STRATEGY, RESOURCES AND PERFORMANCE COMMITTEE: MINUTES

Date: 29th January 2026

Time: 10.00a.m. to 11.57a.m.

Venue: Red Kite Room, New Shire Hall, Alconbury Weald

Present: Councillors Nethsingha (Chair), Beckett, Boden, Dupré, S Fisher, Keane (substituting for Councillor Goldsack), Hathorn, Ioannides, Martin, Meschini, Murphy, A Whelan, Wilson, Wyatt (substituting for Councillor Beckett) and Young

33. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Beckett and Goldsack. There were no declarations of interest.

34. Minutes – 11th December 2025 and Action Log

The minutes of the meeting held on 11th December 2025 was agreed unanimously as a correct record and signed by the Chair. The action log was noted.

35. Petitions and Public Questions

No petitions or public questions were received.

36. Integrated Finance Monitoring Report for Period 8 2025-26

The Council was now forecasting an overspend in the revenue budget at a significantly improved position of £5.5m, which continued to reflect pressures in children's services. It was noted that this latest improvement was predominantly due to the recognition of a new, and uncertain, funding stream for waste disposal (Producer Extended Responsibility Payments). However, it was important to note that the underlying position still remained challenging with mitigations continuing to be sought. The forecast in-year pressure in the Dedicated Schools Grant (DSG) was £34.6m with a cumulative £97m deficit projected. An announcement from Government to hopefully address the deficit over the long term was expected on 9 February 2026. It was noted that as a result of slippage, a 3% underspend was forecast for the Capital Programme.

Members noted the following responses to their questions:

- the temporary virement for 2025-26 to allocate the £5.69m Extended Producer Responsibility Payments grant to the Waste Service within Place and Sustainability to fund waste disposal costs was a virement and not temporary. It was noted that the word temporary reflected the Council's terminology in relation to funding not reflected in the Council's base budget.

- £5.2m of the Extended Producer Responsibility Payments grant was assumed as existing budgeted waste disposal costs. Officers were currently reviewing whether the remaining funding needed to be spent on new activity, and if not it would probably be used to address the overspend.

- the demand and cost pressures in Children, Education and Families in 2025/26 had been reflected in the budget for 2026/27. It was noted that the Financial Sustainability Assessment included an issue which had been addressed in relation to children in care. However, it was also important to note that 60% of the Council's pressures were in children and adults services, which had resulted in significant additional costs since the budget was approved last February.

- the earmarked reserve balance was set out in Appendix 3 and included recommendation c).

It was resolved unanimously to:

a) agree a temporary virement for 2025-26 only to allocate the £5.69m Extended Producer Responsibility Payments grant to the Waste Service within Place and Sustainability to fund waste disposal costs, and to allocate £5.69m of budget to Corporate and Funding Items, as per section 3.1 of Annex A;

b) authorise the Executive Director of Finance and Resources, in consultation with the Chair and Vice Chair, to receive grant funding of £1.38m for schemes that respond to water scarcity, to make resulting budget revisions and to sign agreements with central government and Water Resources East to take forward the programme, as per sections 4.5.2-8 of Annex A; and

It was resolved to:

c) draw-down up to £1.885 million from earmarked reserves per the table at 5.1.3 of Annex A.

37. 2026-31 Financial Sustainability Assessment

The Executive Director of Finance and Resources presented the Section 151 Officer's assessment of the Council's financial standing in line with the statutory duty of that role under Section 25 of the Local Government Act 2003. The report covered the robustness of the budget estimates and the level of reserves held by the Council in order to assess and ensure its financial sustainability. Attention was drawn to Section 3 of the report which provided assumptions and considerations to enable conclusions to be made about the level of reserves and use going forward to support the medium-term financial plan and ensure the financial standing of the Council remained robust. It was noted that the report had identified a risk in relation to the Children in Care savings target due to changes in demand and placements, and as a result it would now be replaced with provisional settlement. It was pleasing to note that a number of financial risks had also reduced relating to This Land, the Waste PFI, the Guided Busway and the Integrated Care Board.

Members were reminded that the greatest financial risk remained the growing deficit on High Needs spending from the DSG. A statutory override which meant that DSG deficits did not have to be covered by the General Fund ended on 31 March 2028 but there was a possibility this might be revised in the final settlement on 9 February 2026. It was noted that the Council had waited over twelve months for proposed reforms of the Special, Educational Needs and Disabilities (SEND) system. Given the lack of clarity on either future and legacy funding or the reforms of SEND, the Section 151 Officer had set out a number of scenarios that could apply in the report.

Attention was drawn to the CIPFA Financial Resilience analysis which showed Cambridgeshire around average in relation to assets to borrowing liabilities but with the highest level of borrowing exposure compared to its peers; it was noted that action had been taken over the last few years to reduce borrowing which would continue. Members were advised that a 46% reduction in reserves was predicted by 2031 and of the importance of a 5% need of net spend being held within the General Fund. It was noted the Council had started to identify funds to manage the transition costs of Local Government Reorganisation (LGR).

In conclusion, the Section 151 Officer formally reported that in his view, subject to all the measures set out in the draft business plan and medium-term budget being implemented, the financial estimates were robust and the level of reserves adequate within the constraints in which the Council currently had to operate, as required by the Local Government Act 2003.

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

- queried whether the Council had a contingency if the Government did not address the DSG deficit before 31 March 2028. The Executive Director of Finance and Resources reported that the Council had set aside £7.43m in reserves to support the Safety Valve Programme but if this deficit was not addressed nationally it would like many other councils not have sufficient reserves to cover it. The same Member highlighted the need for a properly worked contingency if possible. The Chair commented that it was not currently realistic to have a contingency or a good use of officer time to work something up before 9 February 2026. She was concerned that the delayed SEND reforms were leading to an increase in Education, Health and Care Plans, which were increasing Council costs.

- queried the planned value of capital receipts to be applied to reduce borrowing in 2026/27 and 2028/29. The Executive Director of Finance and Resources agreed to provide a written response. **Action Required.**

- highlighted the uncertainty around the timeline for LGR and the fact the report covered the period up to 2031. Members were advised that a five-year plan reflected strong financial management and would allow projections to inform LGR discussions.

- queried whether the Section 151 Officer’s projections, from a legal perspective, would only run to 31 March 2028 once the Structural Changes Order had been passed in 2026. The Executive Director of Finance and Resources reported that it would be imprudent not to project beyond this date particularly as the infrastructure reserve covering the Guided Busway would be spent over an 8-9 year period.

- expressed concern if Government failed to reset the DSG deficit and queried what the Council would do if that was the case particularly given the impact of LGR. The Executive Director of Finance and Resources reported that Government was expected to make an announcement on this issue on 9 February 2026. It was therefore important to await the outcome of the announcement to avoid conjecture.

- queried whether it was an issue for the Council's Section 151 Officer if the DSG deficit was not resolved rather than the new unitary authorities. It was noted that the Ministry of Housing, Communities and Local Government had confirmed there would be an announcement on 9 February 2026, which could involve government picking up all or part of the legacy debt and a future arrangement. The Executive Director of Finance and Resources was of the view that the legacy debt was likely to be partly offset with local authorities funding some of it via a capitalisation directive; this option was set out in the report. If the statutory override was only extended to 31 March 2027, the Section 151 Officer would be advising the Council of the need to take action. If it remained at 31 March 2028, he would, together with the Section 151 Officer for Peterborough City Council, be advising as part the LGR process the need for the new unitaries to consider how it would be funded.

- highlighted the significance of the impact of the announcement on the DSG deficit on the 2026-27 budget and queried whether there would be a need to defer the full Council meeting to 13 February 2026. It was noted that if the position was not resolved then it could be a significant issue that would need to be reported back to Full Council on consideration of the advice of the Head of Paid Service, Monitoring Officer and Section 151 Officer. The Chair commented that it was not unusual for the Council to set budgets with the understanding that finances were likely to change in the coming months. However, she advised Members to keep the reserve Council meeting in their diaries but commented that it was unlikely to be needed.

- acknowledged that the risk of not setting a budget on 10 February 2026 was not very high given that a significant number of local authorities would immediately be required to issue Section 114 notices if the statutory override was removed. The Executive Director of Finance and Resources commented that it was conjecture at this stage but it was important to note that the budget did not include borrowing for the DSG deficit other than for the capital programme.

- noted that there was likely to be a requirement for more borrowing to fund the legacy DSG deficit in latter years. It was important to bear in mind that Cambridgeshire schools were among the lowest funded in the country so had less funding to fund the DSG. It was therefore impossible to predict at this point how much of the legacy DSG deficit the Council would have to fund. Another Member commented that it would be very unlikely for the Government to take an instant extreme decision, it was more likely to be spread out over the medium term.

It was resolved unanimously to scrutinise the Section 151 Officer's assessment and note the conclusions in consideration of the proposed Budget for 2026/27 to Full Council, and the proposed level of reserves set out at Appendix 1.

38. Business Plan and Budget Setting 2026-27 – 2028-29

The Chief Executive introduced a report setting out the 2026-29 Business Plan and Budget, which included a refreshed Strategic Framework. Proposals set out in the report were based on the provisional Local Government Finance Settlement with the final settlement expected on 9 February 2026. The draft business plan included funding for work to deliver LGR but it was important to note that the costs of transition were expected to be absorbed by Cambridgeshire and Peterborough authorities. They were likely to be substantial possibly £34m or upwards with the County Council expected to fund its fair proportion of the costs. He reminded Members that the County Council had been underfunded for a considerable period of time. The government had indicated that the core spending power of local authorities would only rise over the next three years if they used the maximum flexibility granted to them to increase council tax.

The Chair thanked the Policy and Service Committees for scrutinising the budget.

Councillor Murphy proposed an amendment, seconded by Councillor A Whelan, attached at Appendix 1. Following the scrutiny of the budget at Children and Young People Committee, Members had expressed concern about the lack of transitional arrangements after the ending of the Household Support Fund on 31 March 2026, and the beginning of the Crisis Resilience Fund. It was therefore proposed to release £1m from the LGR reserve and add it to the Crisis Resilience reserve which would provide £2.7m to support the transition to the incoming Crisis and Resilience Fund arrangements, and enable some continuing investment into a revised holiday free school meals offer during this transitional period.

One Member expressed concern about the scale of the possible costs of LGR and queried whether the Council was therefore significantly understating the size of the LGR reserve. There was concern that this amendment could exacerbate what was already an inadequate position. The Chief Executive reported that his quoted figure reflected the total cost of transition, which would be a phased over a number of years with costs borne by all seven authorities. At this stage, the Council had identified some funding to deal with initial costs until further clarity could be achieved. He acknowledged that the flexible use of capital receipts would be needed to cover the costs LGR.

Another Member queried the impact of the amendment on the new scheme to widen the eligibility for free schools meals from September. It was noted that the temporary provision set out in the amendment would help with the transition up to September. One Member asked whether pupil premium payments would remain the same if free school meal eligibility was expanding. The Chair agreed to provide Members with a written response. **Action Required.**

On being put to the vote, the amendment was agreed by a majority.

It was resolved to recommend the following to Full Council, as amended:

a) To approve the 2026-29 Business Plan including the supporting budget and other material, in light of the planning activities undertaken to date and public engagement responses (Appendices 1a-1f)

b) To approve the new Strategic Framework in section 1 of the business plan (Appendix 1a)

c) To approve the directorate budget allocations as set out in each directorate table in section 3 of the business plan (Appendix 1c)

d) To approve a total county budget requirement in respect of general expenses applicable to the whole county area of £1,268,335,000

e) To approve a recommended county precept for council tax from district councils of £449,060,446.92 (to be received in equal instalments in accordance with the fall-back provisions of the Local Authorities (Funds) (Amendment) Regulations 1995)

f) To 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 district councils (251,515.3), reflecting a 4.99% increase (2.99% in the basic council tax precept, and 2% in the adult social care precept):

Band	Fraction	County council tax charge
A	6/9	£1,190.28
B	7/9	£1,388.66
C	8/9	£1,587.04
D	9/9	£1,785.42
E	11/9	£2,182.18
F	13/9	£2,578.94
G	15/9	£2,975.70
H	18/9	£3,570.84

g) To approve the Capital Strategy as set out in section 5 of the Business Plan (Appendix 1e) including:

i. Commitments from schemes already approved
ii. Expenditure on new schemes in 2026-27

h) To approve the Treasury Management Strategy as set out in section 6 of the business plan (Appendix 1f), 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 and Accounting) (England) (Amendment) Regulations 2008

ii. The affordable borrowing limit for 2026-27 (as required by the Local Government Act 2003)

iii. The investment strategy for 2026-27 and the prudential indicators as set out in section 6 of the business plan

iv. The delegation to the Executive Director of Finance and Resources contained in the Treasury Management Strategy to alter the council's counterparty and lending list in the conduct of the council's treasury management operations

i) To authorise the Executive Director of Finance and Resources, 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 of any changes deemed appropriate, including but not limited to:

   i. The final tax base, forecast council tax and business rates receipts for 2025-26 from the billing authorities (due by 31 January 2026)

   ii. The final Local Government Finance Settlement from the Government (expected early February 2026) alongside other grant announcements, outside of the settlement, primarily based on treatment proposed in this report

   iii. Changes to the accounting code for the Treasury Management Strategy.

39. Local Government Reorganisation (LGR) Statutory Consultation

The Committee considered an LGR update following Government confirmation of timelines for the statutory consultation process for all areas that submitted LGR options by 28 November 2025, which included Cambridgeshire and Peterborough. The Minister of State for Local Government and Homelessness had acknowledged the work undertaken and set out the next steps, which included a seven week statutory consultation commencing in early February on the four submitted options. Following consultation, Government was expected to announce a decision on its chosen option in Summer 2026 with a vesting day for the new unitary councils expected to be 1 April 2028. As a statutory consultee the Council would be invited to submit a response, it was proposed to delegate authority to respond to the Chief Executive in consultation with the Chair and Vice-Chair.

Some Members highlighted the need for the response to the consultation to be approved by the Committee rather than delegated to officers given the strength of interest. Another Member was of the view that Council had been asked to submit an option before a full business case had been prepared so it was important the response was considered by Members in public. The Chair acknowledged the points raised but felt that the debate had already taken place and this was primarily a bureaucratic exercise. She suggested that the consultation response should be considered by the LGR Member working group.

It was resolved to:

a) note the letter received by Leader of the Council, from Alison McGovern MP, Minister of State for Local Government and Homelessness, on 17 December 2025 which sets out the indicative timeline for the statutory consultation on LGR for 14 areas, including Cambridgeshire and Peterborough; and

b) delegate authority to respond to the statutory consultation to the Chief Executive in consultation with Chair and Vice Chair of Strategy Resources and Performance Committee.

40. Corporate Performance Report

The Committee considered an update on the performance monitoring information for quarter 2 of 2025/26, July 1st to September 30th. Attention was drawn to an overview of 87 indicators, which showed that 16% were red, 40% green and 17% amber. It was noted that 48% of KPIs were improving, 27% declining and 12% remained unchanged. Indicator SRP 006: Average days lost per Full Time Equivalent (FTE) to sickness absence had been temporarily suspended due to data quality issues identified within the data provided by Business Systems from ERP Gold. It was expected that this issue would be resolved for the next reporting period. The Chief Executive commented that County Council officers had identified the data quality issues in relation to ERP Gold, which was used and hosted by another authority.

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

- acknowledged the challenge for Public Health and queried how the Council could improve from amber and red in a number of categories.

- highlighted the lack of commentary regarding action taking place in relation to Education, Health and Care Plans (EHCPs) as the commentary focused primarily on the zero percentage of EHCP assessments completed within a 20 week timescale. The Executive Director for Children, Education and Families acknowledged that there was a considerable amount of work taking place on EHCPs and work to improve performance would be reflected in the next report. It was noted that 10%, 27% and 30% of EHCP assessments had been completed within target in October, November and December respectively. There was also other SEND work not directly related to the target which would be reflected in the report.

- noted that the number of children known to be electively home educated had increased and queried how this was being monitored to ensure they were not being isolated. It was reported that the Council had a strong home school offer but did not have the power to intervene so it was up to households to accept the offer. The Education and Wellbeing Bill included a proposal for a registration process which would help the Council promote its offer. It was important to note that the majority of home educated children had a very good experience. The Chair also drew attention to the role of local authorities in relation to monitoring as set out in the Bill and commented that there was unlikely to be new burdens funding. The Executive Director for Children, Education and Families confirmed that this issue was being considered internally and being discussed with other councils.

- queried how the impact of LGR on the morale of employees was being monitored. The Chief Executive reported that a full Workforce Survey had taken place in the latter stages of 2025, which would be shared with Staffing and Service Appeals Committee and all Members. He acknowledged the uncertainty felt by staff in relation to LGR and reported that a significant amount of communication and reassurance was taking place including roadshows. However, it was important to be transparent with staff and acknowledge the unknowns.

- highlighted the need to improve the search facility on the Council's website. The Chief Executive explained that accessibility in relation to this KPI was considered against government accessibility standards. However, it was agreed to review the search function again on the website. **Action Required.** Another Member highlighted the lack of a search function in relation to Freedom of Information request answers. The Chair agreed to provide Members with a written response. **Action Required.**

- expressed concern about the number of children who were obese leaving at year 6. The Executive Director for Children, Education and Families agreed to provide a written response following consultation with Public Health colleagues. **Action Required.** The Chief Executive added that the revised Obesity Strategy had been considered recently by the Health and Wellbeing Board.

- queried the possibility of providing dated paths to green for those KPIs which were amber and red. The Assistant Chief Executive reported that it was important to be more specific in the commentary in relation to this issue depending on the metric.

It was resolve unanimously to scrutinise and comment on the performance information presented.

41. Agenda Plan, Training Plan, Appointments to Outside Bodies and Internal Advisory Groups and Panels, and the Appointment of Member Champions

The Committee considered and resolved unanimously to note its agenda plan and training plan.

Chair