prescribers to allow them to triage and record their case work electronically. This also connects to partners such as the voluntary and community sectors to share the outcomes of referrals back to social prescribers.
- A marketplace / directory for referral options - which is public facing as well as professional facing.

Adult Social Care representatives form part of the ICS Joy Mobilisation Group, which oversees the development and roll out of the Joy system. Work to date has included:

- Weekly Joy Mobilisation Group meetings focused on the roll out of Joy in SystmOne and Emmis, VCS onboarding, development of professional-to-professional (P2P) referrals (specifically focused on the ASC front door).
- An Adult Social Care workshop to provide an overview of the Joy system. The session was attended by a range of operational and commissioning colleagues from ASC.
- Focused work with Joy regarding the P2P referrals to Adult Social Care via Joy to make it easier for GPs and health professionals to refer to ASC and to make the quality of data we receive better by embedding the new professional referral, form with Joys mandatory fields.
- Continued development work with the Joy team with the expectation that in early 2023 we will be able to roll out the Joy App to our front door staff, including Customer Service team to refer directly to the VCS and social prescribers,

effectively streamlining the referrals to the key voluntary sector partners, e.g., Age UK, Caring Together, Care Network etc.

- Discussion with colleagues in Cambridgeshire and Peterborough to link the information held within our online directories with How Are You Cambridgeshire and Peterborough (HAY).

As part of the Mobilisation of Joy Phase One, we want to make it easier for GPs and health professionals to refer appropriately to ASC and to make the quality of data we receive better. These referrals will be made into our Adult Early Help Team (AEHT), which is part of the Council's Prevention & Early Intervention Service (P&EI), to mirror the pathway currently in operation in Peterborough. To do this effectively in Cambridgeshire we need to secure an additional Business Support Officer resource.

This resource would allow incoming referrals to be triaged, eliminating the risk of referrals going to the wrong team or service area, and the proposed pathway is outlined below:

Joy App Module	**Referral method**	**Destination**
GP App - launched from Systm One – by GP	Pre-population demographics from Systm One plus tick-box for reason for referral / service being referred to into a formatted output emailed to Adult Early Help	PCC - AEHT SERCO CCC – P&EI, AEHT referral intake for triaging to correct team if existing client.
Social Prescribing App - launched from within the social prescriber case management system – by social prescriber	Standard professional referral form, as developed for CCC website embedded into Joy App system – producing a more detailed formatted output emailed to Adult Early Help	PCC - AEHT SERCO CCC – P&EI, AEHT referral intake for triaging to correct team if existing client.

Phase 2 of the Joy App roll-out would enable the AEHT to refer directly into Primary Care. Developing this referral route will enable our staff to refer into Primary Care for health funded activities, such as Personal Health Budgets supporting greater collaboration between health and social care, which in turn, will deliver better outcomes for individuals and enable greater use of external resources.

2. Proposed activity or intervention(s)

To ensure that Cambridgeshire's Adult Early Help team (AEHT) can effectively deal with incoming referrals from GPs and Social Prescribers, extra capacity within the team is needed. 1 FTE (full time equivalent) Business Support Officer will provide the capacity to triage incoming referrals as outlined in section 1.

The role would also be required to dip-sample referrals that had been made via the Joy App to look at trends, identify gaps in provision etc. This will enable us to identify cases where a timely referral into the AEHT has led to the use of a lower cost service / activity to support an individual's health and wellbeing rather than entering ASC at crisis.

3. Equality Impact Assessment

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

This is an additional role which would allow incoming referrals to be triaged, eliminating the risk of referrals going to the wrong team or service area. We have therefore assessed this to be a potentially more positive outcome for all people regardless of protected characteristics and socio inequalities as the service will be enhanced.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving (avoided cost)			-61				
Income	NA						
Investment	Permanent		28				
Pressure	NA						
Total			**-33**				

For pressures / investments only, please provide further details regarding:

The figures outlined below demonstrate the potential cost avoidance saving that can be derived from an increase in timely referrals to our AEHT from Primary Care.

In October 2022 there were a total of 1,285 referrals into the AEHT recorded as community (not hospital). This category will include Primary Care referrals.

We also know that the main route of referral used by Primary Care colleagues are email and webform. A further breakdown of the 1,285 referrals received, shows that 498 were made via email and 170 via our web form. A total of 668 referrals per month.

If we make a conservative assumption that 5% of the total 668 monthly referrals to AEHT are made by Primary Care. This would mean that:

- an average of 33 referrals are made per month
- a total of 400 referrals per year

The table below works on an assumption that if 20 clients per year (5% of the total yearly Primary Care referrals into AEHT) are linked into Adult Social Care, enabling a holistic conversation and the identification of localised solutions around care and support, these clients could be diverted from needing higher cost Adult Social Care services such as respite care.

The example below uses the scenario that an increase in timely AEHT referral led to the use of community resources to ensure that carers were supported. This in turn avoided a breakdown in the caring relationship and the need for emergency respite for the cared for individual (3-week respite costs - temporary residential care). Using the average unit cost of one week of respite care at £1,026 the following avoided costs can be delivered:

Cost Avoidance - No. of People diverted	**Avoided cost value**
20	£61,560

Activity Title:	Public Health – Vacancy factor			
Reference No:	E/R.6.036			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral:	Social Score 0	Environment Score 0	Financial Score 1	
Business lead / sponsor:	Jyoti Atri, Executive Director Public Health			
Document prepared by:	Finance & BID			
Financial Summary:	Recurrent savings of £80k			
Financials signed off by:	Justine Hartley			
Date:	14.12.22	**Version**	1.0	

1. Driver / reason for the activity

Like other areas of the Council, there is a level of underspending in staffing budgets across the Public Health directorate due to a variety of factors, such as a time lag between resignations and appointments, as well as recruitment difficulties and delays. The actual level of underspend will vary year to year, but a vacancy factor of 3% across Public Health staffing budgets equates to £80k. The actual level of underspend from vacant posts is likely to be higher but will be partially offset by the use of higher cost interims for some posts.

For nearly a decade, we have had a vacancy factor applied to budgets in People & Communities (P&C) to reflect this same phenomenon, and it is standard across many organisations to budget for slightly lower than your full establishment. Almost every year, staffing budgets in P&C have ended the year underspending by about the amount of the vacancy factor (recently it has been exceeded). Vacancy factors are therefore now being proposed more widely across the Council's budgets including this proposal for Public Health.

2. Proposed activity or intervention(s)

A vacancy factor will be applied to Public Health budgets that reflects the level of underspend expected to be achievable, given underspends in recent years. This excludes the impact of the pandemic which made recruitment much more difficult and pushed savings from vacant posts much higher over the last 2 years.

Therefore, we are proposing to apply a 3% vacancy factor to staffing budgets which would give a saving of approximately £80k.

Similar business cases are being put forward to introduce vacancy factors in Place and Sustainability and Corporate Services.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

An Equality Impact Assessment is not required for this business case as there are no changes being proposed to service provision, staff, or policies.

The vacancy factor is formally acknowledging an existing underspend that arises due to the factors outlined in Section 1.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent		-80				
Income							
Investment							
Pressure							
Total			**-80**				

Activity Title:	Public Health Savings		
Reference No:	E/R.6.036		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1
Business lead / sponsor:	Jyoti Atri, Executive Director Public Health		
Document prepared by:	Val Thomas		
Financial Summary:	Recurrent savings of £231k		
Financials signed off by:	Justine Hartley		
Date:	14.12.22	**Version**	1.0

1. Driver / reason for the activity

This business case presents the savings from the Public Health Budget.

The majority of the ringfenced Public Health Grant is allocated to commissioned Public Health services.

We have identified savings through analysis of service delivery and alternative options for delivery, and some historical saving that occurred when the Behaviour Change/Lifestyle Service was re-commissioned. The new service commenced in October 2020, but the savings were not re-allocated due to COVID-19 pandemic pressures.

2. Proposed activity or intervention(s)

Analysis of service delivery savings: £61,500:
We have analysed some of our service provision and sought ways to optimise delivery and make some small savings. These include:

1. Bringing the co-ordination of assurance checks for GPs/Nurses to provide Long-Acting Reversible Contraception (LARCs) into Public Health.
2. Directly purchasing nicotine replacement therapy rather than through the NHS
3. Historical saving within the drug and alcohol treatment service
4. Reduced requirement for clinical issues such as governance, prescribing etc.

5. Reduced requirement for commissioning services from pharmacies for Chlamydia Screening and treatments for young people between 15 and 24.

Summary of savings proposals:

Saving proposed from:	Saving of £
Co-ordination of assurance checks for GPs/Nurses to provide Long-Acting Reversible Contraception (LARCs)	£10,000
Nicotine Replacement Therapy (NRT)	£30,000
Drug and Alcohol Treatment contract	£10,000
Integrated Care Board Clinical Advice and Support	£10,000
Public Health Commissioning from Pharmacies	£1,500
Total saving	£61,500

Re-commissioned Behaviour Change/Lifestyle Service: £140,000:

The current Behaviour Change Service is fully funded until the end of its contract in September 2025. The contract also includes some funding from the Integrated Care Board for Tier 3 Weight Management Services.

Any pressures are currently being managed within this cost envelope.

This funding will be used as substitution funding, but only if any activity identified fits within the Terms and Conditions of the Public Health Grant. This is currently being explored.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Summary of key points to consider in terms of benefits, negative impacts, and any mitigations:

An Equality Impact Assessment is not required for this business case as there are no changes being proposed to service provision, staff, or policies.

The business case is formal acknowledgement of an existing historical underspend that arises due to the factors outlined in Sections 1 & 2.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent		-201	-30			
Income							
Investment							
Pressure							
Total			**-201**	**-30**			

Highways & Transport - Business Case Summaries

Activity Title:	Street Lighting Energy Savings		
Reference No:	B/R.6.221		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 1	Environment Score 3	Financial Score 5
Business lead / sponsor:	Sue Procter Service Director – Highways and Transport		
Document prepared by:	Rob Powell / Emma Murden		
Financial summary:	Investment to achieve long-term savings		
Financials signed off by:	Sarah Heywood		
Date:	31/08/22	**Version**	2

1. Driver / reason for the activity

Street lighting energy price increases have been dramatic over the past 12 months, with prices doubling, effective from October 2022, and a further 30% to 35% increase forecast for October 2023. With energy prices increasing by 100% in October 2022, the council's energy spend for street lighting will reach an annual cost of around £3.3m, therefore, any interventions for reducing energy consumption by a significant percentage will have a considerable impact on future budget demands and will insulate the council from further price increases.

We explored a number of options to reduce the energy used by our streetlighting stock, engaging with key stakeholders, and our preferred option is for replacement to LED over a two-year programme.

The primary focus of this business case is to reduce ongoing costs for the authority by reducing energy consumption, however, additional benefits will be delivered including a significant reduction in carbon over 20 years, aligned to the percentage cost saving, improved lighting quality and reduced maintenance costs long term.

2. Proposed activity or intervention(s)

LED replacement

The current lighting assets consume considerably more energy than modern LED lanterns. A programme of replacements would be implemented to replace these with energy efficient LED's. This would reduce the overall energy consumption per year. For reference, the current energy spend is in the region of £3.3m per annum. This option requires a significant investment spread over two years and offers a payback on the investment in under six years based on current electricity price forecasts.

Implementation

Implementation of this option will require an initial year to negotiate a deed of variation with the PFI providers representing a significant legal process. A further two years will then be used to conduct the replacement programme with approx. 55k assets being replaced in a programme designed to generate maximum benefit by replacing highest consuming assets first.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment ben completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

All residents and highway users in Cambridgeshire will be affected by this proposal as there are streetlights in all areas of Cambridgeshire owned by CCC that would have LED lanterns installed as part of the proposed LED lantern replacement programme.

There is, at present though, no identified impacts on people with protected characteristics, including poverty and rural isolation, from these proposed changes. The proposals being made have a countywide impact.

They are not targeted at specific geographical areas which may have higher/lower levels of a particular demographic.

Benefits include the LED lanterns providing an improved lighting solution as they produce a white light that enables people to see objects/persons in their true colours, whilst also being a well-controlled light source that reduces night-time sky light pollution.

Benefits also include a significant energy reduction and energy expenditure saving.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

LED replacement

	One off or Permanent	2022-23 000	2023-24 000	2024-25 000	2025-26 000	2026-27 000	2027-28 000	2028-29 000	2029-30 000
Saving	permanent	NA	NA	-£1,473	-£1,116	-£96	£399	£112	-£184
Income									
Investment									
Pressure									
Total			**NA**	**-£1,473**	**-£1,106**	**-£96**	**£399**	**£112**	**-£184**

Capital Implications:

Capital Funding:	22-23 000	23-24 000	24-25 000	25-26 000	26-27 000	27-28 000	28-29 000	29-30 000	30-31 000
Prudential Borrowing		£100	£7,099	£6,084					
Grants									
Total		**£100**	**£7,099**	**£6,084**					

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? £8,021,648
What financial mitigations have been considered? • Energy costs increasing no other alternative but to pay the increased costs. • The above options describe the approaches we could use to mitigate this cost.
What other funding sources have been explored?

• No other technologies or funding available to mitigate these impacts.
Could you meet the costs from your own budget? Not without top-ups from the central budget. This saving is not a saving from current baseline budget but a mitigation to future financial pressures. There will be a saving from what we are currently seeing but the actual budget saving is smaller. So therefore, the saving is against the forecast budget spend based on current energy inflation estimates.

Activity Title:	Highways Materials Recycling		
Reference No:	B/R.6.220		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 5	Financial Score 1
Business lead / sponsor:	Jon Munslow		
Document prepared by:	Jon Munslow		
Financial Summary:	Investment to achieve long-term savings		
Financials signed off by:	Sarah Heywood		
Date:	26/9/22	**Version**	V4

1. Driver / reason for the activity

Achieving Net Zero in Highways Services requires a step change in how we deal with the materials removed in maintenance activities. The norm has been a straight-line model of purchase, use, remove and dispose. This is high cost in carbon, environmental impact and cost.

Around 80% of materials removed during maintenance activities are disposed of. Some are recycled by waste re-processors, but the majority is thrown away and Cambridgeshire County Council (CCC) buys in virgin aggregates and road surfacing materials.

The rising costs of materials is affecting the industry and a 20% increase is forecast over this financial year. CCC has already experienced a 31% price increase in costs for one of our major maintenance programmes this year.

Road surfacing materials are high carbon as they need to be hot and use bitumen (from the fossil fuel oil). The materials also have to travel long distances from the quarries and manufacturing plants to get to us.

Without a change in our model, CCC will suffer from high inherent carbon in the highways service and be exposed to industry supply and cost pressures with no control to help ensure we are able to keep roads and footways safe and functioning.

2. Proposed activity or intervention(s)

Implement a Net ZERO Road Maintenance model- Establish a multiple stream recycling facility to enable the Council to recycle 100% of arisings into usable materials in each stream.

Four initial high ROI (Return on Investment) streams
1. Recycled Road materials – process what comes out to go back in.
2. Encapsulating Tar - Processing tar-bound asphalt waste that usually goes to hazardous waste into usable materials.
3. Dewatering gully waste – reusing gully water by cleansing.
4. Reprocessing gully silts and waste to extract re-usable components and create usable soil materials.

There are three elements to each of these streams:
1. Establish the operation
2. Establish the new specification for the materials
3. Align the operation with our programmes of work.

The operational recycling facility will be as low carbon as is possible in construction and operation.

The operational model would be a central Hub servicing four satellite facilities at existing depots in Whittlesford, March, Huntingdon and Witchford, which will help to reduce vehicle movements and ensure productivity within works and schemes on the ground. The outcomes would be:

- Materials cost reduction in the 3rd full year of operation - circa £750k

- Carbon reduction circa 40% CO_2 per year from current baseline. Carbon Baselining work is currently being undertaken within the service and will result in Carbon KPIs to support tracking of net zero progress at an operational level.

A two-phase approach can be used to accelerate the benefits:
Phase 1 - Establish the recycling of road materials (Stream 1) and processing of tar-bound asphalt into usable materials (Stream 2) at the March depot satellite site (within existing site boundaries) and the other three existing highways depots remain as further satellites.

This requires a one-off £500k of funding to bring the facility up to date, put in environmental protection measures, establish the operation and define the specification of the materials and includes project management and specialist consultancy support to deliver. This new operation will then be aligned with our programmes of work.

This facility will provide around 30% of required recycling capacity, with an estimated permanent saving of circa £250k (£100k revenue and £150k capital) achievable from 2023/2024 onwards.

Phase 2 – Establish a new site in the North-West area of the county. The site will need to be owned by the Council and be approx. 1.5 to 2 hectares in size. As with the March Phase 1 site it would use the existing highways depots as satellites.
This will require significant investment. Firstly, a site would need to be available from within the council's existing property portfolio – it is currently unknown if such a site is available, including the cost of acquiring/using the site.

If a suitable site can be found, a new operation would need to be established with an estimated one-off investment cost of £2M. This investment includes establishing the facility on the chosen site, commencing the operation and defining the specification of the materials, as well as project management and specialist consultancy support to deliver.

The site would then operate all four recycling streams. The bulk of Streams 1 and 2 would move to the new site and March will become a satellite depot operating Streams 1 and 2 for the north-east of the County. Adding in dewatering of gully waste (Stream 3), and reprocessing gully silts and waste into re-usable components and creating usable soil materials (Stream 4). The whole operation will be aligned with our programmes of work to maximise benefits and carbon reduction across all our works. This facility, with the satellite depots, will provide our required recycling capacity, with an estimated permanent saving of circa £750K (£250k revenue and £500k capital), achievable from the end of 2024/2025 onwards.

Once both sites are in operation, the Council will be able to recycle 100% of arisings into usable materials. The facility could then provide an income opportunity by reprocessing materials for neighbouring authorities and/or local developers. This could generate income to support wider service delivery, further recycling and carbon reduction activities and contribute to reduced carbon in construction across the region.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

No direct impact on residents or staff from this project.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

Revenue	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent		-100	-150			
Income	NA						
Total			**-100**	**-150**			

Capital Implications:

Capital Funding:	22-23 £000	23-24 £000	24-25 £000	25-26 £000	26-27 £000	27-28 £000	28-29 £000	29-30 £000	30-31 £000
Investment (one-off)		500	2,000						
Savings (permanent)		-150	-500	-500	-500	-500			

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? Service spends around £25million on materials that the four recycling streams will contribute to.
What financial mitigations have been considered? Price rises pressure will need to be dealt with in one of two ways – do less work or increase funding.
What other funding sources have been explored? None
Could you meet the costs from your own budget? No

Activity Title:	**Weedkilling Service Review**		
Reference No:	B/R.6.218		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 1	Financial Score 1
Business lead / sponsor:	Sue Procter Service Director – Highways and Transport		
Document prepared by:	Jon Munslow		
Financial summary:	125k permanent saving		
Financials signed off by:	Sarah Heywood		
Date:	1 Nov 2022	**Version**	1

1. Driver / reason for the activity

Weedkilling is carried out on highways to reduce the nuisance and damage caused by weeds growing at the back of paths, top of kerbs and in channels:

- Weeds at the back of paths over time cause minor damage to the path surface which can lead to trip hazards.
- Weeds on the path edge at the kerb over time cause minor damage to the path surface which can lead to trip hazards.
- Weeds in the channel (road edge adjacent to the kerb) over time cause damage to the road surface. The weeds trap debris and detritus which then affects the flow of water to the drainage gullies which can cause flooding.
- Weeds are generally considered unsightly and a sign of a lack of care in our built environment.
- Most weedkilling occurs within communities in the urban and suburban areas.

Weedkilling is carried out on a cyclic and reactive basis. Cyclic weedkilling using chemicals is the most efficient method of controlling weeds.

In recent years the chemicals authorised for use have had to change to avoid health issues and environmental impact. There is now less support for chemical weed clearance within communities as a result of better environmental understanding.
The Highways service, in partnership with Cambridge City Council, is trialling ceasing cyclic weed clearing to reduce chemical use.

2. Proposed activity or intervention(s)

To move from network wide chemical weedkilling, to priority based weed removal by non-chemical means.

The new approach is to cease all cyclic weedkilling using chemicals. The new service would adopt a reactive approach to weed removal. Where we are notified of weeds by the community, we would assess and decide whether to remove the weeds. Only weeds causing an immediate safety hazard would be removed.

We estimate that the assessment and notification of our intended action, in response to the community notifying us, would take up to 14 days and any removal would take up to eight weeks from notification of the issue to removal (if that is what is decided by technical officers carrying out the assessment).

Removal of noxious and injurious weeds would continue as now and not be affected by the changed approach.

We expect there to be an increase in public enquires and a reduction in satisfaction of the Highways service in general.

Implementation will require investment in community engagement to gain buy in from town and Parish Councils. This will need to take place in the first quarter of 23/24. Estimated of cost of engagement work is £40k in the first year. We anticipate a saving of £125k overall with the new reactive approach.

The cessation of chemical weed killing would contribute to reducing the risk of long-term illness from operatives and improve the natural environment.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

The proposed changes will not directly impact (positively or negatively) any persons with protected characteristics or people experiencing socio-economic inequalities, as the network is available for all users.

There is expected to be a positive impact on staff (Operatives) with reduced exposure to chemical weed killers.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

Revenue	One off or Permanent	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000	2029-30 £000
Saving	Perm.	**-125**						
Income								
Investment		40	-40					
Debt charges (inc. MRP)	Perm.							
Pressure								
Total								

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? £229,000
What financial mitigations have been considered? None
What other funding sources have been explored? None
Could you meet the costs from your own budget? No

Activity Title:	Risk based review of Winter gritting network		
Reference No:	B/R.6.219		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 1	Financial Score 1
Business lead / sponsor:	Sue Procter Service Director – Highways and Transport		
Document prepared by:	Jon Munslow		
Financial summary:	300k permanent saving		
Financials signed off by:	Sarah Heywood		
Date:	2 Nov 2022	**Version**	1

1. Driver / reason for the activity

Driver 1:
The Department for Transport (DfT) through the Transport Resilience Review, the subsequent Highways Resilience Report and the Highways Incentive Fund, require Local Highway Authorities to move away from a winter gritting focused service to a broader Resilient Network approach, to include management of the core local road network to provide resilience for all weather conditions. The winter salting network forms a core part of any Resilient Network.

Driver 2:
The current winter gritting network has evolved over time, being extended in an ad-hoc nature. This has led it to develop to a point that much is not set by an objective risk-based assessment of need for the safe movement of users. The network is currently motorised vehicle focused. There is a need to review the network to ensure it aligns more fully with the needs of 'Active Travel' users.

As Highway Authority the Council has a statutory duty to 'as far as reasonably practicable' maintain the highway free from snow and ice. The council, as Highway Authority, is also responsible and accountable to drain the highway to avoid the nuisance and danger of flooding and standing water.

The council currently treats around 34% of the road network. This is high when compared to most other authorities who treat around 25%. A review of the network could achieve financial savings without a significant increase in risk to road users or the authority.

2. Proposed activity or intervention(s)

Design a new resilient network using a risk-based approach that includes active travel routes and broader resilience to flooding.

The approach will be to carry out a risk review of the current network to understand roads and locations where risk has manifested for road users.

- Agree with Members objective criteria on which to build the new resilient network.
- Build the new network.
- Consult key emergency response stakeholders.
- Create practical treatment routes and optimise and set the operational resources to achieve the required level of service.
- Agree new network with H&T Committee.
- Communicate the change to Town and Parish Councils, communities and businesses through a concentrated publicity campaign across all media.
- Implement new network.
- A circa £50,000 investment is required to carry out the review and work associated with the new network and its communication to Communities. It is estimated we can achieve a £300k saving overall with the new approach.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

The proposed changes will not directly impact (positively or negatively) any persons with protected characteristics or people experiencing socio-economic inequalities, as the network is available for all users.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

Revenue	One off or Permanent	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000	2029-30 £000
Saving	Perm.		-300					
Income								
Investment	One off	50	-50					
Debt charges (inc. MRP)								
Pressure								
Total		**50**	**-350**					

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? £2,833,334
What financial mitigations have been considered? None
What other funding sources have been explored? None
Could you meet the costs from your own budget? No

Activity Title:	Guided Busway Pressure / Maintenance			
Reference No:	B/R.7.136, B/R.4.028, B/R.4.029			
Triple Bottom Line Score:	Social Score 0	Environment Score 0	Financial Score -2	
Business lead / sponsor:	David Allatt, Assistant Director: Transport Strategy and Network Management			
Document prepared by:	David Allatt			
Financial Summary:	Permanent pressure of £300k			
Financials signed off by:	Sarah Heywood			
Date:	05 Jan 2023	**Version**	1.0	

1. Driver / reason for the activity

Business Rates

In 2016, business rates for the Cambridgeshire Guided Busway (CGB) increased significantly, and we have been managing this within the team budget. It is anticipated that business rates on the Cambridgeshire Guided Busway (CGB) will increase by a further 5% in 2023 (to £237,584 per annum) creating a financial pressure of £15,000 per annum.

Vegetation Management

The Busway Team has assessed the vegetation along the CGB to understand ongoing maintenance requirements and liability implications. Due to maturity of vegetation along the CGB, the vegetation maintenance requirement has increased, and we have identified an annual £45k pressure (including both the analysis £15k and maintenance £30k).

Infrastructure Maintenance

Following the Mott Macdonald Safety Study in June 2022, a number of maintenance works were identified on the CGB. It is clear that, given the age of the infrastructure, and safety importance of its upkeep, we will need to budget appropriately to deal with any emergency maintenance (shelters, infrastructure repair) and therefore have identified an annual financial pressure of £100k.

Note there is a pressure of £30k per annum to inspect the beams of the Busway which was added to the Busway Team budget in 2021. This is anticipated to continue until the fix has been agreed through the relevant process.

Reduced Income & frequency

Operator income from the access charges on the CGB has reduced by £50k per annum due to the temporary closure, which remains in place, which we need to budget for. We are in communication with the HSE regarding removal of the temporary fence. Furthermore, due to patronage not returning as hoped, bus operators have reduced frequency on the busway resulting in a loss to the authority of £60,000 per annum.

Total cost of the above: £ 300,000 per annum

15,000	Estimated business rates increase
30,000	Vegetation maintenance increase
15,000	Vegetation analysis
100,000	Annual emergency maintenance (shelters, infrastructure repair)
30,000	Beam inspection
50,000	Income loss due to temporary closure
60,000	Income loss due to reduced frequency of services
300,000	**Total**

2. Proposed activity or intervention(s)

- Meet annual business rate cost for CGB.
- Implement essential annual vegetation maintenance and assess vegetation requirement every three years.
- Implement a programme of maintenance of lines, signs and surfacing on the CGB and deal with emergency maintenance as is needed.
- Balance the reduced CGB revenue (caused by a combination of post-pandemic frequency reductions, and the temporary closure of the CGB).

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:
The impact of the interventions is positive as they relate to the ongoing, safe and reliable operation of the Cambridge Guided Busway

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table has been completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment							
Pressure	Permanent		300				
Total			**300**				

For pressures / investments only, please provide further details regarding:

What is the service's forecast outturn for the current financial year?

Guided Busway	282,823
Guided Busway Maintenance	500,741
TOTAL	**783,564**

What financial mitigations have been considered?
Increase Operator Access Charge although this is unlikely to be met by operators as they have reduced patronage, and therefore would likely result in service reduction.

What other funding sources have been explored?
See above. As the CGB is not 'highway maintainable at public expense' we cannot use the Maintenance Block

Could you meet the costs from your own budget?
No

Activity Title:	Guided Busway five yearly Maintenance		
Reference No:	B/R.4.032		
Triple Bottom Line Score:	Social Score 0	Environment Score 1	Financial Score -1
Business lead / sponsor:	David Allatt, Assistant Director: Transport Strategy and Network Management		
Document prepared by:	David Allatt		
Financial Summary:	Investment of £1,075m every five years		
Financials signed off by:	Sarah Heywood		
Date:	05 Jan 2023	**Version**	1.0

1. Driver / reason for the activity

Infrastructure Maintenance

Following the Mott Macdonald Safety Study in June 2022, a number of maintenance works were identified on the Cambridgeshire Guided Busway. It is clear that, given the age of the infrastructure, and safety importance of its upkeep (e.g., white lining, anti-skid surfacing, signage), we will need to budget for this additional pressure to support ongoing maintenance - costing £1,075m every five years, as follows:

- White lining/road planning / re-surfacing at junctions will be required every five years at a cost of £450k (2022 prices)
- Anti-skid will be required every five years at a cost of £375k (2022 prices)
- Replacement of solar studs in maintenance track every five years £250k (2022 prices)

450,000	White lining, re-surfacing
375,000	Anti-skid
250,000	Solar-studs maintenance
1,075,000	**Total**

2. Proposed activity or intervention(s)

- Implement a programme of maintenance as identified above.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

The impact of the interventions is positive as they relate to the ongoing, safe and reliable operation of the Cambridge Guided Busway.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table has been completed in recurring format as per the Business Plan.

	One off or Permanent	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Saving							
Income							
Investment							
Pressure	**5 yearly**					1,075	-1,075
Total						**1,075**	**-1,075**

For pressures / investments only, please provide further details regarding:

What is the service's forecast outturn for the current financial year?

Guided Busway	282,823
Guided Busway Maintenance	500,741
TOTAL	**783,564**

What financial mitigations have been considered?
Increase Operator Access Charge although this is unlikely to be met by operators as they have reduced patronage, and therefore would likely result in service reduction.

What other funding sources have been explored? See above. As the CGB is not ‘highway maintainable at public expense’ we cannot use the Maintenance Block
Could you meet the costs from your own budget? No

Environment & Green Investment - Business case summaries

Activity Title:	Place & Sustainability – Vacancy factor			
Reference No:	B/R.6.122			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1	
Business lead / sponsor:	Steve Cox, Director Place & Sustainability			
Document prepared by:	Finance			
Financial Summary:	Recurrent savings of £112k			
Financials signed off by:	Sarah Heywood			
Date:	2.11.22	**Version**	1.0	

1. Driver / reason for the activity

There is a level of underspend in staffing budgets across Place & Sustainability (P&S) due to a variety of factors such as a time lag between resignations and appointments as well as recruitment difficulties and delays. The actual level of underspend will vary year to year and team by team, but a vacancy factor of 2% across P&S revenue budgets equates to £112k and this is considered a reasonable estimate given the usage of higher cost of interims will offset the vacancy factor savings.

For nearly a decade, we have had a similar vacancy factor applied to budgets in People & Communities to reflect this same phenomenon, and it is standard across many organisations to budget for slightly lower than your full establishment. Almost every year, staffing budgets in P&C have ended the year underspending by about the amount of the vacancy factor (recently it has been exceeded).

2. Proposed activity or intervention(s)

A vacancy factor would be applied to P&S services budgets that is similar to the percentage in People Services (PS).

As within PS, this will be held centrally rather than allocated to individual cost centres, and on a quarterly basis staffing underspends will be swept up to offset this saving.

Budgets that are funded by capital, grants or income would be excluded from the calculation.

We are therefore proposing to apply a prudent 2% vacancy factor of all revenue budgets which would give a saving of approximately £112k.

A similar business case is also being put forward for a vacancy factor to be applied in Corporate Services which will go to Strategy and Resources Committee.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

An Equality Impact Assessment is not required for this business case as there are no changes being proposed to service provision, staff, or policies.

The vacancy factor is formally acknowledging an existing underspend that arises due to the factors outlined in Section 1.

4. Financial Impact for Business Plan 2023-2028

This table is completed in recurrent format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent		-112				
Income							
Investment							
Pressure							
Total			**-112**				

Activity Title:	Persistent Organic Pollutants Waste Disposal			
Reference No:	B/R.4.030			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score -4	
Business lead / sponsor:	Adam Smith - Head of Service, Waste Management			
Document prepared by:	Adam Smith			
Financial Summary:	Estimated pressure of £918k from 2023-24			
Financials signed off by:	Sarah Heywood			
Date:	05 December 2022	**Version**	1.0	

1. Driver / reason for the activity

The Environment Agency (EA) advised all local authorities and site operators that collect and treat upholstered waste domestic seating, that the waste must be incinerated due to high levels of persistent organic pollutants (POPs) in the textiles and foams that have been treated with fire retardants. This guidance is to ensure compliance with the Persistent Organic Pollutants Regulations 2007 (as amended) and Retained Regulation (EU) 2019/1021 on persistent organic pollutants as amended by the Persistent Organic Pollutants (Amendment) (EU Exit) Regulations 2020.

The EA state that waste containing POPs must not be:

- landfilled
- mixed with other non-POPs containing wastes
- re-used or recycled

Waste upholstered domestic seating containing POPs must only be:

- sent for incineration, or
- used as a fuel in, for example, a cement kiln.

The Waste PFI contractor Thalia (formerly Amey) have claimed that this change constitutes a Qualifying Change in Law (QCiL) making the Council responsible for any additional cost for compliance.

2. Proposed activity or intervention(s)

The waste service has issued an Authority Notice of Change, requiring Thalia to estimate the change in costs to the Waste PFI Contract for complying with this change and provided estimates of the quantities of waste based on recent composition analysis. Thalia have responded with a high-level estimate of the cost impacts but have not yet secured a compliant disposal route with an incinerator operator. A more detailed estimate will be provided when Thalia has secured a compliant treatment outlet and firmed up disposal and other additional costs.

Further guidance on the detailed handling arrangements and Regulatory Position Statements has been requested from the EA locally and we are working with the Local Government Association (LGA) and national organisations representing local authority waste management (NAWDO, ADEPT, LAARAC) to lobby EA nationally regarding the issues preventing compliance and for an extension to timescale for implementation.

Our waste officers have raised these issues with Defra's Waste PFI Project transactor and to request new burdens funding to meet the additional costs associated with implementing the EA's advice.

Proposed activity:

- Finance officers lobby for funding e.g., via Society of County Treasurers.

  Further liaison with EA locally regarding problems preventing compliance and seek clarity on EA's enforcement stance and timescales.
- Continue to lobby via Defra Transactor, LGA and local authority waste management organisations for better guidance, longer implementation timescales, additional funding and delay to EA enforcement activity.
- Respond to EA by 31 December 2022 setting out proposed arrangements for Cambridgeshire to become compliant, highlighting implementation challenges, indicative timescales and requesting consent to continue with current acceptance, transport and disposal arrangements until compliant disposal routes can be secured.

Progress update 12/01/2022:

Regulatory Position Statements were released by the EA on 19 December 2022 but did not provide clarity on the ability to continue landfilling POPs from 1 January 2023. Response received by Thalia from EA reiterated that the waste should only be sent

for incineration and did not confirm that no enforcement action would be taken should Thalia continue to landfill the waste from 1st January. Thalia notified the council late on 22 December 2022 that they would stop accepting POPs waste from 1 January 2023 following receipt of EA's letter and release of Regulatory Position Statements. We suspended acceptance of POPs waste at HRCs from 1 to 7 January 2023, temporary storage set up for POPs waste collected by district and city councils pending securing compliant incineration outlet. The impacts of the events above mean that the additional pressure for disposal of POPs will apply for Q4 of 2022/23 financial year and for the full 2023/24 financial year. Reports to be presented to January E&GI and S&R committees to update members of the impacts of this change and the financial consequences.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

This business case does not significantly change the way we provide our service and will therefore not impact more negatively or positively any of the protected characteristics or socio-economic inequalities - as residents/customers can still dispose of domestic seating waste, as they did before. We just have to accept, handle and process it differently to meet updated guidance.

4. Financial Impact for Business Plan 2023-2028

This table is completed in recurrent format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment							
Pressure	Permanent		£918				
Total	**Permanent**		**£918***				

*An estimate of the cost impacts of the change on the Waste PFI Contract

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? £547K overspend
What financial mitigations have been considered? Whether the Qualifying Change in Law provisions of the Waste PFI Contract apply.
What other funding sources have been explored? Raised with Defra to see if new burdens funding is available.
Could you meet the costs from your own budget? No

Activity Title:	Waste – Short term additional gate fees				
Reference No:	B/R.4.031				
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 1		Environment Score 0	Financial Score 0	
Business lead / sponsor:	Adam Smith - Head of Service Waste Management				
Document prepared by:	Michael Richards – Business and Performance Manager				
Financial Summary:	Current estimated £555k pressure for 2023/24				
Financials signed off by:	Sarah Heywood				
Date:	05 December 2022		**Version**	1.0	

1. Driver / reason for the activity

The operation of the In Vessel Composting facility (IVC) and Mechanical Biological Treatment facility (MBT) at Waterbeach Waste Management Park are regulated by the Industrial Emissions Directive (IED) and require Environmental Permits that are issued and regulated by the Environment Agency (EA) to legally operate. The IED has sector specific documents that identify the Best Available Techniques (BAT) which are identified and described in the BAT Reference document (BREF) for waste treatment facilities. The requirements of the relevant sector BREF become binding as BAT Conclusions (BATc).

The EA have issued a Notice of Variation for both the IVC and the MBT at Waterbeach, following the EA's statutory review of permits across the biowaste treatment industry sector. The variation to both permits require the facilities to meet the sector specific Best Available Technique conclusions, as set out in the Waste Treatment BAT document, which were to be met by the 17 August 2022. The updates have included new permit conditions which limit odour emissions that are considered to be the most onerous to meet. Previously, no absolute value for odour emissions was included in the permits and the facilities' odour emissions are significantly above the new limit.

Thalia (our PFI Contractor who commissioned and manage these facilities for us – previously known as Amey) have provided us with a technical paper outlining the changes to the IVC and MBT that they consider most likely to meet the BATc requirements without incurring excessive costs. Whilst Thalia takes responsibility for the delivery of these changes, this authority is responsible for the financial impact of these changes, as provisions in our PFI contract mean that we take responsibility for Qualifying Changes in Law, which this falls under.

Thalia is planning to upgrade the IVC by increasing extraction from the Reception Hall. IVC clamp extraction will be increased and a ‘cooling phase’ introduced to limit odours. The maturation pad will be upgraded to utilise aerated static piles. Thalia is planning to upgrade the MBT by increasing air extraction rate from MBT Facility, installing 2 new biofilters and acid scrubbers, changing all biofilter media, increasing media bed depth for all biofilters, increasing stack height and fully encapsulating the Compost Like Output (CLO) Bay.

Neither the IVC nor the MBT achieved BATc compliance by 17 August 2022 and as a result, waste processing at these facilities ceased until they are compliant. This means that the waste that would normally be processed is being diverted to a third-party facility or sent directly to landfill at significantly increased operational cost (currently estimated at around £6m per year, but this could vary depending on a number of factors).

2. Proposed activity or intervention(s)

Since the business case originally went to RIT (Rapid Improvement Team) in May 2022, Thalia have identified a number of additional pressures – largely related to increased landfill gate fees, but also an increased amount of green waste that needs to be diverted from Waterbeach IVC. To partially offset this, the council has identified a number of areas where savings are expected to be passed back to the authority, during the period of waste diversion.

It should be noted that these figures are all estimates, based on the best information we have at the time. We are expecting further details to be provided by Thalia, which will allow us to more accurately calculate these pressures and savings and will provide further updates to RIT as and when these become available.

The breakdown of our latest estimates is in the attached appendix, however, in summary, these equate to a £720k pressure in 2022/23 (currently being managed in year and reported in the budget outturn) and a £555k pressure in 2023/24, on top of the previously reported pressures that have since been funded.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

There have been no changes to the assessments since the original business case originally went to RIT in May 2022.

There were positive impacts around decreased air pollution, reduction of waste to landfill, reduction of carbon emissions.

4. Financial Impact for Business Plan 2023-2028

This table is completed in recurrent format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment							
Pressure	One Off		555*	-555			
Total	One Off		**555***	**-555**			

*Current estimate

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? £547k overspend
What financial mitigations have been considered? Whether the Qualifying Change in Law provisions of the Waste PFI Contract apply.
What other funding sources have been explored? Raised with Defra to see if new burdens funding is available.
Could you meet the costs from your own budget? No

Strategy and Resources - Business Cases Summaries

Activity Title:	Countywide Mileage Saving			
Reference No:	C/R.6.109			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 2	
Business lead / sponsor:	Stephen Howarth, Head of Finance			
Document prepared by:	Stephen Howarth			
Financial Summary:	500k savings from 2023-24			
Date:	1/8/22	**Version**	1	

1. Driver / reason for the activity

Since the beginning of the pandemic, a reduction in travel has meant that the Council's mileage budgets are significantly underspent. In 2021/22, over £1m of an approximately £3m budget for mileage was not spent / required.

A lower budget for mileage of £2.8m was set across the Council for 2022/23, giving a £378k saving as part of that year's business planning.

However, in the first quarter of 2022/23, there was still a £182k underspend on mileage. After allowing for the saving taken, that is a rate of underspend consistent with 2021/22, suggesting that currently there is no overall increase in the mileage being done. To continue with the current lower levels of mileage would result in an underspend / potential saving of £728k in 2022/23.

Any savings estimates will need to reflect that a temporary supplement was put in place for the 2022/23 financial year for CCC staff that are required to do a particularly high amount of mileage in their work such as front-line staff within social care. This was to reflect the rising fuel costs they will be facing.

2. Proposed activity or intervention(s)

As with the saving put into the 2022/23 business plan, we will apply an overall saving into the business plan for mileage in 2023/24 reflecting the likelihood of continuing underspend.

It is proposed that this is set at £500k. That is approximately two thirds of the anticipated underspend in 2022/23, which allows some room for increased mileage and for the temporary supplement that is paid to high mileage workers.
Later in 2022/23, we will review which cost centres have underspends on mileage in order to allocate out this saving.

No new activity is required as this saving should just reflect the new normal level of activity.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities

EqIA not applicable

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

There are no changes to policies, service provision, or staff with this business case. It acknowledges a reduction in spend and a budget adjustment to reflect this.

4. Financial Impact on Business Plan 2023-28

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent		-500				
Income							
Investment							
Pressure							
Total			**-500**				

Activity Title:	Corporate Vacancy Factor		
Reference No:	C/R.6.110		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 2
Business lead / sponsor:	Stephen Howarth, Head of Finance		
Document prepared by:	Stephen Howarth		
Financial Summary:	400k savings from 2023-24		
Date:	1/8/22	**Version**	1

1. Driver / reason for the activity

In 2021/22, staffing budgets in Corporate Services (Resources, Customer & Digital, Business Improvement & Development and Legal Services) underspent by over £500k. There has consistently been an underspend on corporate staffing budgets year on year – this reflects a level of inevitable slippage in staffing spend due to a variety of factors such as a time lag between resignations and appointments, the average FTE (full time employee) being slightly lower than budgeted or recruitment difficulties.

For nearly ten years, we have had a vacancy factor applied to budgets in People & Communities (P&C) to reflect this same phenomenon, and it is standard practice across many organisations to budget for slightly lower than your full establishment. Almost every year, staffing budgets in P&C have ended the year underspending by about the amount of the vacancy factor (recently it has been exceeded).

2. Proposed activity or intervention(s)

A vacancy factor to be applied to Corporate Services budgets equalling the percentage currently applied to budgets in P&C, which is 2.43%, and this will be held centrally rather than allocated to individual cost centres. On a quarterly basis, staffing underspends will be swept up to offset this saving.

Budgets that are funded by capital, grants or income will be excluded from the calculation. There is therefore a staffing budget of around £16.7m in scope. Applying a 2.43% vacancy factor would give a saving of approximately £400k.

We have considered whether this same logic could be applied to the Place & Sustainability services. Due to the high level of staffing funded by capital and income in those services, we do not anticipate the saving to be particularly large but a draft business case for the vacancy factor has been developed for Environment and Green Investment Committee with 112k saving for P&S.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities

EQIA not required.

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

There is no change in policy, to service provision or staff with this proposal. It is proposing a budget adjustment to better reflect actual spend.

4. Financial Impact on Business Plan 2023-28

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent		-400				
Income							
Investment							
Pressure							
Total			**-400**				

Activity Title:	Biodiversity Net Gain Offsets Programme		
Reference No:	C.R.7.156		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 3	Environment Score 3	Financial Score 2
Business lead / sponsor:	Tom Kelly		
Document prepared by:	Jack Kennedy		
Financial Summary:	-177k ongoing income		
Financials signed off by:	Helen Boutell		
Date:	01/11/2022	**Version**	4

1. Driver / reason for the activity

Policy

The Environment Act 2021 has received royal assent and includes a mandate for developments in England to deliver at least 10% Biodiversity Net Gain (BNG). Secondary legislation is expected to be published in late 2023 which will specify how BNG is to be implemented and regulated. However, many Local Planning Authorities (LPAs) are already requiring developers to evidence how they will deliver net gains for biodiversity prior to issuing planning consent. This has resulted in delays in development where developers are struggling to meet the BNG requirement.

Moreover, the South Cambridgeshire District Council's Doubling Nature Strategy aspires to achieve 20% BNG through development. Thus, it is expected that this 20% requirement will be adopted in planning policy in due course.

Background

To deliver an innovative Biodiversity Net Gain (BNG) scheme at Lower Valley Farm, Fulbourn, South Cambridgeshire. The developer demand for off-site biodiversity units is already present and is expected to increase with the continuing growth of development across South Cambridgeshire. This initiative provides a solution to developers by enabling biodiversity units to be purchased 'off-the-shelf' from a highly credible public body.

The farm of c.140 ha is strategically located to provide significant opportunity to create habitats that connect to the wider surroundings and buffer valuable sites. The farm sits adjacent to the Roman Road SSSI (Site of Special Scientific Interest), notified for its chalk grassland, and there are several other SSSIs within its surroundings including the Gog Magog Golf Course SSSI. The Cambridge Nature Network identifies the site as a steppingstone extension within the Gog Magog Hills demonstrating a key opportunity to contribute to this habitat corridor.

2. Proposed activity or intervention(s)

- Baseline.
  A biodiversity baseline survey was conducted across the entire farm in September 2021 which informed the DEFRA (Department for Environment, Food, and Rural Affairs) Biodiversity Metric to provide the baseline habitat units and potential for uplift through habitat enhancement and creation. The Baseline Report identified that the farm consists of cereal crops, some patches of woodland and boundary hedgerows, with significant potential for biodiversity uplift through the creation of botanically diverse grassland, expansion of woodland, enhancement and creation of species-rich hedgerows, and creation of scrub.

- Landscape Design.
  The objective of this scheme is to increase biodiversity within the farm and provide effective habitat connectivity across the landscape. Additionally, the scheme will provide wider social benefits through the provision of public footpaths, viewpoints, informative signage, and potential for educational trips. The large scale of this scheme allows the landscape to be strategically designed for the creation of a mosaic of high-quality biodiverse habitats in a practical, cost-effective way that facilitates long term management.

- Environmental Management Plan.
  The scheme objectives and how they will be achieved are presented within an Environmental Management Plan, which includes methods for managing each specific habitat type to reach the target condition in alignment with the Biodiversity Metric. This Plan has also considered valuable inputs from stakeholders who all support the scheme including Natural England, Cambridge Past, Present and Future, The Wildlife Trust for Beds, Cambs and Northants, and Friends of the Roman Road.

- Actions:
  - We propose to deliver habitat creation/enhancement in two distinct phases which will allow for a phased transition from arable farming to biodiverse habitat enhancement and creation.
  - The Biodiversity Units have been marketed through Bidwells since early this year.
  - As further demand for biodiversity units arises the northern block will undergo conversion to biodiverse habitats, with potential for areas to act as layback land for livestock.

Conclusion

The scheme aligns with the South Cambridgeshire Biodiversity Strategy objectives and has the support of key stakeholders including Greater Cambridge Shared Planning (GCSP). It will become a showcase for the effective delivery of BNG, demonstrating how offsetting development through habitat creation on a landscape scale is most efficient, cost-effective and maximises environmental and social outcomes. As well as being strategically located there are scale economies both in terms of cost-effective management but also large-scale biodiversity returns which are recognised as being better for nature. Moreover, the provision of biodiversity units 'off-the-shelf' reduces the risks and delays to developers in seeking credible solutions to satisfy off-site BNG requirements.

The financial details below are for part only of the land available. More customers are anticipated, and the expectation is that the revenue will be considerably more. Currently in the pipeline are 128 BNG units and the farm will provide more than 500.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities

Has an Equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts, and any mitigations:

The scheme aligns with the South Cambridgeshire Biodiversity Strategy objectives and has the support of key stakeholders including Natural England and GCSP. It will become a showcase for the effective delivery of BNG, demonstrating how offsetting development through habitat creation on a landscape scale is most efficient, cost-effective and maximises environmental and social outcomes.

Importantly, the scheme will meet the off-site BNG requirements proposed in the BNG consultation. The outcome of the consultation will be monitored to ensure the scheme adheres to secondary legislation. We will maintain communication with GCSP and no significant changes to the existing BNG implementation model at Lower Valley Farm are expected to be required.

Therefore, it is expected that the provision of these units will encourage more natural habitats and improve the environment for all people, regardless of any protected characteristics; as well as have no detrimental impact on any socio-economic inequalities.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income			-487	270	40		
Investment							
Pressure							
Total			**-487**	**270**	**40**		

Activity Title:	Rental income – Evolution Business Park			
Reference No:	C/R.7.111			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 5	
Business lead / sponsor:	Tom Kelly			
Financial Summary:	Recurrent income of £900k, with capital investment			
Date:	6 Oct 2022	**Version**	1.0	

1. Driver / reason for the activity

In January 2020, the County Council acquired property in Impington, South Cambridgeshire, as a commercial investment. The principal decisions to acquire were made at the then Commercial & Investment Committee on 24 May 2019 and that Committee's Investment Working Group on 29 October 2019.

In January 2020, the Council purchased the whole site, with the exception of unit B.

2. Proposed activity or intervention(s)

The Council intends to purchase Unit B according with its contractual obligations under a 'put option' in the contract.

The purchase price for Unit B is determined according to a formula set out in the 'put option'.

Despite restrictions on Council's undertaking new investments for commercial gain implemented by the government, there is an exemption where there is a contractual obligation. We believe that the conditions in this case amount to a contractual obligation to purchase and so are compatible with the current regulatory regime around local authority investment.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

EQIA not required.

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

This Business Case is for the purchase of an existing unit with proposed tenant and no other changes to service delivery affecting residents or staff, no changed impact on any protected characteristics (positive or negative) or affecting any socio-economic inequalities.

4. Financial impact on business planning 2023-28

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income			-900				
Investment							
Pressure							
Total			**-900**				

Activity Title:	Insurance re-procurement				
Reference No:	C/R.6.113				
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0		Financial Score 3	
Business lead / sponsor:	Mark Greenall, Head of Insurance				
Document prepared by:	Mark Greenall				
Financial Summary:	£405k saving				
Financials signed off by:	Stephen Howarth				
Date:	01/11/2022		**Version**		1

1. Driver / reason for the activity

Following the recent insurance procurement exercise, the Council has benefitted from a reduction in self-insured retention on its liability and material damage insurance. As a result of this a review has been undertaken of the required amount to be budgeted for retained claims spend. Based on actuarial advice, the Council is expected to be able to reduce the amount of internal claims provisions and service cost by £405k for the 23/24 financial year.

2. Proposed activity or intervention(s)

Reduction in internal provision for liability and material damage claims for 23/24 financial year. From 24/25 the expected cost of retained claims will start to increase from 23/24 levels as a result of expected claims inflation, which will be budgeted for through the inflation process.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

EQIA not required.

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

This Business Case does not impact on the direct provision of services or the access of any services or facilities by any employees or residents. It is purely a financial budget adjustment following procurement of insurance protections.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent		-405				
Income							
Investment							
Pressure							
Total			**-405**				

Activity Title:	External Auditor Fees			
Reference No:	C/R.4.036			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environmental Score 0		Financial Score 0
Business lead / sponsor:	Stephen Howarth, Head of Finance			
Document prepared by:	Stephen Howarth			
Financial Summary:	£127k pressure			
Date:	24/10/22		**Version**	1

1. Driver / reason for the activity

The Council is part of national arrangements led by Public Sector Audit Appointments (PSAA)Ltd for procuring our external audit service – almost all eligible public sector bodies in the country are part of these arrangements. The PSAA procures audit services from firms and charges member councils a scale fee. Audit firms are entitled under current legislation to charge further costs to audited councils if additional work is required in the course of the audit.

The local government audit sector is currently facing a number of challenges - particularly an increased workload from more complex audit work, and recruitment and retention difficulties. In 2021, the Public Accounts Committee reported that the sector was 'close to breaking point' (Report available on the Public Accounts Committee website). This is reflected in the timeliness of external audits – in 2019/20 only 45% of local authorities published audited accounts on time. In 2020/21, this is even lower, as a national issue with infrastructure assets accounting has delayed the conclusion of external audits for most highways authorities and will further add to external auditor cost pressures.

The cost pressures faced by the audit firms cannot be ignored and we therefore expect an increase in the fees charged to councils when the next procurement round (2023-28) concludes. This expectation is increased by the departure from the audit market of several big firms, reducing the overall pool of suppliers (and thus the competition). PSAA have warned councils to expect a 150% increase in fees (Report available on the PSAA website).

2. Proposed activity or intervention(s)

We are estimating the cost of activity associated with the publication of accounts and external audit from 2023/24 to be:

Activity	Cost £
External audit fee	£181k
IAS19 Fee	£11k
Legal/accountancy advice	£10k
Budget required	**£197k**
Current budget	£75k
Increase needed	**£127k**

We do not yet know the fees that will be charged for the external audits from 2023-28; the PSAA procurement of audits and their costs will be consulted on in Autumn 2023.

We are assuming a significant increase in costs based on the above challenges that the local audit sector is facing and allowing for an ongoing cost for additional fees charged by our auditor to respond to objections. We are also assuming an ongoing cost for additional legal and/or specialist accounting advice as part of this process, reflecting costs that we are now facing each year.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

This Business Case does not impact on the direct provision of services or the access of any services or facilities by any employees or residents. It is purely a financial budget adjustment.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment							
Pressure	Permanent	127					
Total		**127**					

Activity Title:	Capital to Revenue funding change for IT & Digital Services (and other changes)		
Reference No:	C/R.5.009 (and other IT pressures)		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral:	Social Score 0	Environment Score 2	Financial Score -5
Business lead / sponsor:	Sam Smith, Assistant Director: Customer and Digital Services		
Financial Summary	Revenue impact 2023/24 £965k, 2024/25 £939k, 2025/26 £1,071		
Document prepared by:	Katherine Hlalat		
Financial signed off by:	Helen Boutell		
Date:	21/07/2022	**Version**	0.1

1. Driver / reason for the activity

Traditionally the IT Service has required the purchasing of physical assets which are hosted onsite (on-prem). Over the past three to five years the nature of IT services has changed, and more services are being delivered in the Cloud – where the supplier hosts the service, and the Council accesses it via a secure link on the internet.

Based on the historical nature of IT services, all IT projects have therefore been funded from Capital as there has been a physical asset which the Council maintains. As services move to the Cloud there is no longer a physical asset hosted on Council premises. Therefore, the funding model for IT projects also needs to be revised as the Council moves from capital funded projects with physical assets to revenue funded services that are ‘consumed’ by council staff, members & citizens. This will involve changing the funding model for IT to support the move to Cloud based systems and services with revenue budgets that include the implementation, management and maintenance of those services which relate to day to day running of the Council.

This business case also addresses other IT pressures.

2. Proposed activity or intervention(s)

This Business Case recommends the funding for IT projects and programmes is reprofiled over the next three financial years and funding is predominantly moved from Capital to Revenue permanently by the end of the 2025/26 financial year.

Projects identified in the 2023/24 programme of works are categorised into:

- Capital funded: those projects where there is a tangible or intangible asset which is configured for the Council.
- Revenue funded: those projects, where there is no definable asset once the project is completed.

The programme of IT projects will continue to be tracked and reported on using the POWA project management and reporting systems.

It should be noted that there are some IT projects which will be funded from Capital due to the nature of the procurement. Each project will be costed and submitted to the Capital Programme Board for approval. The expenditure is not expected to exceed £500k per year and will be assessed according to the benefits anticipated, business criticality of the requirement, and the statutory requirement, such as PSN Compliance.

There will be a rolling programme of projects that support the implementation of Cloud based services to support the continuing use of critical business systems as well as enabling further use of technology. There will be initial periods of dual running of both the new services and existing until all services are shifted to Cloud based services; this is estimated to be completed by 2026. The exact profile of dual running will require further detailed work to complete and will form part of the individual project plans and reporting.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

There is no impact on people. The proposal is to change the funding source for IT projects and programmes. Each project will have its own EqIA which assesses the impact of the delivery of the project on people.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table has been completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment							
Pressure	Permanent		965	939	1071		
Total			965	939	1071		

Capital Implications:

Capital Funding:	22-23 £000	23-24 £000	24-25 £000	25-26 £000	26-27 £000	27-28 £000	28-29 £000	29-30 £000	30-31 £000
Prudential Borrowing		-726	-1,173	-1,076					
Grants									
Total		**-726**	**-1,173**	**-1,076**					

The current position for IT is a hybrid one, with some services in the Cloud and some physically on-site locally in Sand Martin House and Orton (On-Prem), and the IT budgets reflect this. There is a capital programme which supports the implementation and upgrades of systems (through project delivery) and a revenue budget which supports Cloud services and the ongoing costs for systems once they have been implemented, as well as the staff to support them. Each system needs extensive work every three to five years to upgrade to the latest version and the underpinning infrastructure also requires period updates and replacement to remain secure and effective.

Experience shows that when taken on a case-by-case basis, the costs of moving an individual system or application to the Cloud are higher than the cost of retaining that system OnPrem as the supplier will price in the costs of that cloud service and the council still needs to retain the infrastructure to support the services that remain OnPrem. The analogy of a house can be used with each system representing the contents of a room. If a system is moved to the Cloud, then one room of the house is empty, but the rest of the house still exists and needs to be serviced and the bills paid. So essentially the Council 'double-pays' for some elements of IT until the whole process is complete.

We are proposing to increase the telephony budget in 2023/24 due to contract overlap, and then reduce the budget in 2024/25. Also proposing to increase the Microsoft costs while we move from the current model of telephony to one driven by Microsoft solutions.

We were expecting to reduce the mobile phone budget in 2023/24 by the additional value providing due to the increase in use during the pandemic. However, as usage is still high across the authority, we are now proposing to reduce the additional funds made available for mobile usage over a two-year period from 2024/25.

For pressures / investments only, please provide further details regarding:

What is the service's forecast outturn for the current financial year?

Capital Budgets 2017/18 – 2021/22

The table below shows the capital spend on IT over the last five years. This has been broken down into two sections as there was a significant amount of budget allocated to the move of the Data Centre from Shire Hall and that was an a-typical project which won't be repeated. However, it should be noted that much of the work done for that move is the reason that the IT infrastructure is as optimised as it currently is and therefore why we are as well placed as we are to transition to cloud services and make best use of that investment.

Excluding the Data Centre move the average spend on IT over the last five years is 3.5 million and that figure can be used as an indicator of likely future spend.

Financial Year	Capital spend £m Data Centre Relocation	Capital spend £m Other (not DC related)
2017/18		3.27
2018/19		0.96
2019/20	0.03	8.05
2020/21	1.44	3.96
2021/22	1.50	1.59
Total	2.97	17.82

Note - This table includes the costs of project (Eastnet) which supported the move of the Councils Wide Area Network (WAN) from Virgin Media to the current supplier

(MLL). This contract is a partnership one that runs until September 2025 so savings from this cannot be calculated yet, but it is anticipated that Strands 1 & 3 will result in a far lower set of technical requirements and significantly lower costs. Procurement for the replacement of that contract will need to start well in advance of the contract end date, and if the transition to cloud does not happen, a more like for like approach will be needed. This could mean another 'peak' of costs as that contract is replaced.

Proposed allocation of funding:

The table below shows the current revenue budget for IT & Digital Services. Note this includes uplifts to budget to cover specific pressures identified in 2021/22

	Current Revenue Budget 2023/24
Spend Type	£'000
Staffing	4,309
Hardware	1,784
Software	1,573
Microsoft	1,525
Telephony	291
Mobile Phones	145
Network	780
MFDs	216
Total Budget	**10,623**

What financial mitigations have been considered?

There are three potential approaches to future models of IT Budgets.

a) Continue as is with a hybrid revenue/capital model

b) 100% On Prem

A theoretical option would be to revert to a 100% OnPrem environment with minimal or no cloud services. From a practical point of view this has limited effectiveness as some services cannot be moved back (Microsoft 365) and others are moving towards cloud being the only offer from the supplier. The 'soft' benefits of cloud (automation, security, scalability and flexibility) would be lost, and the council would retain a dependency on physical locations and assets which do not support the needs of a modern, flexible council.

This approach would retain a high capital programme as each system would need to be upgraded (as described above) and a revenue budget with high levels of staffing and physical assets. It is unlikely to amount to a significant reduction in the revenue budget and therefore has not been profiled.

c) 100% Cloud – recommended option

The preferred option and the one that supports the service vision is to transition to an entirely revenue-based budget for IT services over a period of three years. During that three-year period, it would be necessary to invest in additional software to facilitate the transition to Cloud Services whilst the existing OnPrem services are migrated to a suitable cloud alternative. That additional investment would be revenue rather than capital so the effect would be an initial increase in the revenue budget allocated to the service. Once the transition is complete the revenue position would be reviewed and the elements of it that support the current OnPrem environment and way of working would be removed.

This approach will allow the council to achieve the ‘soft’ benefits of cloud (automation, security and flexibility) and be fully independent of physical locations. The expectation is that there will be a very small capital allocation for anything that cannot be moved to the cloud (i.e., some infrastructure that supports council buildings) or has physical life span of more than 10 years. Projects will still be required to manage IT change, and this will include staff time but the funding for these would be revenue rather than capital.

The work to profile this will be an iterative process, as several elements are subject to formal procurement processes, and full costs are unknown. Where possible indicative costs have been included.

What other funding sources have been explored?

On occasion, alternative funding streams are available, but they are generally focussed on a specific deliverable. Where available and appropriate, they will be utilised (for example, grant funding opportunities). However, this business case is specifically focussed on the proposed funding model change from capital to revenue.

Could you meet the costs from your own budget?

There are elements of the current IT revenue budgets that we would expect to use to offset the increased revenue costs of services in the cloud, but further work is needed to analyse these fully. An example would be changes to telephony. It is anticipated that the additional costs of the Contact Centre as a Service (CCaaS) for the Customer Contact Centre and the other changes to telephony for staff overall will increase but that this can be met from savings in the current telephony contract.

Although the current IT revenue budgets will not be sufficient to meet the increased costs of the transition to cloud, it is clear that such a move will negate the need for the majority of the capital spend that has been necessary to support IT services in the past. This is cost avoidance rather than saving but it is reasonable to take previous expenditure as an indication of future need (under option 1)

Activity Title:	Property Maintenance & Compliance		
Reference No:	C/R.4.038 and C/R.4.040		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score -1
Business lead / sponsor:	Tom Kelly, CFO & Director of Resources		
Document prepared by:	Tony Cooper, Assistant Director Property		
Financial Summary:	£190k recurrent funding		
Date:	5/1/22	**Version**	2.0

1. Driver / reason for the activity

The maintenance and compliance activity on the Cambridge County Council (CCC) Estate is critical to the functioning of the council. It is required to not only deliver council services but ensure the safety and wellbeing of the council's workforce and meet statutory obligations. Due to a range of pressures, additional financial resources are required to fund critical property functions in the Facilities Management and Compliance areas. The specific requirements are:

£35k Legionella contract:

It is a legal requirement to check all water systems to prevent legionella infections. A contract was procured earlier in the year but had to be terminated late in 2022 due to performance issues and the contractor seeking a significant uplift in costs. Following a review the contract was awarded to another contractor, but due to the ongoing significant inflationary pressures in property and construction the annual contract cost has increased very significantly. The £35k covers this uplift for 23/24.

£81k Compliance (Property Safety):

Resources required for running the service (with reduction of external work). This is to cover increased staff and operational costs due to the rapidly changing and volatile economic environment. The compliance workload has increased significantly due to legislative changes, the pandemic, and internal projects. Also, Compliance is required to income generate to fund the service and does so by providing consultancy to other public sector agencies. Due to the deteriorating financial environment in the second half of 2022, public sector clients are ending the contracts and work, so the income is dropping and creating a gap. The fact that the Compliance function has to self-fund is identified as a safety compliance risk in itself and suggests the council is not properly funding statutory safety functions. The £81k is to bridge the gap that has emerged for 23/24 so that the service can be fully funded from 24/25.

£74k Property maintenance:

Due to rapidly rising costs of inflation, additional works arising from the pandemic (work that could not be carried out during the pandemic and additional works resulting from maintenance not being able to be carried out) and increased demands upon the Facilities Management function a budget gap has emerged in relation to overall property maintenance spend for 23/24. £74k would bridge this gap.

2. Proposed activity or intervention(s)

Additional funding of £190k is required to meet the operational demands of business as usual on the CCC Estate:

- £35k Legionella contract
- £81k Compliance (Property Safety)
- £74k Property maintenance

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

An Equality Impact Assessment is not required for this business case.

The additional funding is so that business can be carried out as usual.

4. Financial Impact for Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment							
Pressure			190				
Total			**190**				

For pressures / investments only, please provide further details regarding:
What is the service's forecast outturn for the current financial year? The maintenance budget estimated forecast (as of November 2022) is a pressure of £600k. For Compliance, the income generation is expected to reduce by £44k in 2022-23 and resources will increase by £7k.
What financial mitigations have been considered? Contracts have been reviewed with procurement, a rigorous cost saving review of spend has been conducted and savings delivered.
What other funding sources have been explored? None are available.
Could you meet the costs from your own budget? No

Activity Title:	Investment into Adults & Children's Services Staffing			
Reference No:	C/R.5.121			
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social score 0	Environmental score 0	Financial score -3	
Business lead / sponsor:	Charlotte Black, Director of People Services			
Document prepared by:	Stephen Howarth			
Financial Summary:	+£800k investment			
Financials signed off by:	Stephen Howarth			
Date:	4/1/23	**Version**	1	

1. Driver / reason for the activity

The uncoupling of People Services at a strategic level has been decided upon by the Chief Executive in his capacity as Head of Paid Service. Where this impacts any Chief Officer roles (other than Executive Directors), proposals have been presented to, and decided upon, by Staffing & Appeals Committee on 1/12/22. The creation of separate Executive Directors will be recommended to Full Council in February 2023 alongside the business plan.

There is a financial consequence to the uncoupling that is addressed through this investment allocation. It is important to note that this business case is not relating to the uncoupling itself, rather to the financial allocation to address decisions made.

2. Proposed activity or intervention(s)

This financial allocation is made on an estimated basis following proposals put together by the service area in consultation with the Chief Executive. The allocation will be held centrally until such time as the proposals are implemented – at that stage, funding will be allocated out as required, with any leftover being returned as a negative investment.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

Has an equality Impact Assessment been completed? Yes

Summary of key points to consider in terms of benefits, negative impacts and any mitigations:

Decision making on the specific staffing impact of the uncoupling is subject to separate decision-making processes; this investment and business case are just relating to the financial consequences, actual or potential, of those decisions. As this is therefore just about a budget allocation, there are no equality impacts.

4. Financial Impact on Business Plan 2023-2028

Revenue Implications:

This table is completed in recurring format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving							
Income							
Investment		800					
Pressure							
Total		**800**					

2022 Business Plan Consultation

Cambridgeshire County Council

Final Report

January 2023

Contents Page

Project details and acknowledgements

Title	Business Plan Consultation
Client	Cambridgeshire County Council
Project number	22173
Authors	Bronwyn Vermaat and Richard Newman
Research Manager	Bronwyn Vermaat
Reviewed by	David Chong Ping

This project has been delivered to ISO 9001:2015 and 20252:2019 standards.

ISO 9001 : 2015 REGISTERED
Certificate No:340192020

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ISO 20252 : 2019 REGISTERED
Certificate No:340202020

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Executive summary

Cambridgeshire County Council

2022 BUDGET CONSULTATION

EXECUTIVE SUMMARY

As part of the Business Planning process, the County Council wanted to consult with the public to gain insight into residents' views on areas of investment, ways to make additional savings or generate incomes, and on options of Council Tax. M·E·L Research was commissioned to undertake a public survey on the Council's behalf.

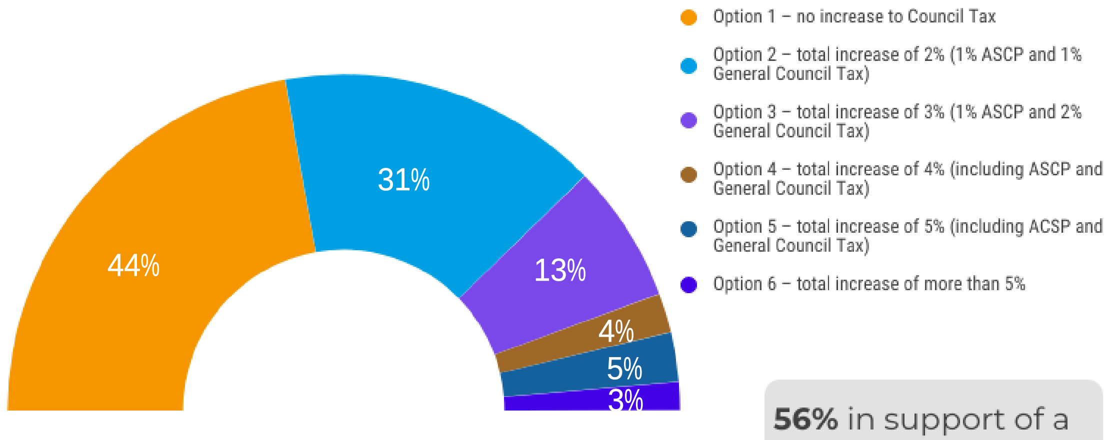
A doorstep survey was carried out with residents which was representative by district, age group and gender to the county as a whole. The fieldwork took place in November 2022 and 1,102 residents responded to the survey. The sections below presents the key findings of the research.

LEVEL OF SUPPORT: SAVINGS AND INCREASING INCOME

(% Strongly support/support)

Looking at opportunities to generate more renewable energy	88%	n=1,093
Closing or disposing of some of the buildings the Council works from	73%	n=1,067
Increasing its offer to older adults and people with disabilities to provide technology enabled care	69%	n=1,085
Taking action to drive down the cost of streetlighting, to save energy and reduce carbon emissions	69%	n=1,095
Holding vacancies for those that chose to leave and only recruiting and replacing roles for the most vital frontline services	40%	n=1,005
Making savings by reducing road maintenance work in non-emergency areas	14%	n=1,094
Reducing the amount the Council spends on the improvement of local schools and early years through non-statutory support services	7%	n=1,096

COUNCIL TAX



56% in support of a Council Tax increase

n=1,102

Background

Context

As part of the Business Planning process, the County Council wanted to consult with the public to gain insight into residents' views on areas of investment, ways to make additional savings or generate incomes, and on options of Council Tax. M·E·L Research was commissioned to undertake a public survey on the Council's behalf.

Methodology

A 10-minute, face-to-face (doorstep) survey was carried out by professionally trained interviewers using a Computer Aided Personal Interview (CAPI) approach with a broad cross-section of residents aged 18 or older, in November 2022.

A stratified random sampling approach was used: a sample of residents' starting addresses were drawn randomly from Royal Mail's Postcode Address File, stratified by Cambridgeshire's four Districts and Cambridge City. From each starting address, interviewers aimed to achieve a cluster of approximately 10 interviews from adjacent and nearby properties. Quota targets were set for age groups, gender and a required number of interviews by District/City. Interviews were conducted in both urban and rural areas, reflecting the split across the County. In total, 1,102 residents participated in the survey.

To aid the interviews, showcards were provided to residents with background information of the budget planning, context of the Council Tax proposals and response options for each of the consultation questions. The 'don't know (need more information)' option was not presented on the showcards but was available as a pre-coded answer if given as a spontaneous response (see section 'Analysis and reporting' below for further details). Interviewers were asked to only record this answer when residents provided it without being prompted. Further information or guidance was not offered if a resident asked for more information on the proposals.

Statistical reliability

The achieved confidence interval gives an indication of the precision of results. With 1,102 residents having completed the survey, this returns a confidence interval of ±2.95 % for a 50% statistic at the 95% confidence level. This simply means that if 50% of residents indicated they agreed with a certain aspect, the true figure could in reality lie within the range of 47.05% to 52.95% and that these results would be achieved 95 times out of 100.

The table below shows the confidence intervals for differing response results (sample tolerance).

Size of sample	Approximate sampling tolerances*		
	50%	30% or 70%	10% or 90%
	±	±	±
1,102 surveys	2.95	2.7	1.8

** Based on a 95% confidence level*

Analysis and reporting

Cross-tabulations were generated for key variables including district, age group and gender to represent the broad demographic profile of the County. Differences in views of sub-groups of the population were compared using z-tests and statistically significant results (at the 95% level) are indicated in the text, where relevant. Statistical significance means that a result is unlikely due to chance (i.e. It is a real difference in the views of the population).

In addition, analysis for agreement/level of support questions are reported for valid responses only, excluding residents who were unable to rate their level of agreement or support – option 'don't know (need more information)' was therefore not included and classified as non-valid response.

Within the main body of the report, where percentages do not sum to 100 per cent, this is due to computer rounding or multiple-choice answers. Where figures do not appear in a chart or graph, these are 3% or less. The 'n' figure referred to in each chart is the total number of residents responding to the question and providing a valid answer.

The data presented in this report is weighted by age and gender to the 2021 census data at the county level.

Icon glossary

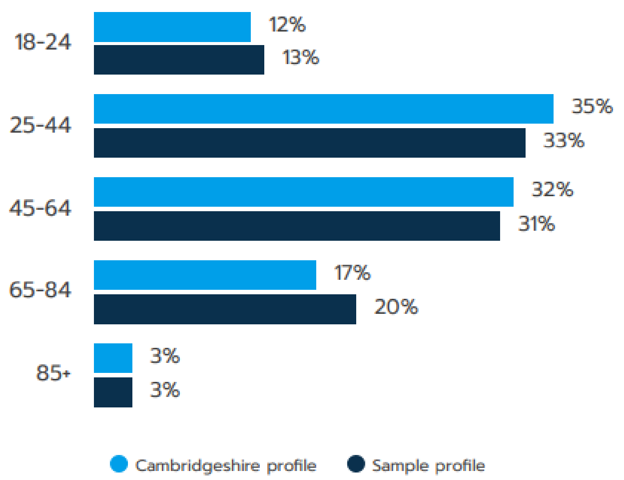
- District
- Age group
- Gender

Whom we spoke to

After weighting, the sample was broadly representative by gender, age group and District/City when compared to Cambridgeshire as a whole.

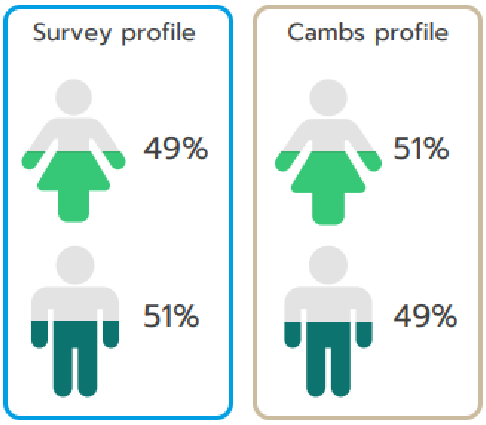
Age group

n=1,102



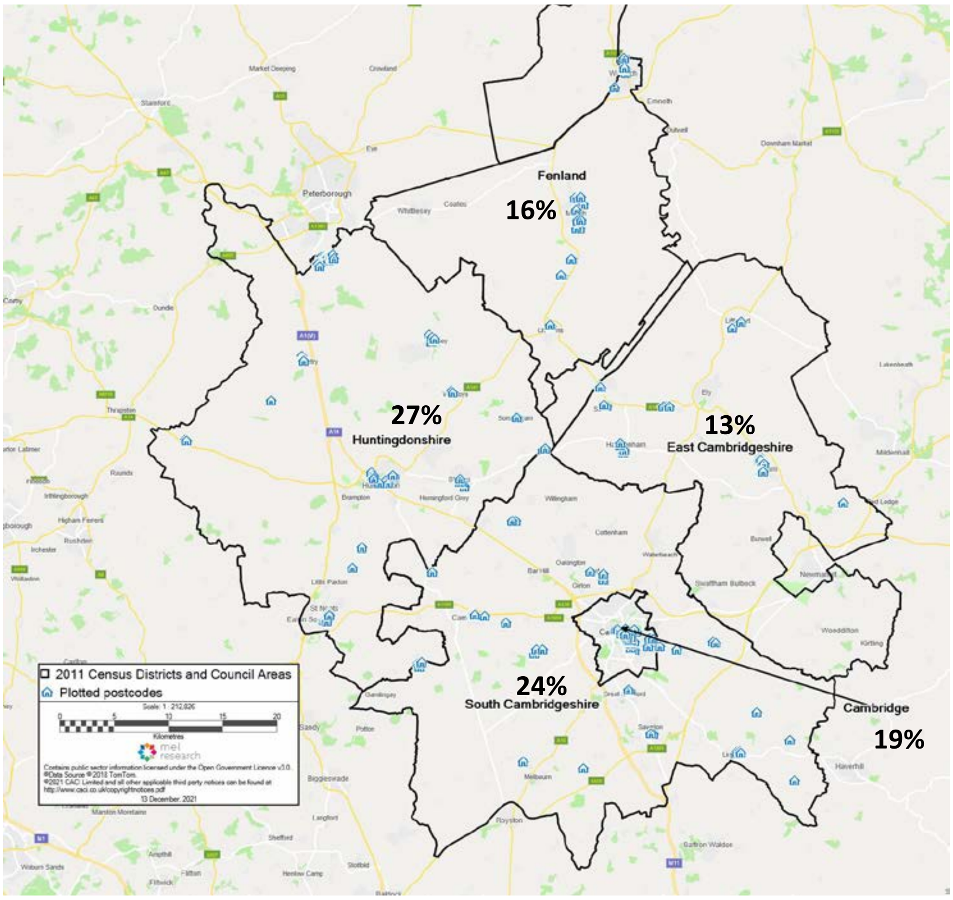
Gender

n=1,102



District

n=1,102



Results

Section 1: Savings and increasing income

Due to changes in the national and international economic situation since the Council set its budget in February 2022, setting the budget this year is expected to be extremely challenging. The Council is considering ways it can balance its budget and proposed the following measures.

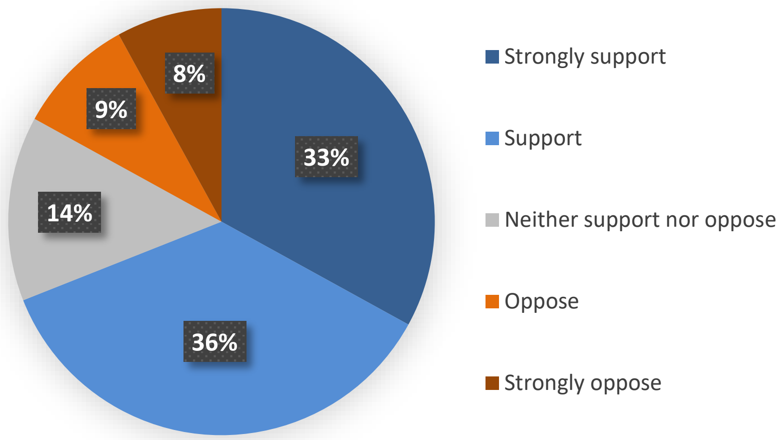
- Taking action to drive down the cost of streetlighting, to save energy and reduce carbon emissions e.g., investing in all LEDs, dimming lights, or turning them off entirely in between certain hours of the night?
- Making savings by reducing road maintenance work in non-emergency areas such as some surface repairs, pothole prevention, verge maintenance, grass cutting and gully emptying
- Closing or disposing of some of the buildings it works from – saving running costs and potentially delivering some income, but possibly increasing journeys for residents needing services or staff getting to work
- Holding vacancies for those that chose to leave and only recruiting and replacing roles for the most vital frontline services – e.g., social care, or highways emergency teams
- Reducing the amount the Council spends on the improvement of local schools and early years through non-statutory support services, this could include providing less or no transport to and from school where this is not a legal requirement
- Increasing its offer to older adults and people with disabilities to provide technology enabled care (such as alarms or pressure pads), which can increase independence and reduce, to some extent, longer-term hands-on support
- Looking at opportunities to generate more renewable energy i.e., wind or solar, to help tackle climate change and build greater energy security for its communities

Residents were asked how strongly they support or oppose each measure

1. Streetlighting

Figure 1: Two thirds of the Council's total electricity bill is spent on streetlighting. How supportive would you be of taking action to drive down this cost to save energy and reduce carbon emissions e.g., investing in all LEDs, dimming lights, or turning them off entirely in between certain hours of the night? *Base: 1,095*

The majority (69%) of residents either 'strongly support' (33%) or 'support' (36%) this proposal. Only 17% oppose or strongly oppose it.



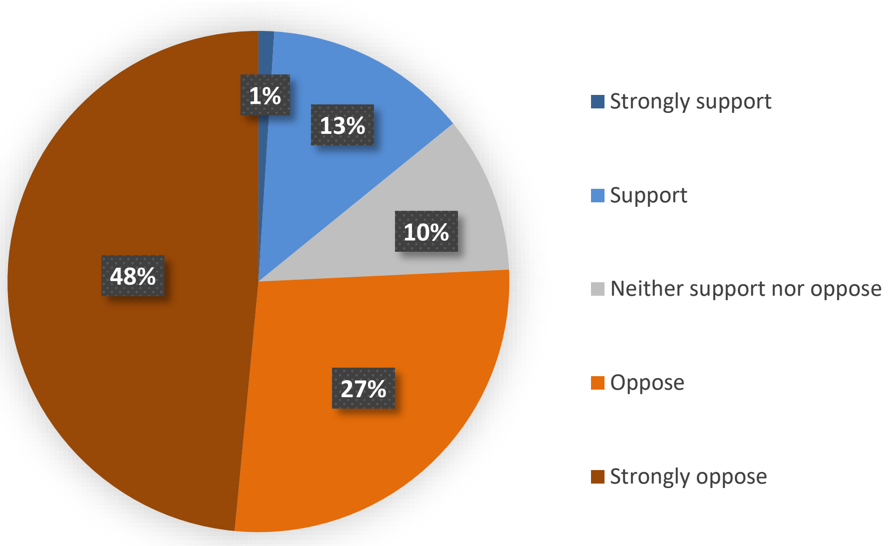
Sub-group analysis:

	Residents living in Huntingdonshire (83%) and South Cambridgeshire (75%) were more likely to support this proposal than those in East Cambridgeshire (61%), Fenland (62%) and Cambridge (64%).
	Male residents were more likely to support this measure (74%) than female residents (65%).

2. Road Maintenance

Figure 2: The Council spend £12m on the day-to-day upkeep of our roads, footways, and cycleways each year. How supportive are you of them making savings by reducing their road maintenance work in non-emergency areas such as some surface repairs, pothole prevention, verge maintenance, grass cutting and gully emptying?
Base: 1,094

Only 1% of residents 'strongly support' the Council's proposal to make savings by reducing road maintenance work, and a further 13% 'support' it. Meanwhile, 48% 'strongly oppose' this measure, with a further 27% stating they 'oppose' it. In total 76% oppose the proposal to any degree.



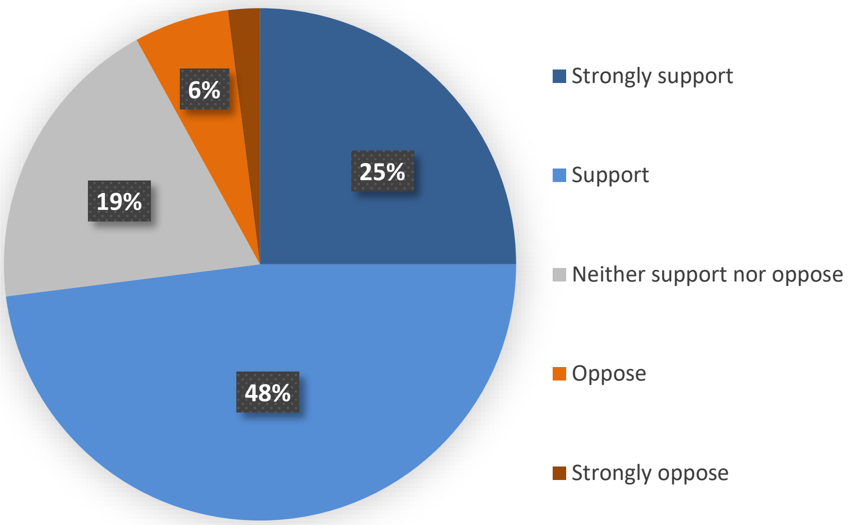
Sub-group analysis:

	Residents in South Cambridgeshire (83%) were more likely than the overall sample to oppose these measures.
	The 18-24 age group were least likely to oppose this measure (57%), while 65-84 year olds were most likely to oppose it (86%).

3. Council buildings

Figure 3: How supportive are you of the Council closing or disposing of some of the buildings it works from – saving running costs and potentially delivering some income, but possibly increasing journeys for residents needing services or staff getting to work? *Base: 1,067*

73% of residents either 'strongly support' (25%) or 'support' (48%) the proposal to close some Council buildings. Only 8% opposed this proposal to any degree.



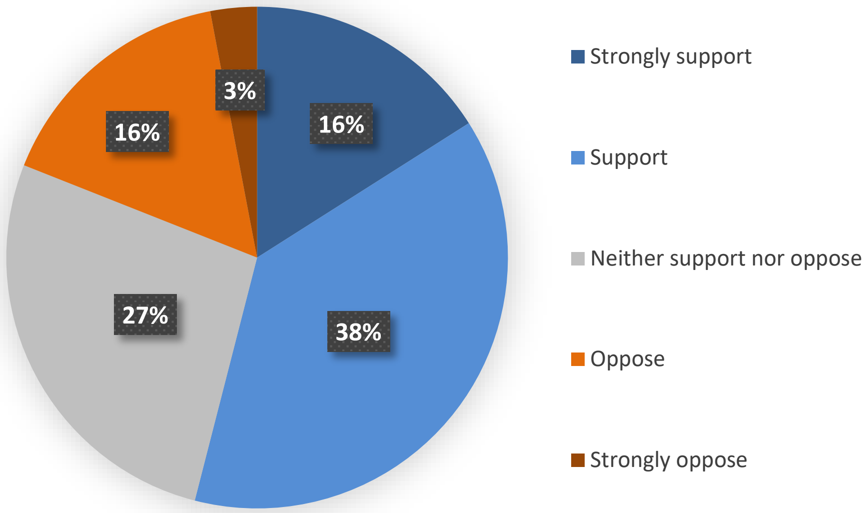
Sub-group analysis:

	Residents living in East Cambridgeshire (81%) and Huntingdonshire (81%) were more likely than other districts to support this measure. Support was lower in Cambridge (59%) and South Cambridgeshire (67%) than the overall sample.
	The 55-64 age group were more likely to be in favour of this proposal (81%) than 18-24 years olds (66%), 25-34 year olds (69%) and those aged 85+ (56%).

4. Council Vacancies

Figure 3: The Council employs approximately 4,300 people across a wide range of services and in all parts of the county. How supportive would you be of us holding vacancies for those that chose to leave and only recruiting and replacing roles for the most vital frontline services – e.g., social care, or highways emergency teams? *Base: 1,005*

Just over half (54%) of residents support this proposal to any degree, however only 16% 'strongly support' it. 27% neither support nor oppose the measure, and 19% oppose it.



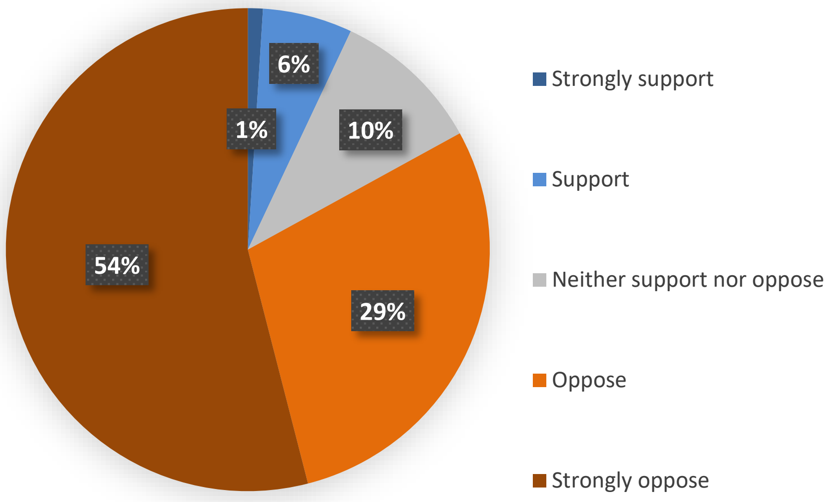
Sub-group analysis:

	Support for this proposal was similar across all districts, however residents in South Cambridgeshire were more likely than the overall sample to oppose (26%) it.
	By age, those aged 45-54 were less likely to support this measure (46%) than those age 18-24 (59%) or 65-84 (60%).

5. Education

Figure 5: How supportive are you of reducing the amount the Council spends on the improvement of local schools and early years through non-statutory support services, this could include providing less or no transport to and from school where this is not a legal requirement? *Base: 1,096*

Only 7% of residents either 'strongly support' (1%) or 'support' (6%) this proposal. 54% 'strongly oppose' it, and a further 29% 'oppose' it – in total 83% oppose the measure.



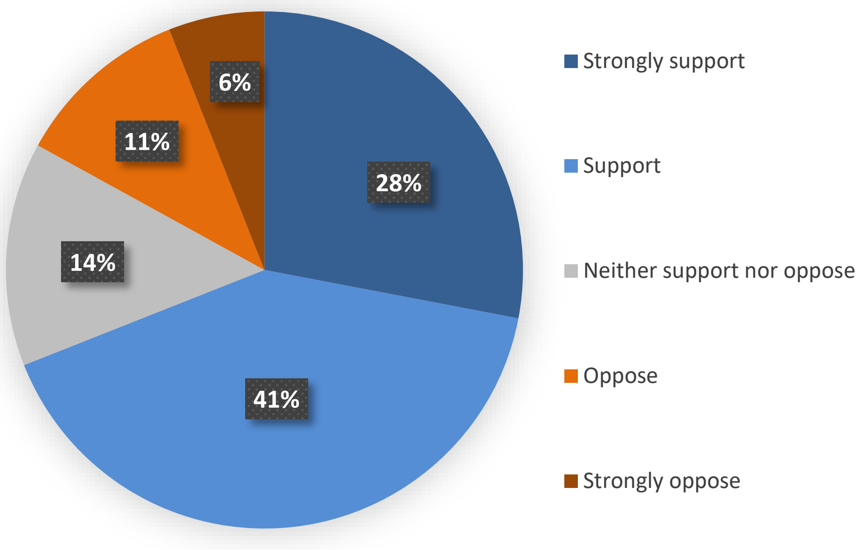
Sub-group analysis:

	Support for this measure was lowest in Fenland (3%)
	Female residents are more likely to oppose this measure (87%) than male residents (79%), although opposition is still high in both groups.

6. Adult social care

Figure 4: How supportive are you of reducing the amount the Council spends on the improvement of local schools and early years through non-statutory support services, this could include providing less or no transport to and from school where this is not a legal requirement? *Base: 1,085*

Over two thirds (69%) of residents either 'strongly supported' (28%) or 'supported' (41%) that the County Council should be increasing its offer to older adults and people with disabilities to provide technology enabled care. 17% opposed this approach.



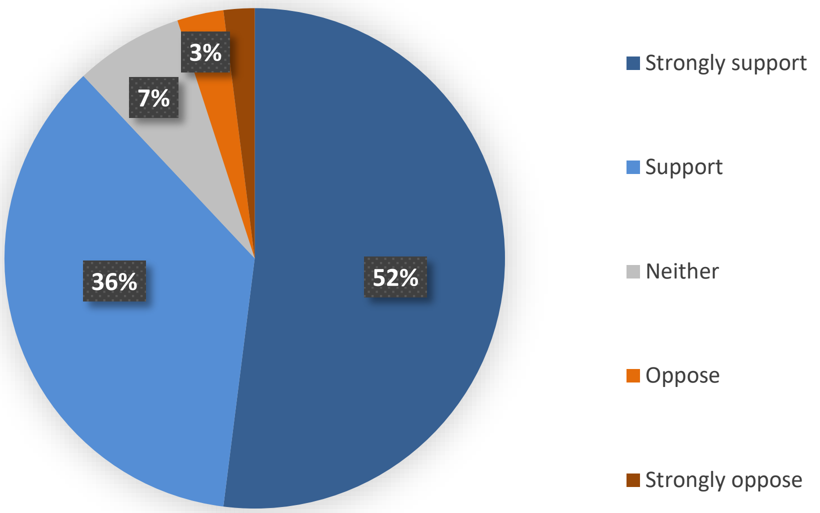
Sub-group analysis:

Residents living in Fenland were more likely to support this approach (84%) than the overall sample, while proportionally fewer of those in South Cambridgeshire support it (62%).

7. Renewable energy

Figure 5: How supportive are you of the Council looking at opportunities to generate more renewable energy i.e., wind or solar, to help tackle climate change and build greater energy security for its communities?
Base: 1,093

Nine in ten (88%) residents support the Council looking at opportunities to develop more renewable energy, with 52% stating they 'strongly support' and 36% that they 'support' this proposal.

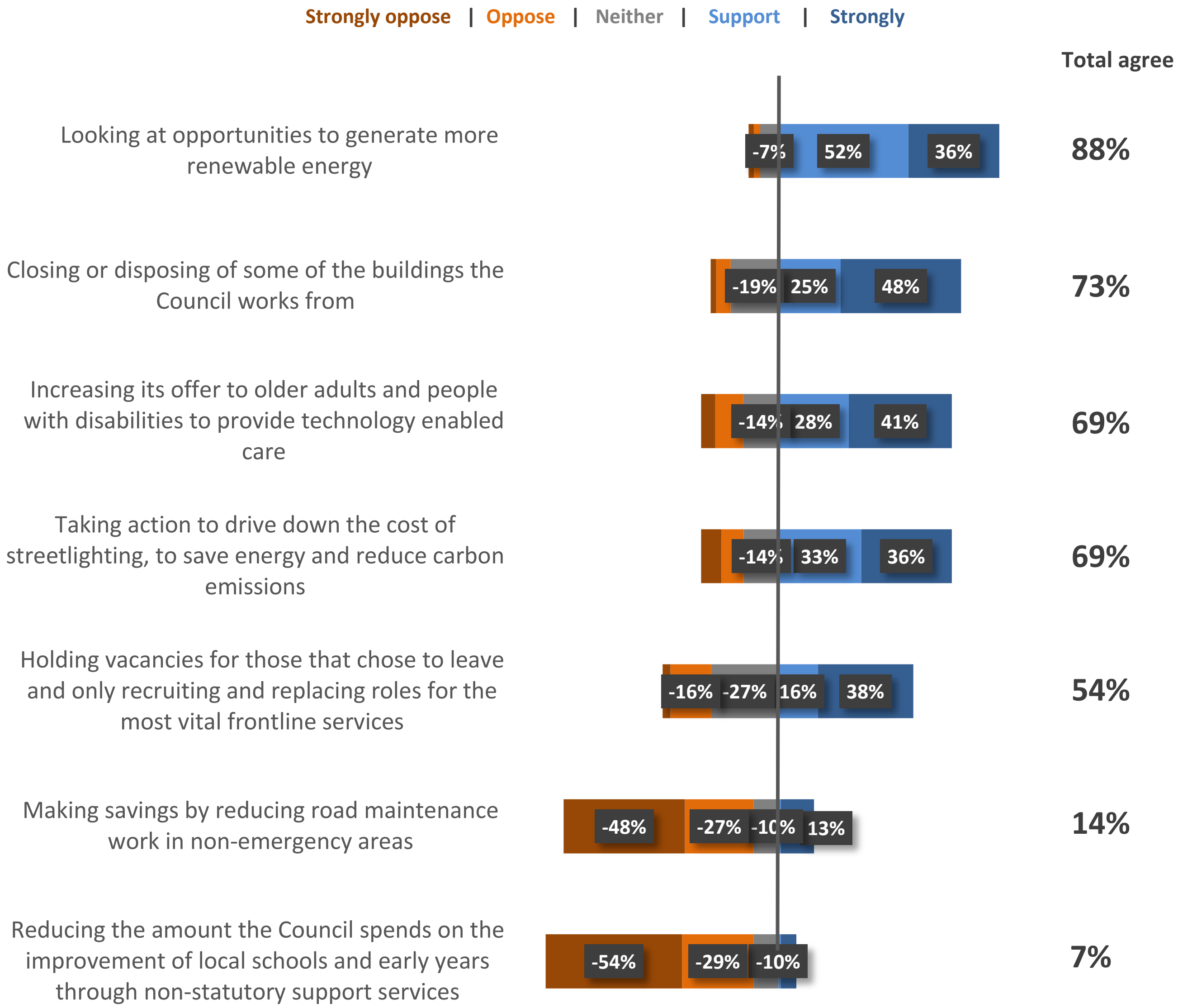


Sub-group analysis:

	Residents in Cambridge city (84%) are less likely to support this proposal than those in Fenland (92%) or Huntingdonshire (91%).
	Those age 65-84 (83%) and 85+ (66%) are less likely than the overall sample to support this proposal.

Overall residents are most in favour of the proposal to look at opportunities to generate more renewable energy (88%). Looking at cost cutting measures, support is highest for closing or disposing of some of the Council Buildings (73%). Increasing offer to adults and people with disabilities (69%) and taking action to drive down the cost of streetlighting (69%) also achieve higher levels of support than other measures. However, there are high levels of opposition to making savings by reducing the amount the Council spends on local schools (83%) and to making savings by reducing road maintenance work (76%).

Figure 8: Summary of the level of agreement to each proposal



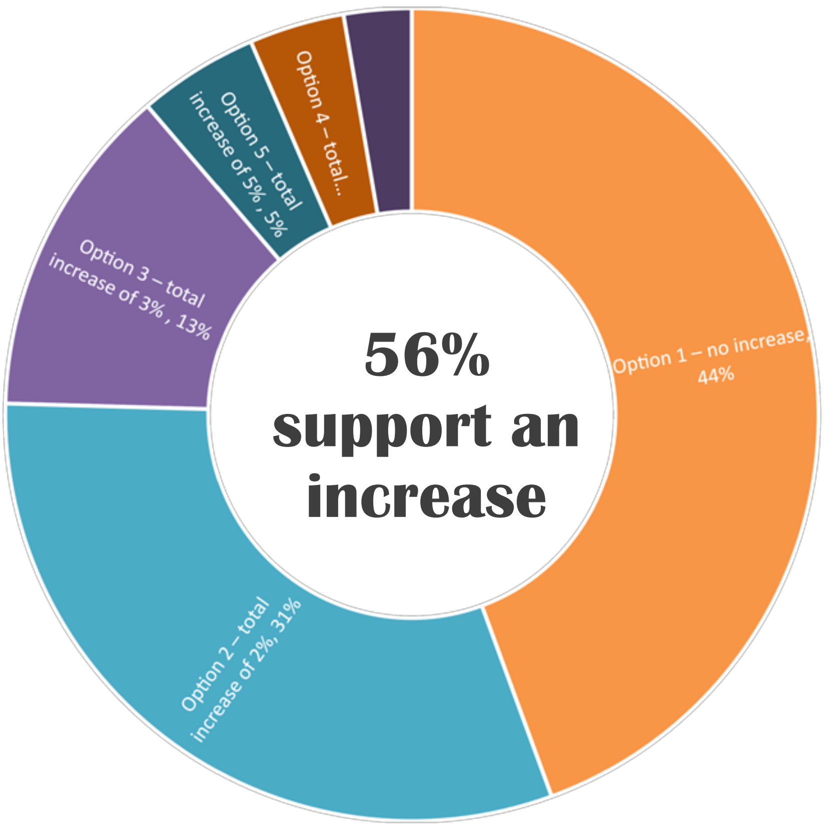
Section 2: Council Tax

This public survey also consulted residents' opinion on the level of Council Tax increase. The following options were presented to them:

- Option 1 - No increase in Council Tax
- Option 2 – Total increase of 2% (1% ASCP and 1% General Council Tax)
- Option 3 - Total increase of 3% (1% ASCP and 2% General Council Tax)
- Option 4 - Total increase of 4% (including ASCP and General Council Tax)
- Option 5 - Total increase of 5% (including ACSP and General Council Tax)
- Option 6 – Total increase of more than 5%

Over half (56%) indicated a willingness to increase council tax to some extent. Option 2 (Increasing the ASCP by 1% and General Council Tax by 1%, for a 2% total increase) and Option 3 (Increasing the ASCP by 1% and General Council Tax by 2%, for a 3% total increase) being the more favourable proposals, with 31% in favour of this approach. Comments made related to the option chosen can be found in **Appendix B**.

Figure 9: Level of support in a Council Tax increase
Base: 1,112



44% did not want the Council Tax to increase

When asked why those chose this option, four in ten stated that council tax is already too high, and 36% indicated that they couldn't afford an increase / will be too expensive / cost of living concerns.

Sub-group analysis:

	Residents living in Fenland (58%) and East Cambridgeshire (56%) are most likely to state that they did not want Council Tax to increase, while those in Huntingdonshire (31%) and South Cambridgeshire (31%) were least likely to state this.
	Female residents (48%) are more likely than male residents (41%) to express this view.

31% supported an increase of 1% for the Adult Social Care Precept and 1% as a general increase (2% in total)

Just over a quarter (26%) of residents who selected this option stated that they did so because it was a small / affordable increase. A similar proportion (25%) stated that it was a fair / reasonable increase / in line with inflation. 20% acknowledged that the council needs more funds / that there is a need to share the burden of the cost of living crisis.

Sub-group analysis:

	Residents living in Huntingdonshire (36%) were more likely to express support for this level of increase than those in East Cambridgeshire (26%)

13% supported an increase of 1% for the Adult Social Care Precept and 2% as a general increase (3% in total)

When asked why residents chose this option, 31% reported that they believe it to be a reasonable increase / fair / in line with inflation. A further three in ten (30%) stated that the council needs more funds / there is a need to share the burden of the cost of living crisis. 21% stated that such an increase would only be a small / reasonable increase.

Sub-group analysis:

Residents in South Cambridgeshire (22%) and Huntingdonshire (18%) were most likely to be in favour of this increase, with those in Fenland least likely (6%) to support it.

To provide further insight, results were analysed by Acorn[1] Classification. Acorn is a good proxy when wanting to understand the social economical variations in populations. The sample was broadly representative to the Acorn Category profile of Cambridgeshire as a whole, although Acorn 2 'Rising Prosperity' and Acorn 4 'Financially stretched' were slightly underrepresent (Table 1).

Table 1: Acorn Category profile of sample and Cambridgeshire County Council

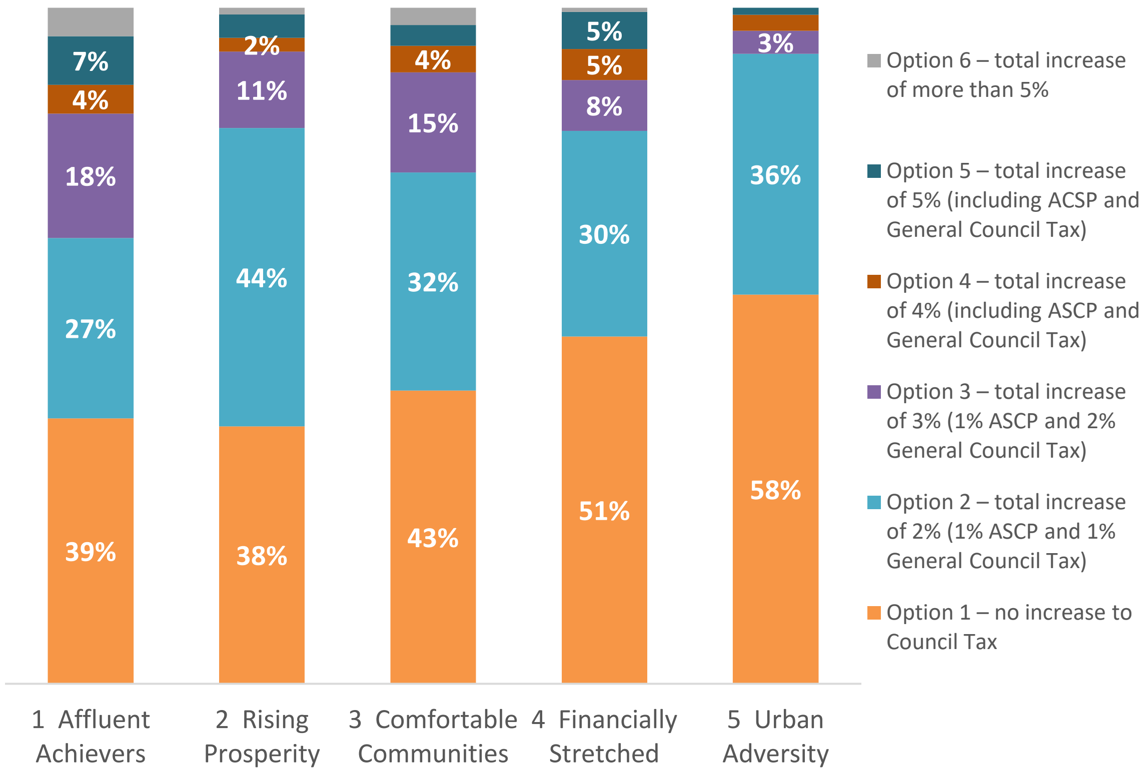
	Cambridgeshire County profile	Sample profile	+/-
1 - Affluent Achievers	32%	33%	+1%
2 - Rising Prosperity	11%	8%	-3%
3 - Comfortable Communities	33%	33%	-
4 - Financially Stretched	17%	14%	-3%
5 - Urban Adversity	6%	7%	-
6 - Not Private Households	0%	2%	+2%
Total	**100%**	**100%**	

Figure 10 shows the level of support for each option by Acorn Category. Households classified as Acorn 4 'Financially Stretched' (51%) and Acorn 5 'Urban Adversity' (58%) were more likely to want to not increase Council Tax, compared to those classified as Acorn 1 'Affluent Achievers' (39%), Acorn 2 'Rising Prosperity' (38%) and Acorn 3 'Comfortable Communities' (43%) (see chart overleaf)

Households classified as Acorn 1 'Affluent Achievers' were more likely to be in favour of option 5 (7%) and option 6 (4%) than all the other Acorn categories.

[1] Acorn is a classification system that segments the UK population by analysing demographic data, social factors, population and consumer behaviour. Acorn is broken down into three tiers; 6 categories, 18 groups and 62 types. Acorn provides valuable insight into helping to target and understand the attributes of households and postcodes areas.

Figure 10: Level of support by Acorn Category



Conclusions

Savings and increasing income

When asked about areas where the Council could make savings, there was high opposition to the proposals to reduce the amount the council spends on the improvement of local schools and early years through non-statutory support services (83%) and to make savings by reducing road maintenance work in non-emergency areas (76%). However other measures were better received, with a higher proportion supporting than opposing the proposals to hold vacancies for Council employees who choose to leave (54% support vs. 19% oppose) and to take action to drive down the cost of streetlighting (69% support vs. 17% oppose). The most supported proposal when considering areas to cut costs was to close or dispose of some of the Council's buildings - 73% supported this proposal while only 8% opposed it.

The proposal which received the highest support however was the proposal to build greater energy security through looking at opportunities to generate more renewable energy - this was supported by 88% of residents and opposed by 5%.

Council Tax

Overall, 56% of residents were supportive of some form of Council Tax increase. Among those who stated they would support no increase to Council Tax, the most common reason for providing this answer is that Council Tax is already high enough (40%), followed by concerns about being able to afford an increase (36%). Among those who supported an increase, a total increase of 2%, comprising a 1% increase to ASCP and a 1% General Council Tax increase, was the most supported increase – 31% indicated they would support an increase at this level. The most common reasons for supporting a rise at this level were that it’s only a small / affordable increase (26%) and that it is a reasonable increase / fair / in line with inflation. 13% would support a rise of 3%, with 31% of these stating this would be a reasonable increase / fair / in line with inflation, and 30% that the Council needs more funds / there is a need to share the burden of the cost of living crisis.

Appendices

Appendix A: Questionnaire

Appendix B: Comments around Council Tax increase

Appendix A: Questionnaire

PR22173 - CAMBRIDGESHIRE CC BUDGET SURVEY 2022

Good morning/afternoon, my name is____ and I work for M·E·L Research. I am doing a survey on behalf of Cambridgeshire County Council. The Council is seeking resident views to help them plan the budget and spending priority for next year. The survey will take around 10 minutes to complete. [book appointment if not convenient now]. Just to confirm, your responses will be treated in the strictest confidence and you won't be identified in any information we pass on to Cambridgeshire County Council unless you give your permission. M·E·L Research abides by the Market Research Society Code of Conduct at all times. IF NECESSARY. This survey will be conducted following the Code of Conduct of the Market Research Society. You can change your mind on taking part at any point during the survey. The information you provide in this survey will be used for research purposes only and your own responses will not be shared with Cambridgeshire County Council.

IF NECESSARY: Our privacy notice which explains how we store and process data can be found on or website at https://melresearch.co.uk/page/privacypolicy

I need to record that you are happy to participate. This is for quality control purposes and won't be shared with anyone outside of M·E·L Research.

Can I confirm that you are happy to participate in the survey?

- ❍ Yes
- ❍ No

First can I check that you are 18 years or over?

- ❍ Yes
- ❍ No - Interviewer to ask: is anyone else in the house over 18, or END SURVEY

And can I confirm that you live in...?

READ OUT

- ❍ Cambridge City
- ❍ East Cambridgeshire
- ❍ Fenland
- ❍ Huntingdonshire
- ❍ South Cambridgeshire

Before we go through the consultation questions, could you spend a couple of minutes reading the background and context of the consultation?

SHOWCARD 1:

Since the Council set its budget in February 2022, the national and international economic situation has significantly changed, and this has had a negative impact on Council finances in the same way it has affected most residents. The issues that we're having to deal with include:

- Rises in inflation to levels not seen for forty years, increasing the costs of our workforce and the supplies and services we buy.
- a crisis in the supply of energy and goods.
- The impact of COVID-19 on people's lives or incomes, causing major increases in the numbers needing extra help for the first time.

We have to deal with all of these challenges within a set level of funding. Most of our income, including our share of council tax or business rates, is fixed by the government. By law, we are not allowed to spend more money than we have and must set a balanced budget in February 2023.

The current financial gap between what we assumed we will need to do next year, and what it will cost us has almost doubled since the start of this financial year, from £17m to more than £28m. Despite inflation and other pressures affecting us we are unlikely to receive any additional government funding.

Delivering a balanced budget in the current economic context will not be easy. It is a challenge which isn't only facing your household budget, but also councils up and down the country. Like you, the Council needs to use a range of approaches to balance the books, which could include reductions in some services.

We need to produce a budget which is sustainable so that we can deliver on our ambition to create a greener, fairer and more caring Cambridgeshire.

We also want to continue to make changes to the way we work – improving the environment, bringing services closer to people, and helping residents and communities to recover from the effects of COVID-19. But we can only consider investments if we can first balance our budget.

We would like your views on which areas you would find the most acceptable for our Councillors to consider in balancing our budget.

Savings and increasing our income

This year, setting the Council's budget will be extremely challenging. Here are some of the things the Council could do to balance its budget. We would like to know how supportive you are about the following options:

Rate on a scale of 'Strongly support' to 'Strongly oppose'

Streetlighting

Q1. Two thirds of the Council's total electricity bill is spent on streetlighting. How supportive would you be of taking action to drive down this cost to save energy and reduce carbon emissions e.g., investing in all LEDs, dimming lights, or turning them off entirely in between certain hours of the night?

SHOWCARD 2

❍ Strongly support
❍ Support
❍ Neither support nor oppose
❍ Oppose
❍ Strongly oppose
❍ Don't know (need more information)

Road maintenance

Q2. The Council spend £12m on the day-to-day upkeep of our roads, footways, and cycleways each year. How supportive are you of them making savings by reducing their road maintenance work in non-emergency areas such as some surface repairs, pothole prevention, verge maintenance, grass cutting and gully emptying?

SHOWCARD 2

❍ Strongly support
❍ Support
❍ Neither support nor oppose
❍ Oppose
❍ Strongly oppose
❍ Don't know (need more information)

Council buildings

Q3. How supportive are you of the Council closing or disposing of some of the buildings it works from – saving running costs and potentially delivering some income, but possibly increasing journeys for residents needing services or staff getting to work?

SHOWCARD 2

❍ Strongly support
❍ Support
❍ Neither support nor oppose
❍ Oppose
❍ Strongly oppose
❍ Don't know (need more information)

Council vacancies

Q4. The Council employs approximately 4,300 people across a wide range of services and in all parts of the county.
How supportive would you be of us holding vacancies for those that chose to leave and only recruiting and replacing roles for the most vital frontline services – e.g., social care, or highways emergency teams?

SHOWCARD 2

❍ Strongly support
❍ Support

- ❍ Neither support nor oppose
- ❍ Oppose
- ❍ Strongly oppose
- ❍ Don't know (need more information)

Education

Q5. How supportive are you of reducing the amount the Council spends on the improvement of local schools and early years through non-statutory support services, this could include providing less or no transport to and from school where this is not a legal requirement?

SHOWCARD 2

- ❍ Strongly support
- ❍ Support
- ❍ Neither support nor oppose
- ❍ Oppose
- ❍ Strongly oppose
- ❍ Don't know (need more information)

Adult social care

Q6. How supportive are you of the Council increasing its offer to older adults and people with disabilities to provide technology enabled care (such as alarms or pressure pads), which can increase independence and reduce, to some extent, longer-term hands-on support?

SHOWCARD 2

- ❍ Strongly support
- ❍ Support
- ❍ Neither support nor oppose
- ❍ Oppose
- ❍ Strongly oppose
- ❍ Don't know (need more information)

Renewable energy

Q7. How supportive are you of the Council looking at opportunities to generate more renewable energy i.e., wind or solar, to help tackle climate change and build greater energy security for its communities?

SHOWCARD 2

- ❍ Strongly support
- ❍ Support
- ❍ Neither support nor oppose
- ❍ Oppose
- ❍ Strongly oppose
- ❍ Don't know (need more information)

Council Tax

Cambridgeshire County Council would like to get residents' views on options for Council Tax.

Currently we have a government cap which means we can put up Council Tax by to 2% with a further 1% for the Adult Social Care Precept (ASCP).

ASCP gives us the option to increase the County's share of council tax and all the income generated from this is ring-fenced, meaning it can only be used for adult social care services.

The Council's current budget position has been made worse by around £19m because of inflation, and this would increase if we don't use the government assumption of a 2% increase in Council Tax.

For each 1% increase in either the Adult Social Care Precept or General Council Tax an average band D property would pay an additional 28p per week (£14.67 a year).

Below are six options. Please tell us which of the six options you support for the County Council's part of Council tax (other parts of Council Tax pay for police, fire, parish and district council services).

Option 1 – no increase to Council Tax
Option 2 – total increase of 2% (1% ASCP and 1% General Council Tax)
Option 3 – total increase of 3% (1% ASCP and 2% General Council Tax)
Option 4 – total increase of 4% (including ASCP and General Council Tax)
Option 5 – total increase of 5% (including ASCP and General Council Tax)
Option 6 – total increase of more than 5%

Q8. Which option would you support?

SHOWCARD 3

- ❍ Option 1 – no increase to Council Tax
- ❍ Option 2 – total increase of 2% (1% ASCP and 1% General Council Tax)
- ❍ Option 3 – total increase of 3% (1% ASCP and 2% General Council Tax)
- ❍ Option 4 – total increase of 4% (including ASCP and General Council Tax)
- ❍ Option 5 – total increase of 5% (including ACSP and General Council Tax)
- ❍ Option 6 – total increase of more than 5%

Q9

Q9. Can you please tell us why you chose [option selected at Q8]?

To make sure we are hearing from a wide range of people we would like to ask some questions about you. These questions are optional but answering them will help us better understand what you tell us.

Gender

Q10. How would you describe your gender?

SHOWCARD 4

- ❍ Male
- ❍ Female

Age

Q11. What age band do you fall in?

SHOWCARD 5

- ❍ 18-24
- ❍ 25-34
- ❍ 35-44
- ❍ 45-54
- ❍ 55-64
- ❍ 65-84
- ❍ 85+

Finally, the County Council may wish to contact you again to invite you to take part in further research to capture your views on local services. If you would be willing to take part in further research (this may be for example, to participate in a focus group or another survey) then please provide me with your name and your preferred contact details.

Yes, please - I would like to take part in further research

❍ No, thank you.

Respondent details:

Name: ______________________________
Email: ______________________________
Telephone: ______________________________
Postcode: ______________________________

Would you be happy to have the answers to this survey linked to your contact information so that the Council may invite you to further research that matches your views?

READ OUT: This contact information will be shared with the council who may invite you to participate in further research, which will be purely voluntary and you can withdraw your consent at any time.

❍ Yes
❍ No

Finally, as part of M·E·L's quality control process, my employer will wish to contact some of the people I have interviewed. This is to confirm that I have undertaken the interview in an appropriate manner and according to the Market Research Code of Practice.

Could you please provide me with your name, a contact telephone number or email address?

❍ Yes - Telephone
❍ Yes - Email
❍ No

Name __________

Telephone __________

Email __________

Can I confirm that the first line of your address and your postcode are.....?

First line of address ______________________________
Postcode ______________________________

This is all the questions. Thank you for your time.

If you would like more information about who we are and how we use the information you've provided including your privacy rights and right to withdraw your consent at any time please visit our privacy policy at www.melresearch.co.uk/privacypolicy

[NOTE: If respondent does not have internet access they can contact M·E·L Research on FREEPHONE 0800 073 0348 to request a paper copy]

Appendix B: Coded comments about Council Tax options

Respondents	Q8. Which option would you support?					
	Option 1 – no increase to Council Tax	Option 2 – total increase of 2% (1% ASCP and 1% General Council Tax)	Option 3 – total increase of 3% (1% ASCP and 2% General Council Tax)	Option 4 – total increase of 4% (including ASCP and General Council Tax)	Option 5 – total increase of 5% (including ACSP and General Council Tax)	Option 6 – total increase of more than 5%
Sample base	**458**	**347**	**161**	**47**	**58**	**31**
Q9. Coded comments						
Council tax is already high enough / too high	**40%**	4%	1%	0%	0%	0%
Can't afford / will be too expensive / cost of living concerns	**36%**	6%	7%	0%	0%	4%
A reasonable increase / fair / in line with inflation	1%	**25%**	**31%**	18%	**30%**	20%
Council needs more funds / need to share the burden of the cost of living	0%	20%	**30%**	**41%**	**32%**	**42%**
It's only a small / affordable increase	0%	**26%**	21%	8%	7%	2%
Poor value for money / not getting good or enough services	17%	3%	1%	5%	0%	0%
Need to cover / improve services	1%	8%	15%	**34%**	**28%**	**45%**
The council should find other ways to raise money / improve efficiency	9%	6%	7%	4%	2%	2%
People can't afford more / this is all they can afford	2%	12%	9%	11%	2%	0%
I can afford it	1%	5%	5%	3%	10%	8%
Happy to support adult social care / needs more funding	0%	4%	4%	16%	11%	5%
Don't know / Can't comment	5%	2%	1%	3%	2%	3%

Produced by the Cambridgeshire Research Group

Cambridgeshire County Council

Business Planning 2023/24: Summary Report of Survey Findings

V0.1

December 2022

Introduction

This consultation was for Cambridgeshire County Council to consult with the public to gain insight into residents' views on areas of investment, ways to make additional savings or generate incomes, and on options of Council Tax. The consultation survey ran from Monday 7 November 2022 until Monday 12 September. It was advertised via press release in traditional media as well as over social media. Alongside the consultation survey, the results of which are summarised in this document, a doorstep survey was conducted by MEL Research on behalf of Cambridgeshire County Council.

Quality Assurance

The strategy for analysis of the consultation was as follows:

- An initial quality assurance review of the data was conducted and a review with the engagement team carried out to identify any issues or changes that occurred during the consultation process. For this consultation, there were no issues or changes.

- A set of frequencies were then produced and checks made against the total number of respondents for each question and the consultation overall. A basic sense check of the data was made at this point with issues such as checking for duplicate entries, data entry errors identified.

    - **Duplicate Entries.** Measures were in place to avoid analysing duplicated entries. The online survey software collects the timestamp and IP address of entries so patterns of deliberate duplicate entries can be spotted and countered.

      For this consultation, we identified and removed 1 duplicate entry.

    - **Partial Entries.** The system records all partial entries as well as those that went through to completion (respondent hit submit). These are reviewed separately and where a substantial response has been made (as opposed to someone just clicking through) then these are added to the final set for analysis.

      For this consultation, we identified 87 partial entries. 3 entries were substantial responses and were added to the final set for analysis. The rest were made up from unsubstantial responses and so were removed from the analysis.

    - Within the qualitative analysis a search for any unusual patterns within the responses was carried out, such as duplicate or 'cut and paste' views being expressed on proposals.

For this consultation, there were no unusual patterns identified.

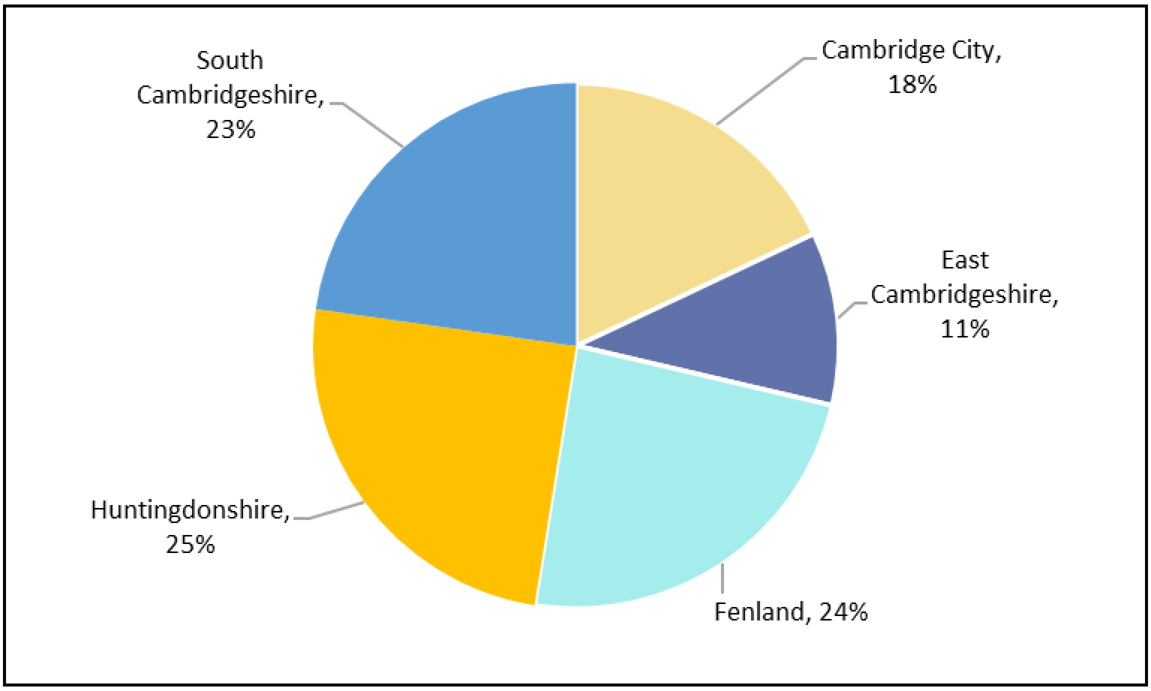
- Free text questions were analysed using qualitative methods, namely through thematic analysis. These themes are identified using specialist software and then responses tagged with these themes (multiple tags can be given to the same response and the question phrasing means that responses can refer to the same theme in different ways). At this stage totals of tagged themes are created and sample quotes chosen for the final report that typify particular tagged themes. Comment themes are listed in order of the number of comments received, from most to least. In the reporting of themes 'most' represents where over 50% of respondents' comments were applicable, 'some' represents 25%-49%, and 'few' represents less than 25% of comments.

- The final report is then written to provide an objective view of the results of the consultation.

Demographics

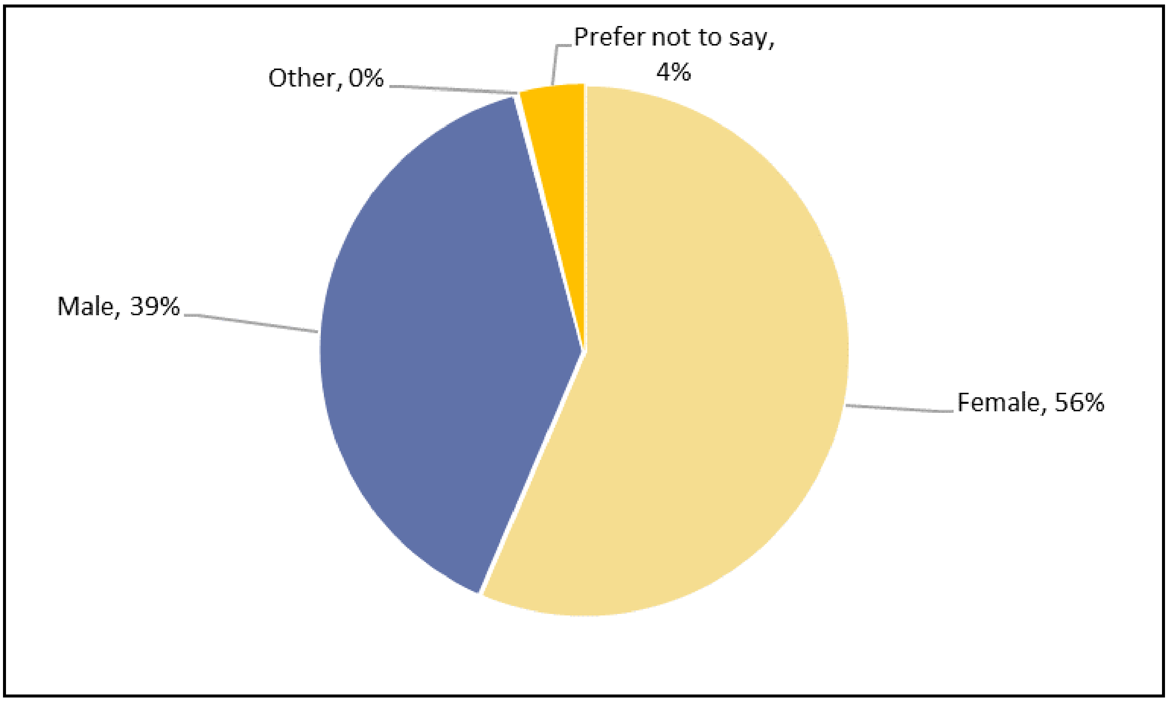
There were 356 respondents. The demographics of these respondents are as follows:

Respondent resident district

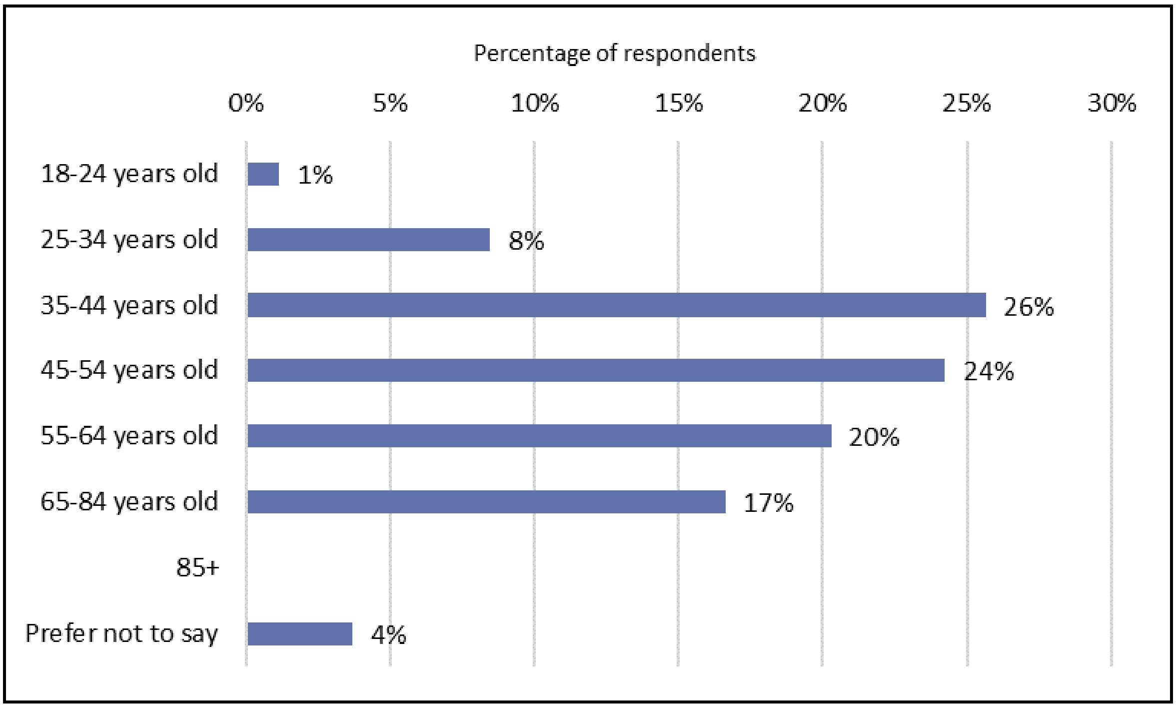


To understand the range of people the survey reached and responded, there were also two optional questions about gender and age.

Respondent gender



Respondent Age

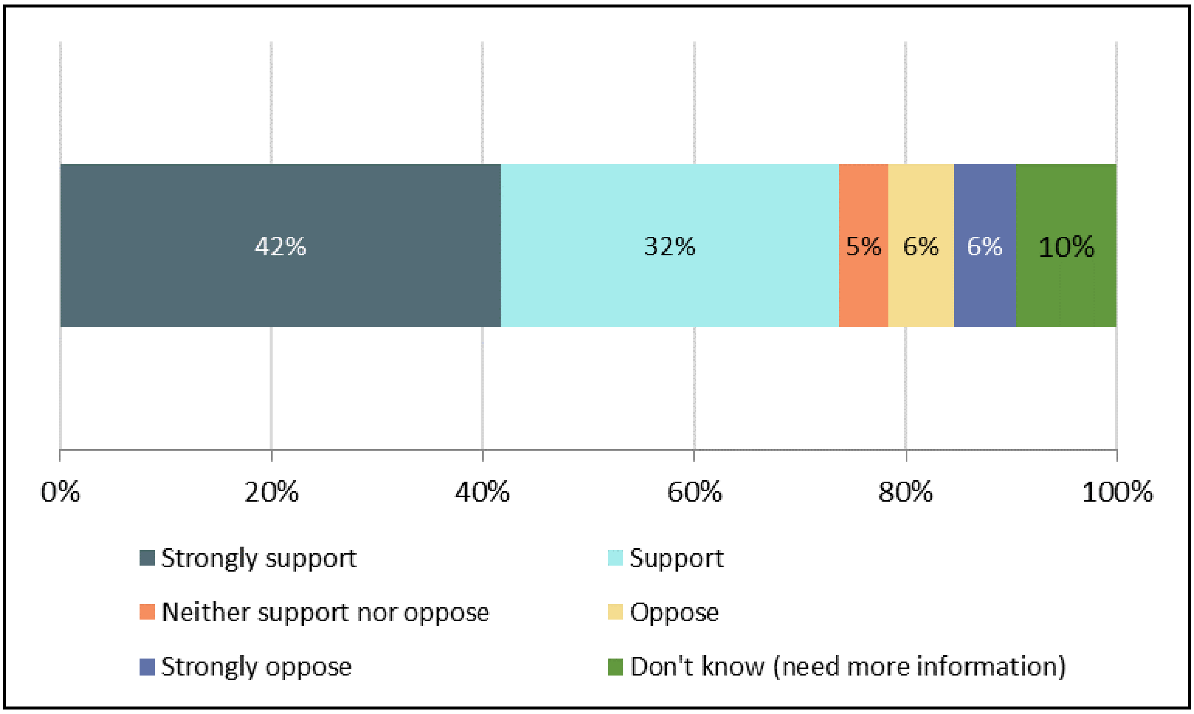


Savings and increasing income

Respondents were asked how supportive they were about options the Council could choose to balance its budget.

Streetlighting

Two thirds of the Council's total electricity bill is spent on streetlighting. How supportive would you be of taking action to drive down this cost to save energy and reduce carbon emissions e.g., investing in all LEDs, dimming lights, or turning them off entirely in between certain hours of the night?

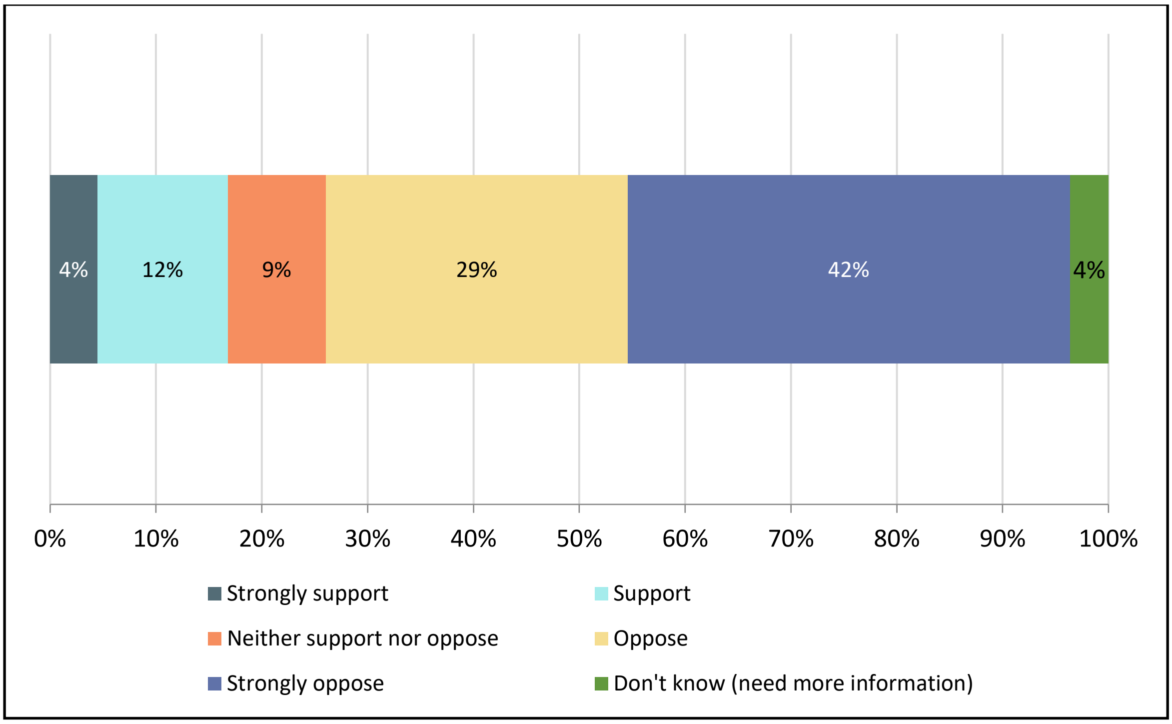


All 356 respondents answered this question.

- **The majority of respondents supported** taking action to drive down the cost of the Council's electricity bill (74%).

Road maintenance

The Council spend £12m on the day-to-day upkeep of our roads, footways, and cycleways each year. How supportive are you of them making savings by reducing their road maintenance work in non-emergency areas such as some surface repairs, pothole prevention, verge maintenance, grass cutting and gully emptying?

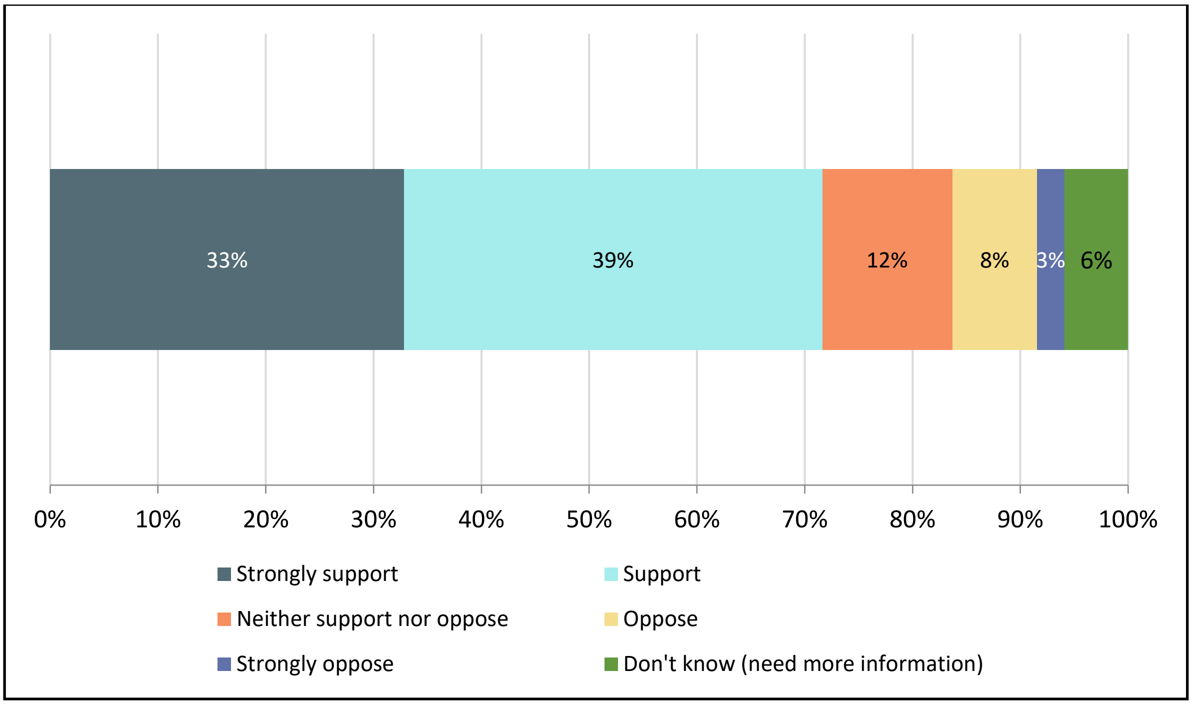


All 356 respondents answered this question.

- **The majority of respondents opposed** making savings by reducing non-emergency road maintenance (71%).

Council buildings

How supportive are you of the Council closing or disposing of some of the buildings it works from – saving running costs and potentially delivering some income, but possibly increasing journeys for residents needing services or staff getting to work?

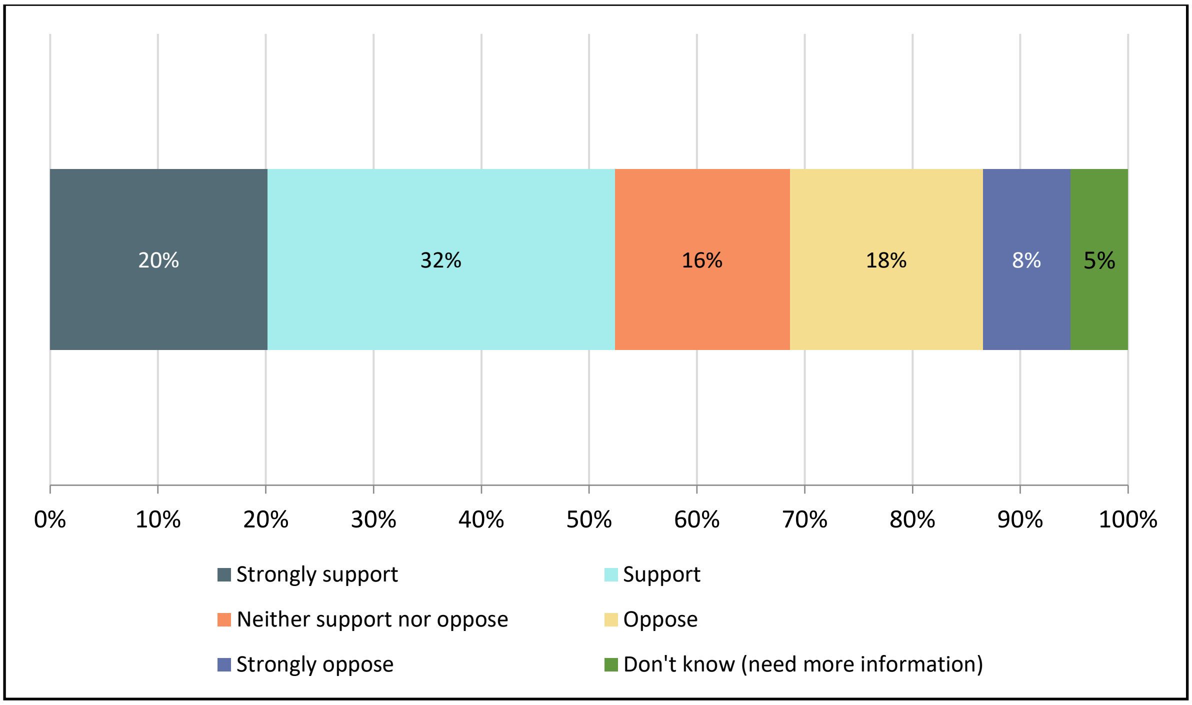


355 respondents answered this question.

- **The majority of respondents supported** closing or disposing of some of the buildings it works from (72%).

Council vacancies

The Council employs approximately 4,300 people across a wide range of services and in all parts of the county. How supportive would you be of us holding vacancies for those that chose to leave and only recruiting and replacing roles for the most vital frontline services – e.g. social care, or highways emergency teams?

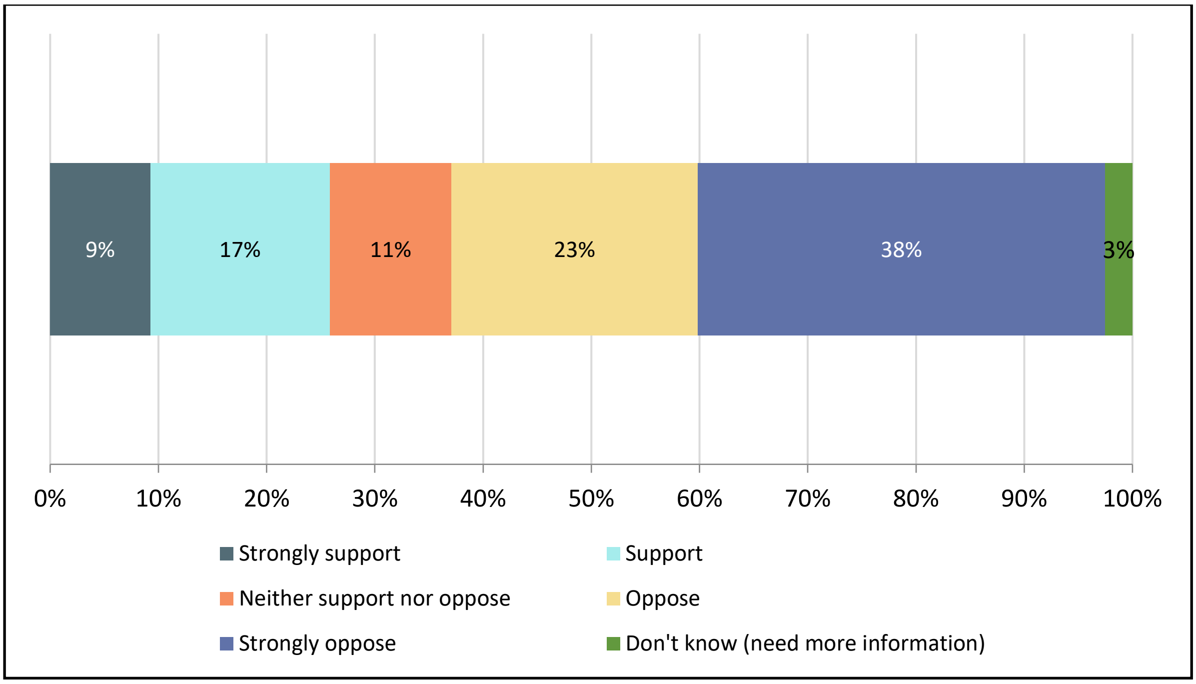


All 356 respondents answered this question.

- Over half of respondents supported holding vacancies for those that chose to leave and only recruiting and replacing roles for the most vital frontline services (52%).
    - Just over a quarter of respondents opposed this (26%).

Education

How supportive are you of reducing the amount the Council spends on the improvement of local schools and early years through non-statutory support services, this could include providing less or no transport to and from school where this is not a legal requirement?

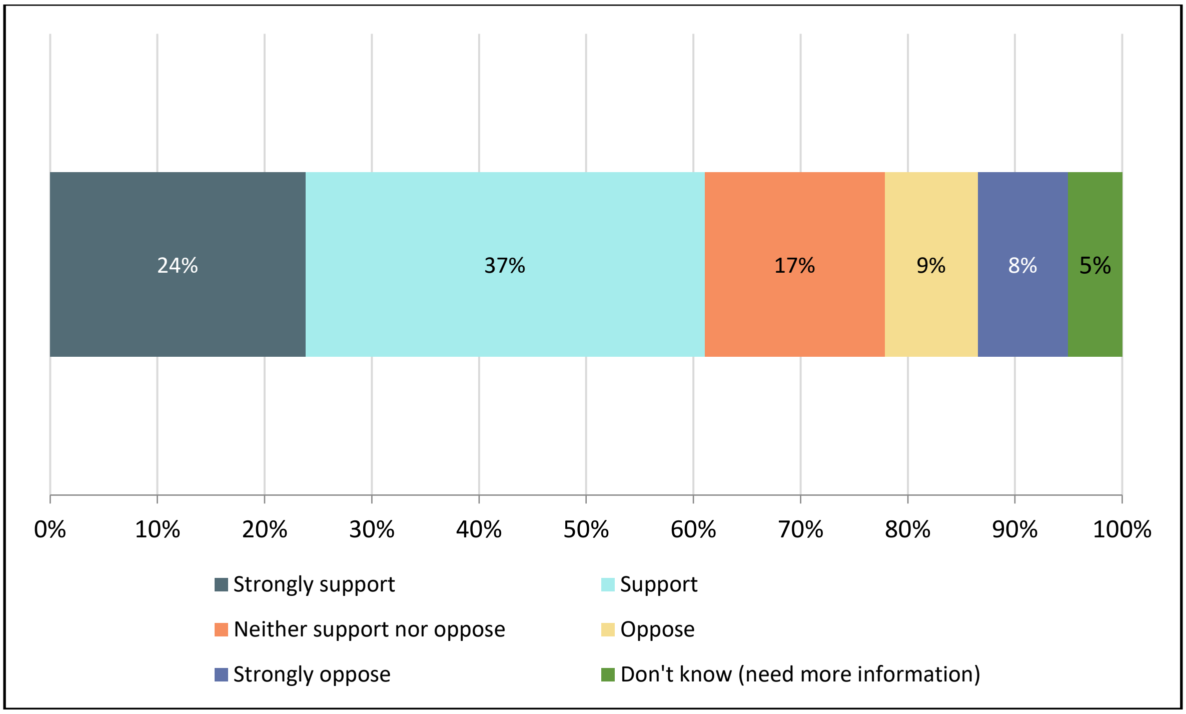


355 respondents answered this question.

- **The majority of respondents opposed** reducing the amount the Council spends on the improvement of local schools and early years through non-statutory support services (61%).

Adult social care

How supportive are you of the Council increasing its offer to older adults and people with disabilities to provide technology enabled care (such as alarms or pressure pads), which can increase independence and reduce, to some extent, longer-term hands-on support?

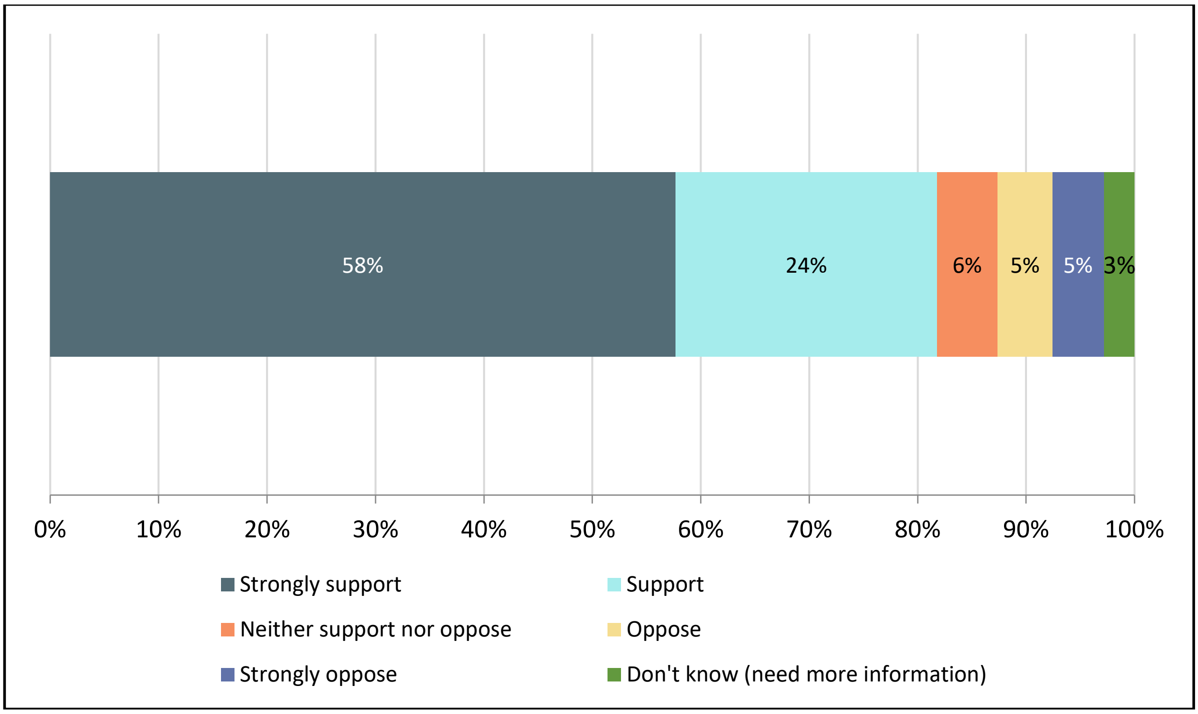


All 356 respondents answered this question.

- **The majority of respondents supported** the Council increasing its offer to older adults and people with disabilities to provide technology enabled care (61%).

Renewable energy

How supportive are you of the Council looking at opportunities to generate more renewable energy i.e., wind or solar, to help tackle climate change and build greater energy security for its communities?

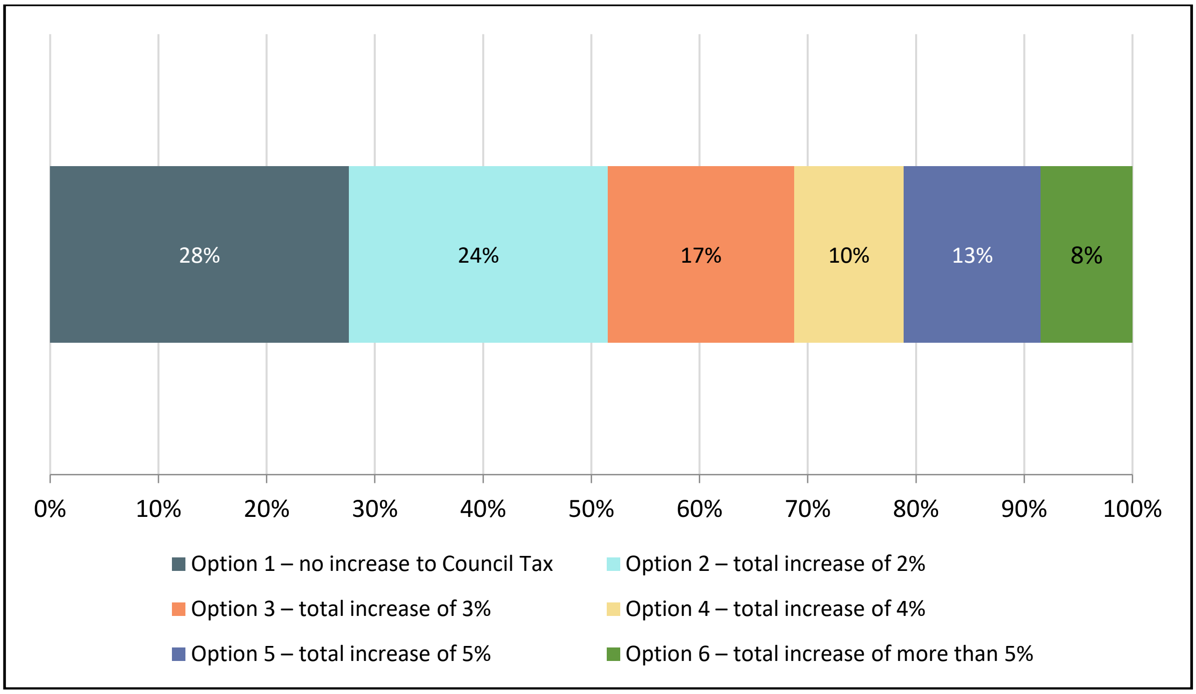


All 356 respondents answered this question.

- **The majority of respondents supported** the Council looking at opportunities to generate more renewable energy (82%).

Changes to Council Tax

Which of the above options do you support?



354 respondents answered this question.

- The majority of respondents indicated they supported an increase of at least 2% (72%).
    - Over a quarter of respondents indicated they supported "Option 1 – no increase to Council Tax" (28%).
    - Just under a quarter of respondents indicated they supported "Option 2 – total increase of 2% (1% ASCP and 1% General Council Tax)" (24%).
    - Less than a fifth of respondents indicated they supported "Option 3 – total increase of 3% (1% ASCP and 2% General Council Tax)" (17%).

Respondents were also asked why they chose the option they did and were given a free text space to enter an answer.

Of those who answered "Option 1", 68 respondents left comments. The main themes were:

Comment Theme	Respondent comments
Cost to individuals	• Respondents who discussed this theme felt that an increase in Council Tax would be unaffordable to many and unreasonable given rising costs of living.
Poor value for money	• Respondents who discussed this theme felt that the rising cost of Council Tax in recent years was not also matched with equal or improved services, with respondents feeling services were poor. Most of these respondents felt spending needed to be made more efficient.

Council should make savings	• Respondents who discussed this theme felt the Council should be making savings in staff costs and service efficiencies.

Of those who answered "Option 2", 46 respondents left comments. The main themes were:

Comment Theme	Respondent comments
Minimise impact on individuals	• Respondents who discussed this theme felt that any larger an increase in Council Tax would be unaffordable to many and unreasonable given rising costs of living. o Most of these respondents felt that some increase was needed as the Council was also facing increased costs.
Council should make savings	• Respondents who discussed this theme felt the Council should be making savings in staff costs and service efficiencies.
Poor value for money	• Respondents who discussed this theme felt that the rising cost of Council Tax in recent years was not also matched with equal or improved services, with respondents feeling services were poor. Most of these respondents felt spending needed to be made more efficient.
Changes to Council Tax bands	• Respondents who discussed this theme felt there needed to be changes to the way Council Tax bands worked, with suggestions including proportional increases to each tax band, a review of individual housing band categorisation (to compensate for house extensions, etc), and tax bands functioning on household income rather than size.

Of those who answered "Option 3", 36 respondents left comments. The main themes were:

Comment Theme	Respondent comments
Balance between minimising impact on individuals and ensuring council services are funded	• Respondents who discussed this theme felt that any larger an increase in Council Tax would be unaffordable to many and unreasonable given rising costs of living but that some increase was needed as the Council was also facing increased costs and services were needed.

Of those who answered “Option 4”, 20 respondents left comments. The main themes were:

<table>
<tr><th>Comment Theme</th><th>Respondent comments</th></tr>
<tr><td>Affordable</td><td>Respondents who discussed this theme felt that “Option 4” would be an affordable increase to most given that some increase was needed as the Council was also facing increased costs and services were needed, but any larger an increase in Council Tax would be unaffordable to many and unreasonable given rising costs of living.
A few of these respondents felt that funding should focus on ASCP as it was most needed here.</td></tr>
</table>

Of those who answered “Option 5”, 22 respondents left comments. The main themes were:

<table>
<tr><th>Comment Theme</th><th>Respondent comments</th></tr>
<tr><td>Need for services to be funded</td><td>Respondents who discussed this theme felt that the increase was needed as the Council was facing increased costs, services were needed and had already faced significant cuts.
Some of these respondents felt this would be an affordable increase to most.
A few of these respondents felt that the Council should still be looking to make savings by making services/running costs (like the running of buildings) more efficient.</td></tr>
</table>

Of those who answered “Option 6”, 23 respondents left comments. The main themes were:

<table>
<tr><th>Comment Theme</th><th>Respondent comments</th></tr>
<tr><td>Need for services to be funded</td><td>Respondents who discussed this theme felt that the increase was needed as the Council was facing increased costs, services were needed and had already faced significant cuts.</td></tr>
</table>

Some respondent themes although weren't present when looking at responses to specific options to Question 10, were apparent across these responses.

Comment Theme	Respondent comments
Funding from Central Government	• Respondents who discussed this theme highlighted that Central Government funding had been cut so locally derived funding needed to be sought. o Some of these respondents felt that Central Government should be doing more to fund local councils.
Transparency on council spending	• Respondents who discussed this theme felt that there should be more transparency to Council spending and assurances funding would be spent efficiently and "in the places needed".
Concerns about the congestion charge	• Respondents who discussed this theme were concerned about the impact from the possible implementation of a congestion charge alongside an increased Council Tax bill, particularly for those on lower incomes.
Changes to Council Tax bands	• Respondents who discussed this theme felt there needed to be changes to the way Council Tax bands worked, with suggestions including proportional increases to each tax band, a review of individual housing band categorisation (to compensate for house extensions, etc), and tax bands functioning on household income rather than size.

Capital Strategy

2023-2024

cambridgeshire.gov.uk

Contents

1. Executive Summary

The Council's strategic financial framework is comprised of three distinct, but interdependent, strategies set out within this Business Plan:

- Medium-Term Financial Strategy (MTFS) (Section 2)
- Capital Strategy (Section 6)
- Treasury Management Strategy (Section 7)

This Strategy describes how the Council's investment of capital resources over the next ten years, matched by key partners, will optimise the ability of the Council to achieve its Strategic Vision and Ambitions outlined within the Council's Strategic Framework. The Strategy is concerned with all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding, and is updated each year as part of the Business Planning process.

The Council achieves its vision to "Create a greener, fairer and more caring Cambridgeshire" through delivery of its Business Plan, which targets seven key ambitions. To assist in delivering the Plan, the Council needs to undertake capital investment in order to deliver on its major commitments. This includes investment in new schools and in modernising school buildings, regeneration and improvement of the county's transport infrastructure and tackling the Council's ambitious net-zero target towards 2045.

"Create a greener, fairer and more caring Cambridgeshire"

It is crucial that when long-term investment decisions are undertaken, decision-makers can rely on clear and informed information. This includes:

- A long-term view of capital expenditure plans and any financial risks to which the Council is exposed.
- Ensuring due regard to the long-term financing affordability implications and potential risks.
- A clear overview of the Council's asset management planning arrangements and any maintenance requirements that have resource and business planning implications.

2. Strategic context

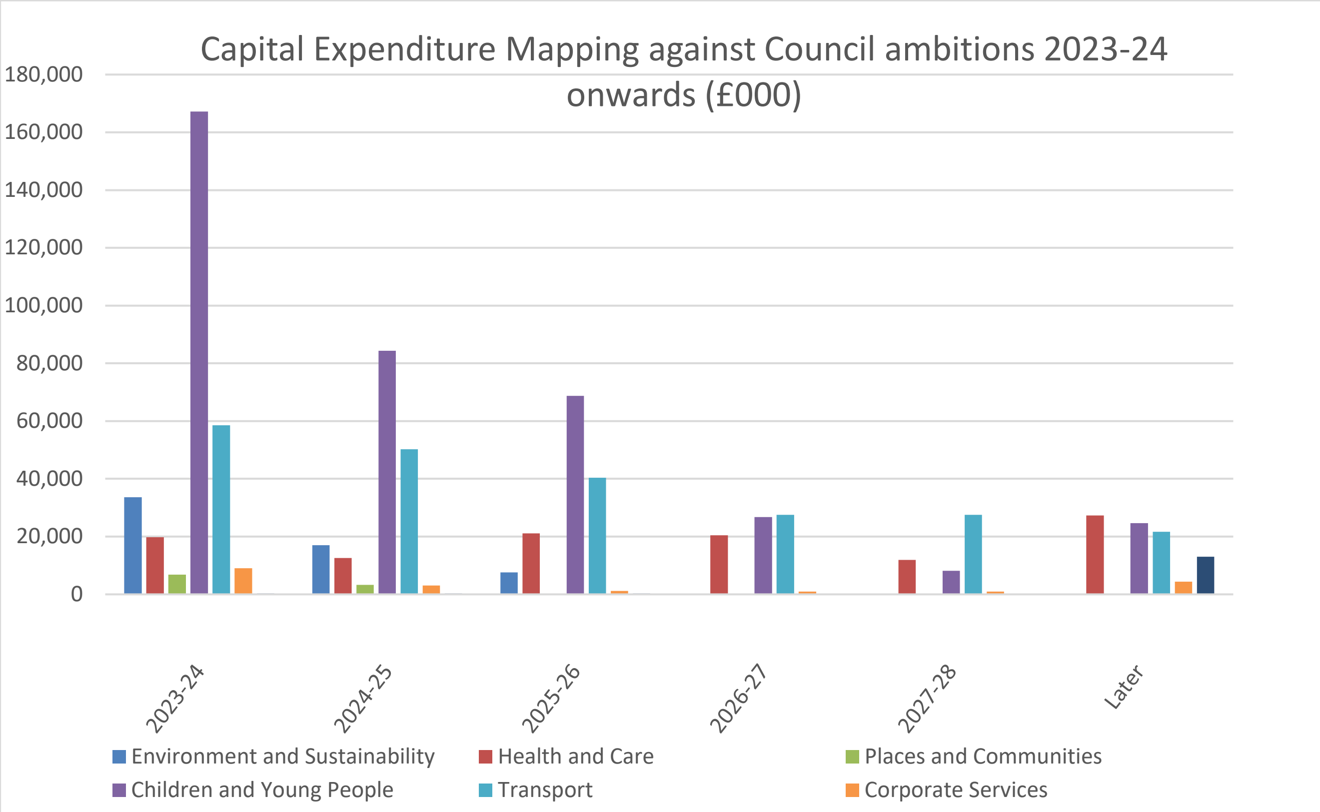
The development of this Strategy, along with the Council's other core strategies and plans, is informed by the current and longer-term strategic context, as set out in the Strategic Framework.

Cambridgeshire is a fast-growing place. In 2021, approximately 679,000 people lived in Cambridgeshire, one of the fastest growing populations over the last decade. Cambridge City was the second highest growing local authority in the East of England, mainly concentrating in younger adults, while our rural districts are seeing higher growth in over 65s. We expect population growth to continue through the next decade, particularly for our older age groups. Cambridgeshire also has areas of deprivation, including 16 neighbourhoods in the 20% most relatively deprived nationally. Around 7,700 adults receive long-term social care, either partially or fully funded by the Council, and there has been a 100% increase since January 2017 of the number of children supported with Education Health and Care Plans, taking the number to 6,800 children.

The Climate Change and Environment Strategy sets out the Council's ambition for tackling the climate and biodiversity emergencies. The carbon footprint for Cambridgeshire in 2020 was 6.9m tonnes of CO_2 emissions; for this Council in 2021/22 it was 131,610 tonnes. We must work over the coming years to reduce the carbon footprint of both the Council and the County, with targets for these to be net zero by 2030 and 2045 respectively.

3. Capital Investment Mapping

The Council's investment ambition can be mapped to the Council's key ambitions as follows:



A more detailed review of the Capital Programme is provided in part 5d.

4. Future Years Strategy Development

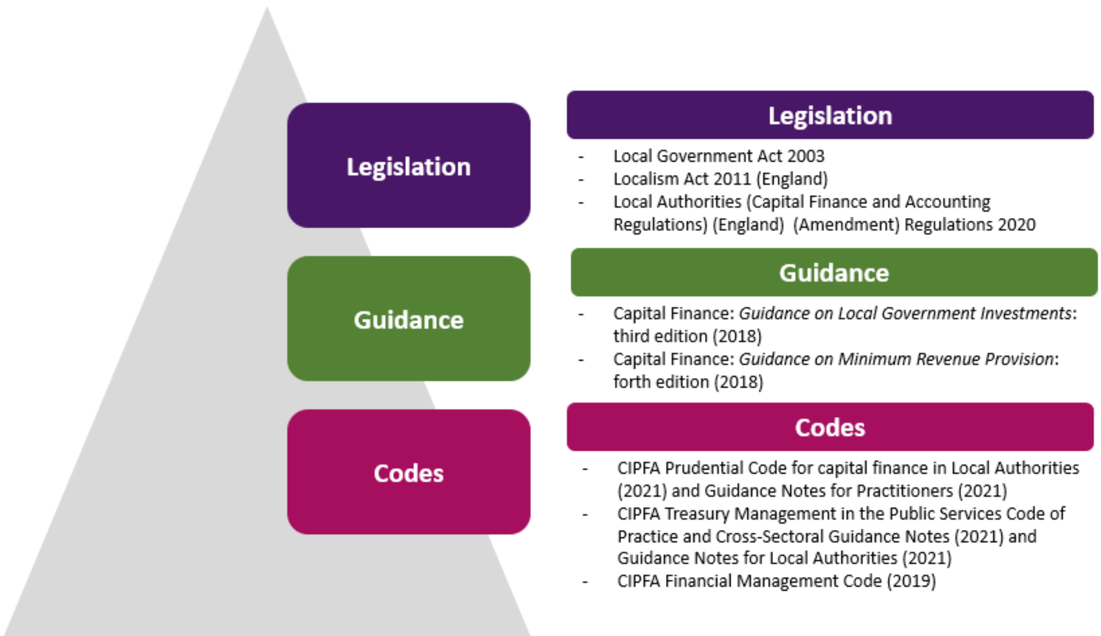
The Capital Strategy is constantly undergoing development as part of a process of continuous improvement to support members in their decision making. Future identified activity includes:

- Further development of the long-term (20-to-30-years) approach to the Capital Strategy, aligned to our longer-term corporate strategies
- Alignment with the ongoing development of the Corporate Approach
- Assessment of asset management planning to inform decision making and risk as part of the development of the new Asset Management Strategy
- Any upcoming changes to statutory guidance
- Review of Business Case best practice and alignment of the prioritisation process with the new Corporate Priorities and Triple Bottom Line approach
- Continuing development of the use of carbon emissions assessment within investment decisions across all schemes.

5. Detailed Strategy

5a. Statutory Framework

Local Government capital finance is governed and operates under the Prudential Framework in England, Wales, and Scotland. The Prudential Framework is an umbrella term for several statutory provisions and professional requirements that allow authorities largely to determine their own plans for capital investment, subject to an authority following due process in agreeing these plans and being able to provide assurance that they are prudent and affordable. The relevant legislation, guidance and codes are set out as follows:



5b. Working with partners

The Council is committed to developing strong and positive partnerships that not only enhance the investment potential of the Council through opportunities for support and contributions from third parties but enable delivery of the Council’s Corporate Priorities. Partnership working enables the Council to leverage a larger package of investment that extends beyond our investment potential as an individual organisation.

There are a range of capital schemes currently being delivered in conjunction with partners and our commitment to social and environmental values further demonstrate our aspiration to work with the public and private sector to deliver better outcomes for people, the environment, and communities. The following summarises some of the Council's key partnerships.

Cambridgeshire and Peterborough Combined Authority (CPCA)

The CPCA, led by the Mayor and representatives from the seven constituent councils, was created in 2017 to deliver the region's devolution deal. The CPCA works with the Business Board (the Local Enterprise Partnership) and other local partners to deliver strategic projects. Key ambitions for the Combined Authority include:

- doubling the size of the local economy
- delivering outstanding and much needed connectivity in terms of transport and digital links
- providing the UK's most technically skilled workforce
- growing international recognition for our knowledge-based economy
- improving the quality of life by tackling areas suffering from deprivation.

The Mayor and Combined Authority has a role to play in enabling carbon reduction and adaptation to climate change; therefore, the CPCAs activities and policies are informed by an ambition to tackle climate change.

The CPCA receives funding and powers from Central Government, which the Mayor and the Combined Authority Board oversee, and it sets out strategies and plans for delivering its ambitions. It is expected that CCC will deliver much of the capital work commissioned by the CPCA within Cambridgeshire, and several schemes form part of our capital programme.

Greater Cambridge Partnership

The Greater Cambridge Partnership is the local delivery body for a City Deal with central Government, bringing powers and investment, worth up to £500 million over 15 years, to vital improvements in infrastructure, supporting and accelerating the creation of 44,000 new jobs, 33,500 new homes and 420 additional apprenticeships.

It is the largest of several City Deal programmes agreed by central Government in 2013 and brings key partners together to work with communities, businesses, and industry leaders to support the continued growth of one of the world's leading tourism and business destinations. The four partners are:

- Cambridge City Council

- Cambridgeshire County Council
- South Cambridgeshire District Council
- University of Cambridge

The Executive Board is made up of members from the four partners, plus one member nominated by the CPCA Business Board.

In 2013, £100m of government funding was made available for transport improvements until 2020. Following successful completion of the Gateway Review in May 2020, an extra £200 million funding was made available up to 2025. The Greater Cambridge Partnership continues to explore funding opportunities, for example through Section 106 agreements with developers, and to explore private funding opportunities.

It is expected that Cambridgeshire County Council will undertake most of this work on behalf of the GCP. It is important to ensure that the strategic infrastructure scoped and delivered through the City Deal reduces carbon emissions through designing out carbon emissions where it can from the construction and operation of any new assets as well as a strategic goal of the infrastructure itself.

Connecting Cambridgeshire

The Connecting Cambridgeshire programme is improving Cambridgeshire and Peterborough's digital infrastructure – including broadband, mobile and public access Wi-fi coverage – to drive economic growth, help our businesses and communities to thrive and make it easier to access public services. The project is hosted by Cambridgeshire County Council and led by the CPCA, working with Peterborough City Council (PCC), Government bodies, local councils, and external organisations, including telecoms suppliers and mobile operators.

Together with £3m from PCC and £8.75m Government funding, the Council's initial outlay of £20m in 2011 has since been used to leverage over £42m of direct funding, from external public and private sector sources, including £7.5m from the CPCA to extend the programme to improve mobile and public access Wi-fi, as well as fibre broadband. The broadband rollout has now brought superfast access to over 98.5% of premises, above the national average, which means the programme is on track to reach the 99% target. As a result of Project Gigabit, 75% of premises can now access gigabit capable broadband coverage with download speeds of at least 1000Mbps. Coverage is increasing at pace through direct intervention and commercial deployment towards exceeding the

Government target of 85% by 2025.

The Connecting Cambridgeshire Digital Connectivity Strategy 2021-2025 gives an overview of work underway to significantly improve broadband, mobile and public access Wi-fi coverage across the region by 2025. The strategy for the period 2021-2025 builds on the foundations of the existing programme, incorporating multiple workstreams, targeting the different aspects of digital connectivity from broadband, mobile, 'Smart' technology, and public access Wi-Fi to ensure that Cambridgeshire and Peterborough are well positioned to take full advantage of current and emerging technological advances.

This Land

This Land Ltd was established as a wholly owned company of the Council in 2016 in order to enable development of land for housing. The company aims to develop the land it has acquired, predominantly from the Council, to provide individual, high-quality homes and new communities that are in much demand across Cambridgeshire and the surrounding counties in the East of England. As of January 2023, the Council had issued long-term loans of £113.851m to This Land, for which it receives an annual revenue return by way of interest payments, and equity of £5.851m. During 2021, the Council undertook a shareholder review of This Land, assessing its commercial operation and future exposure to risk. Several key areas for action were identified, including governance, resourcing, and personnel, improving the commercial and financial position of the company, and taking opportunities to deliver on broader objectives through the company's work. Both the Council and the company have been addressing these actions during 2022-23, monitored through shareholder liaison meetings and formally at Strategy and Resources Committee.

Light Blue Fibre

Light Blue Fibre Ltd, one of the first of its kind in the UK, is a joint venture between the University of Cambridge and Cambridgeshire County Council, making both organisations' existing extensive duct and fibre networks commercially available. It aims to attract telecoms companies, infrastructure providers and technology businesses who understand the importance of full fibre connectivity and are looking to save time and money by reducing the need for expensive and time-consuming infrastructure developments.

One Public Estate (OPE)

OPE is an established national programme delivered in partnership by the Office of Government Property (OGP) within the Cabinet Office and the Local

Government Association (LGA). It provides practical and technical support and funding to councils to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners. Cambridgeshire's OPE group allows partners, including the district councils, health partners and the emergency services, to effectively collaborate on strategic asset management and rationalise the combined operational property estate within the county. The programme has secured up to £3.3m in funding so far to bring forward major projects for joint asset rationalisation and land release. OPE projects that are being delivered in conjunction with OPE partners include:

- Huntingdonshire District Council - North Huntingdon Strategic Growth Partnership – Wyton redevelopment
- Cambridgeshire Community Services (CCS) - Ely Princess of Wales Hospital redevelopment
- CCS - Wisbech North Cambridge Hospital redevelopment
- Cambridgeshire County Council (CCC) - Joint Highways Depot move (from Whittlesford to Swavesey A14)
- CCS / CCC - Ely Care Home (at Ely Princess of Wales)
- Peterborough City Council - Peterborough Middleholme (BLRF)
- Fenland District Council (FDC) - Fenland Nene Waterfront (BLRF)
- CCS / Cambridge City Council (City) - Brookfields / Seymour St
- FDC – Cambridgeshire and Peterborough NHS Foundation Trust (CPFT) - Cambridgeshire Public Sector Accommodation review including NHS ICS and NHS Neighbourhood Hubs Alconbury
- City - Aylesborough Close Ph2, Cambridge

Community Infrastructure Levy (CIL)

The Council also works closely with the city and district councils on the creation of new infrastructure needed as a result of development. CIL is at the discretion of the Local Planning Authority i.e., the city and district councils, who are responsible for setting the levy and have the final decision on how the funds are spent. However, as the County Council has responsibility for the provision of much of the infrastructure resulting from development, it is imperative that it is involved in the CIL governance arrangements of the city and district councils, and that it works closely with these authorities to ensure that it is able to influence investment decisions that affect the Council's services.

Local Area Energy Planning

Local Area Energy Planning is about determining the most cost-effective way of reaching net zero; identifying the partnerships that need to be created and the investments that will be required to achieve this. There are three strands:

- Place making – to achieve low carbon, oil and gas infrastructure use needs shifting to greater levels of 'electricity infrastructure', which will be the dominant infrastructure for heating and lighting buildings and transport for cars and light vans – or hydrogen for heavy transport. The Council therefore has a role in infrastructure planning and delivery.
- Green Investment – the Council can use its assets e.g., buildings and land either to host energy generation, for battery storage for larger projects or to become part of a project as an anchor tenant. The Council can also invest in energy projects for carbon reductions and carbon removals and potentially benefit from this.
- Local energy economy – investing in local energy provides jobs and services locally and financial benefits for the local economy. For example, skills investment to support retrofitting of buildings is supporting local business to build their capabilities as the market demand increases through government incentives.

The Council is in the initial stages of scoping out the process, with budget allocated to progress this during 2022-23.

Large Energy Projects

Swaffham Prior Community Heat Network

The Council is collaborating with Swaffham Prior Community Land Trust, and together, has brought renewable energy to Swaffham Prior by becoming one of the first villages in the UK to install a heating network into an existing community. The village is not connected to the gas grid, meaning 70% of homes rely on burning oil for heating. The ambition is to:

- Reduce future fuel poverty in rural off-gas communities
- Reduce dependence on oil to cut carbon emissions
- Provide cheaper, renewable heating to as many homes as possible

Over half the village have already outlined their intention to join the Heat Network, which will use Ground Source and Air Source Heat Pumps pumped through a community network to provide thermal energy, recognising the need for change and the Government's plans to phase out gas and oil boilers.

The Energy Centre has been built and the heating network pipes have been laid, to which homes will be connected over time. The first home connections have been actioned and a programme is being developed to connect the first half of the village by May 2023. Over the next five years, homes will be connected as they look to come off oil or costly electricity heating. The Council's role will become that of the Energy Supplier in conjunction with the Council's technical partner, Bouygues Energy and Services Ltd, managing the heat network.

Energy Performance Services Framework Contract

Early in 2021, the Council entered into contract with Bouygues Energies and Services Ltd and SSE Energy Solutions for design and delivery of clean energy projects to benefit the Council financially, cut energy consumption and reduce carbon emissions. The Framework, led by Bouygues Energies and Services Ltd, includes strategic partners such as UK Power Networks consulting, Envision Digital, Element Energy, Cambridge Cleantech and Cambridge University Leadership in Sustainability, providing insight on the market and technological innovations. This procurement brings the engineering design skills, capabilities and capacities required for a wide range of energy projects including heat networks, building retrofits, electric vehicle charging, smart energy grids and solar farms. It is only through a partnering arrangement such as this that the Council can bring the advanced knowledge and skills from the private sector and focus it on the future energy system challenges, and the role the Council plays in facilitating and benefiting from this change. For example, the Council has developed and constructed a new 37MW solar farm which will be generating renewable energy from summer 2023. It will generate sufficient renewable electricity for the equivalent of powering 10,000 homes. Not only will this investment generate local energy, building greater energy security for Cambridgeshire, but it will now directly power the heat pumps at the Swaffham Prior Community Heat Network Energy Centre to reach a 98% decarbonisation of heating and hot water for homes connecting to the scheme.

Smart Energy Grids – Babraham and St Ives Park and Rides

The Council is partnering with local organisations to deliver clean electricity, build local energy resilience, and cut carbon emissions. These two projects are currently under construction and will add solar PV canopies over the car parking, electric vehicle charging for cars and buses, battery storage, and supply local customers with renewable electricity. Both projects will complete during 2023-24 and are establishing the case for new business and investment models. The innovation is integrating a number of low carbon technologies together with control systems to direct energy flows to where it is needed, and facilitating electricity sales directly to customers on or next to the sites.

Electric Vehicle Charging Infrastructure Pilot - Cambridge

Collaborating with Cambridge City Council, the Council has installed 19 fast chargers in the Riverside and West Chesterton areas. The procurement leveraged a further four rapid chargers as social value. Two grants were successfully applied for to fund this project – £1.5m from the Green Recovery Fund to cover the electricity network reinforcements required and £142k from the On-Street Residential Chargepoint Scheme to fund 75% of the chargepoint installation. Both the City Council and CCC have part match-funded the scheme, totalling £45k.

School Retrofit and Low Carbon Heating Programmes

The Council has supported over 60 Cambridgeshire schools to make energy savings and generate local renewable energy. Total investment to date is £16.4m, funded by Government grants, prudential borrowing, and some local contributions. Together this is saving £837k on school energy bills and 2,006 tonnes of CO_2 emissions per annum. Altogether, 8 schools are having low carbon heating solutions installed and a further 19 are in the pipeline. Of particular note is Comberton Village College, where oil boilers in 10 plant rooms have been replaced by a ground source heat pump solution. This was constructed during 2022 and is now being commissioned for operation from early 2023.

5c. Internal Influences

As well as the Council's Corporate Strategy, the Capital Strategy has clear links to many other strategies, policies, and plans. The most significant of those strategies and their influence are detailed below.

Strategy	Influence
Strategic Framework	Ensures the Council's plans are driven by the shared vision to create a greener, fairer, and more caring Cambridgeshire and focuses on achieving a number of outcomes for the people of Cambridgeshire.
Medium Term Financial Strategy	Sets out the financial picture facing the Council over the next five years, the resources available to the Council, and the Council's strategy for managing its resources effectively.
Flexible Use of Capital Receipts Strategy	Sets out how the Council will use the Flexible Use of Capital Receipts direction on transformational activity that reduces costs or demand for services.
Service Financial Plans	Set out the level of financial resources available for each Service area, across both revenue and capital.
Treasury Management Strategy	Establishes the framework for the effective and efficient management of the Council's treasury management activity, including the Council's borrowing and investment portfolio, within legislative, regulatory, and best practice regimes. The Strategy balances risk against reward in the best interests of stewardship of the public purse.
Investment Strategy	In addition to a high-level, long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services, it provides an overview of how the associated risk of financial and non-financial investments is managed and the implications for future financial sustainability.
Accommodation Needs Assessment for Older People and People with Physical Disabilities	Sets out Cambridgeshire and Peterborough's long term commissioning intentions for accommodation for older people and adults with physical disabilities to ensure sufficient, affordable, and quality accommodation is available to meet demand up to 2036.
Education Organisation Plan	Sets out the strategic direction on education across the Combined Authority area, based on the Council's statutory duties regarding the sufficiency, diversity, and planning of places for early years, school-aged children (including special schools) and post-16 education and training provision.

Think Communities Approach	A decentralised approach which ensures that the council develops its physical assets in a collaborative way with individual communities and other public sector services to ensure they are relevant, accessible and enhance placed based delivery.
Transport Investment Strategy	Sets out the transport infrastructure, services and initiatives that are required to support the growth of Cambridgeshire.
Transport Delivery Plan	Provides forward visibility of all the planned highway and transport capital schemes on the local network that are in all probability going to be delivered within the 3-year timeframe.
Supporting New Communities Strategy	Ensures that infrastructure in new communities is designed to meet the needs of the community now and in the future. Supports the development of a self-supporting, healthy, and resilient community. Ensures that where people's needs are greater than can be met within community resources, they are supported by the right services and are helped to return to independence.
Planning Obligations Strategy	Sets out the Council's approach to securing developer contributions. Forms the principles for the advice which officers provide, including details about the service areas for which we may seek planning obligations.
Climate Change and Environment Strategy 2022	Sets out the Council's ambitious plans to reduce our own and the county's carbon footprint, and to support others in their efforts.
Asset Management Strategy	Provides detail on the framework for operational asset management.
County Farms Estate Strategy	Outlines how the estate will be managed to optimise income and development returns to produce a target revenue return to the Council of 4%, as well as how the estate will be managed to promote rural businesses, healthy living, support nature and protect the environment.
Sustainable Procurement Strategy	Sets out how procurement activity will support the delivery of the Council's priorities and the national priority outcomes in a way which is sustainable – our actions today will only have positive effects for those generations living in the Cambridgeshire of the future. Category Strategies, the Social Value Policy and other procurement related plans and policies will take the lead from this Strategy.

IT Strategy	Articulates how staff in shared services can work effectively with colleagues across both the Council and PCC to deliver more effective services to our citizens. Staff need access to IT that supports this vision and enables secure, easy, and robust sharing with collaboration tools delivered on a cost-effective basis, with the minimum level of duplicate costs for equipment and licences.

Sustainable Procurement Strategy

Procurement activity at the Council will be sustainable and recognise the risk that inaction on climate and biodiversity will create to our economy and social fabric; it will have the most positive environmental, social, and economic impacts on a whole life basis.

The Council's procurement activity will be based on the following fundamentals:

– **Managing Risks**: identification, prioritisation, and management of risks to the Council and its communities through procurement.
– **Due Diligence:** always trying to find a way to address adverse sustainability impacts connected with procurement activity.
– **Setting Priorities:** focusing efforts on managing risks and maximising sustainability.
– **Avoiding Complicity**: avoiding being complicit in wrongful activity.
– **Exercising Influence:** trying to influence the behaviour of suppliers and other stakeholders.

There is a golden thread that runs through procurement activity at the Council. The thread links together:

– Regulation
– Contract Procedure Rules
– Procurement Guidance and standard documentation
– Delivery of operational procurement activity

The key priorities of the Strategy are:

1. The Council will support the growth of local businesses and the third sector by making procurement spend more accessible.
2. The Council will increase the levels of social value delivered by our

suppliers.
3. The Council will contribute to the Council's Net Zero Targets.
4. The Council will deliver best value outcomes through procurement activity.
5. The Council will ensure that our procurement processes are robust, transparent, non-discriminatory, and compliant.

Asset Management Strategy

The Council's Capital Strategy inevitably has strong links to the Council's property Asset Management Strategy, which provides detail on the framework for operational asset management; this includes defining the principles which guide asset management, its role in supporting service delivery and carbon reduction, why property is retained, together with the policies, procedures and working arrangements relating to property assets. The Council's Asset Management Strategy is currently under review and will be developed under the guidance of Strategy and Resources Committee.

The Strategy will focus on the key objectives of:

- Reducing costs
- Co-locating front and/or back-office services
- Reducing carbon emissions
- Adapting assets to build resilience to a changing climate
- Increasing returns on capital
- Opening up investment opportunities
- Improving service delivery to communities

There will also be a detailed review of existing policy and strategy, and in particular a strengthening of the Corporate Landlord model and its links into corporate strategies such as the Sustainable Procurement Strategy, Think Communities and Older People's Accommodation.

Investment Strategy (Non-financial)

Part of the Council's approach of dealing with the twinned pressures of reduced central government funding and growing demand for services has been to deliver better financial returns from property and asset holdings.

CIPFA's Prudential and Treasury Management Codes 2021 require all local authorities to prepare an investment strategy, covering both financial and non-financial assets. The Investment Strategy for financial assets is included within the Treasury Management Strategy; for non-financial assets, it is included here and should provide (in addition to a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services):

- An overview of how the associated risk of non-financial investments is managed
- The implications for future financial sustainability.

Any commercial acquisition carries with it a degree of risk and as this involves the investment of public funds, the rationale for engaging in such activity should be clear. As with the rest of the Capital Strategy, all investment activity has been undertaken in line with the Council's vision of 'creating a greener, fairer and more caring Cambridgeshire'.

However, recent changes to the Public Works Loan Board (PWLB) rules and CIPFA's Prudential Code mean that the Council is not looking to invest further in new commercial property acquisitions beyond the current portfolio over the medium-term. Moving forward, the Council will comply with paragraph 51 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement to not borrow to invest primarily for financial return.

Whilst no further investment is anticipated, the Council does now hold a commercial property portfolio, and as such, still needs to consider the long-term sustainability risk implicit in becoming too dependent on commercial income, or in taking out too much debt relative to net service expenditure. There are inherent risks associated with commercial activity (for further detail see part 5h) and as such the Council has taken a measured risk approach towards supporting a proportion of its core activity with commercial income.

The table below shows the forecast levels of commercial and service income as a percentage of net service expenditure, demonstrating that the Council could manage to absorb any plausible losses within budget or reserves, without unmanageable detriment to local services.

	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Net Income from commercial and services investments to net service expenditure*	-4.8%	-4.8%	-4.5%	-4.3%	-4.2%

** Income here includes both financial and non-financial income, but excludes income from investments held for Treasury Management purposes*

As part of this Capital Strategy, the Council sets a debt charges limit during the business planning process as a mechanism to ensure that the Council does not overcommit its revenue resources to servicing debt. This can also be reviewed in terms of debt as a proportion of net service expenditure; for details on this see part 5f. However, it should be noted that the majority of these financing costs do not relate to borrowing incurred for commercial investment, but rather to necessary borrowing required to support the Council's service Capital Programme.

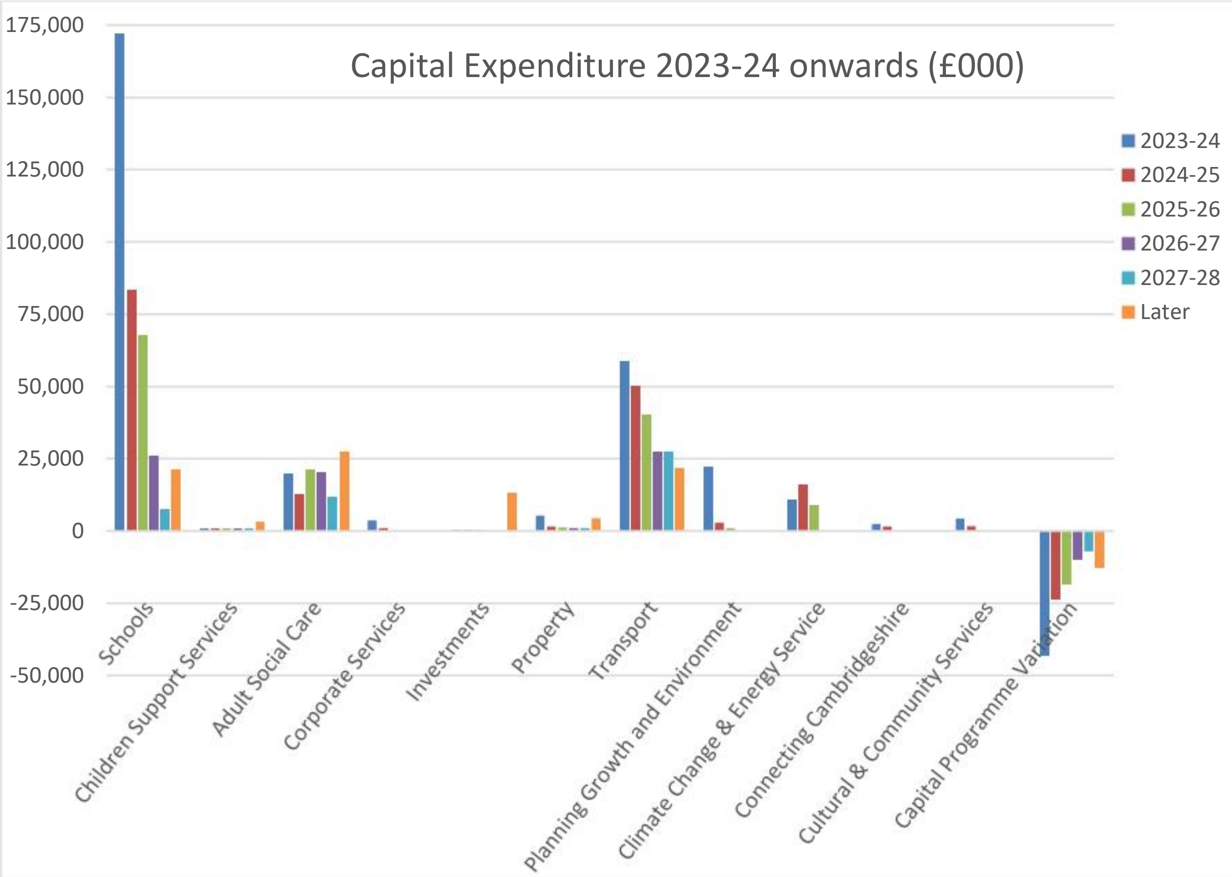
There may be a need in the future to dispose of property investments. This could occur because of the need to return the investment to cash for other purposes, poor financial performance of a particular property, or poor environmental and energy performance, for example. Whilst it is expected that the majority of investments will be held for the medium to long-term in order to achieve the required return and to justify the cost of the acquisition, it is important to understand the opportunities to dispose of any investment. Therefore, as part of the investment decision and ongoing management of the portfolio, consideration has been given to the potential ways in which the Council could "exit" from the investment, such as sale to another investor, sale for redevelopment, etc. These exit strategies are detailed in the current investment portfolio summary in Appendix 1 of this Strategy.

Active monitoring of the performance of individual properties within the portfolio is undertaken jointly across the property and finance teams. If any underperformance is identified, the teams develop action plans to determine how to mitigate any increase in risk or threat to ongoing security, liquidity, and yield.

Whilst all capital schemes are expected to contribute to delivery of the Council's Ambitions, there are some schemes that are also expected to reliably demonstrate revenue income / savings at least equal to the debt charges generated by the scheme's borrowing requirement. These schemes are called Invest to Save or Invest to Earn schemes and will be self-funded in the medium-term.

5d. Capital Investment Plan

Including an estimated previous spend of £552.6m on active schemes, the total value of the 2023-24 Capital Programme is £1.3bn. The following chart and tables provide the areas of spend from 2023-24 onwards; the categories of most significant capital expenditure for the Council are schools and transport.



Schools

Capital Scheme Category	£m	Description
Basic Need	310.1	The population of Cambridgeshire is growing; therefore, additional school places are required. This covers early years, primary and secondary education for both maintained and academy schools, as the Council retains the statutory duty to provide school places.
Adaptions	4.0	Covers rebuilds after major incidents such as fire or flooding, adaptions to bring older buildings up to date in line with the Department of Education Building Bulletin guidance, and work to address long-standing suitability and condition issues.
Condition & Maintenance	27.3	Addresses significant condition and statutory compliance issues identified in maintained schools' asset management plans, ensuring places are sustainable and safe. This funding is used alongside Government grants and loans to fund non-carbon heating solutions in some schools where oil or gas boilers require replacement.
Schools' Managed Capital	7.8	This funding is allocated directly to maintained schools to enable them to undertake low-level refurbishments, minor condition and maintenance works, and purchase equipment such as IT.
Specialist Provision	19.9	Covers both basic need provision for Special Educational Need and Disability (SEND) places, as well as adaptions to facilitate placement of children with SEND in mainstream schools in line with decisions taken by the County Resourcing Panel.
Temporary Accommodation	1.1	Enables the Council to increase the number of school places provided using mobile accommodation. This could be related to temporary increases in pupil numbers that do not require long-term resolution or could be a short-term solution whilst a longer-term resolution is identified and developed.

Transport

Capital Scheme Category	£m	Description
Integrated Transport	43.0	Covers local infrastructure improvements regarding accessibility, road safety engineering work, new cycle route provision and the Council's contribution to the Highways Agency A14 upgrade scheme.
Operating the Network	56.0	Carriageway and footway maintenance, improvements to the Rights of Way network, bridge strengthening and traffic signal replacement. It also supports provision of the Integrated Highways Management Centre and Real Time Bus Information system, which provide real-time travel information.
Highways & Transport	126.8	One-off schemes to provide resolutions to specific highways and transport issues. Examples include full reconstruction of the B1050 Shelfords Road and replacement of the King's Dyke level crossing in Whittlesey. Also includes additional funding for footpaths and Pavements (£20.0m) and Pothole Funding (£29.0m).

Capital Programme Variation

The nature of capital planning is such that it can be difficult to accurately forecast timing of capital expenditure for each individual scheme, as it is difficult to pinpoint exactly which schemes will experience unforeseen delays. In order to ensure that this does not unduly impact on the revenue position (see part 5f below for further detail on the impact capital has on revenue), the Council employs the use of centrally calculated and allocated Capital Programme Variation budgets in order to reduce the overall level of anticipated borrowing each year to a more accurate level. These budgets are calculated by applying a percentage reduction at Service level to the programme, based on several factors such as historical slippage, the nature of the current schemes in the programme, etc. This explains why the expenditure for this area in the chart above is negative. As slippage forecasts are reported throughout the year, they are offset against the variation budgets for each Service, leading to a balanced outturn overall up until the point when rephasing exceeds this budget.

Further detail on all schemes can be found within the individual service finance tables (Section 3 of the Business Plan).

5e. Funding the Strategy

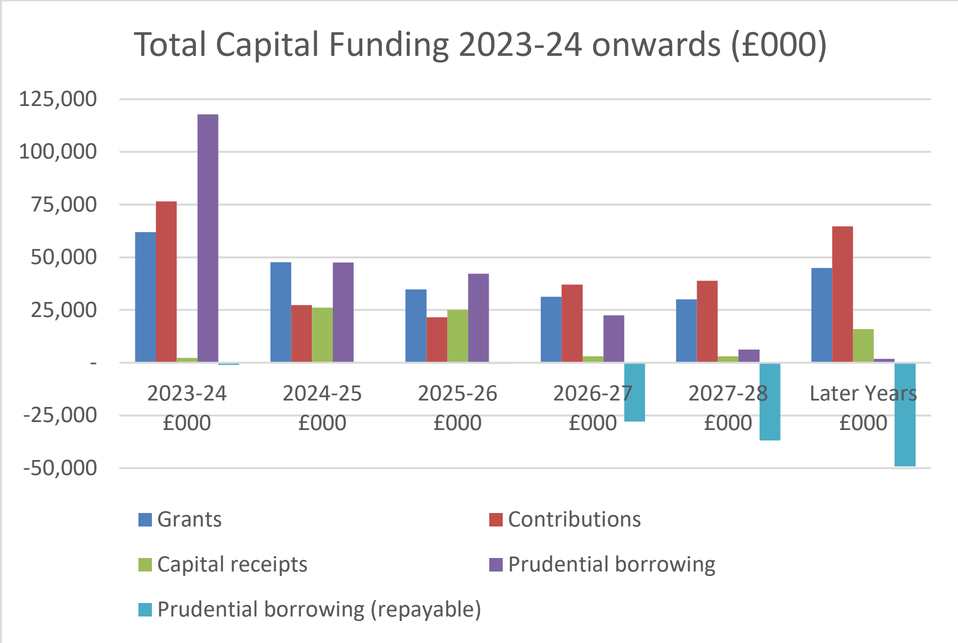
Capital expenditure is financed using a combination of the following funding sources:

Earmarked Funding	Central Government and external grants
	Developer contributions (Section 106), Community Infrastructure Levy (CIL) and external contributions
	Private Finance Initiative (PFI) / Public Private Partnerships (PPP)[1]
Discretionary Funding	Central Government and external grants
	Prudential Borrowing
	Capital Receipts
	Revenue funding

[1] This source of funding is no longer available for new schemes

A more detailed explanation of these funding sources is provided in Appendix 2 of this Strategy.

The 2023-24 ten-year Programme, worth £715.9m, is budgeted to be funded through £517.1m of external grants and contributions, £75.5m of capital receipts and £123.2m of borrowing.



Prudential borrowing (repayable) normally arises through timing differences between expenditure and receipt of income. This is common in relation to schemes funded, or part-funded, by developer contributions where the timing of the contribution is determined by the pace of development and meeting certain triggers, whereas the infrastructure may be required at an earlier point. For example, a new school may be required early on in a development, even though it will not reach capacity (and therefore will not trigger all the funding milestones usually linked to the number of housing completions) for several years. Prudential borrowing (repayable) will also be used to fund capital loans to other organisations; these loans will eventually be repaid, therefore over the life of the programme the borrowing required is zero. This explains the negative Prudential borrowing (repayable) in later years in the above chart.

Government Grants

Councils have received one-year funding envelopes for the previous years up to 2022-23, which has hampered the Council's ability to make efficient and effective decisions over long-term financial planning. The lack of certainty has been further exacerbated by the number of financial reforms which have been put on hold, particularly during the pandemic as well as during various changes in political leadership. The Government's Comprehensive Spending Review (CSR) 2021 covered the period 2022-23 to 2024-25; however, despite this, the Local Government Finance Settlement for 2022-23 was only for one year. This is not conducive to robust financial planning, particularly in relation to capital. However, the Local Government Finance Settlement for 2023-24 has provided an attempt at certainty by clearly setting out the Government's intentions and proposals for the 2024-25 settlement. In addition, the Highways grants have been announced on a multi-year, flat basis up to 2015-26, The Autumn Statement delivered in November 2022 also committed to protecting existing capital plans, such that public sector net investment as a proportion of GDP will average 2.5% over the forecast period, delivering over £600 billion of planned public sector gross investment over the next 5 years.

Government Grants - Highways

In addition to the Integrated Transport Block funding and Highways Maintenance formula allocation, the Department for Transport (DfT) provide a Highways Maintenance Incentive Fund. This fund is to help reward local highway authorities who can demonstrate they are delivering value for money in carrying out asset management to deliver cost effective improvements. Each authority self-assesses themselves against set criteria that determines which of three bands they are allocated to (Band 3 is the highest performing). The Council continues to be successful in maintaining Band 3 status and for 2022-23 has secured the maximum funding available of £10.3m. However, this represents a 29% reduction in needs and incentive-based funding as compared to 2020-21 when the Council received £14.6m. This is reflective of a £250m reduction in the overall national allocations. The DfT have confirmed that these allocations will remain at the same level until 2024-25.

The 2019 Conservative Manifesto committed to an additional £2bn of additional funding for pothole repair: £500m per annum from 2020-21. For 2020-21, the funding provided by DfT came via the new Pothole Fund, which was an amalgamation of previous Challenge Fund monies and the old Pothole Action Fund. This resulted in a funding allocation for the Council of £10.2m in 2020-21 and a further £8.3m in both 2021-22 and 2022-23. As with the Highways Maintenance allocations, the DfT have confirmed that these allocations will remain at the same level until 2024-25.

In the Spending Review 2021, the Government announced:

- £2.7bn over the next 3 years for local roads maintenance (as detailed above).
- £3bn of bus investment, including £1.2bn for bus transformation deals in England to deliver London-style services, fare, and infrastructure improvements, and a further £355m new funding for zero emission buses.
- £2bn of investment in cycling and walking to build hundreds of miles of high-quality, segregated bike lanes and other facilities to improve cyclists'

safety. This includes £710m of new investment in active travel funding over the next 3 years.

Any further allocations of these grants to Cambridgeshire will be factored into the business planning process as they are announced.

As the CPCA is now the local transport authority, it therefore receives the above DfT local transport authority designated funding on behalf of the County; however, the CPCA continues to commission the Council to carry out the required works on the transport network.

Government Grants – Levelling Up

The Levelling Up White Paper was published in February 2022, setting out in detail the framework and next steps for spreading opportunity more equally across the United Kingdom. The Government aim is to support local economic growth in order to regenerate town centres and high streets, support individuals into employment, improve local transport links and invest in local culture, while giving communities a stronger voice to take over cherished local assets that might otherwise be lost.

The White Paper promises a series of next steps:

- consultation on missions and metrics and the new devolution framework
- the establishment of a new independent body focusing on local government data
- rolling out Levelling Up Directors across the UK, alongside a new Levelling Up Advisory Council
- simplifying growth funding
- creating three sub-groups to support the levelling up advisory council
- introducing future legislation to create an obligation on the UK Government to publish an annual report on progress and to strengthen devolution legislation in England.

To support these objectives, the Government has launched four new investment programmes to support communities right across the country. All share common challenges and opportunities, which the Government is anticipating to address in collaboration with local partners. These investment programmes are:

- The UK Community Renewal Fund: £220m of funding to help local areas prepare for the launch of the UK Shared Prosperity Fund. 1,073 bids were submitted by the deadline of June 2021; 477 bids have been accepted totally £203m. The CPCA submitted 7 bids, of which 2 totalling £3.4m were successful.

- The Levelling Up Fund: £4.8bn of funding to invest in infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in culture and heritage assets. The first round allocated £1.7bn to fund 105 projects; none of the local authorities in Cambridgeshire received any funding under this round. Applications for the second round closed in August 2022; outcomes of this round will be announced by the end of 2022. The Autumn Statement 2022 confirmed this round would allocate at least £1.7bn.
- The Community Ownership Fund: £150m of funding over 4 years to help ensure communities can support and continue benefiting from the local facilities, community assets and amenities most important to them. The first 21 projects were announced as part of the 2021 Spending Review (none relate to Cambridgeshire). The second round of applications closed in December 2022; the fund is expected to be delivered over at least 8 bidding rounds.
- The UK Shared Prosperity Fund: £2.6bn of funding for investment by March 2025, with all areas of the UK receiving an allocation via a funding formula, rather than a competition, recognising that even the most affluent parts of the UK contain pockets of deprivation and need support. Investment plans were required to be submitted by August 2022; the CPCA was awarded £13.9m for Cambridgeshire and Peterborough.

Government Grants – Environment

A new discounted interest rate was introduced in 2018, accessible to authorities for 3 years to support up to £1bn of infrastructure projects that are ‘high value for money’. The Council submitted two bids to access this discounted interest rate; in November 2019 it was notified that the bids had been successful, and the Council can now secure £61m of borrowing at a discount of 0.4% below standard PWLB borrowing rates. This will support a variety of energy investment and community energy schemes to be delivered by 2023-24. The first tranche was accessed in March 2020 when the Council applied for £8m at the discounted rate, followed by a second tranche of £6m in August 2021 and a third tranche of £9m in December 2021.

Following on from this, the UK Infrastructure Bank (UKIB) opened for business in June 2021 and was initially expected to unlock more than £40bn of infrastructure investment. The Autumn Statement 2022 announced that the

Government is placing the Bank on a statutory footing, cementing its status as a key institution that will facilitate long-term investment in infrastructure to tackle climate change and support regional and local growth. The Council is evaluating whether any of our schemes should apply for this investment.

The Government has set up several grant schemes to support the retrofit of existing buildings called the Public Sector Decarbonisation Fund, Community Heat Fund, Home Upgrade Grants, a 'Prospering from the Energy revolution' fund and a whole stream of other pump prime funding. It has also brought forward the Environment Bill and Agriculture Act; these will bring inward investment to change the way we do things and value public goods.

The Council has secured over £6m of funding from the Public Sector Decarbonisation Scheme to help decarbonise heating and improve energy efficiency in Council buildings and schools. The Council is part of the Cambridgeshire Energy Retrofit Partnership (CERP); this covers all Cambridgeshire local authorities as well as the CPCA and together submits funding bids to the Sustainable Warmth, Home Upgrade Grants, and local authority decarbonisation schemes. To date, just over £9m has been secured for domestic retrofits, with a further funding bid submission for £11m; the partnership will find out if this has been successful during 2023. The Council has also submitted a bid to Innovate UK: Pioneer Places for a project to scope the system change required to attract private sector investment to achieve Net Zero by 2045 for power, heat, mobility, and product manufacturing. If successful, this bid could open opportunities for an £8m place-based funding bid that will help implement Local Area Energy Planning and support businesses.

The Council has secured funding for tree planting in non-woodland settings via the Local Authority Treescapes Fund. Through two rounds of this fund, the Council has secured a total of £490k; £220k for the Council with the remainder secured to fund projects with the district councils.

Government Grants - Education

The Government allocates capital funding to enable authorities to provide sufficient school places for every child who needs one, as well as ensuring that longer-term capital allocations are made in order to aid planning for school places. Unfortunately, the current methodology used to distribute funding for additional school places does not always reflect the Council's need, requiring additional borrowing on top of grants received. Almost all of this need relates to infrastructure that the Council has a statutory responsibility to provide, therefore there is limited flexibility for the Council in deciding whether to proceed with these schemes and allowing for their costs within the capital programme.

The Council seeks to maximise its Basic Need funding by establishing how the funding allocation model works and providing the School Capacity (SCAP) data to the Department of Education (DfE) in such a way as to maximise the Council's allocation. The Council has been allocated £2.3m of Basic Need funding for 2023-24 and £12.5m for 2024-25, based on the Council's SCAP return submitted for May 2021.

The DfE has also revised the methodology used to distribute condition allocations in order to target areas of highest condition need. The funding now consists of a weighted pupil element, banded condition scores, and a location factor to represent increased costs as determined by the Building Cost Information Service. The DfE have also increased the funding rate from £146 in 2021-22 to £148.50 per pupil for 2022-23, before other factors are applied. Transitional arrangements were put in place for the 2022-23 allocation round so that protected responsible bodies received no less than 75% of the allocation they received in 2020-21. The DfE intends to further reduce the level of protection offered by 25% points per annum until 2025-26, when no protection will remain. However, the exact methodology for calculating SCA in future years is yet to be confirmed, therefore this approach will be kept under review. The Council anticipates funding for 2023-24 will be announced in Spring 2023.

To date, the Government has given approval to 9 new free schools in Cambridgeshire. All but one were part of Wave 12 (2016-17) of the Government's central free school programme. Three have opened; two special schools (Martin Bacon Special Academy at Northstowe and Cavendish Special School at Impington) and one primary school (Marleigh Primary School on the eastern fringe of Cambridge City). Not all of the Wave 12 bids, however, are in areas where the Council has an identified basic need requirement; one of these has since been cancelled by the DfE and five schemes remain at pre-implementation stage. Two further bids were submitted under Wave 14 of which one was successful; a new Secondary Free School in Wisbech, which is being funded by the Education Funding Agency. The government is expecting to open a further 15 new free schools across the country under Wave 15, which was launched on 22 July 2022 and focuses on those areas that currently have the lowest educational standards, as well as a need for additional school places.

The outcome of Wave 15 will not be known until 2023, however there was only one bid for Cambridgeshire, for Hills Road North Sixth Form College.

The Spending Review 2021 reaffirmed the Government's commitment to rebuilding 500 schools in the worst condition over the next decade across the country as part of the Priority Schools Building Programme (PSBP), alongside an announcement of £2.6bn to be spent on creating 30,000 new school places for children with special educational needs and disabilities.

The Council responded to a DfE consultation on the criteria for the prioritisation and selection of schools for inclusion within the PSBP, also identifying those schools in Cambridgeshire that are in most urgent need of investment. Although no bids from Cambridgeshire were approved in the most recent DfE announcement, neither were they rejected. They have been rolled forward for consideration in a future round of the PSBP.

The £2.6bn capital investment in high needs provision is being delivered through a special free school wave; local authorities were initially invited to apply to this by October 2022. Successful authorities will be announced in early 2023, following which, trusts will be invited to apply to open special free schools during February 2023.

The Council has also been invited by the DfE to make an application to participate in the 2022-23 Safety Valve Programme which is designed to assist local authorities in reducing overspends in their High Needs Block expenditure for Special Educational Needs and Disabilities (SEND). As part of its DfE safety valve application, the Council has requested capital funding for a number of additional SEND capital schemes. This forms part of the overall strategy to increase capacity and reduce the reliance on more costly external placements. A decision is expected in March 2023; therefore, these schemes are not currently reflected in the 2023-24 draft Capital Programme. If the funding bid is unsuccessful, or is agreed but at a reduced level, further decisions will be required on which of these projects can proceed.

Developer Contributions and Capital Receipts

New home completions in Quarter 2 of 2022 were up by 16% on Quarter 2 of 2021, according to the National House-Building Council for new dwellings. Despite rapid changes to the economy, housebuilders have registered 66,855 plots for Quarter 2 of 2022, up by 45% on Quarter 2 of 2021. As a result of the stronger-than-expected market in 2021 and early 2022, having completed more homes and scaled back land-buying activity in 2020, housebuilders need to replenish and add to their immediate land supply to continue delivering homes over the short to medium term; however, this will be at a slower rate than during 2021. A key obstacle for the construction industry is addressing ongoing challenges in securing building materials, rising borrowing rates and inflation. Issues around labour are increasing, particularly with skilled trades like bricklayers and carpenters, and even finding qualified professionals such as quantity surveyors is becoming more problematic. In addition, the housing market is now weakening as the UK heads into potential recession. House prices are starting to fall due to interest rates climbing and inflation rates increasing, as a result of both national and global events. Prospects of a long recession have lowered the confidence of housebuilders and developers, which, coupled with increasing interest rates, will limit profits and lead to falling demand for development land.

Office take-up peaked in Quarter 1 2022 and is now 20% higher than Quarter 1 2020. The take-up has slowed down through 2022, but some sectors such as life sciences remained strong. The commercial real estate firm CBRE predicted that office take-up for 2022 in the UK would surpass the record lows seen in 2020, but would remain significantly below 2021 when the office market rebounded from the pandemic; average rental prices have increased by 5% in the first 9 months of 2022 according to Prime Office Space. CBRE maintains the view that there will be a transition towards a more hybrid form of office work. Sentiment towards commercial real estate is improving, but there remains a significant divergence in performance between highly prized industrial and logistics units and out-of-favour retail.

This highlights that the impact of Covid-19 is mixed across differing sectors of the property market, both nationally and locally. However, the shortage of building land for housing caused by the pandemic cutback in purchases by developers suggests that the Council's ability to fund capital investment through the sale of surplus land and buildings, or from contributions by developers will not be severely impacted moving forward.

The Government has declared a climate emergency and set a target to reduce carbon emissions by 78% by 2035 based on the recommendations of the Climate Commission on the 6th carbon budget. This in turn should set the country on course to deliver its final target of net-zero carbon emissions for the UK by 2050. The Joint Administration has set the ambition to deliver net zero by 2045 for Cambridgeshire, increasing the local pace and scale of delivery and to reflect the climate crisis. Delivering the changes required for the net-zero target will require investment into energy infrastructure, building retrofits, circular economy, active travel, and mobility that changes our dependency on fossil fuels for heating and powering homes and businesses, moving around and waste. The changes will be significant and will include regulatory improvements to building standards, land use, transport planning, and waste management to ensure clean and sustainable growth. Whilst the development industry reacts to these changes, some impact may be felt on developer contributions as our national and local systems shift focus to tackle climate and biodiversity emergencies.

The Council will re-invest 100% of all capital receipts received (after funding costs of disposal up to the allowable limit of 4% of receipt) back into the Capital Programme, focusing these on schemes that either generate an ongoing revenue return, remove carbon emissions or are short-life assets.

Community Infrastructure Levy (CIL)

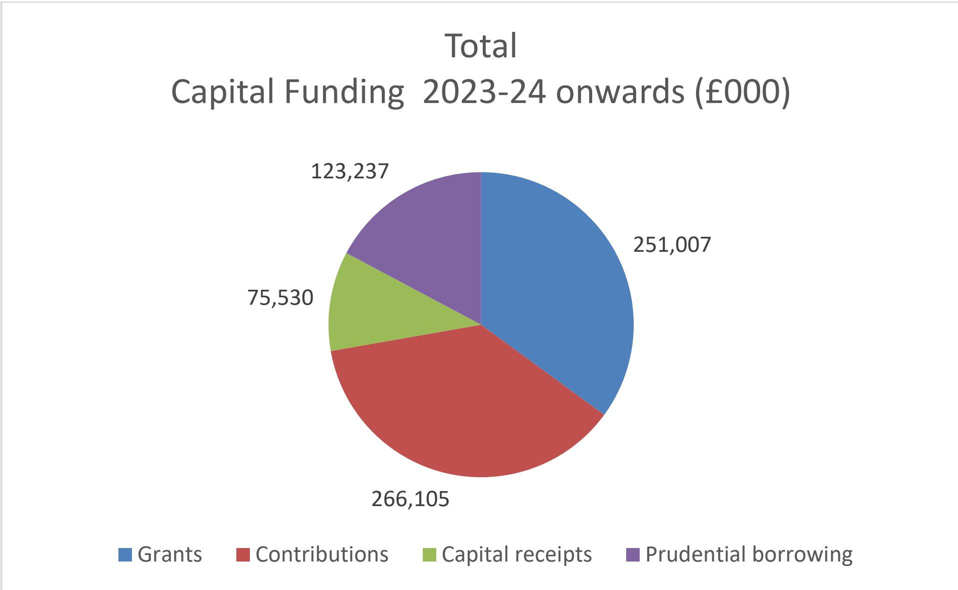
CIL works by levying a charge per net additional floor space created on all small-scale developments, instead of requiring developers to pay specific contributions towards individual projects as per the current developer contribution process (Section 106, which is still in place for large developments). Although this is designed to create a more consistent charging mechanism, it also complicates the ability of the Council to fund the necessary infrastructure requirements created by new development due to the changes in process and the involvement of the city and district councils who have exclusive legal responsibility for determining expenditure. The Council therefore generally receives a much lower proportion of the cost of infrastructure requirements through CIL contributions.

Huntingdonshire and East Cambridgeshire District Councils are currently the only districts within Cambridgeshire to have adopted CIL. Cambridge City Council, South Cambridgeshire District Council and Fenland District Council currently have no plans to implement.

Moving forward, the Council will also need to start scoping mechanisms to help itself, businesses and communities consider how carbon removal, offsetting and insetting projects can be developed to benefit the local economy and guide ourselves and partners through the complexity of how this could work.

Borrowing

The Council will only look to borrow money to fund a scheme either to allow for schemes that will generate payback and/or reduce future carbon liabilities (via either financial/carbon savings or through income generation), or if all other sources of funding have been exhausted but a scheme is required. Despite this, the Council has an affordability gap of £123.2m over the ten-year programme, which is due to be funded by borrowing.



5f. Revenue Implications and Affordability

All capital schemes have a potential two-fold impact on the revenue position, due to:

- the cost of borrowing through interest payments and repayment of principal (called Minimum Revenue Provision), or through the loss of investment income; and
- the ongoing revenue impact of the scheme (such as staff salaries, utility bills, maintenance, administrative costs etc.), or revenue benefits (such as savings or additional income).

To ensure that available resources are allocated optimally, capital programme planning is determined in parallel with the revenue budget planning process.

Both the borrowing costs and ongoing revenue costs/savings of a scheme are considered as part of a scheme's appraisal, and therefore, the process for prioritising schemes against their ability to deliver outcomes.

In addition, the Council is required by CIPFA's Prudential Code for Capital

Finance in Local Authorities 2021 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to guarantee that it achieves this, during each business planning process, Strategy & Resources (S&R) Committee determines what proportion of revenue budget is spent on services and the corresponding maximum amount to be spent on financing borrowing. This is achieved by setting an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the plan.

In order to afford a degree of flexibility from year to year, changes to the phasing of the debt charges is allowed within any three-year block, so long as the advisory aggregate limit remains unchanged. Blocks refer to specific three-year periods, starting from 2015-16, rather than rolling three-year periods. The advisory limit on debt charges is reviewed each year by S&R Committee to ensure that changing factors such as the level of interest rates, or the external funding environment are taken into account when setting both.

Due to the Council's strategic role in stimulating economic growth across the county through infrastructure investment, any capital proposals that can reliably demonstrate revenue income / savings at least equal to the debt charges generated by the scheme's borrowing requirement are excluded from contributing towards the advisory borrowing limit. These schemes are called Invest to Save or Invest to Earn schemes and will be self-funded in the medium-term. Whilst the financing costs for commercial activity schemes have already been removed from the budget and recharged to the Investment Activity budget, there are several other Invest to Save / Earn schemes that have not been recharged e.g., third party loans. The following table therefore compares revised net financing costs excluding these costs. Following the change in the Minimum Revenue Provision policy, agreed by Full Council in February 2016, the limits in recent years have been increased by 2% each year:

Financing Costs	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
2023-24 draft BP (net figures excluding Invest to Save / Earn schemes)	33.2	29.2	37.4	44.0	43.2	43.4
Recommend limit	39.7	40.5	41.3	42.2	43.0	43.9
HEADROOM	**-6.5**	**-11.3**	**-3.9**	**1.8**	**0.2**	**-0.4**

Recommend limit (3 years)	121.5	129.1
HEADROOM (3 years)	**-21.7**	**1.6**

Once the service programmes have been refined, if the amalgamated level of borrowing and thus debt charges breach the advisory limit, schemes will either be re-worked in order to reduce borrowing levels, or the number of schemes included will be limited.

Invest to Save and Invest to Earn schemes for all Services are expected to fund any revenue pressures, including borrowing costs, over the life of the asset. However, any additional savings or income generated in addition to this repayment will be retained by the respective Service and will contribute towards their revenue savings targets.

However, there will still be a short-term revenue cost for these schemes, as with all other schemes funded by borrowing. Therefore, S&R Committee still needs to review the timing of the repayments, in conjunction with the overall total level of debt charges to determine affordability of the Capital Programme, before recommending the Business Plan to Full Council. The debt charges budget required to fund capital borrowing for the ten-year programme is forecast to spend £38.3m in 2023-24, increasing to £43.2m by 2027-28. The following table shows the proportion of net budget (excluding schools) that is forecast to be spent on debt charges, resulting from the estimated increase in borrowing levels over the period of the 2023-24 plan. Maintaining the proportion of budget spent on debt charges at 2023-24's level (9.1%) would reduce the revenue cost of capital schemes, but would require a reduction or rephasing of the Capital Programme

	2023-24	2024-25	2025-26	2026-27	2027-28
Debt charges (including Invest to Save / Earn schemes) as a percentage of Net Service Expenditure	9.1%	10.5%	9.6%	9.3%	8.8%
Debt charges (excluding Invest to Save / Earn schemes) as a percentage of Net Service Expenditure	7.6%	8.6%	7.8%	7.6%	7.2%

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the Government would allow local authorities to spend up to 100% of their capital receipts (excluding Right to Buy receipts) on the revenue costs of reform projects between 2016-17 and 2018-19. The Government then further extended this flexibility to cover a further 3 years until 2021-22, then a further 3 years to 2024-25. The Council has been using this flexibility to fund transformational activity, and as a result, prudential borrowing undertaken by the Council for the years 2017-18 to 2024-25 will be between £1.5m and £3.9m higher in each respective year. This is expected to create additional Financing costs in the revenue budget of between £82k to £255k each year. For further information, please see the Flexible Use of Capital Receipts Strategy contained within part 8 of the MTFS (Section 2 of the Business Plan).

The Council also includes the capitalisation of the cost of borrowing within all schemes; this has helped the Council to better reflect the cost of assets when they actually become operational. Although the capitalised interest cost budgets are initially held on an overall Service basis within the Capital Programme, the funding is ultimately moved to the appropriate schemes each year once exact figures have been calculated.

5g. Managing the Borrowing Requirement

The Council's Treasury Management Strategy (Section 7 of the Business Plan) considers how the cash requirements arising from the Council's Capital Strategy and detailed investment programme are managed by external borrowing, and the timing of any such borrowing. Where capital expenditure has been incurred without a resource to pay for it, i.e., when it is proposed to be funded by borrowing, this will increase the Council's Capital Financing

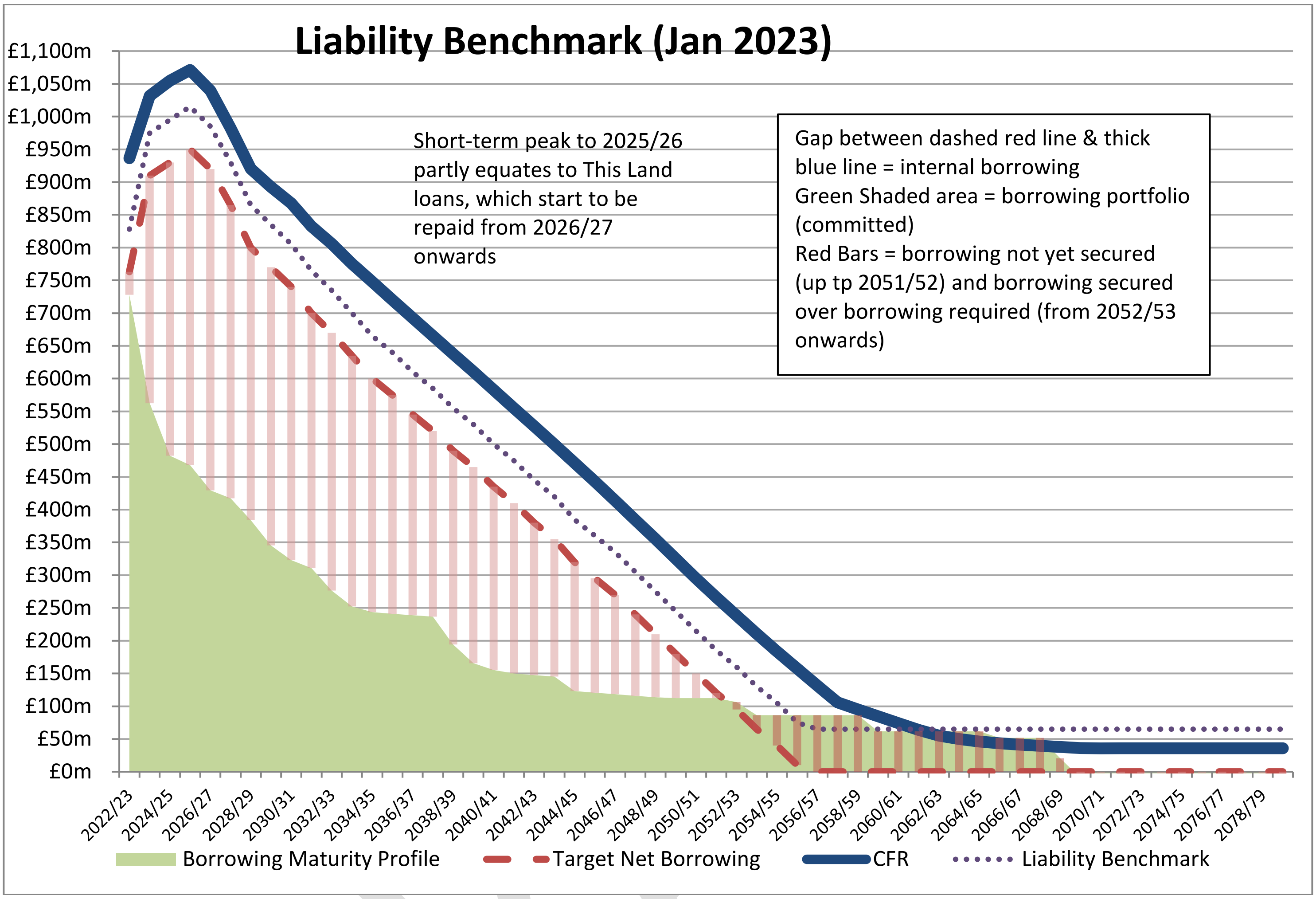
Requirement (CFR). The CFR therefore effectively represents the Council's underlying need to borrow. The Council reduces the CFR by making a prudent provision for the repayment of historic capital expenditure from its revenue budget in line with its agreed policy – this is called Minimum Revenue Provision (MRP). Calculation of the CFR is summarised in the table below and results in the need to borrow money.

	Opening Capital Financing Requirement
+	Capital expenditure incurred in year
-	Grants, contributions, capital receipts and revenue funding used to fund capital expenditure
-	Prudent Minimum Revenue Provision (MRP)
=	**Closing Capital Financing Requirement**

Future projections of the CFR based on the Capital Programme and resources deemed available to fund it are shown in the table below. Forecasts are subject to the timing of capital expenditure and receipt of funding sources.

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Total CFR	1,031.7	1,054.7	1,071.1	1,039.4	982.3

The following chart shows the Council's projected CFR (underlying borrowing need) against the maturity profile of all active loans. The shaded red bars therefore represent the amount of borrowing required to be secured in future in order to meet the Council's projected borrowing requirement, based on the forecast capital programme.



The Council's main objective when borrowing is to achieve a low but certain cost of finance, while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher. In the current higher-interest rate environment, the balance is more skewed towards taking out cheaper, short-term loans; however, this has been made possible due to the Council taking advantage of historically low interest rates during 2021 to extend the maturity profile of the Council's debt by taking out longer-term loans. For further detail regarding the Council's long-term borrowing strategy, please see the Treasury Management Strategy (Section 7 of the Business Plan).

5h. Risk

There are a range of future risks beyond the control of the Council that have the potential to impact upon the Council's ability to deliver its capital ambition. The Covid-19 pandemic has brought into stark focus the potential disruption that health crises, for example, can cause to life as we know it. Retaining a focus on future risk through a risk management approach that identifies, assesses, and manages (as far as is possible) risk is a critical part of the Capital Strategy, approach, and programme. The Council does not have the resources to mitigate all risks faced, so instead manages risk proportionately, utilising the expertise of senior officers.

The Council's planning and governance processes have been developed in such a way as to mitigate these risks. All capital Business Cases are required to complete a section on risk to identify the main drivers and potential mitigations. The following table sets out some of these:

Risk	Mitigation
Legislative	Changes in statute and regulation will impact upon capital projects, as they must comply with current legislation. The Council ensures that it keeps abreast of these developments, responding to consultations where appropriate and taking any required adjustments to strategies or processes through the appropriate governance channels.
Property Markets	Various aspects of the programme, such as rental income, income generated by capital receipts and funding through developer contributions are affected by the health of property markets. The Council ensures it has a sound property asset strategy, suitable diversification, adequate resourcing (including use of external experts where required), and a long-term approach.
Environmental	The impacts of a changing climate are being felt globally and Cambridgeshire, being low lying, makes it vulnerable to sea level rise, increasing flood risk, drought, and overheating, as well as future resource constraints resulting from loss of nature and global competition for resources.
Interest Rate	A considerable proportion of the Council's programme is funded by borrowing and is therefore exposed to fluctuations in interest rates. The Council uses prudent forecasts for future interest rates and constantly reviews its long-term borrowing strategy to mitigate against any interest rate rise risk. Further detail can be found in the Treasury Management Strategy.

Risk	Mitigation
Inflation	Given the size of the portfolio, a small rise in inflation can have a significant impact upon project costs. The Council builds in inflation estimates where appropriate to mitigate against this risk, plus schemes include contingency budgets in order to further mitigate against unanticipated rises. Contracts are also negotiated using fixed terms where possible. In a high-inflation environment where tender quotes are only held for a short period, appropriate short-term delegations are put in place to enable rapid response in a short timeframe. Close monitoring of the programme supports early identification and therefore appropriate response.
Capacity	A significant challenge in the current environment is the capacity within the supply chain to deliver projects on time and to budget. In addition, the Council needs to ensure it has sufficient project delivery expertise in order to deliver schemes efficiently and effectively. For significant programmes, dedicated project delivery resource is allocated to ensure capacity and expertise. Supply chain capacity is managed at the project and programme level, with residual risks escalated through the Council's governance process as necessary.

It is important to integrate climate risk into financial risk management to enable decision-makers to understand the climate related issues facing both the Council in how it runs its budget, investments, and services, as well as enabling Cambridgeshire's residents and businesses to thrive. Identifying and diagnosing the challenges and impacts will help us to develop strategies to inform and solve them. For example, the hot summer of 2022 has increased the maintenance costs for highways as a result of roads overheating, and the ground under the highway contracting and then expanding. This type of cost could become more prevalent and needs proactive management.

The Council is still developing its climate risk approach. It will look to ensure climate change is addressed through the Council's governance process; how it impacts on strategy; how climate-related risks and opportunities are assessed and managed; and look to apply performance measures and targets to manage these issues.

Investment Strategy Risk

The structure of the property portfolio has a significant bearing on the portfolio's inherent risk and return profile. Therefore, a key objective of the non-financial investment strategy was to create diversification within the portfolio in order to manage exposure to the risks of concentrating too much activity in any particular sector. Key risks in the portfolio can be categorised in as follows:

Risk	Mitigation
Income	The main risk in a commercial portfolio is tenant vacancies and the resultant loss of income. The costs of holding a vacant property include non-domestic rates, insurance, utilities, security, inspections, and management. In addition, there are costs of marketing the property, the agent's disposal fees and legal fees for completing the lease documentation for re-letting the premises. The Council holds a sinking fund reserve, which is topped up each year in order to provide cover for both ad hoc additional expenditure, as well as both expected and unexpected loss of income through vacant property and/or lease breaks.
Yield	The main aim of the majority of investments is to provide a secure return on income. The Council manages its commercial property as a single portfolio, ensuring that the collective returns achieved on the investments meet the overall financial target that is set.
Concentration	Sector Concentration – the main property sectors are retail, office, industrial and leisure/healthcare. The Council has spread its portfolio of investment across the different sectors in order to limit exposure to any volatility in a particular area. Like geographic diversification, industry diversification is sensitive to the diversification requirements of the overall portfolio. Geographical Concentration – it is important for the Council to understand the future economic viability of localities, which will be influenced by a number of local and national economic factors. For example, future major transport infrastructure investment could significantly influence the economic viability of an area and therefore the future value of investments in that locality.

	Property Concentration – diversifying a real estate portfolio by property type is similar to diversifying a securities portfolio by industry. Different property types cater to different sectors of the economy. For example, office property generally responds to the needs of the financial and services-producing sectors; industrial property to the goods-producing sectors; retail property to the retail sector; and hotels to the travel and tourism sectors, employment growth, and the business cycle. Understanding the return and risk factors attendant to different property types requires understanding the factors affecting each property type's user groups. Tenure Concentration – the portfolio is managed to ensure that it contains a broad spread of tenants. This analysis can be driven by credit ratings, nature of business, lease length, and the value of the leaseholds. It is important to evaluate tenant credit ratings according to the senior corporate debt of the lessees. Leases are compared regarding their length (including renewal options), which may vary considerably, typically from ten to twenty years.

The Investment Strategy requires continual evaluation of the investment portfolio against the Council's Ambitions to ensure that it is fit for purpose. A larger and more balanced portfolio would have helped to achieve the Council's aim of increasing income to support the delivery of services throughout the county, however, balancing this with risk means that a core portfolio of property assets has been sought, diversified by sector (industrial, offices and retail), location and risk.

5i. Capital Planning and Governance

The Capital Strategy will support, and be aligned to, the decision-making framework which has been developed by the Council. When making long-term investment decisions, clear and informed information is vital to understanding the short- and long-term impact on key social, financial, and environmental indicators. Any investment proposal will be considered within the context of, but not be limited to, the following areas of impact within the Council's Triple Bottom Line approach:

- Whether the investment will support the increase of the social foundation within Cambridgeshire; ensuring no community lacks the basics of life on which no one should be left falling short (from food and housing to healthcare and political voice).

- How the investment will ensure we do not overshoot our pressure on the environmental systems (such as a stable climate, fertile soils, and a protective ozone layer).
- A long-term view of the Council's capital expenditure plans and any financial risks to which the Council are exposed.

The Council operates a five-year rolling revenue budget, and a ten-year rolling capital programme. The very nature of capital planning necessitates alteration and refinement to proposals and funding during the planning period; therefore, whilst the early years of the Business Plan provide robust, detailed estimates of schemes, the later years only provide indicative forecasts of the likely infrastructure needs and funding streams for the Council.

New schemes for inclusion in the Programme are developed by Services in conjunction with Finance in line with the Council Ambitions outlined in the Strategic Framework. Any new capital scheme costing more than £250,000 is appraised as to its financial, human resources, property, carbon, environment, and economic consequences. The justification and impacts, as well as the expenditure and funding details of these schemes are initially specified in an outline capital Business Case, which becomes more detailed as the proposal develops. At the same time, all schemes from previous planning periods are reviewed and updated as required. All schemes, whether existing or new, are scrutinised and challenged where appropriate by officers to verify the underlying costs and/or establish whether alternatives methods of delivery have been investigated in order to meet the relevant needs and outcomes of the Council.

An Investment Appraisal of each capital scheme is undertaken as part of the Business Case development, which allows the scheme to be assessed against social, financial, and environmental factors. This allows schemes within and across all Services to be prioritised, considering the finite resources available to fund the overall Programme and in order to ensure the schemes included within the Programme are aligned to assist the Council with achieving its Corporate Priorities.

Capital Programme Board (CPB) provides support and challenge with respect to both the creation of an initial budget for a capital scheme, as well as the deliverability and ongoing monitoring of a scheme. The Terms of Reference require CPB to ensure that the following outcomes are delivered:

- Appropriate estimates for cost and time of capital projects
- Robust project and programme management and governance
- Post project evaluation and monitoring of key carbon reductions and environmental benefits
- Prioritisation across the whole programme.

Service Committees review the draft service programmes, and the overarching Capital Programme is subsequently agreed by S&R Committee, who recommends it to Full Council as part of the overarching Business Plan.

The Capital Programme is monitored in year through quarterly reporting to Service Committees via Finance Monitoring Reports.

These feed into the Integrated Finance Monitoring Report, which is scrutinised by CPB and also reviewed by S&R Committee. The report identifies changes required to the Capital Programme and seeks approval for:

- new / updated resource allocations
- slippage or brought forward programme delivery
- increase / reduction in overall scheme costs
- virements between schemes to maximise delivery against the ambitions of the Council.

It is inevitable that new demands and pressures will be identified by the Council on an ongoing basis, however, as far as possible, addressing these requirements is undertaken as part of the next business planning process, in line with Regulation 6.4 of the Scheme of Financial Management. Therefore, all new capital schemes should be approved via the Business Plan unless there is an urgent need to seek approval that cannot wait until the next planning process. In these situations, any supplementary capital request will be prepared in consultation with, and with the agreement of, the Section 151 Officer. Where possible, the report will be reviewed by CPB before being taken to the Strategic Management Team by the relevant Director and the Section 151 Officer, before any request for a supplementary estimate is put to S&R Committee.

New demands and pressures and changes to estimated costs and funding for ongoing schemes will also potentially result in the need for virements between schemes. All virements should be carried out in line with the limits set out in Appendix I of the Scheme of Financial Management, up to the upper limit of £250,000 by the Section 151 Officer. Anything above this limit will be dealt with in line with the process for new schemes and will be taken to S&R Committee for approval as part of the monthly Integrated Finance Monitoring Report. Any overspends, whether in year or in relation to the whole scheme, once approved will be funded using applicable external sources and internal, non-borrowing sources first, before using borrowing as a last resort.

Once a project is complete, CPB follows a post-implementation review process for any significant schemes (schemes over £1m, or for schemes between £0.5m and £1m where the variance is more than 20%) in order to ensure that the Council learns from any issues encountered, and highlights and follows best practice where possible. In addition, the Board can request for a review to be completed on any scheme where it is thought helpful to have one.

The following diagram summarises the relevant responsibilities regarding the Capital Strategy to ensure decisions are made legitimately, transparently and deliver against the Council's Ambitions:

In order to support prioritisation and to avoid slippage and potentially unanticipated additional costs, the Council needs to ensure it has access to sufficient skills and capacity both within the Council and externally in order to deliver the Capital Programme. Such capacity could be project management and development skills, technical and design skills, knowledge, availability of contractors as well as wider market factors.

Appendix 1: Non-Financial Investment Portfolio

Acquisition:	Brunswick House	Date of Acquisition:	26/07/18
Service Objectives	Diversify and increase income streams to the Council, protecting frontline services, notwithstanding reducing government grant and rising demand. Supporting sustainable and well managed student accommodation, held in local ownership in Cambridge, one of the world's leading student cities. There is significant undersupply of purpose-built student accommodation in the city with 44% of students unable to access purpose-built accommodation at the time of purchase. Inward economic investment: directly and indirectly supportive to jobs in the education sector, a key industry in the county's economy.		
Assessment of Risks	Constructed in 2012, the property was acquired in good condition, marketed to students at the higher/premium end of the market. The principal financial risk relates to occupancy levels (demand for student housing). Demand for student accommodation in Cambridge is expected to remain strong, despite the short-term impact of Covid-19. The nature of the student property market in Cambridge is that quality of student experience is a key aspect of the offer alongside, and indeed in many cases ahead of, pricing. At the point of acquisition there were additional risks arising from tenancy terms and correction of a construction deficiency at the property under warranty; these were outlined in Committee reports and have subsequently been mitigated or resolved through remedial works and novation arrangements. A successful planning application has been made since purchase to relax planning conditions to allow more flexible use of the building outside of university term time, for example for conference use.		

<table>
<tr><td>Acquisition:</td><td colspan="2">Brunswick House</td><td>Date of Acquisition:</td><td colspan="2">26/07/18</td></tr>
<tr><td>Advisors / Market Research</td><td colspan="5">Property Consultants, Carter Jonas, were engaged to appraise the investment opportunity – conducting market research and valuing the property in view of demand, planning conditions, future prospects and condition. Legal advisors, Birketts LLP, dealt with the conveyancing and transaction, providing advice on legal issues arising from Property, Construction, Tax, Commercial, Planning and Employment.

The property has been managed, staffed and marketed for the Council by Homes for Students who handled all day-to-day management on a contract running to early 2023. An alternative manager, Derwent Students, were the successful bidders following a procurement process delivered in late 2022. Derwent Students operates 5 student accommodation sites across the country, with a strong reputation for student experience, welfare, and security.</td></tr>
<tr><td>Liquidity / Exit Strategy</td><td colspan="5">There are no plans to sell currently. The acquisition was not funded by borrowing; however, if required, the property could be sold. There was an active market for the property when it was acquired, and the property market in Cambridgeshire has strong foundations and resilience.

Should student accommodation become less viable the Council would investigate alternatives such as residential apartments or accommodation for elderly people.</td></tr>
<tr><td>If funded by borrowing, why was this required?</td><td colspan="2">N/A</td><td>Why has Statutory Guidance not been adhered to?</td><td colspan="2">N/A</td></tr>
<tr><td>Cost (£m)</td><td>Funded by Borrowing (£m)</td><td>Total Interest Costs (£m)</td><td>Annual Income (£m)</td><td>Annual Costs (£m)</td><td>Annual Net Return (£m)</td></tr>
<tr><td>39.5</td><td>-</td><td>-</td><td>-2.3</td><td>0.5</td><td>-1.6</td></tr>
</table>

Acquisition:	**Brunswick House**		**Date of Acquisition:**	**26/07/18**	
Payback Period (Yrs)	**Net Income Yield (%)**	**Return on Investment (%)**	**Total Return over 25 Years (£m)**	**Internal Rate of Return (%)**	**Net Present Value (£m)**
16.4	4.8 increasing to 6.1	69.6	66.9	4.4	8.3
Additional Investment (£m)	**Current Value (£m)**	**Gain (+) / Loss (-) (£m)**	**Revenue implications of reported loss / Mitigating action**		
The Council has established a sinking fund with at least 5% of net income in order to maintain and improve the property and compete with new entrants to the student accommodation market in Cambridge.	30.2	-9.3	The reported loss arises partly from the temporary impact of new competition opening in the immediate area, plus the impact of Covid-19 (albeit this is also expected to be relatively short-term). Whilst occupancy fell during the various lockdowns as students returned home, occupancy for the new academic year is now back to 100%, albeit at slightly lower rates than originally envisaged in the Business Plan, therefore providing a lower return.		

Acquisition:	Cromwell Leisure Park	Date of Acquisition:	24/05/2019
Service Objectives	Diversify and increase income streams to the Council, protecting frontline services, notwithstanding reducing government grant and rising demand. Inward economic investment: directly supportive to jobs in the leisure sector, supporting the local economy. This is the only large cinema in Wisbech, creating both a significant draw into the town and leisure provision opportunity across the Fenland/west Norfolk/south Lincolnshire sub region. Provides geographic diversity to the portfolio by investment into the most deprived district in the county.		
Assessment of Risks	Risks include the reliance on rent from the leisure market which has been put under pressure during the pandemic, and the cost-of-living crisis. The investment market for leisure is also quiet at present so there may be a liquidity risk if the Council needed to sell the property. The cinema anchors the Leisure Park investment; however, the cinema industry was hit very hard during the pandemic due to social distancing issues. However, cinemas had been trading well prior to the pandemic and there is backlog of major film releases that will help restore the sector in time.		
Advisors / Market Research	The Council commissioned Carter Jonas to produce a purchase report which examined the local area, cinema brands, food and beverage markets, the property itself and the relevant surveys and the current leases and service charges. Legal advice on the lease was also obtained from Mills and Reeve LLP.		
Liquidity / Exit Strategy	There are no plans to sell currently.		

<table>
<tr><th>Acquisition:</th><th colspan="2">Cromwell Leisure Park</th><th>Date of Acquisition:</th><th colspan="2">24/05/2019</th></tr>
<tr><td></td><td colspan="5">There are four units, with two of the smaller units now vacant. The existing tenants are the Light Cinema and Prezzo Plc, who both have a tenancy running to 2039 with a break in 2029. In the event of any tenants vacating, new tenants are sought; one of the vacant units is currently under negotiation.

It is most likely that the cinema would remain a cinema given that it’s fitted out for this purpose and based on the lack of local competition. Other leisure uses would be the most likely alternatives to a cinema but would require fitting out. Similarly, the small units are likely to remain as restaurants given the lack of local competition, the proximity of a cinema attraction and the Tesco supermarket nearby. However, the Council has been approached regarding potential other uses; consideration of the mix of use will need to be carefully balanced with any new lettings.

The Council also has the option to sell the property, though this may be difficult in the current climate for the leisure sector.</td></tr>
<tr><td>If funded by borrowing, why was this required?</td><td colspan="2">The level of income generation being targeted by the Council was unlikely to be supported by capital receipt funded investment alone. The strong yield of this asset is likely to underpin a funding approach which relies on borrowing.</td><td>Why has Statutory Guidance not been adhered to?</td><td colspan="2">N/A

This is an in-county acquisition, supporting the leisure sector in Fenland.</td></tr>
<tr><td>Cost

(£m)</td><td>Funded by Borrowing
(£m)</td><td>Total Interest Costs
(£m)</td><td>Annual Income
(£m)</td><td>Annual Costs
(£m)</td><td>Annual Net Return
(£m)</td></tr>
<tr><td>7.0</td><td>-</td><td>-</td><td>0.3</td><td>0.0</td><td>0.3</td></tr>
</table>

Acquisition:	Cromwell Leisure Park		Date of Acquisition:	24/05/2019	
Payback Period (Yrs)	Net Income Yield (%)	Return on Investment (%)	Total Return over asset life (50 Years) (£m)	Internal Rate of Return (%)	Net Present Value (£m)
17	10.1 falling to 7.8	206.0	29.1	6.0	5.3
Additional Investment (£m)	Current Value (£m)	Gain (+) / Loss (-) (£m)	Revenue implications of reported loss / Mitigating action		
0	7.3	+0.3	N/A		

Acquisition:	Superstore Site, Newmarket Road	Date of Acquisition:	15/08/2019
Service Objectives	Diversify and increase income streams to the Council, protecting frontline services, notwithstanding reducing government grant and rising demand. Inward economic investment: directly supportive to jobs in the retail sector, supporting the local economy. Site provides the largest supermarket within 2 miles of the city centre and benefits from both considerable scale (e.g., extensive car parking) and diversification opportunities. It is a key selling point for both local residents and also college and university inhabitants and the prospering tourist market. Site is let on a number of continuous leases; the Council believes there is strong residual value in the event the tenant leaves and a replacement is needed, or there is opportunity to completely redevelop the site for housing.		
Assessment of Risks	Risks are reduced by having a single tenant who is financially sound and trading in a prime area of Cambridge. The BNP Paribas Acquisition Report identified a potential risk in the lease where Tesco have a “Substitution Clause”. Tesco could serve notice to replace the Newmarket Road property with another, subject to the replacement complying with terms outlined in the BNP Paribas report (i.e., an investment of equivalent standing). BNP Paribas were of the view that due to the strong levels of trade enjoyed by Tesco at the property, the chances of a trigger event occurring are very low and accordingly did not feel the clause presented a risk to the long leasehold owner.		
Advisors / Market Research	BNP Paribas Real Estate provided an acquisition report which included information about the location and accommodation, a lease and income overview and a market commentary and value assessment. The Council also commissioned Birketts LLP as legal advisors for this transaction and to consider in detail the terms of the leases.		
Liquidity / Exit Strategy	There are no plans to sell currently.		

Acquisition:	Superstore Site, Newmarket Road	Date of Acquisition:	15/08/2019
	Tesco's current lease is due to expire in December 2029, however they do have the option to renew for further periods. There is a risk thatTesco may decide to not renew their lease in the future and stop trading from the Newmarket Road site. Whilst it is perceived unlikely in the short to medium-term, if this decision was taken by Tesco in 2029, we would explore re-letting the property to another retailer who would be interested in leasing the whole site. Alternatively, we could explore reconfiguring the existing unit and site to create smaller individual units which could be rented out on a long-term basis. A third option would be to consider a residential led re-development of the site, given the option to purchase the freehold interest for a nominal amount. The Council also has the option to sell its interest in the property, particularly given the location and tenure on this site.		
If funded by borrowing, why was this required?	The level of income generation being targeted by the Council was unlikely to be supported by capital receipt funded investment alone. The strong yield of this asset is likely to underpin a funding approach which relies on borrowing.	Why has Statutory Guidance not been adhered to?	N/A

Cost (£m)	Funded by Borrowing (£m)	Total Interest Costs (£m)	Annual Income (£m)	Annual Costs (£m)	Annual Net Return (£m)
54.5	54.5	25.0	2.7	0.0	2.7
Payback Period (Yrs)	**Net Income Yield (%)**	**Return on Investment (%)**	**Total Return over asset life (50 Years) (£m)**	**Internal Rate of Return (%)**	**Net Present Value (£m)**

Acquisition:	**Superstore Site, Newmarket Road**		**Date of Acquisition:**	**15/08/2019**	
20	4.6 rising to 5.6	167.9	150.8	4.8	35.4
Additional Investment (£m)	**Current Value (£m)**	**Gain (+) / Loss (-) (£m)**	**Revenue implications of reported loss / Mitigating action**		
0.0	51.0	-3.5	The loss mainly relates to acquisition costs of purchase (Stamp Duty Land Tax, legal fees etc), totalling £3.0m. It is anticipated that the value of the property will increase sufficiently over and above these costs in time, therefore no mitigation required.		

Acquisition:	Kingsbridge Centre, Peterborough	Date of Acquisition:	21/08/2019
Service Objectives	Diversify and increase income streams to the Council, protecting frontline services, notwithstanding reducing government grant and rising demand. Inward economic investment: directly supportive to jobs in the industrial sector, supporting the local economy. Whilst this investment is slightly out of county, it is very much located in an area that is intrinsically linked to the Cambridgeshire local economy. Investment also provides opportunity to diversify the portfolio into the industrial / manufacturing sector.		
Assessment of Risks	Well specified, freehold, self-contained distribution warehouse; originally designed as 5 industrial units, enabling split up and flexibility upon re-letting. The building is extensively fitted out by both occupiers to suit operational needs. One of the tenants is wedded to the building, with significant sunken costs and upgraded power supply, making it difficult for the business to relocate operation. Both tenants have long income to strong covenant ratings with guaranteed rental performance to Oct 2025, with o arrears at time of purchase. At the time of purchase, there was an acute shortage of available 'oven ready' supply, with the All Industrial void rate the lowest it's been in over a decade and no new speculative development of large warehouses on the horizon. Watts Environmental Phase 1 report concluded a low to medium environmental risk. This is satisfactory for a building in its current industrial use.		
Advisors / Market Research	DTRE provided an acquisition report which included information about the location and accommodation, a lease and income overview and a market commentary and value assessment. Legal advice was obtained from Birketts LLP.		

<table>
<tr><td>Acquisition:</td><td colspan="2">Kingsbridge Centre, Peterborough</td><td>Date of Acquisition:</td><td colspan="2">21/08/2019</td></tr>
<tr><td>Liquidity / Exit Strategy</td><td colspan="5">There are no plans to sell currently, however if required, the property could be sold. There was an active market for the property when it was acquired, and the industrial sector is currently very tight due to lack of supply, particularly in Peterborough which benefits from good road links.</td></tr>
<tr><td>If funded by borrowing, why was this required?</td><td colspan="2">The level of income generation being targeted by the Council was unlikely to be supported by capital receipt funded investment alone. The strong yield of this asset is likely to underpin a funding approach which relies on borrowing.</td><td>Why has Statutory Guidance not been adhered to?</td><td colspan="2">This is an out of county acquisition, supporting the industrial sector in Peterborough. Whilst it is out of county, it is very close geographically to the county border and is therefore inextricably linked with the local Cambridgeshire economy.</td></tr>
<tr><td>Cost
(£m)</td><td>Funded by Borrowing
(£m)</td><td>Total Interest Costs
(£m)</td><td>Annual Income
(£m)</td><td>Annual Costs
(£m)</td><td>Annual Net Return
(£m)</td></tr>
<tr><td>12.3</td><td>1.6</td><td>0.7</td><td>0.7</td><td>0.0</td><td>0.7</td></tr>
<tr><td>Payback Period
(Yrs)</td><td>Net Income Yield
(%)</td><td>Return on Investment
(%)</td><td>Total Return over asset life (50 Years)
(£m)</td><td>Internal Rate of Return
(%)</td><td>Net Present Value
(£m)</td></tr>
<tr><td>20</td><td>5.9 rising to 7.5</td><td>213.5</td><td>45.5</td><td>5.4</td><td>10.8</td></tr>
<tr><td>Additional Investment
(£m)</td><td>Current Value
(£m)</td><td>Gain (+) / Loss (-)
(£m)</td><td colspan="3">Revenue implications of reported loss / Mitigating action</td></tr>
<tr><td>0.0</td><td>11.6</td><td>-0.7</td><td colspan="3">The loss mainly relates to acquisition costs of purchase (Stamp Duty Land Tax, legal fees etc), totalling £0.7m. It is</td></tr>
</table>

Acquisition:	Kingsbridge Centre, Peterborough	Date of Acquisition:	21/08/2019
			anticipated that the value of the property will increase sufficiently over and above these costs in time, therefore no mitigation required.

<table>
<tr><td>Acquisition:</td><td colspan="2">Evolution Business Park, Impington</td><td>Date of Acquisition:</td><td colspan="2">31/01/2020</td></tr>
<tr><td>Service Objectives</td><td colspan="5">Diversify and increase income streams to the Council, protecting frontline services, notwithstanding reducing government grant and rising demand.

Investing in a site that provide jobs in Cambridgeshire and promotes a thriving local economy.</td></tr>
<tr><td>Assessment of Risks</td><td colspan="5">A key risk is the funding arrangements for one tenant, a young but successful company, which currently underpins more than half of the income from the site. The Council does have the option to pursue a further unit (currently being explored), which would help to mitigate some of the tenant risk.</td></tr>
<tr><td>Advisors / Market Research</td><td colspan="5">The Council commissioned a pre-purchase report by Carter Jonas which included review of the locations and site accommodation, lease and tenant reviews and market commentary. Legal advice was obtained from Birketts LLP.</td></tr>
<tr><td>Liquidity</td><td colspan="5">There are no plans to sell currently. Investor appetite has been very strong in the area which suggests the site could be sold if required.</td></tr>
<tr><td>If funded by borrowing, why was this required?</td><td colspan="2">The level of income generation being targeted by the Council was unlikely to be supported by capital receipt funded investment alone. The strong yield of this asset is likely to underpin a funding approach which relies on borrowing.</td><td>Why has Statutory Guidance not been adhered to?</td><td colspan="2">N/A</td></tr>
<tr><td>Cost

(£m)</td><td>Funded by Borrowing (£m)</td><td>Total Interest Costs (£m)</td><td>Annual Income (£m)</td><td>Annual Costs (£m)</td><td>Annual Net Return (£m)</td></tr>
<tr><td>29.7</td><td>29.7</td><td>17.5</td><td>1.9</td><td>0.0</td><td>1.9</td></tr>
</table>

Acquisition:	Evolution Business Park, Impington		Date of Acquisition:	31/01/2020	
Payback Period (Yrs)	**Net Income Yield (%)**	**Return on Investment (%)**	**Total Return over 25 Years (£m)**	**Internal Rate of Return (%)**	**Net Present Value (£m)**
16	5.7 rising to 6.6	230.5	45.6	6.6	34.8
Additional Investment (£m)	**Current Value (£m)**	**Gain (+) / Loss (-) (£m)**	**Revenue implications of reported loss / Mitigating action**		
0.0	24.4	-5.3	The loss partly relates to acquisition costs of purchase (Stamp Duty Land Tax, legal fees etc), totalling £1.6m. The lower value also reflects the market post Covid-19 whereby the demand for large office accommodation has decreased.		

Appendix 2: Sources of capital funding

Central Government and external grants

Grant funding is one of the largest sources of financing for the capital programme. The majority of grants are awarded by Central Government departments including the Department for Education (DfE) and the Department for Transport (DfT). In addition, the Council receives grants from various external bodies, including lottery funded organisations. Grants can be specific to a scheme or have conditions attached, including time and criteria restrictions.

Capital receipts

The sale of surplus or poor-quality capital assets as determined by the Asset Management Strategy generates capital receipts, which are reinvested in full in order to assist with financing the capital programme.

Section 106 (S106), Community Infrastructure Levy (CIL) and external contributions

S106 contributions are provided by developers towards the provision of public infrastructure (mainly highways and education) required as a result of development. Capital schemes undertaken in new development areas are currently either completely or mostly funded by the S106 agreement negotiated with developers. The Community Infrastructure Levy (CIL) is a levy that local authorities can choose to charge on new developments in their area and replaces a substantial proportion of S106 agreements. Other external contributions are made by a variety of organisations such as district councils, often contributing towards jointly funded schemes.

Private Finance Initiative (PFI) / Public Private Partnerships (PPP)

The Council has previously made use of additional government support through PFI and PPP and has dedicated resource to manage schemes that are funded via this source. Previous schemes that have been funded this way include Waste, Street Lighting and Schools. However, due to increasing criticism around some high-profile, large-scale PFI projects failing to deliver Value for Money, the Government announced the abolishment of this form of capital finance in October 2018.

Borrowing (known as prudential borrowing)

The Council can determine the level of its borrowing for capital financing purposes, based upon its own views regarding the affordability, prudence, and sustainability of that borrowing, in line with the CIPFA Prudential Code for Capital Finance in Local Authorities 2021. Borrowing levels for the capital programme are therefore constrained by this assessment and by the availability of the revenue budget to meet the cost of this borrowing, considered in the context of the overall revenue budget deliberations. Further information is contained within the Treasury Management Strategy (Section 7 of the Business Plan).

Revenue Funding

The Council can use revenue resources to fund capital projects on a direct basis. However, given the existing pressures on the revenue budget, it is unlikely that the Council will often choose to undertake this method of funding.

Cambridgeshire County Council

Treasury Management Strategy

2023-2024

cambridgeshire.gov.uk

Contents

1: Introduction

Background

The Council is required to operate a balanced budget, which broadly means that the cash raised or received during the year will meet Council expenditure. The treasury management operation must ensure that this cash flow is adequately planned, as well as managed, with cash being available when it is needed. Surplus cash should be invested in low-risk counterparties or instruments in line with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

Another main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The treasury management function is critical to the Council, as the balance of debt and investment operations ensure liquidity or the ability to meet Council spending obligations as they fall due, either for day-to-day revenue expenditure, or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund balance.

CIPFA defines treasury management as:
"The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

Statutory Guidance and Key Reports

CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (the Treasury Code). The adoption is included in the Council's Constitution.

CIPFA Prudential Code for Capital Finance in Local Authorities

The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) is a professional code of practice. Local authorities have a statutory requirement to comply with the Prudential Code when making capital investment decisions and carrying out their duties under Part 1 of the Local Government Act 2003 (Capital Finance etc. and Accounts).

The CIPFA Prudential Code sets out the manner in which capital spending plans should be considered and approved, and in conjunction with this, the requirement for an integrated treasury management strategy.

Councils are required to set and monitor a range of prudential indicators for capital finance, covering affordability, prudence, and a range of treasury indicators.

Treasury Management Policy Statement

The Council's Treasury Management Policy Statement is included in Appendix 2. The policy statement follows the wording recommended by the latest edition of the CIPFA Treasury Code.

Treasury Management Practices

The Council's Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management objectives, and how it will manage and control those activities through its policies.

The Council's TMPs Schedules cover the detail of how the Council will apply the TMP Main Principles in carrying out its operational treasury activities.

Investment Management Practices

Similar to TMPs, Investment Management Practices (IMPs) are required to manage risks associated with non-treasury investments.

The Treasury Management Strategy

It is a requirement under the Treasury Management Code to produce an annual strategy report on proposed treasury management activities for the year. The Council's Treasury Management Strategy is drafted in the context of the key principles of the Treasury Code, as follows:

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds.
- They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

The purpose of the Treasury Management Strategy is to establish the framework for the effective and efficient management of the Council's treasury management activity, including the Council's investment portfolio, within legislative, regulatory, and best practice regimes. The Strategy needs to balance risk against reward in the best interests of stewardship of the public purse.

The Treasury Management Strategy considers the impact of the Council's Medium Term Financial Strategy (MTFS), its revenue budget and capital programme, the balance sheet position, and the outlook for interest rates. It incorporates:

- The Council's capital financing and borrowing strategy for the coming year
- The Council's policy on the making of the Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008
- The Affordable Borrowing Limit as required by the Local Government Act 2003
- The Annual Investment Strategy for the coming year
- Policy on borrowing in advance of need
- Counterparty creditworthiness policies
- Policy on use of external service providers
- Treasury Indicators, which limit the treasury risk and activities of the Council

The Council regards the successful identification, monitoring, and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. The Treasury Management Scheme of Delegation is shown in Appendix 1.

Key Considerations

CIPFA issued revised Treasury Management and Prudential Codes in December 2021 which is to be adopted for the 2023-24 financial year; therefore, the Council has had regard to the changes in these Codes within this document. The changes arising from the Treasury management Code are as follows:

- All investments and investment income have to be attributed to one of the following three purposes:

  - Treasury management
    Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management

activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

- Service delivery
  Investments held primarily and directly for the delivery of public services including housing, regeneration, and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

- Commercial return
  Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

- The Council has to adopt a new Liability Benchmark treasury indicator to support the financing risk management of the Capital Financing Requirement; this is to be shown in chart form for a recommended minimum of ten years, with material differences between the Liability Benchmark and actual loans to be explained.

- Long-term treasury investments (including pooled funds) are to be classed as commercial investments unless justified by a cash flow business case.

- Pooled funds are to be included in the indicator for principal sums maturing in years beyond the initial budget year.

- There are amendments to the knowledge and skills register for officers and members involved in the treasury management function; this needs to be proportionate to the size and complexity of the treasury management conducted by each authority.

- Reporting to members is to be done quarterly. Specifically, the Section 151 Officer is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The Section 151 Officer is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. The monitoring of prudential indicators, including forecast debt and investments, is not a requirement to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital, and balance sheet monitoring.

- Environmental, Social and Governance (ESG) issues are to be addressed within an authority's Treasury Management Policies and practices.

The changes arising from the Prudential Code mainly relate to service and commercial investments:

- The risks associated with service and commercial investments should be proportionate to their financial capacity – i.e., plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.

- An authority must not borrow to invest for the primary purpose of commercial return.

- It is not prudent for local authorities to make any investment or spending decision that will increase the Capital Financing Requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the authority, and where any commercial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.

- An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt.

- A prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream.

- New Investment Management Practices need to be created to manage risks associated with non-treasury investments, (similar to the current Treasury Management Practices).

In addition to these changes, the following has been updated since the Treasury Management Strategy was adopted by Council in February 2022:

- Updates to interest rate forecasts

- Updates to debt financing budget forecasts

2: Current Treasury Management position

The Council's projected treasury portfolio position at 31 March 2023, with forward estimates, is summarised below. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing. The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and therefore its underlying borrowing need.

Increases in the CFR and borrowing are undertaken solely for purposes directly and primarily related to the functions of the Council. Where any financial returns are related to the financial viability of the project in question, they should be incidental to its primary purpose.

Any capital expenditure which has not immediately been paid for, will increase the CFR. The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life and so charges the economic consumption of capital assets as they are used. This is shown in graphical form in Appendix 1. The CFR and borrowing figures shown in Table 1 below include borrowing undertaken or planned for third party loans and Finance Lease Liabilities, but excludes PFI schemes for which a separate borrowing facility forms part of the contracts and so the Council does not need to borrow itself for these.

The Council's projected borrowing need, alongside forecast external borrowing and investment balances, is shown in Tables 1 and 2 below:

Table 1: Forecast Borrowing and Investment Balances

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	£m	£m	£m	£m	£m	£m
External borrowing						
Borrowing at 1 April brought forward	778.0	763.0	910.0	930.0	950.0	920.0
Net Borrowing Requirement to fund capital programme (see Table 2 below)	14.3	95.1	23.0	16.4	-31.6	-57.1
Internal borrowing (increase (-) / reduction) *	-26.3	51.9	-3.0	3.6	1.6	2.1
(1) Actual borrowing at 31 March carried forward	763.0	910.0	930.0	950.0	920.0	865.0
(2) CFR (ex. PFI) – the borrowing need	936.6	1,031.7	1,054.7	1,071.1	1,039.4	982.3
(3) *[2 – 1]* Internal borrowing*	173.6	121.7	124.7	121.1	119.4	117.3
Investments						
Investments at 1 April	85.0	85.0	85.0	85.0	85.0	85.0
In Year Movements	0.00	0.0	0.0	0.0	0.0	-0.0
(4) Investments at 31 March	85.0	85.0	85.0	85.0	85.0	85.0
(5) *[1 – 4]* Net borrowing	677.99	875.00	845.0	865.0	835.0	780.0

**Internal borrowing, also referred to as under/over borrowing, is temporarily funding capital spending from cash-backed resources (reserves and cashflow timing surpluses) to hand. This avoids interest payments by deferring the need to borrow externally, reduces investment balances that would otherwise earn a rate of return lower than the cost of additional borrowing therefore minimising net interest expenses, and consequently less investment reduces the Council's exposure to credit risk. Internal borrowing is discussed further in Section 4: Borrowing Strategy.*

Table 2: Capital Borrowing Requirement

	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Unsupported Borrowing – General Fund	34.5	116.8	47.7	41.9	22.5	6.3
Unsupported Borrowing – Housing*	0.0	0.0	0.0	0.0	0.0	0.0
Less: MRP and other financing movements	-20.2	-21.6	-24.7	-25.5	-54.2	-63.4
Net Borrowing Requirement to fund Capital Programme	14.3	95.1	23.0	16.4	-31.6	-57.1

** Loans raised by the Council for the purposes of on-lending to its wholly owned housing development company, This Land, will be classified as capital expenditure and therefore increase the Capital Financing Requirement. However, as these loans will be repaid in full in later years, no MRP will be charged on this borrowing.*

Several key indicators within the set of prudential indicators ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross borrowing stays within the total of the CFR in the preceding year, plus the estimates of any additional CFR for the current and next two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes except to cover short-term cash flows.

The Section 151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties over the life of the current MTFS. This view considers current commitments, existing plans, and the proposals in this budget report.

3: Prospects for interest rates

The Council has appointed Link Group, Link Treasury Services Limited as its treasury advisor. Part of their service is to assist the Council in formulating a view on short and longer-term interest rates, as summarised in the following table:

Link Group Rate View December 2022									
	Mar-23	**Jun-23**	**Sep-23**	**Dec-23**	**Mar-24**	**Jun-24**	**Sep-24**	**Dec-24**	**Mar-25**
Bank Rate View	4.25%	4.50%	4.50%	4.50%	4.00%	3.75%	3.50%	3.25%	3.00%
5yr PWLB	4.30%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%
10yr PWLB	4.50%	4.40%	4.30%	4.20%	4.00%	3.90%	3.70%	3.60%	3.50%
25yr PWLB	4.70%	4.60%	4.50%	4.40%	4.30%	4.10%	4.00%	3.90%	3.70%
50yr PWLB	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%	3.70%	3.60%	3.40%

These are forecasts for Certainty Rates; gilt yields plus 80 basis points. The interest rate forecast for Bank Rate is in steps of 25 basis points, whereas Public Works Loan Board (PWLB) forecasts have been rounded to the nearest 10 basis points and are central forecasts within bands of + / - 25 basis points.

Investment and borrowing rates

Investment returns are favourable, and the Council have seen a rapid increase in investment return over the last year which has not been seen for the last 20 years. The Council will take advantage of these higher returns by 'laddering' its investment, creating a regular stream of maturing investments. This will provide opportunities to consistently improve underlying yield, whilst still allowing flexibility to adjust if market circumstances alter.

At the same time, borrowing rates have increased exponentially. Yield curve movements have become less volatile in tandem with the Autumn Statement, with PWLB 5 to 50 years certainty rates generally in the range of 3.75% to 4.50%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end). Link Group's view is that the markets have already built in nearly all of the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook, but markets are volatile and further movement of gilt yields across the whole spectrum of the curve is possible.

The long-term forecast (beyond 10 years) for the Bank Rate is 2.5%. As some PWLB certainty rates are currently averaging 4.30%, there is no value in considering long-term borrowing from PWLB in this present economic climate. Better value can generally be obtained at the shorter end of the curve, with short-dated fixed Local Authority to Local Authority monies whilst the market waits for inflation, and therefore gilt yields, to drop back later in 2023.

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

4: Borrowing strategy

The overarching objectives for the borrowing strategy are as follows:

- To manage the Council's debt maturity profile.
- To maintain a view on current and possible future interest rate movements, and to plan borrowing accordingly.
- To monitor and review the balance between fixed and variable rate loans against the background of interest rates and the Prudential Indicators.
- Reduce reliance on one source of funding and review all alterative options available, including forward loan agreements.
- Continue to support UK Municipal Bonds Agency (MBA) bond issuance programme.
- Provide value for money and savings where possible to meet budgetary pressures.

The Council is currently maintaining an internally borrowed cash position. This means that the capital borrowing needs (the Capital Financing Requirement) has not been fully funded with loan debt. Instead, cash supporting the Council's reserves, balances, and positive cash flow has been used as an alternative, temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by Bank Rate increases over the first half of 2023. In addition, counterparty risk is still a factor that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023-24 treasury operations. The Section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. The decision to maintain internal borrowing will be evaluated against the potential for incurring additional long-term borrowing costs in later years if the gap between long-term interest rates and borrowing rates significantly narrows.

- If a significant risk of a sharp fall in long and short-term rates materialises (e.g., due to a marked increase of risks around relapse into recession or of risks of deflation), then long-term borrowings will be postponed, and potential rescheduling from fixed rate funding into short-term borrowing will be considered.

- If a significant risk of a much sharper rise in long and short-term rates materialises than that currently forecast, then the portfolio position will be re-appraised.

The Council's strategy to tackle the current high cost of interest rates is to borrow on a shorter-term basis until inflationary pressures reduce and interest rates start to fall back towards the long-term average rate. The Council has in recent years taken the opportunity to extend the maturity profile of its debt whilst rates were historically low, helping to facilitate this short-term strategy. In the longer-term, the Council will continue to assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs whilst also looking to balance out the debt portfolio.

Any decisions will be reported to Full Council at the next available opportunity as part of the regular Treasury Management update reports.

Capital Prudential & Treasury Indicators

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their prudential indicators.

A full set of prudential indicators and borrowing limits are shown in Appendix 3.

Policy on borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance of need will be within the forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance will be considered within the following constraints:

Year	Max. Borrowing in advance
2023-24	100%
2024-25	50%
2025-26	25%

Borrowing in advance will be limited to no more than the expected increase in borrowing need (CFR) over the period of the approved Medium Term Capital Programme; a maximum of 3 years in advance.

The risks associated with any borrowing in advance activity will be subject to prior appraisal. Any advance borrowing undertaken will be reported in Treasury Management update reports.

Debt rescheduling

As short-term borrowing rates are often considerably cheaper than longer-term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term borrowing to short-term borrowing. However, these savings will need to be considered in the light of the current treasury position and, in the current economic climate, the substantial exit costs of any debt repayment.

The reasons for any rescheduling to take place will include:

- The generation of cash savings and/or discounted cash flow savings.
- Helping to fulfil the treasury strategy.
- Enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Any rescheduling activity undertaken will be reported to Full Council, at the next update report following its action. In the current climate, debt scheduling is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

New financial institutions as a source of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to obtaining funding from other sources for the following reasons:

- Local authorities, primarily shorter dated maturities of up to around 3 years. These are generally still lower rates than the Certainty Rate.
- Financial institutions, primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years.
- UK Municipal Bonds Agency
- UK Infrastructure Bank

The Council’s treasury advisor keeps the Council informed as to the relative merits of each of these alternative funding sources.

5: Minimum Revenue Provision

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing, it is required to repay an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP). It is also allowed to undertake additional voluntary payments if desired (Voluntary Revenue Provision - VRP).

Full Council is required to approve an MRP Policy Statement in advance of each financial year. A variety of options are provided to councils, so long as there is a prudent provision. The MRP Policy is located in Appendix 4.

The Council, in conjunction with its treasury advisor, considers the MRP policy to be prudent.

6: Investment strategy

Government Guidance on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set. The Guidance permits the Treasury Management Strategy Statement (TMSS) and the AIS to be combined into one document.

The Council's general policy objective is to invest its surplus funds prudently. As such the Council's investment priorities in priority order are:

- the security of the invested capital
- the liquidity of the invested capital
- the yield received from the investment

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short-term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider-ranging fund options.

Policy on existing commercial investments

Whilst the revised Prudential Code is clear that the Council must not undertake commercial investment primarily for financial return, authorities with existing commercial investments (including property) are not required to sell these investments. The Council can, however, carry out prudent active management and rebalancing of its portfolio.

Authorities that have commercial investments and an expected need to borrow, however, are required to review options for exiting financial investments for commercial purposes and summarise this review in their annual treasury management or investment strategies.

This review will evaluate whether expected borrowing needs should be met, in part, by repaying investments, based on a financial appraisal that takes account of financial implications and risk reduction benefits.

The Council's Annual Investment Strategy (AIS) is shown in Appendix 5.

7: Risk Analysis and Forecast Sensitivity

Risk Management

The Council regards the successful identification, monitoring, and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Treasury and investment management risks are identified in the Council's approved Treasury Management Practices and Investment Management Practices. The main risks to the treasury activities are:

- Credit and counterparty risk (security of investments)
- Liquidity risk (adequacy of cash resources)
- Interest rate risk (fluctuations in interest rate levels)
- Exchange rate risk (fluctuations in exchange rates)
- Refinancing risks (impact of debt maturing in future years)
- Legal and regulatory risk (non-compliance with statutory and regulatory requirements)
- Fraud, error and corruption, and contingency management (in normal and business continuity situations)
- Market risk (fluctuations in the value of principal sums)

The TMP and IMP Schedules set out the ways in which the Council seeks to mitigate these risks. Examples are the segregation of duties (to counter fraud, error, and corruption), and the use of creditworthiness criteria and counterparty limits (to minimise credit and counterparty risk). Council officers, in conjunction with treasury advisers, will monitor these risks closely.

Sensitivity of the Forecast

The sensitivity of the forecast is linked primarily to movements in interest rates and in cash balances, both of which can be volatile. Interest rates in particular are subject to global external influences over which the Council has no control.

Both interest rates and cash balances will be monitored closely throughout the year and potential impacts on the Council's debt financing budget will be assessed. Action will be taken as appropriate, within the limits of the TMP and IMP Schedules and the treasury strategy, and in line with the Council's risk appetite, to keep negative variations to a minimum. Any significant variations will be reported to Strategy & Resources (S&R) Committee as part of the Council's regular budget monitoring arrangements.

8: Reporting arrangements

Capital Strategy

The CIPFA revised 2021 Prudential and Treasury Management Codes require all local authorities to prepare an annual Capital Strategy report which provides the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the Capital Strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

The Council's Capital Strategy is reported separately from the Treasury Management Strategy within the Business Plan and reports on non-treasury investments. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy on commercial investments usually driven by expenditure on an asset.

Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:

a) **Prudential and treasury indicators and treasury strategy (this document)**
- The first, and most important report is forward looking and covers:
  - capital plans (including Prudential Indicators)
  - a Minimum Revenue Provision (MRP) policy (how residual capital expenditure is charged to revenue over time)
  - the Treasury Management Strategy (how the investments and borrowings are to be organised), including treasury indicators

- an Annual Investment Strategy (the parameters on how investments are to be managed)

b) **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c) **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

The above reports are required to be adequately scrutinised before being recommended to Council. This role is undertaken by the Section 151 Officer & S&R Committee.

In addition to the three major reports detailed above, from 2023-24 quarterly reporting is also required. However, these additional reports for June and December do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by S&R Committee through the budget monitoring reporting process, which includes a report on the Prudential indicators.

9: Treasury Management Budget

The table below provides a breakdown of the treasury management budget at January 2023. Key assumptions behind the 2023-24 budget estimates are:

- Average rates achievable on short-term investments will be 2.0%.
- New and replacement borrowing to fund the capital programme will be financed by a mixture of short to medium-term borrowing, at rates equating to between 3.3% and 4.5% over the medium-term.
- The MRP charge is in line with the Council's MRP policy.

	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m	2026-27 Estimate £m	2027-28 Estimate £m
Interest payable	17.9	24.5	30.3	29.9	28.7	26.0
MRP	20.2	22.9	25.8	25.5	26.3	26.6

	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m	2026-27 Estimate £m	2027-28 Estimate £m
Interest receivable	-3.6	-3.0	-2.6	-2.2	-2.0	-1.7
Interest Transferred to S&R	1.2	1.2	1.2	1.2	1.2	1.2
Debt Management Expenses	0.3	0.3	0.3	0.3	0.3	0.3
Net Interest expenses recharged to Service	-4.7	-5.8	-8.3	-8.7	-8.6	-8.3
Technical adjustments	0.1	0.5	0.3	-0.1	-0.1	-0.1
Sub Total	31.5	40.6	47.1	45.9	45.7	44.1
Capitalised Interest	-1.4	-2.4	-2.2	-1.8	-1.4	-0.8
Grand Total	30.1	38.3	44.9	44.1	44.3	43.2

10: Policy on the use of external service providers/consultant

The Council’s external treasury advisor is Link Group, Link Treasury Services Limited. The two-year extension option within the contract with Link Asset Servicing has been activated, following the original formal procurement exercise in 2019-20 and a new procurement exercise to re-tender the contract will be completed during 2023-24.

The Council recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, information provided by the Council’s treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

11: Future developments

Local Authorities are having to consider innovative strategies towards improving service provision to their communities. This approach to innovation also applies to councils' treasury management activities. The Government is introducing new statutory powers and policy change which will have an impact on treasury management approaches in the future. Examples of such changes are:

a) Loans to Third Parties

The Council may borrow to make grants or loans to third parties for the purpose of capital expenditure, as allowable under paragraph 25 (1) (b) of the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 (Statutory Instrument No. 3146). This will usually be to support local economic development and may be funded by external borrowing.

A framework within which the Council may consider advancing loans to third party, not for profit, organisations is shown in Appendix 6.

In addition, the following material projects in this respect are under way:

- This Land – loans issued at commercial rates, to facilitate the construction of residential housing in Cambridgeshire and the vicinity.

b) UK Municipal Bonds Agency (MBA)

The County Council remains committed to participating in a multi-authority pooled bond, facilitated by the MBA, as complementary to PWLB borrowing. The purpose of the MBA is to issue bonds in the capital markets at lower rates than the PWLB.

To date the MBA has issued a small number of single Council bonds and a pooled bond issue is awaited.

c) Impact of IFRS 9

An important consideration when assessing current and future investment policy is the implementation of accounting standard IFRS 9 in the Local Authority Code of Practice. A key element of this standard is the move away from assessing risk based on incurred losses on financial assets (i.e., an event that has happened) to expected loss (i.e., the likelihood of loss across the asset lifetime). Whilst this will not materially impact upon traditional treasury investments, the standard also encompasses other investment areas including loans to third parties, subsidiaries, or longer dated service investments. The expected credit loss model requires local authorities to make provision for these potential losses having assessed the asset with regard to the due diligence undertaken prior to investment, the nature of any guarantees, and subsequent regular updates.

The Council has made the following material loan agreement with third parties:

- This Land – loans at commercial rates to facilitate the construction of residential housing in Cambridgeshire.

A revenue provision may be required to be set aside in future depending on the risk assessment of the investment.

In addition to the above, the standard requires changes to the recognition and subsequent valuation treatment of certain investment products. These instruments include property and equity, but also service investments that give rise to cashflows that are not solely payments of principal and interest (SPPI) on the principal outstanding. The Department of Levelling Up, Housing and Communities (DLUHC) introduced a five-year statutory override, initially ending 31st March 2023, allowing Councils to reverse any revenue impact of pooled fund valuation gains and losses. The Government has recently announced that it plans to extend this override for a further two years.

12: Training

The Treasury Management Code requires the Section 151 Officer to ensure that members with responsibility for treasury management receive adequate training. This especially applies to members responsible for scrutiny. The Code also states that all organisations are expected to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance, and decision making.

In order to monitor and review knowledge and skills, the Council is required to:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies.
- Have regular communication with officers and Council members, encouraging them to highlight training needs on an ongoing basis.

In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management'.

The training needs of treasury management officers are periodically reviewed. Link Group run training events regularly which are attended by the Treasury team. In addition, members of the team attend national forums and practitioner user groups.

Treasury Management training for committee members will be delivered as required to facilitate informed decision making and challenge processes. The most recent training undertaken was a session as part of the Member induction plan for the 2021-25 Council in December 2021. Further training will be arranged as required.

A formal record of the training received by officers central to the Treasury function will be maintained by the Finance team. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Democratic & Member Services.

13: List of appendices

Appendix 1: Treasury Management Scheme of Delegation and Role of Section 151 Officer
Appendix 2: Treasury Management Policy Statement
Appendix 3: Prudential and Treasury Indicators
Appendix 4: Minimum Revenue Provision (MRP) Policy Statement
Appendix 5: Annual Investment Strategy
Appendix 6: Third Party Loans Policy

Appendix 1: Treasury Management Scheme of Delegation and role of the Section 151 Officer

The Scheme of Delegation

Full Council:
- Approval of annual strategy.
- Approval of the mid-year update and annual Treasury Management report.
- Approval of the Treasury Management budget.
- Approval of the division of responsibilities.

Strategy & Resources Committee:
- Scrutiny of the Treasury Management quarterly Prudential Indicator reports.
- Scrutiny of the Treasury Management mid-year and annual reports
- Management of the Council's non-financial Investment Strategy, included within the Capital Strategy
- Approving the selection of external service providers and agreeing terms of appointment.

The Treasury Management role of the Section 151 Officer

The Council's Executive Director of Finance and Resources is the officer designated for the purposes of Section 151 of the Local Government Act 1972 as the Responsible Officer for treasury management at the Council.

The Council's Financial Regulations delegates responsibility for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The Section 151 Officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.

Prior to entering into any capital financing, lending, or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation, or the Council's Financial Regulations.

The Section 151 Officer may delegate his power to borrow and invest to members of his staff.

The Section 151 Officer is responsible for:

- Recommending clauses, treasury management policy and practices for approval; reviewing these regularly, and monitoring compliance.
- Submitting regular treasury management reports to S&R Committee and Full Council.
- Submitting debt financing revenue budgets and budget variations in line with the Council's budgetary policies.
- Receiving and reviewing treasury management information reports.
- Reviewing the performance of the treasury management function and promoting value for money.
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- Ensuring the adequacy of internal audit, and liaising with external audit.
- Recommending the appointment of external service providers (e.g., treasury management advisors) in line with the approval limits set out in the Council's procurement rules.
- Preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments, and treasury management, with a long-term timeframe.
- Ensuring that the Capital Strategy is prudent, sustainable, affordable, and prudent in the long-term, and provides value for money.
- Ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Council.
- Ensuring that the Council has appropriate legal powers to undertake expenditure on non-financial assets and their financing.
- Ensuring the proportionality of all investments so that the Council does not undertake a level of investing which exposes the Council to an excessive level of risk compared to its financial resources.

- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities.
- Provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans, and financial guarantees.
- Ensuring that members are adequately informed and understand the risk exposures taken on by the Council.
- Ensuring that the Council has adequate expertise, either in house or externally provided, to carry out the above.
- Creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed.

Appendix 2: Treasury Management Policy Statement

We define treasury management activities as:

"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

We regard the successful identification, monitoring, and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

We acknowledge that effective treasury management will provide support towards the achievement of the Council's business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Appendix 3: Prudential and Treasury Indicators

1: The Capital Prudential Indicators

The Council's capital expenditure plans are the key driver of Treasury Management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure

The first prudential indicator shows a summary of the Council's capital expenditure plans; both those agreed previously, and those forming part of this budget cycle. Capital expenditure excludes spend on Private Finance Initiatives (PFI) and leasing arrangements, which are shown on the balance sheet.

The table below summarises the capital expenditure plans which give rise to a net financing need (borrowing). Detailed capital expenditure plans are set out in the Capital Strategy (Section 6 of the Business Plan).

	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Net Borrowing Requirement to fund Capital Programme	14.3	95.1	23.0	16.4	-31.6	-57.1

The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

Following accounting changes, the CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for them.

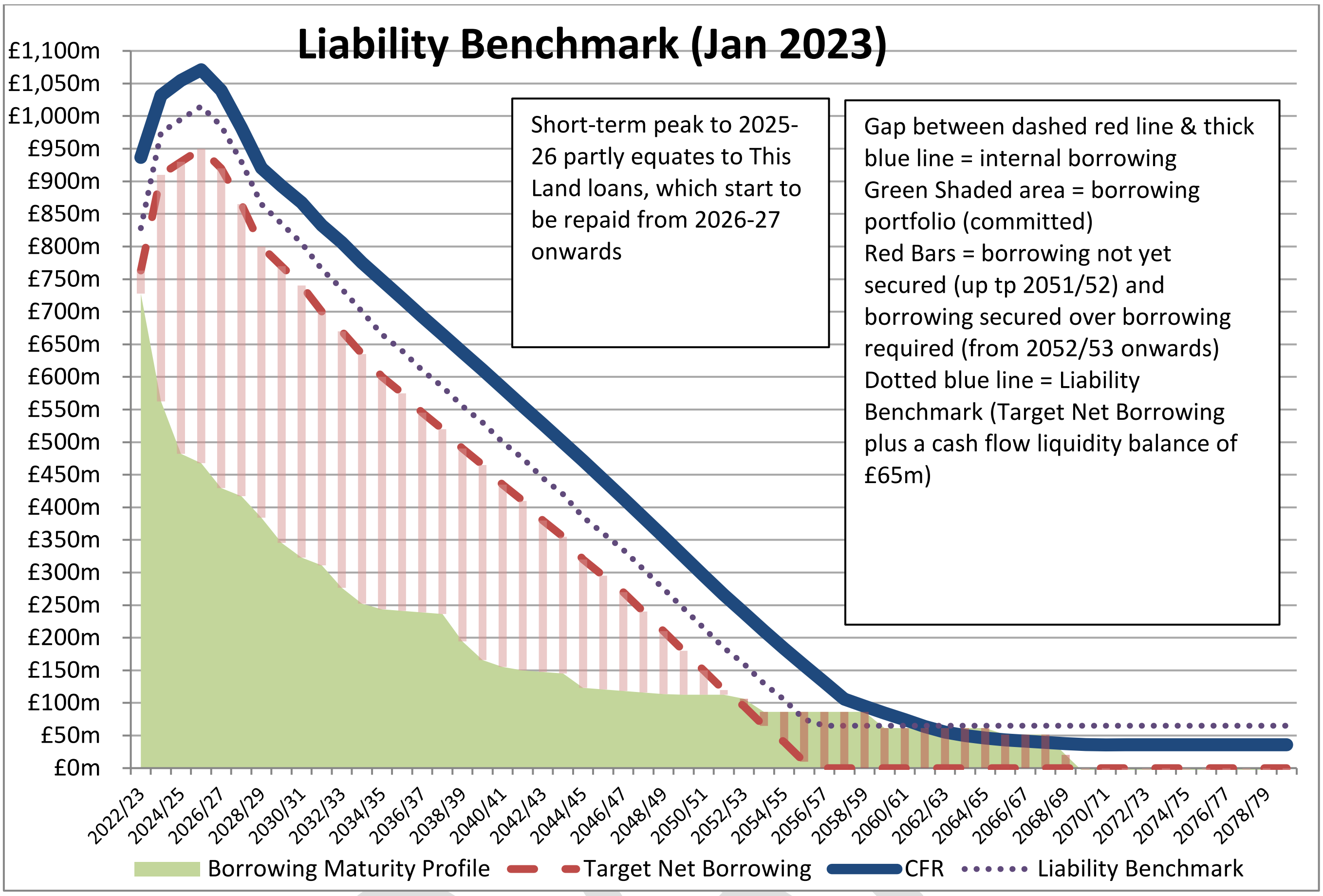
	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m	2026-27 Estimate £m	2027-28 Estimate £m
Capital Financing Requirement (CFR)						
Total CFR	936.6	1031.7	1054.7	1071.1	1039.4	982.3
Movement in CFR	14.3	95.1	23.0	16.4	-31.6	-57.1
Movement in CFR represented by:						
Unsupported Capital Expenditure (Prudential Borrowing) in capital programme	34.5	116.8	47.7	41.9	22.5	6.3
Less: MRP and other financing movements	-20.2	-21.6	-24.7	-25.5	-54.2	-63.4
Movement in CFR	14.3	95.1	23.0	16.4	-31.6	-57.1

Liability Benchmark

A third and new prudential indicator for 2023-24 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB:

1. **Existing loan debt outstanding**: existing loans that are still outstanding in future years.
2. **Loans CFR**: calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP. Only approved borrowing should be included.
3. **Net loans requirement**: the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



The gap between the bottom, dashed line and the top, thick line relates to internal borrowing. The gap between the bottom, dashed line and the middle, dotted line is equal to the £65m short-term liquidity allowance that the Council maintains in order to support peaks and troughs in daily cash balances.

Up to 2051/52, the Target Net Borrowing (the bottom, dashed line) is higher than the level of actual loans (the shaded area). The shaded bars therefore indicate a future borrowing requirement over that period. However, from 2052/53 onwards, loans are higher than the Target Net Borrowing, with the shaded bars indicating that the Council is in an overborrowed position, resulting in excess cash requiring investment. However, the LB calculations do not allow the Council to include an estimate of future capital expenditure – in reality, based on historic levels of annual capital expenditure, the CFR is likely to increase significantly in future years compared to the projections included here. This is therefore very likely to create an under borrowed position from 2052/53, rather than the over borrowed position shown here.

The authorised limit for external borrowing

A key prudential indicator, this represents a control on the maximum level of borrowing and the legal limit beyond which external borrowing is prohibited. This limit is set, and can only be amended, by Full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term. The limit represents the total CFR (assumed fully funded by borrowing) - including any other long-term liabilities (e.g., PFI schemes, finance leases) though these types of schemes include a borrowing facility and so the Council is not required to separately borrow for them - plus a margin to accommodate any unplanned adverse cashflow movements.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all authorities' plans, or those of a specific authority, although this power has not yet been exercised.

Authorised Limit	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Total Borrowing	1,170	1,190	1,200	1,170	1,110

The operational boundary

This is the operational limit, set deliberately lower than the authorised limit, beyond which external debt is not normally expected to exceed. The limit represents the total CFR (assumed fully funded by borrowing) - including any other long-term liabilities (e.g., PFI schemes, finance leases) though these types of schemes include a borrowing facility and so the Council is not required to separately borrow for them - plus a margin to accommodate any unplanned adverse cashflow movements. This limit acts as an early warning indicator, should borrowing be approaching the Authorised Limit. This limit may be breached on occasion under normal circumstances, but sustained or regular breaches should trigger a review of borrowing levels.

Operational Boundary	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Total Borrowing	1,140	1,160	1,170	1,140	1,080

2: Treasury Management limits on activity

There are four debt and investment-related treasury activity limits. The purpose of these is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates.
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- Total principal funds invested for periods longer than 365 days.

Interest Rate Exposure

The interest rate exposure is calculated as 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 formulas are shown below.

Fixed rate calculation:

$$\frac{\text{Fixed rate borrowing – fixed rate investments}}{\text{Total borrowing – total investments}}$$

Variable rate calculation:

$$\frac{\text{Variable rate borrowing** – fixed rate investments}}{\text{Total borrowing – total investments}}$$

***defined as less than 1 year remaining to maturity, or in the case of LOBO borrowing, the next call date falling within 12 months.*

Limits on Interest Rate Exposure	2023-24 Upper	2024-25 Upper	2025-26 Upper	2026-27 Upper	2027-28 Upper
Limits on fixed interest rates based on net debt	150%	150%	150%	150%	150%
Limits on variable interest rates based on net debt	65%	65%	65%	65%	65%

Maturity Structure of Borrowing

The maturity structure of borrowing indicator represents the borrowing falling due in each period, expressed as a percentage of total borrowing. These gross limits are set to manage the Council's exposure to large, fixed-rate sums falling due for refinancing or repayment.

Maturity Structure of Borrowing			
	Lower	Upper	30-11-2022 Comparator
Under 12 months	0%	80%	15%
12 months to 2 years	0%	50%	17%
2 years to 5 years	0%	50%	11%
5 years to 10 years	0%	50%	13%
10 years and above	0%	100%	44%

The Treasury Management Code of Practice Guidance notes require that maturity is determined by the earliest date on which the lender can require repayment, which in the case of LOBO loans, is the next break point.

Total principal funds invested for periods longer than 365 days

These limits are set with regard to the Council's liquidity requirements, and to reduce the risk of need for early liquidation of an investment, and are based on the medium/long-term availability of resources after each year-end.

Maximum principal sums invested for periods longer than 365 days					
	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Limit	50	50	50	50	50

3: Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework are indicators required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

Actual and estimates of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs, net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals within this budget report.

This is calculated as the estimated net financing costs for the year divided by the amounts to be met from government grants and local taxpayers.

Actual and estimates of financing costs to net revenue stream	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Financing costs to net revenue stream	8.9%	10.4%	9.5%	9.3%	8.8%

Actual and estimates of net income from commercial and service investments to net revenue stream

The intention of this indicator is to show the net financial impact on the Council of its non-treasury investment income. Net income from commercial and service investments includes interest and investment income (other than from investments held for treasury management purposes), together with net income from other assets held primarily for financial return, such as commercial property.

This is calculated as the proportion of net income from commercial and service investments compared to the net revenue stream. Only costs directly attributable to the investments should be netted off; the costs of borrowing (interest and MRP) may not be deducted for the purposes of this indicator, because they are not directly attributable to managing the investments and will continue regardless of the existence or performance of the investments.

	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Net Income from commercial and services investments to net service expenditure	-4.8%	-4.8%	-4.5%	-4.3%	-4.2%

Appendix 4: Minimum Revenue Provision Policy Statement

Policy statement

The Council is required to repay an element of the accumulated General Fund capital spend each year (Capital Financing Requirement - CFR) through a revenue charge (Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if required.

DLUHC have issued regulations that require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to Councils in the guidance with the underlying principle that a prudent provision is made. A formal review of this Policy is to be undertaken every five years with the next review due in January 2021. Due to capacity issues, in part as a result of the additional work required by the ongoing pandemic, this review has been delayed but is currently ongoing, in conjunction with the Council's treasury advisor.

Historic debt liability accumulated up to 31st March 2010

Up until 2014/15, the proportion of provision that related to historic debt liability accumulated up to 31st March 2010 was calculated using Option 1 of DLUHC Guidance (the 'Regulatory Method'). This method is based upon 4% of the CFR adjusted for 'Adjustment A' (the difference between the old credit ceiling system and the introduction of the Capital Financing Requirement). A reducing balance calculation means that debt liability is never entirely repaid, and the amount of debt equal to 'Adjustment A' (for this Council £2.133m) is not provided for at all. In January and February 2016, General Purposes Committee (GPC) considered a number of potential alternative methodologies. These covered both annuity and straight-line options, calculated over an average life of up to 50 years.

After considering the range of options available, a change in policy was introduced from 2015/16. The method chosen to replace the "Regulatory Method" for historic debt liability accumulated up to 31st March 2010 and that remained outstanding at 31st March 2015 was an annuity calculation, but one directly linked to the remaining life of the assets the debt liability had funded (held on the Council's balance sheet). This directly relates the cost of financing those assets with their expected useful life, thereby aligning costs with benefits and is allowable under the DLUHC Guidance. This approach will continue to be applied.

Debt liability accumulated from 1st April 2010

Prudent provision for any subsequent borrowing from 1st April 2010 onwards will be calculated using Option 3 of DLUHC Guidance (the 'Asset Life Method') on a straight-line basis, in line with estimates for the expected useful life of the asset financed by debt. Estimated life periods will be determined under delegated powers. In view of the variety of types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. MRP will be charged from the financial year after the asset becomes operational.

The determination as to which schemes shall be deemed to be financed from available capital resources and those which will remain as an outstanding debt liability to be financed by borrowing or other means will be assessed under delegated powers.

Third Party Loans

The only exception to these rules is loans classified as capital expenditure and raised by the Council for the purposes of funding third party loans. No MRP will be charged on this debt liability as the loans will be repaid in full in later years. Instead of an MRP charge, the capital receipts arising from the principal loan repayments will be used to reduce the CFR. This approach will be reviewed on a loan-by-loan basis annually to ensure this remains a prudent approach, otherwise a MRP charge may be introduced.

Share/Equity Capital

The Council may invest in share and equity investments, either directly or through collective pooled funds. These investments will usually be treated as capital expenditure and in such cases, where these investments are funded by unsupported borrowing, MRP charges will be considered on a case-by-case, prudent basis.

Private Finance Initiatives (PFI)

For assets acquired by leases, contracts or Private Finance Initiatives, the element of the annual charge that goes to write down the balance sheet liability will be applied as MRP.

MRP Overpayments

Under the MRP guidance, any charges made in excess of the statutory MRP can be made, and are known as voluntary revenue provision (VRP). VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

Cumulative VRP overpayments made to date are £3.528m.

Appendix 5: Annual Investment Strategy

1: Investment policy

DLUHC (formerly the Ministry of Housing, Communities and Local Government) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. The majority of this report deals solely with financial investments managed by the treasury management team. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

The Council's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's appetite for risk must be clearly identified in its strategy report. The Council affirms that its investment policies are underpinned by a strategy of prudent investment of funds held on behalf of the local community. The objectives of the investment policy are firstly the security of funds (protecting the capital sum from loss) and then liquidity (keeping money readily available for expenditure when needed). Once approved levels of security and liquidity are met, the Council will seek to maximise yield from its investments, consistent with the applying of the agreed parameters. These principles are carried out by strict adherence to the risk management and control strategies set out in the TMP Schedules and the Treasury Management Strategy.

Responsibility for risk management and control lies within the Council and cannot be delegated to an outside organisation.

Investment instruments identified for use in the financial year are listed in section 7 of this strategy, under the 'Specified' and 'Non-Specified' Investment categories.

Council's in-house funds

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but with rates forecast to peak during 2023 before starting to decline, an agile investment strategy would be appropriate to optimise returns.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

Investment returns expectations

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long-term forecast is for periods over 6 years in the future):

Average earnings in each year	
2022-23	3.95%
2023-24	4.40%
2024-25	3.30%
2025-26	2.60%
2026-27	2.50%
Long term later years	2.80%

2: Creditworthiness policy

The Council's counterparty and credit risk management policies and its approved instruments for investments are set out below. These, taken together, form the fundamental parameters of the Council's financial Investment Strategy.

The Council defines high credit quality in terms of investment counterparties as those organisations that:

- Meet the requirements of the creditworthiness service provided by the Council's external treasury advisors.
- Are UK banking or other financial institutions.
- Are UK national or local government bodies.
- Are Countries with a sovereign rating of -AA or above.

- Are Triple-A-rated Money Market funds.

The creditworthiness service provided by the Council's external treasury advisor applies a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's, and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swaps (CDS – a traded insurance policy market against default risk) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted calculation with an overlay of CDS spreads to determine the suggested duration for investment. The Council will apply these proposed duration limits to its investments unless otherwise approved by the Section 151 Officer.

Investments in a multi-class credit fund are diversified across investment grade and high-yielding credit per the Council's treasury management objectives and risk appetite. The Council monitors the more 'liquid' non-specified investments through professional advice, including from an independent investment advisor, from time to time. These arrangements are overseen by S&R Committee.

All credit ratings will be monitored regularly**.** The Council receives credit rating information and includes, changes, rating Watches and rating Outlooks from Link Group as and when ratings change, and counterparties are checked promptly.
On occasion a rate can be downgraded after an investment has been made; however, the criteria used should not affect minor downgrading of the Council's principal and interest receipts.

- If a downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, the new investment will be withdrawn immediately. However, if funds are invested for a specific

period, the Council will have to wait until the maturity date for the principal and interest.
- In addition to the use of credit ratings, the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively by Link Group. Extreme market movements may result in a downgrade of an institution, or removal from the Council's lending list.

Sole reliance will not be placed on the use of the Council's external treasury advisor's creditworthiness service. In addition, the Council will also use market data, financial press, and information on any external support for banks to help support its decision-making process.

The Council recognises that responsibility for treasury management decisions always remains with the organisation, and as such the Section 151 officer shall have the discretion during the year to lift or increase the restrictions on the counterparty list and or to adjust the associated lending limits on values and durations should it become necessary, to enable the effective management of risk in relation to its investments.

3: Sovereign Limits

Significant levels of downgrades to short and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, the Council will not set a minimum rating for the UK.

The Council has determined that it will only use approved counterparties from overseas countries with a sovereign credit rating from the three main ratings agencies that is equal to or above AA-.

The list of countries that qualify using these credit criteria as at 2nd December 2022 is shown below. This list will be amended by officers should ratings change in accordance with this policy.

AAA	AA+	AA	AA-
Australia	Canada	Abu Dhabi (UAE)	Belgium
Denmark	Finland	France	Qatar
Germany	USA		UK
Netherlands			
Norway			
Singapore			
Sweden			
Switzerland			

4: Banking services

Following a competitive tender exercise and the completion of the contract standstill period in December 2019, the Council completed the switching of Banker on 5 October 2020 from Barclays Bank to NatWest Bank. The Council has remaining residual accounts at Barclays for treasury management purposes and deputyship clients.

The Council may continue to use its own bankers for transactional purposes if the credit rating of the institution falls below the above minimum criteria, however, balances will be minimised in both monetary size and time invested.

5: Investment position and use of Council’s resources

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

Investments will be made with reference to core balances, cash flow requirements and the outlook for interest rates.

For its cash flow generated balances, the Council will seek to utilise its business banking reserve account and notice accounts, money market funds (CNAV is for Government organisations and LVNAV is for non-Government) and short-dated term deposits in order to benefit from the compounding of interest.

6: Review of existing commercial investments

The Council has reviewed its existing commercial portfolio, including both financial and non-financial assets. Based on that appraisal, taking into account the options available for exiting such investments, and the financial implications and risk reduction benefits of doing so, the Council is not planning on exiting any existing commercial investment over the next year. However, this position will be kept closely under review throughout the year, and any change in position will be reported to S&R Committee.

7: Specified investments

The Council assesses that an investment is a specified investment if all of the following criteria apply:

- The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
- The investment is not a long-term investment (i.e., up to 1 year).
- The making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended].
- The investment is made with a body or in an investment scheme of high credit quality (see below) or with one of the following public-sector bodies:
    - The UK Government.
    - A local authority in England or Wales (as defined under section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland.
    - High credit quality is defined as a minimum credit rating as outlined in this strategy.

Specified investment instruments approved for use are:

Instrument	Minimum 'High' Credit Criteria	Maximum Amount
Debt Management Agency Deposit Facility (DMADF)	UK sovereign rating	No maximum
UK Government Gilts / Treasury Bills	UK sovereign rating	
Certificate of Deposits & Notice Accounts	Per treasury advisor's creditworthiness service	£10m per individual/group in total
Term Deposits - Banks and Building Societies	Per treasury advisor's creditworthiness service	
Term Deposits - Local Authorities and Housing Associations	Considered on an individual basis	
Bank Call/Instant Access Accounts	Per treasury advisor's creditworthiness service	£25m per individual/group in total
Collateralised Deposit / Covered Bonds	AAA	
Bonds issued by multilateral development banks	AAA / UK sovereign rating	
Bond issuance issued by a financial institution which is explicitly guaranteed by UK Government (e.g., National Rail)	UK sovereign rating	
Sovereign bond issues (other than the UK Govt)	AAA / UK sovereign rating	
Money Market Funds CNAV	AAA/UK sovereign rating	
Collective Investment Schemes structured as Open-Ended Investment Companies (OEICs):		
Money Market Funds (LVNAV)	AAA MMF rating	£25m per individual/group in total
CCLA (PSDF) Money Market Fund	Considered on an individual basis	
Bond Funds	Considered on an individual basis	
Gilt Funds	Considered on an individual basis	

The Council may enter into forward agreements up to 3 months in advance of the investment commencing. If forward agreements are made, the forward period plus the deal period should not exceed the 1 year to be classified as a specified investment.

Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is compounded by the counterparty to the principal investment amount. In such instances the interest amounts will be withdrawn as soon as reasonably practicable.

The counterparty limit with the Council's corporate bank may be utilised over and above the set counterparty limit on an overnight basis if cash surpluses are identified because of unexpected receipts of income after the day's dealing position is closed. This occurs when the timing for receipt of funds is uncertain, for example the sale of a property. In such instances, funds will be withdrawn to bring the Councils exposure back in line with the approved counterparty limit as soon as reasonably practicable and invested elsewhere in line with this strategy. If this happens, the Section 151 Officer should be notified.

8: Non-specified investments

Non-specified investments are defined as those with less high credit quality, potentially for periods over one year, or for more complex instruments which require greater consideration and need to be passed by members and officers before authorisation.

Given the additional risk profile associated with non-specified investment, the Council may consult with its external treasury advisor before undertaking such investments where appropriate.

Non-specified investment instruments approved for use are:

Instrument	Minimum 'High' Credit Criteria	Maximum Amount
UK Government	Government backed	No maximum
Certificate of Deposits & Notice Accounts	Per treasury advisor's creditworthiness service	£10m per individual/group in total
Term Deposits - Banks and Building Societies	Per treasury advisor's creditworthiness service	
Term Deposits - Local Authorities and Housing Associations	Considered on an individual basis	
Collateralised Deposit / Covered Bonds	AAA	£20m per individual/group in total
Bonds issued by multilateral development banks	AAA / UK sovereign rating	
Bond issuance issued by a financial institution which is explicitly guaranteed by UK Government (e.g., National Rail)	UK sovereign rating	
Sovereign bond issues (other than the UK Govt)	AAA / UK sovereign rating	
Corporate Bond / Equity Holdings	Considered on an individual basis	£10m per individual/group in total
Collective Investment Schemes structured as Open-Ended Investment Companies (OEICs):		
Property Funds	Considered on an individual basis	£20m per individual/group in total
Infrastructure Funds	Considered on an individual basis	
Diversified Income / Multi Asset Funds	Considered on an individual basis	
Enhanced Money Market Funds	AAA VNAV MMF rating	
Corporate Bond / Equity Funds / Share Capital / Pooled Multi Class Credit	Considered on an individual basis	
Asset Backed Securities / Green Energy Bonds	Considered on an individual basis	£5m per individual/group in total
Ultra-short dated bond Funds	Considered on an individual basis	£5m per individual/group in total
Other Fund: to include other multi asset income, other property and equity variants not mentioned above.	Considered on an individual basis	£5m - £10m individual/group in total

Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is compounded by the counterparty to the principal investment amount. In such instances the interest amounts will be withdrawn as soon as reasonably practicable.

9: Third Party Loans

The Council has the power to lend monies to third parties subject to a number of criteria:

- Any loans to, or investments in, third parties will be made under the Well Being powers of the Council conferred by section 2 of the Local Government Act 2000 or permitted under any other act.
- The Well Being power can be exercised for the benefit of some or all the residents or visitors to a local authority's area. The power may also be used to benefit organisations and even an individual.

The primary aims of any investment - in order of priority - are the security of its capital, liquidity of its capital and to obtain a return on its capital commensurate with levels of security and liquidity. These aims are crucial in determining whether to proceed with a potential loan.

Appendix 6 sets out the Council's framework within which it may consider advancing loans to third party, not for profit, organisations.

10: Investments defined as capital expenditure

The acquisition of share capital or loan capital in any corporate body is defined as capital expenditure under Regulation 25(1) (d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. Such investments will have to be funded from capital or revenue resources and will be classified as 'non-specified investments.

Investments in "money market funds" which are collective investment schemes and bonds issued by "multilateral development banks" – both defined in SI 2004 No 534 – will not be treated as capital expenditure.

A loan, grant or financial assistance provided by this Council to another body will be treated as capital expenditure if the Council would define the other body's use of those funds as capital had it undertaken the expenditure itself.

11: Provisions for credit related losses

If any of the Council's investments appear at risk of loss due to default (i.e., this is a credit related loss and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount.

12: End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report. This will include detail of the review undertaken by the Council on its commercial investment portfolio.

13: External fund managers

Up to £60m of the Council's funds may be externally managed on a discretionary / pooled basis, currently by CCLA, Allianz Global Investors and VT Gravis. The Council's external fund managers comply with the Annual Investment Strategy. The agreements between the Council and the fund managers additionally stipulate guidelines on duration and other limits in order to contain and control risk.

The Council fully appreciates the importance of monitoring the activity and resultant performance of its appointed external fund manager. In order to aid this assessment, the Council has appointed Link Group to monitor the performance of some of these funds and is provided with a suite of regular reporting. This includes:

- Measuring the external manager's performance on a periodic and ongoing basis.
- Monitoring and impact assessment (where appropriate) of investment decisions made by the manager, considering the portfolio positioning as well as general economic and specific market background.
- Comparing fund manager performance against fund guidelines, benchmark, and target return (where applicable).
- Comparing fund manager performance against the Council's threshold for market risk and the degree of volatility in returns it is willing to accept in its risk-reward relationship

In addition to formal reports, representatives of Link Group meet with representatives of the fund manager semi-annually. These meetings allow for additional scrutiny of the manager's activity as well as discussions on the outlook for the fund as well as wider markets.

14: Investment performance / risk benchmarking

The Council uses an investment benchmark to assess the investment performance of its investment portfolio; the 30-day backward looking rate on a SONIA (Sterling Overnight Index Average) basis, as this most accurately reflects the type and length of investments (excluding Collective Investment Funds) that the Council holds. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors. The Council uses backward looking because this reflects the rates at the time of decision-making, rather than forward looking rates at the time of reporting.

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or annual reports.

15: Pension fund cash

The Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, which were implemented on 1 January 2010. The Council will not pool pension fund cash with its own cash balances for investment purposes. Any investments made by the pension fund directly with the Council will comply with the requirements of SI 2009 No 393.

Appendix 6: Third Party Loans Policy

Introduction

Whilst the Council should not wish to become a commercial lender in the marketplace, it can use its ability to borrow, at relatively economic rates, to support the delivery of improved outcomes for the residents of Cambridgeshire. At the same time, this will facilitate the creation of a relatively modest income stream to support the Council's overall financial resilience. All applications must demonstrate alignment to the Council's core ambitions and should support those outcomes.

The intention of this policy is therefore to establish a framework within which the Council may consider advancing loans to third party, not for profit, organisations.

Nature of Organisations Considered

The Council will consider the provision of a loan facility to organisations that fulfil the following criteria:

- Not For Profit Organisations where the loan required will be used to fund infrastructure to support the delivery of services to the residents of Cambridgeshire.
- Organisations that provide services that align to the Council's core objectives and priorities (including subsidiary companies and joint ventures)

Both of the above criteria are required to be fulfilled in order for the Council to consider advancing public funds.

Governance Arrangements

All proposals will be considered by the capital programme board or equivalent forum.

Loans of less than £250,000 that fulfil the policy framework are delegated to the Council's Section 151 officer in consultation with the Chair of S&R Committee. Should the Committee Chair declare a conflict of interest, consultation will take place with the Committee Vice-Chair.

Loans of more than £250,000, or loans that are outside of the framework parameters require S&R Committee approval. The exception to this is loans associated with County Council owned assets which remain within the remit of S&R Committee.

Limits

No specific limits are proposed, but all loans in excess of £250,000 will require S&R Committee approval. Given the level of administration that will be required to manage the loan agreement over the life of the loan, no requests for loans of less than £10,000 will be considered.

Business Case Review

Any application for loan finance must be accompanied by a robust business case. Due-diligence checks will be undertaken to test the underlying assumptions applied. Specialist support may be required to carry out these assessments.

Subsidy control and Interest Rates

Under EU law, State Aid rules were to be taken into account whenever public money is given to an organisation that undertakes any commercial operation. State Aid is defined as an advantage in any form whatsoever conferred on a selective basis to undertakings by public authorities. Subsidies granted to individuals or general measures open to all enterprises are not covered by the State Aid prohibition.

Although the UK has now left the EU, successor arrangements have been implemented to meet the UK's international obligations on subsidy control.

The general parameters of the scheme will not permit loans to be made where the funding could be used in the delivery of commercial activities. However, not for profit organisations often undertake commercial activities to support the delivery of non-commercial activities. State aid can be avoided by using the Market Economy Operator (MEO) principles. If the state is acting in a way that a rational private investor would, for example in providing loans or capital on terms that would be acceptable to a genuine private investor who is motivated by return and not policy objectives, then it is not providing State Aid. This is because the beneficiary is not considered to be obtaining an advantage from the State but on the same terms that it could have obtained on the open market.

The actual interest rate charged on loans of this nature will be set with reference to the minimum permitted within State Aid rules at the time of fund advance and the Council's cost of borrowing plus an appropriate credit risk margin, whichever is higher. If there is any doubt as to whether State Aid may be an issue, legal advice must be sought.

Loan Framework

- All loans must be secured against an asset or guaranteed by a public sector organisation with tax raising powers.
- The maximum loan to value will not exceed 80% unless fully guaranteed by a public sector body
- The maximum duration of the loan will be 30 years, but the loan period must not exceed the useful life of the asset.
- An independent valuation of the asset upon which the loan is secured will be undertaken by the Council.
- A robust business case must be developed that demonstrates that the loan repayments are affordable.
- The on-going value of the asset(s) that the loan has been secured against will be valued on a 5-year basis. A charge to revenue may be required if the equity value falls below the debt outstanding or if it becomes clear that the borrowing organisation is unable to service the debt.
- Guarantees will be called upon if the lending organisation falls into arrears of more than 12 months.

Given the administrative costs incurred in both establishing and managing loans of this nature, an administration/arrangement fee will be applied to each loan made. The following arrangement fees will be applied:

Minimum Loan Value	Maximum Loan Value	Arrangement Fee
£10,000	£119,999	£1,200
£120,000	£289,999	1% of loan
£290,000	-	£2,950

Exemptions

Exemptions to this policy may be considered, but any exemption will need to be approved by S&R Committee.

Cambridgeshire County Council

Sustainable

Procurement

Strategy

2023-2024

cambridgeshire.gov.uk

FOREWARD

Cambridgeshire is a great place to live and work but is not without its challenges. The Council has a duty to use its considerable spending power as way of delivering its vision and key objectives.

The launch of this Sustainable Procurement Strategy makes it clear that the Council's Net Zero and climate change targets are firmly at the heart of the procurement programme. Working with stakeholders and partners and building on existing networks will be important in delivering the Strategy successfully.

The focus of this Strategy is:
- Supporting local businesses and the third sector
- Increasing in delivery of social value
- Contributing to the Council's Net Zero targets
- Delivering best value outcomes
- Ensuring we have robust, compliant and transparent procurement processes.

By delivering in these areas, the Council can be confident that its procurement activity will benefit all stakeholders.

(For sign off and approval from Committee/Councillor)

WHY CAMBRIDGESHIRE COUNTY COUNCIL NEEDS A SUSTAINABLE PROCUREMENT STRATEGY

The Council's vision is to 'Create a greener, fairer, more caring Cambridgeshire'.

Like other Councils, we are faced with many economic, social and environmental challenges including the climate emergency, economic recovery/development and constrained budgets. Meeting these challenges will mean focusing on our 7 ambitions:

1. Net Zero carbon emissions for Cambridgeshire by 2045 and our communities and natural environment are supported to adapt and thrive as the climate changes.
2. Travel across the county is safer and more environmentally sustainable.
3. Health inequalities are reduced.
4. People enjoy healthy, safe and independent lives through timely support that is most suited to their needs.
5. Helping people out of poverty and income inequality.
6. Places and communities prosper because they have resilient and inclusive economy, access to good quality public services and social justice is prioritised.
7. Children and young people have opportunities to thrive.

The Council spends over £600million per annum on goods, services and works so effective and sustainable procurement solutions are key to delivering the Council's vision and priorities.

In addition, the National Procurement Policy Statement published in June 2021, outlines the national goals that public sector procurement will be expected to support the delivery of:

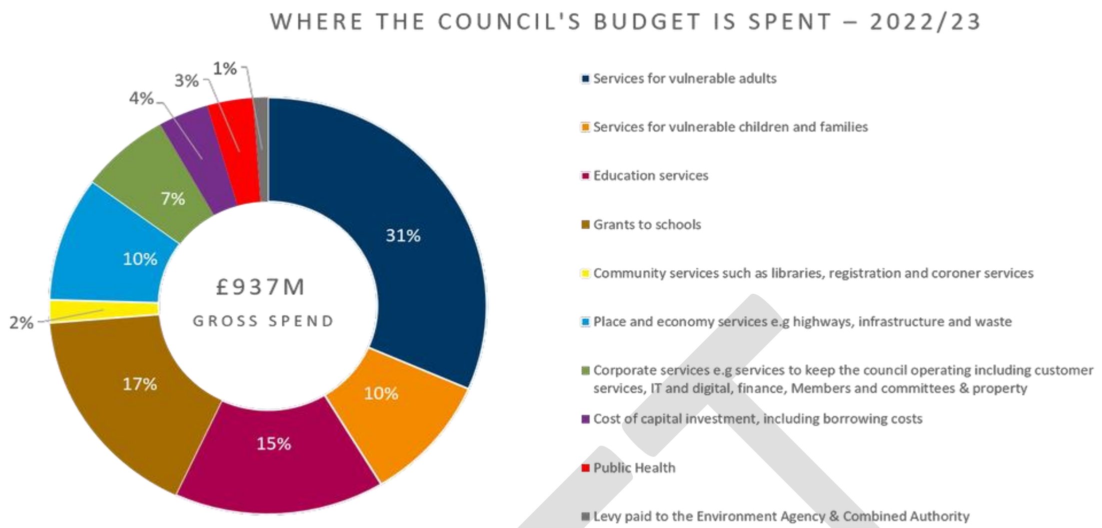
- Creating new businesses, new jobs and new skills;
- Tackling climate change and reducing waste; and
- Improving supplier diversity, innovation and resilience.

This Strategy will set out how procurement activity will support the delivery of the Council's priorities and the national priority outcomes in a way which is sustainable – our actions today will only have positive effects for those generations living in the Cambridgeshire of the future. Category Strategies, the Commercial Strategy, the Social Value Policy and other procurement related plans and policies will take the lead from this Strategy. This Strategy is concerned with procurement activity as distinct from commissioning activity, the latter being connected with the design of services, goods and works and the former being connected with the process of purchasing and managing those services, goods and works. The two areas overlap in market engagement and market development and the Council is committed to ensuring a connected approach.

CAMBRIDGESHIRE COUNTY COUNCIL: AN OVERVIEW

- Over the next 10 years it is expected that the under 25 population will grow by 12% and the over 65 population by 33%.
- Cambridgeshire has only got 6 years before it will have exhausted its 'allowed' emissions to meet the 2050 UK Net Zero Target.
- The population of the County was 678,600 in 2021.
- The County Council employs approximately 4,500 staff and there are 61 Councillors.
- Carbon Dioxide equivalent emissions are 25% higher here than the UK average.
- In some areas of Wisbech, Huntingdon and Cambridge over 30% of children live in low-income families.
- In March 2021, there were approximately 665 children in care and 2,545 adults of working age with disabilities.
- There are over 4,500 miles of roads in the County.

COUNCIL SPEND PROFILE



A sample from the Contract Register shows:

- 30% of contracts are awarded to national suppliers and a further 24% of contracts are awarded to national SMEs.
- Only 10% of contracts are awarded to Cambridgeshire based SMEs and another 2% are awarded to larger Cambridgeshire based organisations.
- A further 23% of contracts are awarded to public sector or third sector suppliers in Cambridgeshire.
- 12% of contracts are awarded to Eastern Region suppliers with 8% of those being SMEs.

THE FUNDAMENTALS OF PROCUREMENT ACTIVITY AT CAMBRIDGESHIRE COUNTY COUNCIL

Procurement activity at the Council will be sustainable and recognise the risk that inaction on climate and biodiversity will create to our economy and social fabric: it will have the most positive environmental, social and economic impacts on a whole life basis.

The Council's procurement activity will be based on the following fundamentals:

Managing Risks: we will identify, prioritise and manage risks to the Council and our communities through procurement.
Due Diligence: we will always try to find a way to address adverse sustainability impacts connected with procurement activity.
Setting Priorities: we will focus efforts on managing risks and maximising sustainability.
Avoiding Complicity: we will avoid being complicit in wrongful activity.
Exercising Influence: we will try to influence the behaviour of suppliers and other stakeholders.

There is a golden thread through procurement activity at the Council. The thread links together:

- Regulation
- Contract Procedure Rules
- Procurement Guidance and standard documentation
- Delivery of operational procurement activity

KEY SUSTAINABLE PROCUREMENT OBJECTIVES FOR CAMBRIDGESHIRE COUNTY COUNCIL

1 We will support the growth of local businesses and the third sector by making procurement spend more accessible.

2 We will increase the levels of social value delivered by our suppliers.

3 We will contribute to the Council’s Net Zero Targets.

4 We will deliver best value outcomes through procurement activity.

5 We will ensure that our procurement processes are robust, transparent, non-discriminatory and compliant.

WE WILL SUPPORT THE GROWTH OF LOCAL BUSINESSES AND THE THIRD SECTOR BY MAKING PROCUREMENT SPEND MORE ACCESSIBLE

We will do this by:

- Increasing market engagement through 'meet the buyer' events, procurement workshops, newsletters and better web pages.
- Using procurement approaches that support smaller businesses, for example splitting procurements into Lots (to support decentralisation), considering where procurements should/could be advertised.
- Working with our key suppliers to ensure that their supply chains are as accessible as possible to local businesses and the third sector.
- Exploring the use of speedy payment options for small businesses and the third sector.

We will measure our success by:

- Monitoring the number and value of contracts awarded to businesses and third sector organisations within Cambridgeshire. We will establish a baseline using data from 2022/23 and then set targets for increase for 2023/24 onwards.
- Monitoring the number and value of contracts awarded to SMEs. We will establish a baseline using data from 2022/23 and then set targets for increase for 2023/24 onwards.
- Monitoring the number and value of contracts awarded to businesses and third sector organisations in the Eastern Region. We will establish a baseline using data from 2022/23 and then set targets for increase for 2023/24 onwards.

WE WILL INCREASE THE LEVELS OF SOCIAL VALUE DELIVERED BY OUR SUPPLIERS

We will do this by:

- Using market engagement to identify opportunities for leveraging social value in contracts.
- Using the most appropriate TOMs (Themes, Outcomes and Measures) indicators for each contract.
- Providing support and assistance to suppliers through the procurement and contract management process to enable their delivery of social value.
- Learn and develop our approach to maximise the levels of social value delivered.
- Work closely with our colleagues who work in our communities to understand more about their needs.

We will measure our success by:

- Monitoring the levels of social value delivered via our use of the Social Value Portal and other mechanisms with a target of £20,000 to be delivered during 2023/24, with that target rising by £5,000 in each of 2024/25 and 2025/26.
- Increasing the number of new contracts which include social value measures so that by the end of 2024/25 75% of available contracts are procured with social value measures embedded.

WE WILL CONTRIBUTE TO THE COUNCIL'S NET ZERO TARGETS

We will do this by:

- Using market engagement to identify options with reduced or zero carbon.
- Considering whether purchases are necessary at all, whether quantities can be reduced or whether we can use of recycled goods could work
- Collaborate on the provision of whole life cycle carbon assessments
- Use contracts to monitor and manage carbon emissions through supply chains.
- Using award criteria connected to climate change and reducing carbon emissions
- Increasing the use of a whole life costing approach to price evaluation.

We will measure our success by:

- Increasing the number of suppliers required to report on carbon emissions through contract clauses. The baseline for 2021/22 is 0. For existing suppliers it is expected that the number will increase 15% per year. For new suppliers it is expected that the number will increase by 40% per year.
- Increasing the number of contracts with climate change related performance measures. The baseline for 2021/22 is 0. For new contracts, it is expected that the number will increase by 20% and for existing contracts the increase is targeted at 10%.
- Report annual scope 3 carbon emissions reductions from procured goods and services through the Annual Carbon Footprint report accepted the current data limitations.

WE WILL DELIVER BEST VALUE OUTCOMES THROUGH PROCUREMENT ACTIVITY

We will do this by:

- Working together to identify opportunities for change and challenge current models of delivery
- Challenging the demand for goods and services and seeking to rationalise core requirements.
- Engaging markets, benchmarking and collaborating where appropriate
- Developing robust contract management actions to ensure that contracts deliver financial and non-financial performance requirements.
- Increasing the use of a whole life costing approach to price and carbon evaluation.
- Working with suppliers to mitigate risks

We will measure success by:

- Number of procurements where whole life costing was used in the carbon and/or price evaluations. The baseline for this measure of success is 0 (zero). The target for 2023/24 will be 10%.
- Establishment of contract management toolkit for use across the Council by March 2023.
- Support the Commercial Team's delivery of their efficiency target

WE WILL ENSURE THAT OUR PROCUREMENT PROCESSES ARE ROBUST, TRANSPARENT AND COMPLIANT

We will do this by:

- Delivering training to budget managers and contract managers
- Establishing and reviewing standard documentation to support a consistent approach to procurement activity
- Reviewing and improving controls to ensure compliance with Contract Procedure Rules and Financial Procedure Rules
- Embedding best practice and regulatory changes as required

We will measure success by:

- Submitting an annual procurement report to Committee updating Members on the procurement activity across the Council, the first report will be delivered in June 2023 and will continue annually thereafter.
- Monitoring the number of formal and informal challenges received and ensuring that any lessons learnt are embedded in future activity.
- Monitoring the number of waivers and their reasons. The Council already has a target to reduce the number of waivers submitted within 5 days of the waiver start date of 20%, this will continue to be monitored.

MONITORING AND REVIEW

This Strategy will be reviewed annually by the Procurement Governance Board.

Through spend and carbon footprint analysis, the Procurement Team will monitor and report on the number and value of contracts awarded to Cambridgeshire based businesses. This analysis will enable initiatives to be developed and targeted as required.

The Procurement Team will work with public sector partners in the County and the region to ensure that it is able to embed best practice as the Strategy develops.

An annual report will be submitted to the Audit and Accounts Committee to include the following information:

- An update on the progress against the outcomes detailed in this strategy.
- The number of procurements delivered
- The number of waivers approved
- The number of officers attending training

CAPACITY AND SKILLS

The Procurement Team is involved in all procurements valued over £100,000 and so will be able to ensure that the requirements of this Strategy are firmly embedded in those procurements.

Procurement and contract management training is being developed to ensure that all colleagues with commissioning, procurement and contract management responsibilities have the relevant skills and knowledge to deliver the requirements of this Strategy.

To deliver this Strategy, the capacity and skills of the Procurement Team will continue to be managed through:

- Providing opportunities for apprenticeships and CPD.
- Engaging with other local authorities, public sector organisations and other relevant organisations to support knowledge transfer.
- Providing mentoring, coaching and work shadowing opportunities
- Developing and delivering in house training and guidance to support commercial and carbon awareness and legislative knowledge
- Assessing procurement standards using benchmarking and self-assessment tools

Agenda Item No: 7

Integrated Finance Monitoring Report for the period ending 30 November 2022

To:	Strategy & Resources Committee
Meeting Date:	26 January 2023
From:	Service Director: Finance & Procurement
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	Not applicable
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 is recommended to note and comment on the report.

Officer contact:
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Tel: 01223 507126

Member contacts:
Names: Councillors Nethsingha & Meschini
Post: Chair/Vice-Chair
Email: Lucy.Nethsingha@cambridgeshire.gov.uk
Elisa.Meschini@cambridgeshire.gov.uk
Tel: 01223 706398

1. Background

1.1 The purpose of this report is to present financial and performance information to assess progress in delivering the Council's Business Plan.

2. Main Issues

2.1 Please see the attached Integrated Finance Monitoring Report for the period ending 30 November 2022 at Appendix A and the Corporate Services Finance Monitoring Report for the period ending 30 November 2022 at Appendix B.

3. Alignment with corporate priorities

3.1 Environment and Sustainability

Please see the Environment and Climate Change Implications outlined in 4.8 below.

3.2 Health and Care

There are no significant implications for this priority.

3.3 Places and Communities

There are no significant implications for this priority.

3.4 Children and Young People

There are no significant implications for this priority.

3.5 Transport

There are no significant implications for this priority.

4. Significant Implications

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

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications
There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications
There are no significant implications within this category.

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

4.5 Engagement and 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.
Status: Neutral
Explanation: There are no significant implications within this category

4.8.2 Implication 2: Low carbon transport.
Status: Neutral
Explanation: There are no significant implications within this category

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Status: Neutral
Explanation: There are no significant implications within this category

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Status: Neutral
Explanation: There are no significant implications within this category

4.8.5 Implication 5: Water use, availability and management:
Status: Neutral
Explanation: There are no significant implications within this category

4.8.6 Implication 6: Air Pollution.
Status: Neutral
Explanation: There are no significant implications within this category

4.8.7 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: Stephen Howarth

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 Pathfinder Legal? No
Name of Legal Officer: Not applicable

Have the equality and diversity implications been cleared by your EqIA Super User? 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

5. Source documents

5.1 Source documents

Place & Sustainability Finance Monitoring Report (November 22)
People Services and PH Finance Monitoring Report (November 22)
CS Finance Monitoring Report (November 22)
Capital Monitoring Report (November 22)
CCC Debt Reporting Pack (November 22)
CCC Prompt Payment KPIs (November 22)

Appendix A

Integrated Finance Monitoring Report November 2022

Contents

Section	Item	Description
1	Executive Summary	A high-level summary of key information covering both revenue and capital. Narrative on key issues in affecting the financial position, both corporately and across the directorates.
2	Revenue Budget	Provides a more detailed summary of the revenue position by directorate, as well as additional information on: • The position of our Dedicated Schools Grant • The Savings Tracker (next update at the end of quarter 3)
3	Revenue Funding Changes	This section highlights any new in-year changes to revenue budgets or funding that have taken place or that are proposed for agreement by Committee.
4	Capital Programme	Provides a detailed summary of the capital position by directorate, as well as capital variations budgets and capital funding changes. Any changes to funding or budgets for the capital programme that are proposed for noting or agreement by Committee will be reported here.
5	Balance Sheet	Key information about the Council's balance sheet, including reserves, borrowing and debt.
6	Treasury Management	Update on the Council's treasury management position. At the end of Q2 and Q4 this will form a separate report as it requires consideration by Full Council.
Appx 1	Revenue – commentaries on exceptions	Detailed commentaries on forecast revenue variances by exception
Appx 2	Capital – commentaries on exceptions	Detailed commentaries on forecast capital variances by exception
Appx 3	Budget transfers between services	Breakdown of movements between services in 2022/23
Appx 4	Reserves & provisions	Schedule of reserves held

1. Executive Summary

1.1 This report sets out the main overall management accounts for the Council and presents financial and other information to assess the Council's financial position and delivery of the business plan.

The Council's financial accounts are produced annually and are available on our website.

The Council's total service budgets for 2022/23 are:

- Revenue: £456m net budget
- Capital: £153m (with a total programme of over £1bn)

The table below shows the key forecast information by service:

Service	Revenue Budget Variance £000	Revenue Budget Variance %	Net Capital Budget Variance £000	Net Capital Budget Variance %
People Services	3,132	1.0%	-6,975	-10.6%
Place & Sustainability	1,153	1.6%	-1,657	-2.3%
Strategy & Partnerships	0	0.0%	-2,053[1]	-13.3%
Finance & Resources	2,114	18.6%		
Public Health	0	-1.2%	-	-
Capital Financing	-2,380	-7.2%	-	-
Funding Items	-1,357	-12.3%	-	-
Net Spending Total	**2,662**	**0.6%**	**-10,685**	**-7.0%**

Notes on this table:

1. The capital variance of -£2,053k is the combined position across Strategy & Partnerships and Finance & Resources

Item	Change for 2022/23 £000
Inflation	9,991
Demand growth	9,615
Pressures	16,236
Investments	7,253

In setting this year's budget, this growth had to be met through additional taxation, savings and government funding. We also have significant budget gaps over the next few years, including at least £13m in 2023/24 after over £10m of mitigations have been found over October and November.

Detailed financial information about each service area is contained in the relevant Finance Monitoring Report. These can be found published at each scheduled committee meeting, and on the Council's website.

Summary financial information in this report is presented with the assumption that any accompanying recommendations to committees will be agreed.

1.2 Key Issues

We are currently forecasting a small (0.6%) revenue overspend for 2022/23, mainly due to the effects of the expected level of public sector pay inflation for this year, which exceeds the estimates used in budgeting. This is in the context of large budget increases that were planned in for this year as noted above, alongside uncertainty due to the impacts of inflation and patterns of demand.

In June, the Council allocated additional resources to meet expected inflationary pressures this year, mainly driven by energy prices and some of our large contracts that are linked to national inflation indices. It also created a reserve to meet unexpected inflationary pressures. Other than with pay inflation, we do therefore expect to mostly be able to meet the costs of inflation on our revenue budgets this financial year as things stand. It remains a significant concern, however, in looking ahead to setting our medium-term financial plan for the next five years.

Inflation is also impacting on our capital programme, alongside international supply chain disruption, making deliverability less clear. This is having an in-year impact on capital schemes as well as affecting future years but offsetting this inflationary impact is some slippage on expected delivery of capital schemes. We are now seeing an underspend expected on the revenue cost of the Council's capital programme, mainly reflecting a lower than expected borrowing requirement as the Council's cash balances have been quite high this year.

Due to inflation and difficulty in recruiting, several of our key supplier markets are facing difficulty. The care sector has long been under pressure – we have invested funding to increase rates paid this year and we have committed to paying the real living wage to care staff which should improve recruitment and retention. We are seeing cost pressures in Home to School Transport due to high levels of contract hand-backs and rising costs of new contracts.

Uncertainty has been caused this year by changes in national government, and changing priorities with major pieces of reform such as in adult social care. We have proceeded through much of the year on the basis that social care reform would take place next year, but this has now been pushed back. Instead, government is focussing on trying to reduce hospital discharge pressures and has allocated additional money to councils to help with that.

Our Just Transition Fund investments are continuing to make a difference this year, particularly in our Care Together programme which is improving local care services, and in the Net Zero programme which is moving forwards with planning to deliver the Council's and County's net zero targets.

Over recent years we have generally succeeded in managing risks within budget, alongside delivering ambitious savings plans that are necessary to close our funding gap. We are also pro-actively managing our large contracts, ensuring value for money, and maximising grant funding where possible from government. Investment by the Council, such as in free school meal provision during holidays, should provide some further support to people.

Demand for our services so far this financial year appears to be within original projections in most cases, but remains an uncertainty over the coming months. In particular, the impact of Autumn and Winter on social care budgets is difficult to predict, and the national economic picture may increase demand on Council services.

1.3 Key Issues by Service Area

1.3.1 People Services – Adults

We are seeing financial pressures across Learning Disability, Physical Disability and Mental Health, but at the current time these are being offset by forecast underspends elsewhere, and particularly in the costs of services for Older People. Following on from the pandemic we are continuing to see demand for residential care for Older People at below pre pandemic levels and it is anticipated that this trend will continue for some time to come.

Care providers are continuing to report cost pressures related to both workforce issues and the current cost of living rises. These are putting pressure on uplift budgets across all care types. The position of the care market, particularly related to workforce issues, is making some placements more difficult to source, particularly at the more complex end of provision.

Hospital Discharge systems continue to be pressured. The medium-term recovery of clients assessed as having primary health needs upon hospital discharge can return individuals to social care funding streams. In addition, the impact of delayed health care treatments such as operations, will also affect individual needs and health inequalities negatively.

Work is ongoing to assess future demand, cost pressures and the financial implications of the government's social care reforms which have now been postponed to October 2025. This work will feed into business planning for 2023/24 and beyond.

Key activity data for Adult Services at the end of November 2022 is:

Older people aged 65+ receiving long term services	**Budgeted no. of care packages 2022/23**	**Actual Nov 22**	**Actual May 22**	**Trend in service user numbers since May 22**	**Trend in average weekly unit cost since May 22 (budget expects an increase)**
Nursing	617	555	537	Increasing	Increasing
Residential	947	849	837	Increasing	Increasing
Community	2,399	2,228	2,225	Increasing	Increasing

Working Age Adults receiving long term services	**Budgeted no. of care packages 2022/23**	**Actual Nov 22**	**Actual May 22**	**Trend in service user numbers since May 22**	**Trend in average weekly unit cost since May 22 (budget expects an increase)**
Nursing	37	39	36	Stayed the same	Increasing
Residential	342	332	334	Stayed the same	Increasing
Community	2,626	2,813	2,644	Increasing	Increasing

1.3.2 People Services – Children's & Education

There is some pressure emerging on the Children in Care placements budget as several high-cost placements have been made in recent months. The placement market is highly competitive with demand outstripping supply, and inflation is further cited by providers as a driver of increased costs. We are reviewing the expected starting point of this budget for next financial year.

In order to address continuing difficulty in recruiting to Social Worker posts, which resulted in a significant staffing underspend last financial year, a Programme Board has been established to focus on recruitment, retention and development of the workforce offer. The Programme Board has now completed phase one of its work, and phase two will launch a social work recruitment campaign, to include international recruitment. Whilst this work will start early January 2023 we continue to arrange bespoke teams to support the ongoing demand.

Home to School Transport Special is now forecasting a revised overspend of £2.13m. Following the retender of 330 routes for Sept 2022, average contract costs have gone up by 18.5% from 2021 reflecting the strong impact of inflation. In addition, there has been an increase in the number of pupils being transported, and transported further, to special schools. The service is facing challenges from contract hand-backs and shortages of drivers; contract costs are rising as providers increase prices to improve attractiveness of route tenders. Inability to contract routes to bus providers increases costs of taxi services, as we still have a duty to transport eligible children to school. This is a national issue affecting bus services and taxi services generally, with particular impacts on Home to School Transport services. In Cambridgeshire, we are increasingly working with the Combined Authority in relation to bus services, which will hopefully mitigate some of the impact on transport budgets.

Key activity data for Children in Care in November 2022 is:

Children in Care	Budgeted no. of care packages 2022/23	Actual Nov 22	Actual May 22	Trend in service user numbers since May 22	Trend in average weekly unit cost since May 22 (budget expects an increase)
Children in Care placements	278	263	260	Stayed the same	Increasing
Fostering and Supervised Contact	242	218	249	Decreasing	Increasing
Adoption	461	409	424	Decreasing	Increasing

1.3.3 Place & Sustainability

The largest financial risk within P&S is within the Waste service, and work to ensure compliance with odour regulations. A large capital investment is being made, as well as revenue costs while waste is diverted. For this financial year, much of this risk is mitigated by budget provision made or reserves created last year.

We are seeing some delay in realisation of additional revenue expected from several of our renewable energy schemes. These programmes expect a significant net revenue return due to the selling of clean electricity, but delays to some capital works are pushing back the expected realisation of income. When income does commence, we expect it to be higher than in the original plan due to rising electricity prices.

Highways Maintenance Expenditure in a number of areas is low at present. This is due to a number of schemes being programmed for late in the year due to road space availability, as well as and staff resource pressures in the service causing design and costing to be later than expected. The service remains confident of delivery high with road space booked up to the full budget level and the works in the contractors' programmes. The programme is slightly over-committed versus budget to allow for some degree of slippage to take place, and we are assured as part of our highways partnership with the external contractor that work is scheduled in and deliverable through to the end of the year.

As noted above, there are also risks of increased costs within the P&S capital programme due to inflation, and we continue to monitor spend and the future pipeline of works to be undertaken.

1.3.4 Corporate Services

Corporate Services are forecasting an overspend due to the expected level of staff pay inflation. The nationally and locally agreed pay awards are higher than the level budgeted. As services will be fully funded for the cost of pay inflation, the pressure is retained centrally and offset in the next year's business planning.

Work is commencing within the Customer and Digital service to look at implementing the longer-term strategy of moving to predominantly cloud based services away from physical IT assets. This will have a revenue cost impact as services cease to be able to be capitalised, something that is being closely reviewed over coming months.

The Council's investments, both financial and property, are continuing to perform well and delivering an annual revenue return to us. We are, however, experiencing costs pressures within the Property Service from higher than expected maintenance costs.

Centrally, there are some residual pandemic-related risk provisions left over from previous business plans, but this is at a greatly reduced level compared to the last two years. We expect some ventilation works this year to use up some of this provision.

We are now forecasting an underspend on our capital financing budgets. While this is partly due to slippage on some capital schemes, reported below, it is predominantly due to the Council's cash position being better than expected for much of this year resulting in an overall lower level of borrowing than planned. We aim to retain a minimum cash balance and only borrow when this is projected to be breached. The cash position is better than expected partly due to additional government grants received but not yet fully spent, and generally for councils having more cash in the bank results in having to take out less borrowing thus saving on interest costs.

1.3.5 Public Health

The Public Health Directorate is funded wholly by ringfenced grants, mainly the Public Health Grant. The work of the Directorate was severely impacted by the pandemic, as capacity was re-directed to outbreak management, testing, and infection control work. The majority of the pandemic work has now come to an end and the Directorate is focussed on returning business as usual public health activity to full capacity as soon as possible and addressing issues arising from the pandemic which have impacted on the health of the County's population.

The service is forecasting an underspend due to reduced activity on some contracts, alongside difficulty recruiting to a number of posts earlier in the year.

Public Health services are key to wider preventative activity and can help reduce future costs both in social care and the health service.

The Public Health Grant increased in 2022/23 by £776k, which was fully invested into the service as follows:

- £350k investment into child weight management services; and
- £426k funding for internal and provider inflationary uplifts.

2 Revenue Budget

2.1 This table shows summary information for the Council's revenue budgets at the end of November 2022:

Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
1,281	People Services	312,332	178,270	3,132	1.0%
1,087	Place & Sustainability	72,303	39,337	1,153	1.6%
2	Strategy & Partnerships	15,719	-3,176	0	0.0%
2,427	Finance & Resources	11,385	10,149	2,114	18.6%
-255	Public Health	27,301	7,637	-321	-1.2%
-2,280	Capital Financing	33,275	5,503	-2,380	-7.2%
225	Funding Items	11,047	11,047	-1,357	-12.3%
2,487	**Net Spending Total**	**483,363**	**248,766**	**2,341**	**0.5%**
255	Adjustments for Public Health ring-fence	-27,301	-20,746	321	-1.2%
2,742	**Overall Total**	**456,062**	**228,020**	**2,662**	**0.6%**
-	Schools	149,099	-	-	-

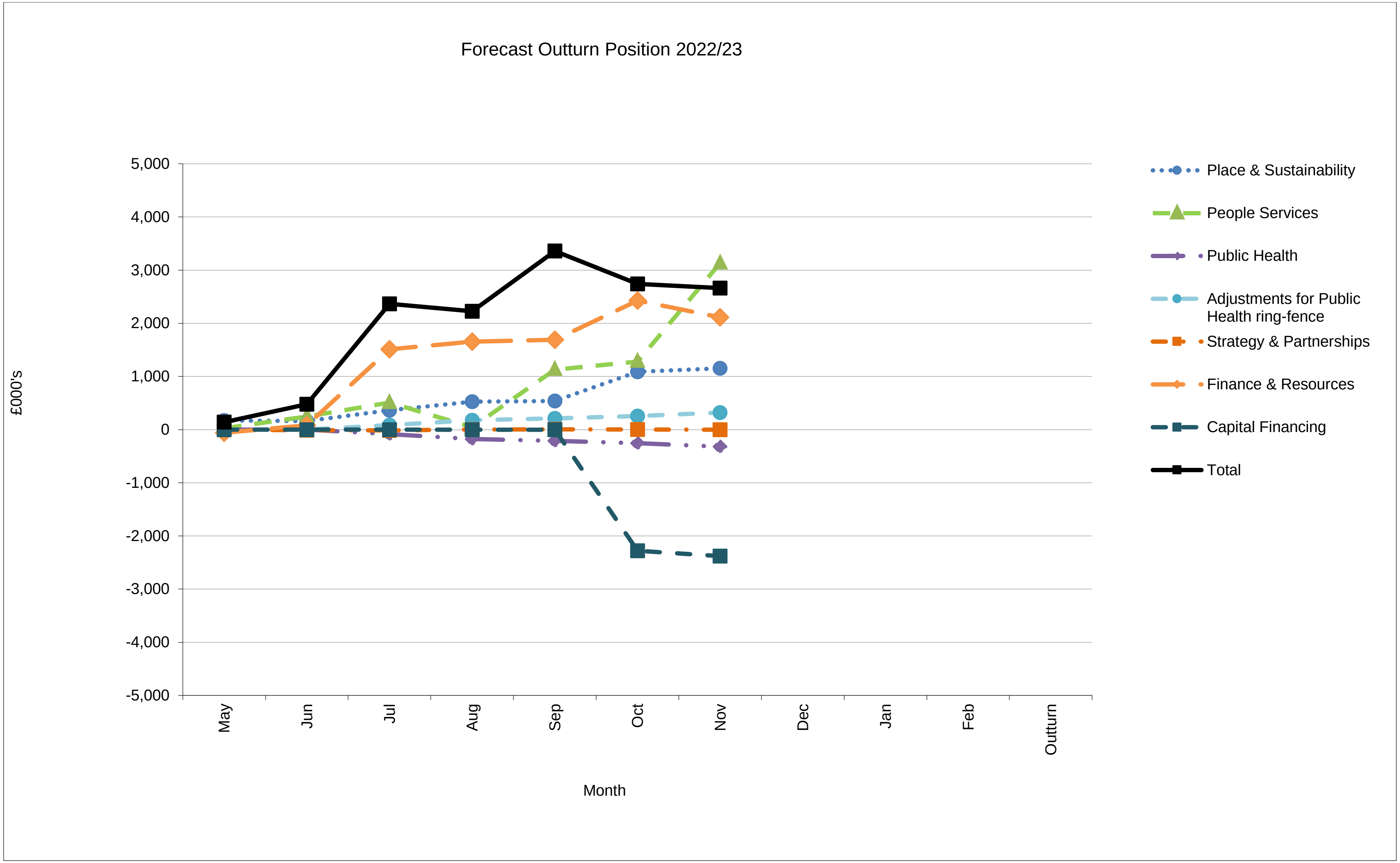
Notes on this table:

1. The budget and actual figures are net
2. The budget column shows the current budget. For virements between services throughout the year see appendix 3
3. The 'funding items' budget consists of the £9.7m Combined Authority Levy, the £433k Flood Authority Levy and £930k 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 positive forecast indicates an adverse variance, i.e. less income received than budgeted.
4. The Adjustments for Public Health ring-fence line shows adjustments needed to the net spending total to account for Public Health Grant income and the year-end transfer to PH reserves of any underspend. The budget line currently only shows the grant element sat within the PH directorate. A small balance is allocated to other directorates and is netted off their totals.
5. The actuals column for Strategy & Partnerships currently shows a negative figure. This is as a result of grant funding not yet applied against spend.

2.2 Key budget variances are identified by exception and commented upon in appendix 1.

Key variances are those forecast to be in excess of +/-£250k

Cambridgeshire County Council



2.3 This table shows a summary of the position of the Council's Dedicated Schools Grant position:

Opening Deficit Balance 2022/23 £m	Forecast In-year Deficit £m	Forecast Closing Deficit Balance 2022/23 £m
39.3	11.8	51.1

2.3.1 A cumulative DSG deficit of £39.3m has been carried forward into 2022/23, and this is expected to grow in year by £11.8m at this stage. Under current regulations, this is a ringfenced deficit that cannot be addressed using Council funds.

2.3.2 In 2020-21 the Department for Education (DfE) introduced the safety valve intervention programme in recognition of the increasing pressures on high needs. A total of 14 local authorities have now signed up to agreements, and the programme is being expanded to a further 20 local authorities, including Cambridgeshire in 2022-23.

2.3.3 The programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the DfE, to rapidly place them on a sustainable footing. If the authorities can demonstrate sufficiently that their DSG management plans create lasting sustainability and are effective for children and young people, including reaching an in-year balance as quickly as possible, then the DfE will enter into an agreement with the authority, subject to Ministerial approval.

2.3.4 If an agreement is reached, local authorities are held to account for the delivery of their plans and hitting the milestones in the plans via quarterly reporting to the DfE. If adequate progress is being made, authorities will receive incremental funding to eliminate their historic deficits, generally spread over five financial years. If the conditions of the agreement are not being met, payments will be withheld. Senior Officers are continuing to meet with the DfE to discuss the current situation and plans for deficit recovery. This process remains a major financial risk in the medium-term due to the scale of the growing deficit and the uncertain extent to which we will need to contribute our own funding to eliminate it.

3 Revenue Funding Changes

This section highlights any new in-year changes to revenue budgets or funding that have taken place or that are proposed for agreement by Committee.

There are no changes to report this month.

4 Capital Programme

4.1 Capital programme financial position

Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Net Forecast Variance £000	Forecast Variance %	Total Scheme Budget £000	Total Scheme Forecast Variance £000
0	Place & Sustainability	72,155	35,312	-1,657	-2.3%	589,911	5
-5,689	People Services	65,724	22,457	-6,975	-10.6%	574,760	1,453
-2,079	Corporate Services	15,426	3,562	-2,053	-13.3%	66,979	-357
-7,767	**Total**	**153,305**	**61,331**	**-10,685**	**-7.0%**	**1,231,650**	**1,101**

Notes on this table:

1. The Budget column incorporates any changes in the funding available to what was originally budgeted in the Business Plan. A breakdown of the budget changes made in-year can be found in 4.4
2. The Budget column also includes an assumed level of variations, called the ‘capital variations budget’ which is shown in section 4.2
3. The reported Place & Sustainability capital figures do not include the Greater Cambridge Partnership, which has a budget for 2022/23 of £40m and is currently forecasting a balanced position.
4. The columns setting out budgets and forecast variances for total schemes show financial information for all schemes in a service block across all financial years.

4.2 Capital variations budgets

4.2.1 A summary of the use of the 2022-23 capital programme variations budgets by services is shown below. These variation budgets are set annually and reflect an estimate of the average variation experienced across all capital schemes, and reduce the overall borrowing required to finance our capital programme. There are typically delays in some form across the capital programme due to unforeseen events, but we cannot project this for each individual scheme. We therefore budget centrally for some level of delay. Any known delays are budgeted for and reported at scheme level. If 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. The capital variations budgets have been recalculated following the CLT restructure.

4.2.2 Capital variations summary

Service	Capital Variations Budget £000	Forecast Outturn Variance £000	Capital Variations Budget Used £000	Capital Variations Budget Used %	Net Forecast Outturn Variance
Place & Sustainability	-17,736	-19,393	17,736	100.0%	-1,657
People Services	-9,114	-16,089	9,114	100.0%	-6,975
Corporate Services	-3,811	-5,864	3,811	100.0%	-2,053
Total	**-30,661**	**-41,346**	**30,661**	**100.0%**	**-10,685**

4.2.3 As at the end of November, Place & Sustainability, People Services and Corporate Services have all exceeded the capital variations budgets allocated to them, forecasting in-year underspends of -£1.7m, -£7.0m and -£2.1m respectively. The current overall forecast position is therefore a -£10.7m underspend; the forecast will be updated as the year progresses.

4.3 Key capital budget variances are identified by exception and commented upon in appendix 2.

Key variances are those forecast to be in excess of +/-£250k

4.4 Capital Funding Changes

4.4.1 This table sets out changes to funding for capital schemes in-year.

Funding Source	Business Plan Budget £m	Rolled Forward Funding £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	23.9	-5.0	0.2	0.2	**19.3**	22.2	2.8
Basic Need Grant	14.7	0.0	0.0	1.0	**15.7**	15.7	0.0
Capital Maintenance Grant	3.0	2.0	0.0	0.9	**5.9**	5.9	0.0
Devolved Formula Capital	0.8	1.2	0.0	-0.0	**2.0**	2.0	0.0
Specific Grants	19.7	2.4	-2.6	0.7	**20.2**	12.4	-7.8
S106 Contributions & Community Infrastructure Levy	28.0	0.4	-14.2	0.1	**14.4**	15.3	0.9
Capital Receipts	1.5	0.0	-0.1	0.0	**1.3**	1.7	0.3
Other Contributions	10.2	-0.4	-5.3	5.4	**9.8**	8.0	-1.7
Revenue Contributions	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0
Prudential Borrowing	90.6	26.8	-45.3	-7.4	**64.8**	59.5	-5.3
TOTAL	**192.2**	**27.5**	**-67.3**	**0.9**	**153.3**	**142.6**	**-10.7**

Notes on this table:

1. The ‘rolled forward funding’ column reflects the difference between the anticipated 2021/22 year-end position used at the time of building the initial Capital Programme budget, as incorporated within the 2022/23 Business Plan, and the actual 2021/22 year-end position.

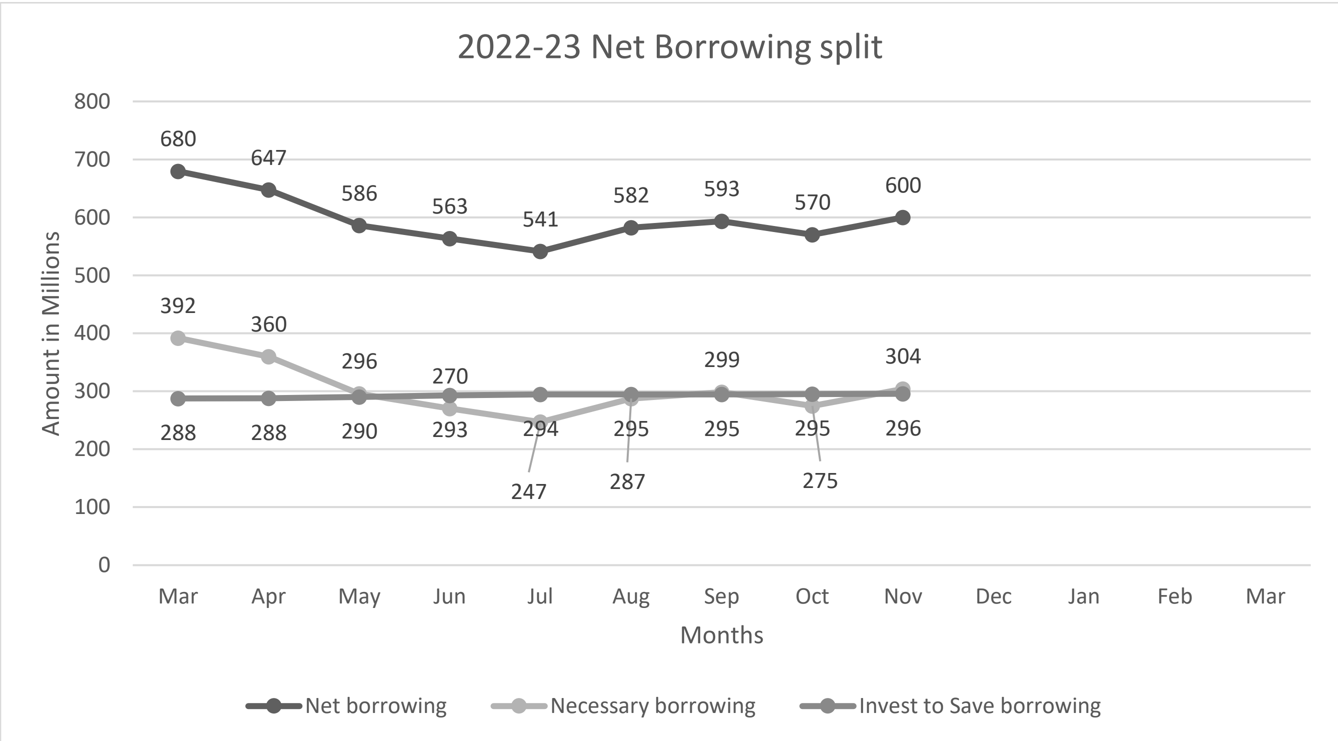
5 Balance Sheet

5.1 Reserves

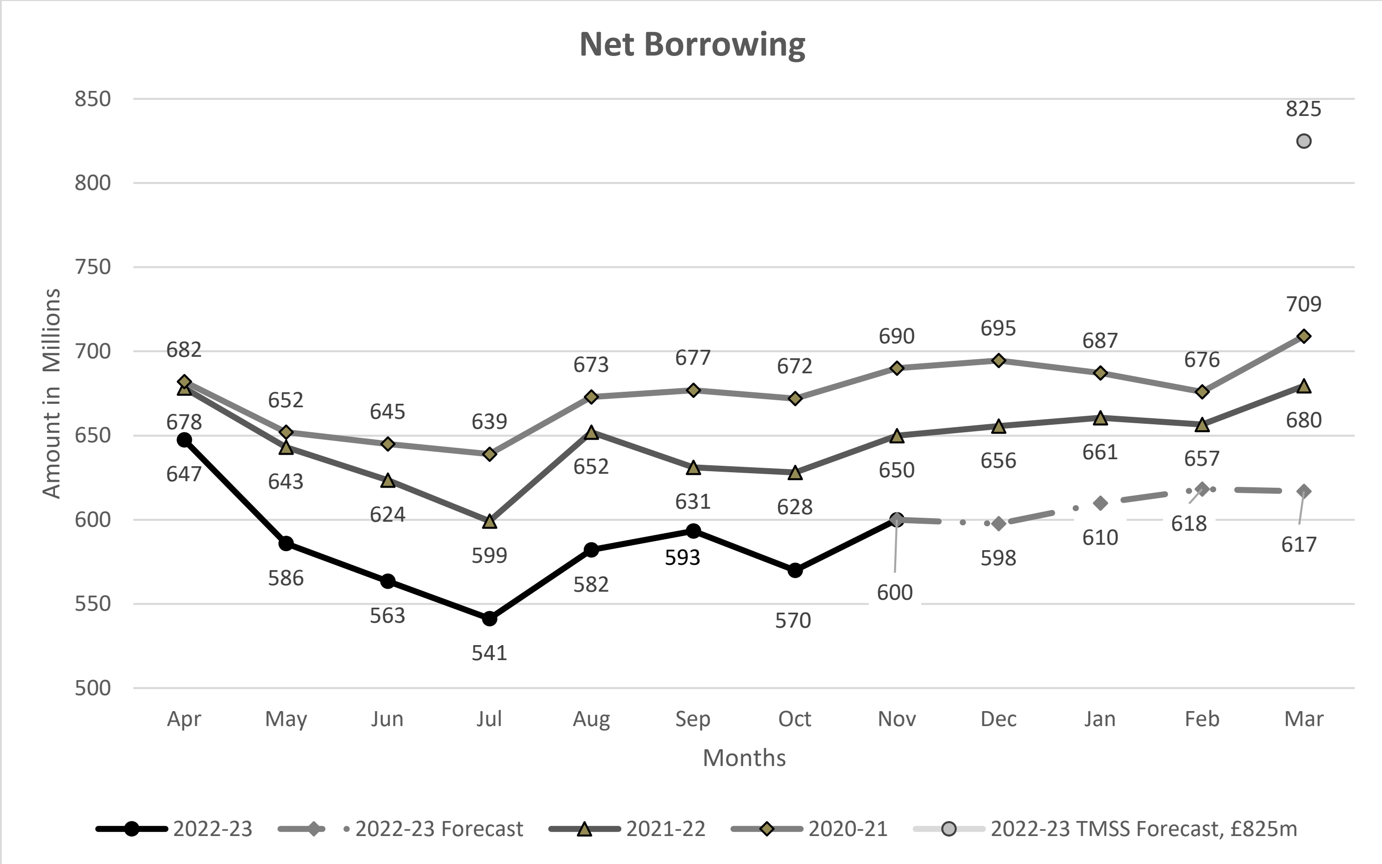
At the end of November, the Council has revenue reserves totalling £160m. Most of these reserves are earmarked for specific purposes, and the breakdown of these can be seen in appendix 4. We retain a general fund reserve as our principal un-ringfenced reserve, which is held at a target balance of 4% of gross non-school expenditure.
The medium-term financial strategy assumes a gradual reduction in the overall level of reserves as earmarked funds are spent, much of which is already planned into medium-term budgets.

5.2 Borrowing

The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2022/23, it is estimated that £296m 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.



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 November 2022, investments held totalled £158.2m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £758.1m, equating to a net borrowing position of £599.9m.



5.3 General Balance Sheet

An overview of other key balance sheet health issues is shown below:

Measure	**Year End Target**	**Actual as at the end of Nov 2022**
% of income collected (owed to the council) within 90 days: Adult Social Care	85%	85%
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£9.96m	£12.81m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£2.89m	£2.96m
% of invoices registered on ERP within 2 working days	98.0%	99.6%
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	98.6%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	84.4%

6 Treasury Management

6.1 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 2021-22 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2022-23 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.

6.2 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2022-23 TMSS was set in February 2022, it anticipated that net borrowing would reach £825.0m by the end of this financial year. Based on the 2021-22 outturn position and subsequent revisions to the capital programme, the net borrowing is currently predicted to be below this, at £617m by the end of this financial year.

6.3 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.

6.4 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.

Appendix 1 – Revenue – commentaries on exceptions

1. People Services

- An overall pressure of £3.132m is forecast for year-end.

New commentaries

1a Learning Disabilities

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.5	+2%

A £1.471m pressure is forecast. This is largely due to demand on the budget for externally commissioned care placements. At the beginning of the year, it was proving incredibly challenging to find placements in the external provider market for service users transitioning from children's services, and for existing service users who needed placement moves. Over the last couple of months, we have seen more placements being made and the number of service users supported by the Young Adults team has exceeded the number of transitions anticipated from children's services. There are also new service users entering the locality teams directly. It remains incredibly challenging to source care placements and prices charged by the market have increased and continue to increase. This is in part due to providers struggling with staffing shortages, high agency costs and a high level of general inflation. Young people are also transitioning to adult services with more complex needs, so there are fewer suitable placements available and those that are available are higher cost in order to meet service user needs. The locality area budgets are seeing similar challenges when service users' needs increase, and they need new placements.

There is also a substantial risk around provider uplifts as the Council is still in negotiations with some providers over the level of inflationary uplift, they will be awarded in 2022-23. The budget for uplifts was set before the current inflationary pressures were known, so most providers are making uplift requests over and above the budgeted amount as they are facing cost pressures themselves, particularly around staffing.

The budget for service user transport is facing particular pressures with a forecast pressure of ~£600k. Driver shortages and fuel price inflation have increased transport costs, with fewer suppliers willing to cover routes. The transport retender has stabilised costs for the set routes, although the cost for these routes is in excess of the budget set for them, but there remains uncertainty around the cost of individual and ad hoc transport commissioned for service users.

The in-house provider services have a small underspend due to staff vacancies. The level of vacancies means that some units are currently not able to operate at full capacity. The service is working hard to fill the vacancies so more service users can be supported by the in-house units.

The Learning Disability Partnership (LDP) are working on strategies to control escalating demand and placement costs in the medium to long term, but there are limited short term solutions. A Transitions Panel has been set up to better plan young people's transitions from children's to adults' services with the aim that transitions planning will happen from a younger age and adults' services will have more time to plan care and source placements. However, currently most of the panel's work is focussed on young people approaching their 18th birthday.

Adults Commissioning are developing an LD Accommodation Strategy that will enable them to work with the provider market to develop the provision needed for our service users, both now and looking to future needs. This should lead to more choice when placing service users with complex needs and consequently reduce costs in this area, but this is a long-term programme. The LDP social work teams and Adults Commissioning are also working on strategies to increase the uptake of direct payments, to deliver more choice for service users and decrease reliance on the existing care market.

1b Children in Care Placements

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.5	+2%

A £0.500m pressure is forecast. The biggest impact on the Placement Budget has been three high-cost placements for children with exceptional behaviours and complex needs. These costs have been incurred during August, September, October, and part of November. These children have been the subject of multiple placement searches, two of whom moved to reduced cost provisions in November. Costs for one child remain excessive whilst endeavours are being made to find suitable alternative reduced cost provision capable of meeting need.

The placement market is highly competitive with demand outstripping supply, this results in providers cherry-picking when matching placements within their residential provision; this coupled with excessive demand means that placement costs are in some cases 30% + higher than pre-pandemic levels.

A number of providers have justified fee uplift requests in response to the high inflation levels currently being experienced, this is in particular in regard to Independent Fostering Agencies (IFA) placements where the cost-of-living increases are affecting fostering families. The last few months have seen a decrease in our ability to access in-house provision with a greater number of placements being made in the independent sector.

1c SEND Specialist Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+2%

A £0.250m pressure is forecast in the Education Psychology service. It was hoped that some of this could be offset by underspends in other areas, but this is now not the case. The service is experiencing increasing demand which cannot be met from within the substantive team and is therefore being met through use of locum Education Psychologists. This pressure is due to the significant increase in requests for Education, Health and Care Needs Assessments (EHCNA) that continued over the summer. The locum spend has helped to get the numbers of advice unallocated or late down significantly (19% submitted on time to around 60%, above national average, on time by October). Without the use of locums this would not have been possible. This feeds into the DfE expectations of Cambridgeshire in terms of meeting deadlines.

Previously reported commentaries, updated since last month:

1d Strategic Management - Adults

Forecast Outturn Variance £m	Forecast Outturn Variance %
0.0	0%

A balanced budget is forecast, which is a decrease of £0.770m on the pressure previously reported last month. There are some key variances behind the balanced forecast:

i) The 2022-23 Business Plan assumed an increased contribution of £1.1m from the NHS to the Learning Disability Pooled budget as a result of joint work being undertaken to reassess the cost sharing agreement between the Council and Health. The review of packages required to agree a revised split of costs for the pool has not yet commenced, and there is an increasing risk as the year progresses that the revised contribution will not be agreed in the current financial year creating a budgetary pressure.

ii) Adult's transport is expected to be overspent by £68k in the current financial year as a result of inflationary pressures on transport costs;

iii) Offsetting these pressures, income is expected to exceed target by £413k. This is principally due to the Better Care Fund contribution from Health increasing from 2021/22 to 2022/23 at a higher percentage rate than anticipated in the Business Plan. This funding increase is held centrally to contribute to demand pressures across Adult Social Care; and

iv) There is a forecast underspend on the Council's Learning Disability budget held outside of the Learning Disability Partnership which is partially offsetting the forecast pressure reported in note 1a above.

1e Older People and Physical Disability Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.0	-3%

A -£2.000m underspend is forecast, which is a £0.800m increase in the underspend position previously reported last month. Older People's and Physical Disabilities Services have undergone a service redesign for the start of 2022-23 to realign the Long-Term care teams into single locality-based community care teams and a specialist care home team. As part of this redesign, a cohort of over-65 clients previously allocated to the Physical Disabilities care budget have been realigned to the Older People's care budget, which means that the Physical Disabilities care budgets relate to working-age adults only.

The service as a whole is forecasting a net underspend of -£2m. Demand patterns that emerged during 2021/22 are continuing into 2022/23, and these are reflected in the individual forecasts for the service.

Ongoing analysis will be carried out to review in detail 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.

Older People's North & South
It was reported throughout 2021/22 that despite high levels of activity coming into service, driven largely by Hospital Discharge systems, net demand for bed-based care remained significantly below budgeted expectations, and there was no overall growth in the number of care home placements over the course of the year. This trend is continuing into 2022/23 and a high proportion of new placements are being made within the Council's existing block bed capacity, which is resulting in a significant underspend. This is being partially offset by a significant increase in demand for domiciliary care with the month-on-month increase in service users exceeding budgeted expectations. We are reporting a net underspend of -£3.517m.

Physical Disabilities North & South
There has been a significant increase in demand for community-based care above budgeted expectations. The increase in demand largely relates to home care, both in terms of numbers of clients in receipt of care and increasing need (i.e. average hours of care) across all clients. During 2021/22, this impact was offset by a reduction in demand in the over-65 cohort that have been realigned to the Older Peoples budget. This, in conjunction with a reduction in income due from clients contributing towards the cost of their care, is resulting in the reported forecast overspend of £1.517m.

1f Mental Health

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.8	+5%

A £0.815m pressure is forecast within Mental Health Services, which is an increase of £0.188m on the pressure position previously reported last month. The pressure reflects significant additional demand pressures within the Adult Mental Health service. This is partially offset by an expected underspend against the Section 75 Contract.

Adult Mental Health services are continuing to see significant additional demand within community-based care, particularly there has been a notable increase in the volume of new complex supported living placements made since the start of the year.

Older People's Mental Health services had previously seen a reduction in demand for community-based support. This is now returning to match budgeted expectations. Activity in bed-based care remains high, as reported last year, and this is contributing to the reported budget pressures this year.

1g Central Commissioning - Adults

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.7	-5%

A -£0.672m underspend is forecast within Central Commissioning – Adults, which an increase of -£0.080m on the underspend position previously reported last month.

Savings of -£575k have been made through the decommissioning of six local authority funded rapid discharge and transition cars as part of the wider homecare commissioning model. This offsets the pressure and delivers a net underspend on the budget. The long-term strategy is to decommission all the local authority funded cars, meeting the need for domiciliary care through other, more cost-effective means, such as:

- A sliding scale of rates with enhanced rates to support rural and hard to reach areas.
- Providers covering specific areas or zones of the county, including rural areas.
- Supporting the market in building capacity through recruitment and retention, as well as better rates of pay for care staff.

There are some additional small underspends on recommissioned contracts, with the additional £80k underspend forecast in November being due to additional underspends on contracts being identified, including on a budget for consultancy where it was possible to deliver some of the contract review work internally.

1h Adoption

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-5%

A -£0.300m underspend is forecast, which is an increase of -£0.050m on the underspend position previously reported last month. The underspend is primarily against Special Guardianship Orders, which is the continuation of savings realised from changes made to allowances following the introduction of a new means-testing tool, in line with DfE recommendations.

1i Home to School Transport – Special

Forecast Outturn Variance £m	Forecast Outturn Variance %
+2.1	+12%

A £2.130m pressure is forecast, which is increase of £1.030m on the pressure position previously reported last month. Following the retender of 330 routes for Sept 2022, average contract costs have gone up by 18.5% from 2021 reflecting the strong impact of inflation. In addition, there has been an increase in the number of pupils being transported to special schools. The lack of special school places available locally has necessitated longer and less efficient transport routes and has added to the pressure on this budget.

Uncertain market conditions have led to an unprecedented number of contract hand backs across the service. The expected position at the end of the autumn term will be a total of 200 hand backs. There is a lack of providers bidding on contracts for post-16 provision, many courses only require transport for 3 days a week which has made these routes less attractive to the market and has led to an increase in cost. Operators are not able to find the drivers and passenger assistants for these routes, preferring to bid on whole week contracts. There is also a lack of providers in the Cambridge South area, which means that contractors are coming in from Peterborough and Huntingdon to cover these routes at a high cost. The Stagecoach retendering exercise has also contributed to the additional pressure. Whilst all routes were covered this has led to an increased spend of around £543 per day.

1j Home to School Transport – Mainstream

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.7	+7%

A £0.711m pressure is forecast, which is an increase of £0.411m on the pressure position previously reported last month. As with all the transport budgets, driver shortages and inflation have increased contract costs. In addition, several areas in the county have a lack of local places meaning that pupils must be transported further at higher cost.

There are the same issues with transport provision as stated above for the SEN budget. In addition, the lack of bus operator and drivers has resulted in one school needing to be covered with 5 taxis, as a 53-seater bus could not be procured, despite multiple tenders and market testing.

The lack of places continues to generate extra taxis provision. This has been higher in the Cambridge South area, where refugee guests are taking up places that had already been forecasted for, resulting in pupils being transported further afield.

Previously reported commentaries, unchanged since last month:

1k Children in Care Transport

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+18%

A £0.300m pressure is forecast. There has been an increase in transport demand arising from an increasing shortage in local placements, requiring children to be transported further. In addition, transport requests for Children In Care pupils as part of their care package have increased due to carers feeling unable to meet the increased fuel costs.

1l SEND Financing – DSG

Forecast Outturn Variance £m	Forecast Outturn Variance %
+11.8	+121%

An £11.800m pressure is forecast within the high needs block of the Dedicated Schools Grant (DSG). Due to the continuing increase in the number of children and young people with Education, Health and Care Plans (EHCPs), and the complexity of need of these young people, the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. The current in-year forecast reflects the initial latest identified shortfall between available funding and current budget requirements.

1m Financing - DSG

Forecast Outturn Variance £m	Forecast Outturn Variance %
-11.8	-11%

This line relates to the £11.800m that will be required to be drawn down from the DSG reserve to meet the in-year pressure on DSG funded services (mainly the high needs block as noted above). This reserve is currently negative (a deficit on the DSG). Within People Services, spend of £102.9m is funded from the ring-fenced Dedicated Schools Grant. The DSG balance brought forward from 2021/22 was a deficit of £39.3m.

Senior Officers continue to meet with the DfE to discuss the current situation and plans, and as such updates will be provided in due course.

2. Place and Sustainability

- An overall pressure of £1.153m is forecast for year-end.

New commentaries

2a Waste Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.5	+1%

An in-year pressure of £0.547m is forecast on Waste Management. The Waste PFI budget has an underlying risk of both an additional £0.700m landfill gate fee pressure and a further £0.490m green waste pressure for the cost of diverting waste due to Best Available Techniques conclusions (BATc) changes required to the Waterbeach facilities. It is expected that these pressures will be partially offset by cost reductions from reduced energy use, reduced costs for In Vessel Compost (IVC) facility oversize disposal etc. although it will take a while to get to a conclusion with Thalia (formerly known as Amey) to agree the level of cost reductions and clarify our legal position.

In addition to these major BATc related costs, we are also seeing forecasted variance in a number of different areas. There are increased costs due to backdated Thriplow rents and leases, RECAP partnership contributions and increased levels of ad-hoc waste. These are being offset by increased volumes of trade waste being collected and a reduction in forecast recycling credits.

All combined, we are currently forecasting a pressure of £0.547m.

Previously reported commentaries, updated since last month:

2b Lost Sales, Fees & Charges Compensation

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.7	-100%

Parking Enforcement

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	-%

Variance on these two budget lines is linked. Funding is held on the Lost Sales, Fees & Charges Compensation to offset the impact of Covid on parking enforcement income. The pressure on income collection is reported on the Parking Enforcement line. The amount of funding held in offset is greater than the pressure, resulting in a net underspend of £0.335m between the two lines, which is a reduced underspend of £0.030m since last month.

2c Park & Ride

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.8	-%

An in-year pressure of £0.780m is forecast on the Park & Ride budget, which is an increase of £0.143m on the pressure position previously reported last month. There is a pressure on the Guided Bus Maintenance due to the installation of a temporary fence on the Southern Section of the Guided Busway, between the station and the Addenbrookes spur, and implementation of the safety measures as recommended in the Mott Macdonald safety report. A Health & Safety Executive (HSE) investigation continues regarding the busway.

Post Covid, busway services have still not recovered to pre-Covid levels. This means less access charge income coming into the busway budget. The access agreement allows increases each April to the access charges to cover full maintenance costs of the busway. This would allow for some increase in April 2023. However, unless patronage increases between now and then the capacity for the operators to absorb a large increase is questionable. Even then, the access charge increase could not be used to pay for the additional expenditure on the maintenance track (cycleway/bridleway), additional safety works required by HSE as this would be regarded by the Bus operators as non-maintenance/non-busway expenditure.

2d Energy Projects Director

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+100%

An in-year pressure of £0.300m is forecast on the Energy Project Director budget. This is an increase of £0.001m on the pressure position reported last month. Income and maintenance costs for the St Ives P&R Smart Energy Grid forecast for this year have been pushed back into 2022/23. This is due to the private wire connection points to the business customers requiring additional design work resulting from site/operational changes from the customers.

Babraham Road P&R smart energy grid has added an additional phase to its construction programme to address the number of available parking concerns during the construction programme. This has added an additional 14 weeks to the construction programme pushing back income generation and maintenance costs to start by October 2023. The North Angle Solar Farm project will be energised by June 2023 and not December 2022 as originally forecast. This is due to the private wire not being in place by December 2022 as a result of extended third party easement negotiations. This has resulted in an income and maintenance cost delay.

3. Finance & Resources

- An overall pressure of £2.114m is forecast for year-end.

New commentaries

3a Property Compliance

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.5	-206%

A -£0.459m underspend is forecast in Property Compliance. This is due to unused reserves held for the demolition of an educational site on Arbury Road, Cambridge. This work is complete and did not cost as much as the amount reserved.

Previously reported commentaries, updated since last month:

3b Facilities Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.9	+14%

A +£0.870m pressure is forecast in Facilities Management, which is an increase of £0.400m on the pressure position previously reported last month. This is due to the continued cost of running the old Shire Hall site. Most of the expenditure is for business rates and progress is being made to reduce costs. The cost of maintaining the corporate buildings is expected to cause a further budget pressure.

3c Contract Efficiencies & Other Income

Forecast Outturn Variance £m	Forecast Outturn Variance %
0.4	+100%

A £0.365m pressure is forecast across Contract Efficiencies & Other Income, which is an increase of £0.060m on the pressure position previously reported last month.

Contract Efficiencies: This is due to ongoing difficulties with supply chains – relating to increasing inflationary cost pressures and continued impact from the pandemic – opportunities to renegotiate current contracts without a change to specification is extremely limited. A procurement three-year pipeline is being created alongside a programme of contract review by the Head of Due Diligence and Best Value; it is anticipated savings will be identified through those processes once they commence fully.

External Income: This target originally focused on the achievement of surplus income generation from advertising and sponsorship. Activities in advertising and sponsorship have also been limited not only due to available revenues from businesses wishing to advertise but also the capacity to manage our assets for advertisement/sponsorship and our more exclusive intent for relevant policies to remove or reduce junk food, fossil fuels, etc. Further opportunities for other income are being explored.

3d Central Services and Organisation-Wide Risks

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.5	+108%

A £1.518m pressure is forecast across Central Services and Organisation-Wide Risks, which is a decrease of £0.102m on the pressure position previously reported last month. This budget line holds the inflation allocation for staff pay increases across the Council until a pay award is set at which point budget is allocated to services. The latest pay offer from the national employers, if it was replicated across the council, exceeds the budget provision made. We have assumed in this projection that due to the levels of vacancies across the organisation that the impact of the difference between budget (based on the staffing establishment) and actual pay inflation will be reduced.

4. Public Health

- An overall underspend of -£0.321m is forecast for year-end. (This will be transferred to the Public Health ring-fenced grant reserve at year-end, leading to a balanced budget overall.)

New commentaries:

4a Public Health Directorate Staffing and Running Costs

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-10%

A -£0.279m underspend is forecast on Public Health Directorate Staffing and Running Costs. This is due to vacant posts. In addition, an element of grant funding needed to fund inflationary increases for providers in future years is not required in 2022/23 due to vacant posts in those provider services, creating a further in year underspend.

5. Capital Financing

- An overall underspend of -£2.380m is forecast for year-end.

Previously reported commentaries, updated since last month:

5a Capital Financing

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.4	-7%

A -£2.380m underspend is forecast across the Capital Financing budgets, which is an increase of £0.100m on the underspend position previously reported last month. The position is primarily due to forecast underspends on interest payable, Minimum Revenue Provision (MRP) and interest receivable.

- Following a review of cashflow forecasts and borrowing requirements, the interest payable forecast has been revised giving a forecast £847k underspend. Whilst the cost of taking out PWLB borrowing has been significantly higher over this financial year due to rising interest rates, the Council has instead taken advantage of lower rates on shorter-term Local Authority borrowing when refinancing existing loans, as well as taking the opportunity to fix deals several months in advance to lock in lower rates. The cashflow position has been such that the Council is now forecasting to require less borrowing by the end of the financial year; as a result, some maturing loans will not need to be refinanced. The cashflow position will continue to be monitored closely over the remaining months of the year and levels of borrowing will be adjusted accordingly.
- The Council is required to repay an element of the accumulated General Fund capital spend each year through a revenue charge (the MRP). Following analysis of capital schemes completed in 2021/22 and how they were funded, the MRP payment for 2022/23 has been recalculated and the forecast year-end position is £846k lower than budgeted. This analysis takes some time following conclusion of the preceding financial year and production of statements of accounts.
- The forecast interest receivable is a £687k over achievement of income (which a £100k increase on the forecast since last month) primarily due to the effect of increased interest rates on our short-term investment income.

6. Funding Items

- An overall underspend of -£1.357m is forecast for year-end.

New commentary

Forecast Outturn Variance £m	Forecast Outturn Variance %
-1.4	-12%

A -£1.357m underspend is forecast within Funding Items. This is primarily due forecasting to recognise £1.5m Homes for Ukraine unringfenced grant centrally in Funding Items. This is the current estimate and will be updated as the year progresses.

Appendix 2 – Capital – commentaries on exceptions

1. People Services

- Overall in-year forecast outturn variance of -£6.975m underspend.

New commentaries:

1a Additional Countywide SEN places

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,350	-1,150	0	-1,150

An in-year underspend of -£1.150m is forecast on the Additional Countywide SEN places scheme. Alongside the DfE safety valve work, schemes for enhanced resource bases are being considered, which is taking slightly longer than anticipated.

Schemes previously reported on, unchanged since last month:

1b Northstowe 2nd Primary

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
200	500	500	0

An in-year pressure of £0.500m is forecast on the Northstowe 2nd Primary scheme; this is also a total scheme pressure. This is due to increased scheme costs identified at MS2. The scheme delivery schedule has now also been confirmed. Revised costs were presented at August capital programme board and a revised business case is being taken through the 2023-24 Business Planning process.

1c St Philip's Primary

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
600	-550	0	-550

An in-year underspend of -£0.550m is forecast on the St Philip's Primary scheme. Rephasing is anticipated following the latest delivery programme received. Works will not now commence on site until next summer to avoid disruption to the school. Works will be to alterations and the main entrance.

1d Soham Primary Expansion

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
49	700	0	641

An in-year pressure of £0.641m is forecast on the Soham Primary Expansion scheme. Completion and delivery of works has been rephased one year from 2025-26 to 2026-27 but land purchase has completed ahead of expectation.

1e Waterbeach New Town Primary

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
350	300	0	300

An in-year pressure of £0.300m is forecast on the Waterbeach New Town Primary scheme. This is due to expected accelerated spend to cover redesign fees which will be incurred this financial year.

1f Alconbury Weald Secondary and Special

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
14,500	-11,000	1,000	-12,000

An in-year underspend of -£11.000m is forecast on the Alconbury Weald Secondary and Special scheme. A new tendering approach is being taken for the procurement of this project following increases in the estimated cost for SEN works. The SEN School will now be delivered one year later in July 2024 at the same time as the secondary; a combined approach will hopefully achieve a single agreed MS4 sum and overall reduced contract period.

1g Sir Harry Smith Community College

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,200	-500	0	-500

An in-year underspend of -£0.500m is forecast on the Sir Harry Smith Community College scheme. The start on site has been delayed from 24.10.22 to early November 2022 to allow additional time to value-engineer the project to budget.

1h Cambourne Village College Phase 3b

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
14,000	-2,000	0	-2,000

An in-year underspend of -£2.000m is forecast on the Cambourne Village College Phase 3b scheme. Rephasing of £2.000m is expected as it has taken time to ensure the project can be delivered on budget. A slightly longer programme schedule is anticipated with project completion now expected in April 2024.

1i LA Early Years Provision

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,803	-1,403	0	-1,403

An in-year underspend of -£1.403m is forecast within LA Early Years Provision. Two priority schemes have been identified as requiring investment to ensure sufficiency but due to planning and design the schemes will not start construction until 2023/24.

1j Temporary Accommodation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
750	-299	-299	0

An in-year underspend of -£0.299m is forecast on the Temporary Accommodation scheme. There has been a significant reduction in the number of new temporary solutions required across the county, realising a £0.299m underspend in 2022/23.

1k Independent Living Service: East Cambridgeshire

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,084	-523	0	-523

An in-year underspend of -£0.523m is forecast on the Independent Living Service: East Cambridgeshire scheme. This is due to rephasing in the project, caused by a delay in the purchase of land. The NHS is not able to release the site until they have received approval for their own capital project, which has been delayed

1l People Services Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-9,114	9,114	0	9,114

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, £9.114m of the overall £16.089m underspend is balanced by use of the capital variations budget.

2. Place and Sustainability

- Overall in-year forecast outturn variance of -£1.657m underspend.

New commentaries

2a Local Infrastructure Improvements

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,241	-340	0	-340

An in-year underspend of -£0.340m is forecast. The majority of the work for these schemes has been committed but by the very nature of these schemes, it is expected that a certain amount of expenditure will fall into next financial year.

2b £90m Highways Maintenance schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,365	293	0	293

An in-year pressure of £0.293m is forecast on £90m Highways Maintenance schemes. This relates to the scheme at Cromwell Road, Wisbech carriageway resurfacing. There was an extended duration on site due to unearthing further drainage issues and delays due to unidentified utilities including BT cables which had to be worked around. Cold and wet weather also caused several shifts on site to be cancelled which then delayed the overall delivery, (the work was all being delivered overnight due to the location).

2c Waste Infrastructure

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,808	-1,537	0	-1,537

An in-year underspend of -£1.537m is forecast on Waste Infrastructure. It was originally planned to carry out some of the early design and construction work for Milton Household Recycling Centre (HRC) in this financial year, but this has now been delayed for a period of 15 months and the decision supported by Capital Programme Board. Some of the design work for March HRC is still planned, with a more detailed forecast to be available in the new year. The Best Available Techniques conclusions (BATc) forecast reflects invoices to date and current estimates for progress on the FEED study and Thalia's additional staffing costs incurred in this financial year.

2d Waterbeach Waste Treatment Facilities

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,047	453	0	453

An in-year pressure of £0.453m is forecast on the Waterbeach Waste Treatment Facilities scheme. The Strategy & Resources Committee approved a capital virement for the Waste BATc works to move £11.8m of existing capital budget from 2022/23 to 2023/24 to reflect the updated timelines. Spend is now ahead of the expected budget profile.

2e St Ives Smart Energy Grid Demonstrator scheme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,978	-294	0	-294

An in-year underspend of -£0.294m is forecast on the St Ives Smart Energy Grid Demonstrator scheme. This is due to an incorrect forecast provided by contractors at the end of 2021-22. It was anticipated that a higher proportion of works would be completed within 2021-22 than what was actually achieved and invoiced for. Evidence of the forecast has been provided.

2f North Angle Solar Farm, Soham

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
7,963	-3,981	0	-3,981

An in-year underspend of -£3.981m is forecast on the North Angle Solar Farm, Soham scheme. The North Angle Solar Farm project budget also includes the majority of the budget (£7.3m) for the Cambridgeshire Private Electricity Network, the cable connecting North Angle Solar Farm to Burwell Local and Swaffham Prior Community Energy Centre. It was anticipated that most of this budget would be spent in 2022-23, however, due to various delays in securing easements and planning there has been a slippage in spend of approximately £4m.

2g Connecting Cambridgeshire

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
4,628	-1,911	0	-1,911

An in-year underspend of -£1.911m is forecast on Connecting Cambridgeshire. The expenditure budget was originally set to include the full costs of the project whereas some of this will be incurred by our partners. As a result an underspend is forecast on the CCC budget; the funding will also reduce accordingly. In addition, there has been a small rephasing of the Cambridgeshire and Peterborough Combined Authority expenditure and contributions of £0.3m to next financial year.

Schemes previously reported on, updated since last month:

2h Safety Schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,480	-1,230	0	-1,230

An in-year underspend of -£1.230m is forecast on Safety Schemes. This is an increase of -£0.233m on the underspend position previously reported last month. The majority of the budget relates to two schemes, Puddock Road Ramsey and Swaffham Heath Crossroads. For both of these schemes it is expected that the majority of construction work will take place next financial year. For Swaffham Heath, discussions are currently being held with the landowner and should be clearer in December.

2i Delivering the Transport Strategy Aims: Highway schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,542	-875	0	-875

An in-year underspend of -£0.875m is forecast on Delivering the Transport Strategy Aims: Highway schemes. This is an increase of -£0.133m on the underspend position previously reported last month. Although expenditure is low at present, detailed design work is currently ongoing, and it is expected that delivery will begin across several projects in quarter 4. However, the following projects in the programme will be delayed due to,

- a mixture of legal and landownership issues: A605 Elton NMU, Merivale Way Ely,
- roadspace requirements and having to work over the Easter holidays: Maids Causeway, A603 Barton Road, Ely City 20mph, PROW improvements in Brampton
- delays caused by third parties: 20mph Quick Win projects.

2j Delivering the Transport Strategy Aims- Other Cycling schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,092	-696	0	-696

An in-year underspend of £0.696m is forecast on the Delivering the Transport Strategy Aims- Other Cycling schemes. This is an increase of £0.195m on the underspend position previously reported last month. The underspend relates to three schemes: B1049 A14 Histon junction, Eddington to Girton and Ditton Lane, Fen Ditton. For each of these schemes, feasibility and preliminary design work will be undertaken this financial year to establish likely construction costs. Any construction will take place in 2023/24 and the funding will be rephased for this.

2k B1050 Shelfords Road

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
800	-800	0	-800

An in-year underspend of £0.800m is forecast on the B1050 Shelfords Road scheme. This project is currently going through detailed design. Indications are that the £6.8m budget identified for works will be inadequate to carry out the works required. The current estimate is £10m with low confidence in the longevity of the solution. This project is being put on hold pending a review of all soil damaged roads across the network to ascertain the scale of the issue and to seek alternative cost effective options. User safety will be maintained through regular safety maintenance interventions.

2l Swaffham Prior Community Heat Scheme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
6,943	-2,399	0	-2,399

An in-year underspend of -£2.399m is forecast on the Swaffham Prior Community Heat Scheme. The split of costs for the Private Wire has been adjusted between the two projects (North Angle Solar Farm and Swaffham Prior Community Heat Project) to better reflect where the main benefits of the private wire will accrue and therefore how the costs should be apportioned. The North Angle Solar Farm as the generator of clean electricity will benefit more from energy sales as a result of the private wire.

2m Babraham Smart Energy Grid

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,630	-3,037	0	-3,037

An in-year underspend of -£3.037m is forecast on the Babraham Smart Energy Grid scheme. This is an increase of -£1.247m on the underspend position reported last month. The construction of this project is now being delivered in three phases. This has directly impacted on the timescales for delivery, extending the programme by 14 weeks. In addition, the complexities associated with altering the programme for construction delayed the start date of the works by 16 weeks.

2n Fordham Renewable Energy Network Demonstrator

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
609	-509	0	-509

An in-year underspend of -£0.509m is forecast on Fordham Renewable Energy Network Demonstrator scheme. This is an increase of -£0.100m on the underspend position reported last month. Capacity constraints within the team meant that this project was unable to be progressed as quickly as had been intended. The forecast reflects the associated delay in expenditure on the development of this project.

2o Environment Fund - Decarbonisation Fund - School Low Carbon Heating Programme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
0	431	0	431

An in-year pressure of £0.431m is forecast on the Environment Fund - Decarbonisation Fund - School Low Carbon Heating Programme scheme. This is an increase of £0.028m on the position previously reported last month. Last year the schools low carbon heating programme sat together with the Council's office buildings low carbon heating programme but this is now separated out. This will allow closer monitoring of the additional Council's Environment Fund contributions for low carbon heating for maintained schools to match fund any Government Public Sector Decarbonisation Scheme funding. This change was implemented post March 2022 and will therefore be seen as a variance all year.

2p Place & Sustainability Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-17,736	0	0	17,736

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, £17.736m of the net £19.393m underspend is balanced by use of the capital variations budget. The £9.298m increase since last month is primarily due to the underspends on Waste Infrastructure, Swaffham Prior, the Babraham Smart Energy Grid scheme, the North Angle Solar Farm, Soham scheme and Connecting Cambridgeshire as reported above.

Schemes previously reported on, unchanged since last month:

2q Girton to Oakington cycling scheme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
339	-301	0	-301

Completion of Phase 2 detailed design and the acquisition of third party land is to be undertaken during 2022/23. The remaining budget will not be adequate to complete construction, so other funding sources are being investigated. There may be additional funding which would move the project forward in 2022/23.

2r Carriageway & Footway Maintenance incl Cycle Paths

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
9,298	-500	0	-500

An in-year underspend of -£0.500m is forecast on the Carriageway & Footway Maintenance incl Cycle Paths scheme. Although expenditure is low at present, work is committed (£6.8m) or underway and it is expected that expenditure will be in line with the total budget. A robust and realistically resourced forward delivery programme is in place and agreed with our contractor and their suppliers which takes us up to the end of this financial year. Due to network constraints a number of high value surfacing schemes had to be delivered in quarter 4, whilst others in the drainage programme are currently going through detailed design to end of November before being priced and delivered in February / March 2023. Network constraints also mean the A505 VRS budget (£950k) will likely only be around 50% spent in year, with work starting in February and running through to May 23, so £500k is projected to carry into quarter 1 23/24.

2s Wisbech Town Centre Access Study

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
693	-359	0	-359

An in-year underspend of £0.359m is forecast on the Wisbech Town Centre Access Study scheme. The Forecast Spend Outturn is less than the Revised Budget for 2022/23 to take into account utility refunds yet to be received during this year.

2t St Neots Future High St Fund

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
831	-502	0	-502

An in-year underspend of -£0.502m is forecast on the St Neots Future High St Fund scheme. The district council governance/approval process required has been accommodated and construction is now programmed to commence in May 2023 therefore no construction expenditure is expected during the current financial year, resulting in reduced forecasted figures.

2u St Ives local Improvements

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,000	-725	0	-725

An in-year underspend of -£0.725m is forecast on the St Ives local Improvements scheme. Design work is currently being undertaken and it is not expected that any construction will take place until next financial year.

3. Corporate Services

- Overall in-year forecast outturn variance of -£2.053m underspend.

Schemes previously reported on, updated since last month:

3a Community Fund

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,429	-1,696	0	-1,696

An in-year underspend of £1.696m is forecast on the Community Fund scheme. This is a decrease of £0.026m on the underspend position previously reported last month. From the original £5m allocated to the Community Capital Fund some elements remain unallocated, some projects have failed to go forward as planned and some have been subject to delay. The C,S&I Committee has determined that returned/allocated money will be used to deliver a new fund (Cambridgeshire Priorities Capital Fund). Rephasing into 2023-24 will be required; the total scheme forecast is unaffected.

Schemes previously reported on, unchanged since last month:

3b Data Centre Relocation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,530	-872	0	-872

An in-year underspend of £0.872m is forecast on the Data Centre Relocation scheme. Post Data Centre migration we can now seek further convergence of IT infrastructure and services and realise further economies; some of these opportunities also have the potential to migrate to a Cloud based model. Consequently, the shift from a 'like for like' replacement approach has extended the overall timelines for the selection and implementation of some products and services which subsequently requires a rephasing of the budget.

3c Condition Survey Works

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,841	-909	0	-909

An in-year underspend of £0.909m is forecast on Condition Survey Works. The underspend is primarily due to work being delayed on the Hereward Hall heating system and also reprofiling of other smaller projects.

3d Hawthorns - Intensive Therapeutic Support Hub

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,227	-1,600	0	-1,600

An in-year underspend of £1.600m is forecast on the Hawthorns - Intensive Therapeutic Support Hub scheme. The forecast reflects the new timescale for completion.

3e Mill Farmhouse

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
450	-338	0	-338

An in-year underspend of £0.338m is forecast on the Mill Farmhouse scheme. There has been a delay with the planning process. Rephasing into 2023-24 will be required; the total scheme forecast is unaffected.

3f CS Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-3,811	3,811	0	-3,811

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, £3.811m of the overall £5.864m underspend is balanced by use of the capital variations budget.

Appendix 3 – Budget transfers between services in 2022/23

This table shows budget movements of at least £1k between service blocks in 2022/23

Budgets and Movements	People Services £'000	Place & Sustainability £'000	Public Health £'000	Strategy and Partnerships £'000	Finance and Resources £'000	Capital Financing £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	321,579	66,101	45	0	27,811	34,044	5,777
Post BP, pre initial budget load adjustments between CS and P&E-Energy Schemes		-336			336		
Allocation of unringfenced grant £1,143k Domestic Abuse Act Statutory Duty funding 22-23 to People & Communities as per S&R 29th March 2022	1,143						
Children's Homes Building Maintenance and Children & Safeguarding restructure transfer	-45				45		
Budget transfer for 1.75% pay award for 21-22	1,829	191			-2,020		
Transfer of Market sustainability full grant budget to P&C	-750						
Budget resetting movements as approved by S&R 27th June (May IFMR)	-3,454	2,251			1,520	-769	655
22-23 BP virements to replace expenditure budgets with reserve draw down lines	-3,606	-455	-45		-155		4,261
Allocation of unringfenced grant £10k Biodiversity Net Gain Grant carry forward to Place & Economy		10					
Allocation of unringfenced grant £100k ASC Charging Implementation Support Grant to Adults Services	100						
Transfer of IT budget P&C to CS	-13				13		
Transfer of Qtr 1 Mileage Savings	-156	-5			161		
Transfer re postage P&C to CS	-20				20		
Place Planning transfer P&C to CS	-26				26		
Sept 2022 Directorate restructure	-8,467	3,798		14,629	-9,961		
Vacancy savings transfer		-15		-367	381		

Budgets and Movements	People Services £'000	Place & Sustainability £'000	Public Health £'000	Strategy and Partnerships £'000	Finance and Resources £'000	Capital Financing £'000	Financing Items £'000
Correction of Public Health income budgets to match 2022/23 MoU	-68			68			
Transfer of Qtr 2 Mileage Savings	-130	-5		-18	153		
Transfer towards central savings target		-31		31			
CLT restructure virements	90	10		437	-493		-44
Transfer of Public Health reserve contribution budgets	-400						400
Pay Award 2022-23 transfers	4,722	790		912	-6,423		
Current budget	**312,330**	**72,304**	**0**	**15,719**	**11,386**	**33,275**	**11,048**
Rounding	-2	0	0	0	1	0	1

Appendix 4 – Reserves and provisions

This section shows the reserves available to the Council, which are one off funds held either for general or specific purposes.

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 (or in budgeting) £000s	Balance at 30 Nov 2022 £000s	Forecast Balance at 31 March 2023 £000s	Notes
General Reserves **- County Fund Balance**	46,475	-18,260	28,215	28,215	
General Reserves subtotal	46,475	-18,260	28,215	28,215	
1 Insurance	4,719	5	4,724	4,724	
2 People Services & Schools	15,247	844	16,091	8,505	
3 PH	8,503	-400	8,103	4,661	
4 Place & Sustainability	10,852	1,186	12,038	5,794	Includes reserve for Waterbeach waste facility works- revenue impact of plant closure
5 Strategy & Partnerships	2,464	-258	2,206	2,285	
6 Finance & Resources	4,262	-191	4,071	2,467	
7 Just Transition Fund	0	13,605	13,605	10,033	Starting balance of £14m, with allocations made totalling £9.9m across medium-term
8 High Needs Block Offset Reserve	0	12,435	12,435	12,435	
9 Transformation Fund	25,012	-21,322	3,691	652	Balance for legacy Transformation projects
10 Cultivate Cambs Fund	442	350	792	390	
11 Corporate- COVID	26,987	-4,573	22,414	21,164	Includes remainder of COVID-19 Support Grants. Allocated over medium-term.
12 Specific Risks Reserve	2,140	1,429	3,569	3,569	
13 This Land Credit Loss & Equity Offset	5,850	0	5,850	5,850	
14 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	2,940	
15 Collection Fund Volatility & Appeals Account	3,690	544	4,234	4,234	
16 Local Government Settlement phasing reserve	0	4,324	4,324	4,324	Applying the temporary elements of the 2022/23 finance settlement over multiple years
17 Post-pandemic recovery and budgeting account	0	7,017	7,017	7,017	
18 Business change reserve	0	3,896	3,896	3,750	
19 Grant carry forwards	14,031	-14,031	0	0	Carry forward of unspent ring-fenced grants
Earmarked Funds subtotal	127,139	4,860	132,000	104,794	
SUBTOTAL	**173,614**	**-13,400**	**160,214**	**133,008**	
20 People Services	6,116	0	6,116	0	
21 Place & Sustainability	4,063	0	4,063	0	
22 Finance and Resources	13,857	691	14,548	14,057	
23 Corporate	73,787	18,142	91,928	81,141	
Capital Reserves subtotal	111,016	18,833	116,656	95,198	
GRAND TOTAL	**284,630**	**5,433**	**276,870**	**228,207**	

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 £000s	Balance at 30 Nov 2022 £000s	Forecast Balance at 31 March 2023 £000s	Notes
1 Place & Sustainability	0	0	0	0	
2 People Services	16	0	16	16	
3 Finance & Resources	2,093	0	2,093	2,093	
Short Term Provisions subtotal	2,109	0	2,109	2,109	
4 Finance & Resources	4,746	0	4,746	4,746	
Long Term Provisions subtotal	4,746	0	4,746	4,746	
GRAND TOTAL	**6,855**	**0**	**6,855**	**6,855**	

Appendix B

Service: Finance & Resources and Strategy & Partnerships
Subject: Finance Monitoring Report – November 2022
Date: 26 January 2023

Key Indicators

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

Contents

1. Revenue Executive Summary

1.1 Overall Position

Strategy & Partnerships Service has a budget of £15,719k in 2022/23 and is currently forecasting a balanced position.

Finance & Resources Service (including financing costs) has a budget of £44,660k in 2022/23 and is currently forecasting an underspend of £266k.

1.2 Summary of Revenue position by Directorate

The service level budgetary control report for the year 2022/23 can be found in appendix 1

Outturn Variance (previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000
2	Strategy & Partnerships Service	15,719	(3,176)	0
147	Finance & Resources Service	44,660	15,652	(266)
149	**Overall Total**	**60,379**	**12,476**	**(266)**

1.3 Significant Issues

Strategy & Partnerships Service is currently forecasting a balanced position, a decrease of £2k from the previous forecast.

There are no exceptions to report this month.

Finance & Resources Service are currently forecasting an underspend of £266k, decrease of £413k from the previous forecast.

There are three exceptions to report this month.

The Insurance fund budget is forecasting an underspend of £163k, due to efficiencies made when procuring the new Insurance Premium contract from October 2022.

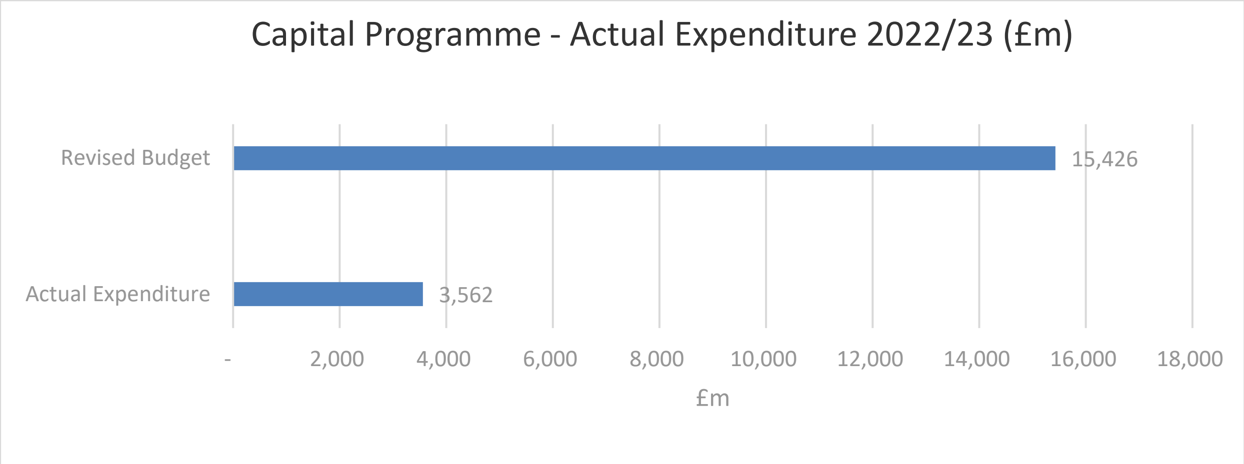
Facilities Management budget is forecasting an overspend of £870k. This is due to the continued cost of running the old Shire Hall site and the cost of maintaining corporate buildings is also expected to cause a pressure on the budget.

Property Compliance budget is forecasting an underspend of £459k, this is due to unused reserves held for the demolition of an educational site on Arbury Road, Cambridge. This work is complete and did not cost as much as the amount reserved.

2. Capital Executive Summary

2.1 Expenditure

The capital programme in 2022/23 is £15,426, with expenditure to date of £3,562k.

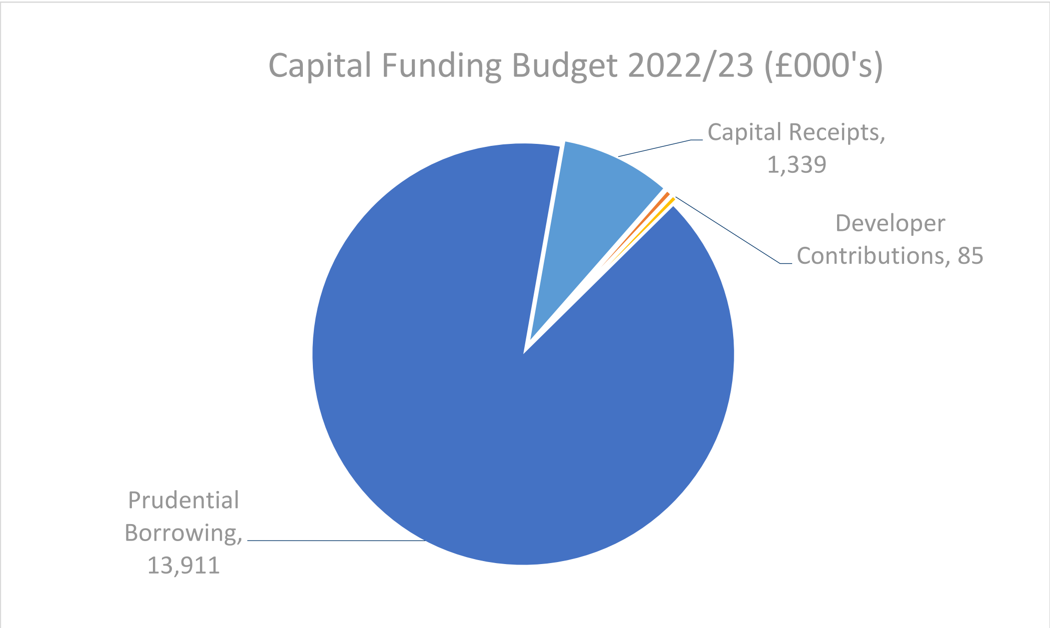


There are no exceptions to report this month.

Details of the capital variances and funding can be found in appendix 3

2.2 Funding

The capital budget is £15,426k in 2022/23. This includes £6,800k of funding carried forward from 2021/22 & adjustments made to the total capital scheme budget.



Appendix 1 – Budgetary control report for the year 2022/23

Strategy & Partnerships Service Financial information

Previous Forecast Outturn Variance £000's		Budget 2022/23 £000's	Actual October 2022 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
0	Executive Director: Strategy & Partnerships	481	263	0	0%
0	Chief Executive's Office	243	145	0	0%
0	Communications	786	535	0	0%
0	Elections	175	0	0	0%
11	Human Resources	1,899	1,275	11	1%
(1)	Learning & Development	1,803	1,117	(3)	0%
	Legal & Governance				
0	Internal Audit	441	257	0	0%
10	Legal & Governance Services	92	90	10	11%
9	Information Management	968	697	10	1%
(8)	Democratic & Member Services	356	239	(9)	-3%
(17)	Members´ Allowances	1,013	654	(16)	-2%
(5)	**Legal & Governance Total**	**2,870**	**1,938**	**(5)**	**0%**
	Policy & Communities				
0	Policy, Design and Delivery	844	1,302	(0)	0%
0	Business Intelligence	1,325	1,040	0	0%
(3)	Emergency Planning	151	98	(3)	-2%
	Communities Employment & Skills				
0	Strategic Management - CES	249	(33)	(0)	0%
0	Public Library Services	4,091	2,732	0	0%
0	Cambridgeshire Skills	2,163	731	0	0%
0	Archives	402	241	0	0%
0	Cultural Services	325	122	0	0%
0	Think Communities	13,709	(3,909)	0	0%
0	Youth and Community Services	395	30	(0)	0%
0	**Communities Employment & Skills Total**	**21,334**	**(87)**	**(0)**	**0%**
(3)	**Policy & Communities Total**	**23,654**	**2,354**	**(3)**	**0%**
2	**Total**	**31,912**	**7,626**	**0**	**0%**
	Grant Funding				
	Non Baselined Grants	(16,193)	(10,802)	0	0%
0	**Grant Funding Total**	**(16,193)**	**(10,802)**	**0**	**0%**
2	**Overall Total**	**15,719**	**(3,176)**	**0**	**0%**

Finance & Resources Service Financial Information

Previous Forecast Outturn Variance £000's		Budget 2022/23 £000's	Actual October 2022 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
	Customer & Digital Services				
(77)	Customer Services	1,956	1,085	(77)	-4%
(80)	IT Services	11,087	9,795	(79)	-1%
(157)	**Customer & Digital Services Total**	**13,043**	**10,880**	**(156)**	**-1%**
	Finance & Procurement				
0	Service Director of Finance & Procurement	361	205	0	0%
0	Professional Finance	2,200	1,542	(10)	0%
8	Procurement	897	630	8	1%
(19)	CCC Finance Operations	167	42	(33)	-20%
0	Insurance Fund	2,399	1,434	(163)	-7%
60	Lead Authority Services	1,356	994	57	4%
244	External Audit	75	(144)	244	327%
293	**Finance & Procurement Total**	**7,454**	**4,704**	**103**	**1%**
	Property Services				
470	Facilities Management	6,029	4,658	870	14%
(2)	Property Services	973	697	1	0%
1	Property Compliance	223	173	(459)	-206%
0	County Farms	(4,502)	(2,178)	0	0%
(11)	Strategic Assets	874	(400)	(11)	-1%
458	**Property Services Total**	**3,597**	**2,949**	**402**	**11%**
	Investment Activity				
0	Property Investments	(3,610)	(3,905)	0	0%
0	Company Dividends & Fees	(571)	0	(51)	-9%
0	This Land	(6,063)	(3,895)	0	0%
305	Contract Efficiencies & Other Income	(365)	(0)	365	100%
(109)	Collective Investment Funds	(1,050)	(525)	(149)	-14%
0	Renewable Energy Investments	(222)	(534)	(0)	0%
196	**Investment Activity Total**	**(11,881)**	**(8,859)**	**165**	**1%**
	Corporate & Miscellaneous				
1,620	Central Services and Organisation-Wide Risks	(1,406)	(190)	1,518	108%
17	Local Government Subscriptions	110	127	17	15%
0	Authority-wide Miscellaneous	468	538	66	14%
1,637	**Corporate & Miscellaneous Total**	**(828)**	**475**	**1,601**	**193%**
	Financing Costs				
(2,280)	Capital financing costs and minimum revenue provision	33,275	5,503	(2,380)	-7%
(2,280)	**Financing Costs Total**	**33,275**	**5,503**	**(2,380)**	**-7%**
147	**Total**	**44,660**	**15,652**	**(266)**	**-1%**

Agenda Item No.8

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
28/03/23	Integrated Finance Management Report for the Period Ending 31st January 2023	R Barnes	2023/002	15/03/23	20/03/23
	Corporate Risk Register	S Grace	Not applicable		
	Corporate Services Performance Report Quarter 3	T Barden	Not applicable		
	Microsoft ESA re-procurement	S Smith	2023/023		
	Network Service Procurement	S Smith	2023/033		
	Waste Management PFI Finance and Implications Update+ (Confidential item)	A Smith	2023/041		
	Disposal of Former Mill Road Library, Cambridge	T Cooper	2023/017		
	People Strategy*	L Fulcher	No applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
23/05/23 Reserve date				10/05/23	15/05/23
11/07/23	Integrated Finance Management Report for the Period Ending 31st May 2023	R Barnes	2023/019	28/06/23	03/07/23
	Corporate Services Performance Report – Quarter 4	T Barden	Not applicable		
	Treasury Management Report – Quarter 4*	E Tod	Not applicable		
	IT & Digital Strategy	S Smith	2023/008		
26/09/23 Reserve date	Integrated Finance Management Report for the Period Ending 31st July 2023	R Barnes	2023/020	13/09/23	18/09/23
	Corporate Business Planning Strategies – Strategic Framework	S Grace			
	Corporate Risk Register	N Hunter			
31/10/23	Integrated Finance Management Report for the Period Ending 31st August 2023	R Barnes	2023/021	18/10/23	23/10/23
	Business Planning Update for 2024-29	T Kelly			
	Corporate Services Performance Report – Quarter 1	T King			
19/12/23	Integrated Finance Management Report for the Period Ending 31st October 2023	R Barnes	2023/022	06/12/23	11/12/23
	Business Planning Proposals for 2024-29	T Kelly	Not applicable		
	Corporate Services Performance Report Quarter 2	T Barden	Not applicable		
	Treasury Management Report – Quarter 2*	E Tod	Not applicable		
	Property Management Solution	S Smith	2023/024		
30/01/24	Integrated Finance Management Report for the Period Ending 30th November 2023	R Barnes	2024/001	17/01/24	22/01/24

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Business Plan*	T Kelly	Not applicable		
26/03/24	Integrated Finance Management Report for the Period Ending 31st January 2024	R Barnes	2024/002	13/03/24	18/03/24
07/05/24 Reserve date				24/04/24	26/04/24

STRATEGY AND RESOURCES COMMITTEE TRAINING PLAN	The Training Plan below includes topic areas for S&R approval. Following sign-off by the details for training and development sessions will be worked up.								
Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
1.	Link Treasury Management	Local Government Finance – Third session as part of Members' Induction Programme		November 2021	Tom Kelly	Virtual	Cllrs Bulat, Corney, Coutts, Kindersley, S King, McDonald, Milnes, Murphy, Shailer, Sharp, Taylor, Thompson, van de Ven & Whelan	14	Not applicable
2.	Performance Management training and case study research	In response to recommendations from the Peer Review and an internal audit. Members will be involved in reviewing and revising Key Performance Indicators that will be reported to Policy and Service Committees.		3 February 2022	Tom Barden	One hour session with PowerPoint presentation and live polls	All Members	18	Not applicable

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
3.	Procurement Training for Members	To understand how procurement works		7 October 2022	T Kelly C Ellis	An hour on Teams	Cllrs Bulat, Costello, Cox-Condron, Dupré, Goodliffe, M King, McDonald, Rae, Shailer, Taylor and Whelan	11	Not applicable
4.	Strategic Framework Workshop	This will inform the business planning process		8 November 2022	S Grace T Kelly	Just over an hour on Teams	Cllrs Beckett, Costello, Count, Criswell, Dupré Gough, Howitt Murphy, Nethsingha, Rae, Sanderson Shailer, Sharp and Wilson	14	Not applicable
5.	The complaints process and how this can help Members manage their own in-boxes, including letters from MPs	To understand how the Council manages complaints.		21 February 2023	S Grace D Snowdon	Just over an hour on Teams			

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
6.	Procurement Training for Members			October 2023	T Kelly C Ellis				