

## CABINET

**MONDAY 17 OCTOBER 2022**  
**10.00 AM**

**Council Chamber - Town Hall**  
**Contact – philippa.turvey@peterborough.gov.uk, 01733 452460**

## AGENDA

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*Any agenda item highlighted in bold and marked with an \* is a 'key decision' involving the Council making expenditure or savings of over £500,000 or having a significant effect on two or more wards in Peterborough. These items have been advertised previously on the Council's Forward Plan (except where the issue is urgent in accordance with Section 15 of the Council's Access to Information rules).*

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**MINUTES OF THE CABINET MEETING  
HELD AT 10:00AM, ON  
TUESDAY 20 SEPTEMBER 2022  
BOURGES/MIERSEN ROOM, TOWN HALL, PETERBOROUGH**

**Cabinet Members Present:** Councillor Fitzgerald (Chair), Councillor Steve Allen (Vice-Chair), Councillor Ayres, Councillor Coles, Councillor Howard, Councillor Simons

**Cabinet Advisor Present:** Councillor Jackie Allen, Councillor Bisby, Councillor Hussain, Councillor Moyo, Councillor Gul Nawaz, Councillor Sainsbury

**23. APOLOGIES FOR ABSENCE**

There were apologies for absence received from Councillor Cereste.

**24. DECLARATIONS OF INTEREST**

Cllr Ayres declared an interest in item 7 Asset Disposal and Review Plan by virtue of having an interest in one of the properties that acted as a charity and sat on the board that made financial decisions.

**25. MINUTES OF THE CABINET MEETINGS HELD ON 11 JULY 2022**

The minutes of the Cabinet meeting held on 11 July 2022 were agreed as a true and accurate record.

**STRATEGIC DECISIONS**

**26. HOUSEHOLD SUPPORT FUND – EXTENSION – ROUND 3**

The Cabinet received a report in relation to the Household Support Fund – Extension – Round 3.

The purpose of this report was to provide brief information about the present organisation and performance of Household Support Fund (HSF) 2, and information on the proposed allocation of the next round of HSF (round 3). Cabinet was asked to provide views on the proposed plan for spend and the focus of the fund, and to endorse the continued development of the delivery model of household support fund.

The Cabinet Member for Education, Skills and the University stated that the support given by the Government had helped a number of residents and it was pleasing to see that this support was continuing. The report outlined the main proposals and included information on where the money was due to be spent. A holiday voucher scheme was to continue along with support for pensioners, which had been difficult to disseminate. A vulnerable household scheme was also available and residents were encouraged to apply for this scheme. Assistance was to be provided by officers from Cambridgeshire County Council to ensure as much support as possible was provided in the winter months.

The Head of Think Communities and Service Director Education outlined the key points included within the report. It was expected that the fund would be administered in a similar vein to the previous schemes. There was to be additional guidance produced which would also focus on those not eligible for the schemes and how they could get help. One key difference was the removal on the mandatory ring fence to allow the funding to be used in a more flexible way. The holiday voucher scheme had grown since it was first introduced. It was essential that the Council continued to provide assistance to families especially with the Christmas period approaching.

Cabinet Members debated the report and in summary responses to questions raised included:

- With regards to the pensioner element of funding this had seen a rapid uptake since letters had been sent out to those most in need. Age UK had been instrumental in assisting the Council and providing support to a wider group of pensioners. The overall impact of the scheme had been positive.
- Elements had been added to the scheme to ensure that it was being delivered accurately. The Government had circulated information on what local authorities were able to use the funding for. Local management data was always audited to ensure that processes and procedures were followed correctly.
- Members were informed that the ring-fenced amount was no longer mandated by Government. The funds were able to be used in a more flexible way. The Council was therefore able to more realistic in terms of delivering the funding to those who most needed it.
- The governance of the scheme had been run past the Safer Peterborough Partnership. There had been a local summit on the cost of living crisis, which had different elements to those when the Covid fund was in place.
- There were several local trusted community groups who needed to work with local communities to help get support and food packages to those who most needed it. The Safer Peterborough Partnership was being used as an escalation support group if issues within communities had been identified.
- Members were informed that there had been a 30% increase in the update of free school meals. New information was being sent out to try and capture the reality of the situation and to try and support as many families as possible. There had been nearly 20,000 emails received from families over the challenges they faced with the cost of living crisis.
- Families could contact the Council if they needed support. For example, there were organisations that re-fitted school uniforms so that they could be used by children who needed school uniforms.

Cabinet considered the report and **RESOLVED** to:

1. Approve the overall approach to the delivery of the Household Support Fund extension including the spend proportions and areas of focus.
2. Delegate authority to the Executive Director for Place and Economy, in consultation with the Cabinet Members listed above, to finalise the detailed arrangements for all aspects of the scheme, upon receipt of the final grant allocation from Government

## **REASONS FOR THE DECISION**

The grant was flexible, and we have targeted it at the areas that we consider to be the greatest need.

## **ALTERNATIVE OPTIONS CONSIDERED**

A number of options for delivery were explored:

Maintain the existing delivery and ring-fencing of amounts focusing on pensioners and families with children. As stated in the report the guidance asks us to focus on a wider range of households as well as those not eligible for other support and therefore this option was discounted.

Change our arrangements with Age UK and Citizens Advice Peterborough and bring all the operations of the Household Support Fund in-house. Significant work has been undertaken to set up and start to make an impact through Citizens Advice Peterborough and Age UK. The value which is added through these working relationships has meant that claimants have been able to receive wider support from those agencies which have expertise in dealing with those cohorts. The option to deliver all support in-house has therefore been discounted.

Consider delivering all the funding through the School Holiday Voucher Scheme, recognising the efficiency of disseminating through the allocation of vouchers to those eligible for free school meals. This option would not meet either the guidance or the ethos of reaching out to a wider section of our population. Therefore, this option was discounted.

## **27. PETERBOROUGH YOUTH ZONE**

The Cabinet received a report in relation to the Peterborough Youth Zone.

The purpose of this report was to set out the opportunity to bid for the Department of Culture Media and Sport, Youth Investment Fund Phase 2, partnering with "OnSide" (a national charity) to build and run a Youth Zone in Peterborough. Cabinet decision is required to support the proposed Youth Zone in principle, the submission of a bid and to agree to the proposed next steps as set out in the recommendations which will allow officers to undertake additional work necessary in this respect.

The Deputy Leader and Cabinet Member for Communications, Culture and Communities explained that the Council was to explore in principle a Peterborough Youth Zone. Further work would then set out an opportunity to bid for funding in phase two to build and run a youth zone. The submission of the bid allowed officers to undertake the necessary work and feasibility of the scheme. It was important to reassure Councillors of the value of a youth zone and the wide range of benefits it would have for both the city and for young people. There were examples of the scheme working across the country and some of the benefits at other sites included hot meals for £1, which many young people would find useful.

Cabinet Members debated the report and in summary responses to questions raised included:

- It was important that any youth zone was a benefit for all young people with the Peterborough City Council boundaries. It was hoped that the youth zone would bring more external funding into the city.
- Each youth zone operated in its own right and was free to choose when they opened and for how long. It would depend on the activities and need of the young people that would determine its opening times.

- There was an element of risk involved with investing £250k at this stage, however it was vital in order to look at moving the project forward. In terms of modelling the investment, it was sustainable in terms of revenue. This was a great opportunity to leverage transformation across the city and bring in funding for the city.
- This was a relatively small investment to be made at the current time, some of the funds were earmarked to be taken out of the prosperity funds pot. This would make a difference to young people across the city and lead to more investment opportunities for the Council.
- The next round of bidding started in November, it would be at this stage that potential sites would be identified. Officers would look at the potential of any sites and how they could be generated to include a youth zone.
- Work had already been undertaken to talk to companies and organisations across the Country to review how they ran youth zones. Peterborough was a growing city and businesses would want to align themselves to local youth groups which was what Peterborough needed in these times.

Cabinet considered the report and **RESOLVED** to:

1. Support the principle of developing a Youth Zone for Peterborough.
2. Support a bid to Youth Investment Fund (phase 2) in partnership with OnSide Charity.
3. Delegate the final wording and sign off of a letter of intent, draft Heads of Terms for a lease and contract and any conditions required by the Council to the Director of Resources and Monitoring Officer in consultation with the Cabinet Member for Property and Resources.
4. Note that a further report will be required should the project proceed to agree to the selected site and its disposal under a lease.
5. Agree that in order to meet the project delivery and spend timescale required by DCMS the initial project development work including site investigations continues at risk to RIBA 2 at a cost of up to £250k pending the outcome of the bid submission likely to be mid-December 2022.

## **REASONS FOR THE DECISION**

The reasons for the recommendations in this report are to allow for continued work to be undertaken to work toward the submission of a Youth Investment Fund Phase 2 bid, in partnership with OnSide charity.

To consider the opportunity options and allow for delegated authority to Director of Resources and Monitoring Officer in consultation with the Cabinet member for property and resources to manage the risk and optimise the success of any bid made.

## **ALTERNATIVE OPTIONS CONSIDERED**

The alternative options were outlined in section 4.6 of the report.

## **28. ASSET DISPOSAL AND REVIEW PLAN**

The Cabinet received a report in relation to the asset disposal and review plan.

The purpose of this report was to recommend the Asset Disposal and review Plan to support the Council's Budget Strategy and Capital Strategy. The report identifies assets which the Council can release for sale over the period 2022-2025.

The Cabinet Member for Finance and Corporate Governance outlined that the Council had started to make progress in formulating an asset disposal and review plan. The budget from 2023 onwards would include the assets plan.

Cabinet Members debated the report and in summary responses to questions raised included:

- Each asset would need to be reviewed before being sold. This was to ensure that all options were looked at and maximised before a decision was made.
- It was confirmed that Ward Councillors would be consulted before any assets in their ward were sold.
- The NHS had put the lease on the City Clinic on the market and were looking at what the next options were. There needed to be a sense of realism over what assets needed to be sold.
- Officers were looking at all solutions for the Chauffers Cottage. The asset disposal plan and review would assist officers at looking at potential solutions.

Cabinet considered the report and **RESOLVED** (5 for, 1 abstention (Cllr Ayres)) to:

1. Agree to the disposal plan included in this report including the series of reviews aims at rationalising Council assets over time.
2. Agree to that a new Asset Management Plan will be prepared for inclusion in the Council's Budget Strategy in February 2023, along with a Disposals and Acquisitions Policy.

## **REASONS FOR THE DECISION**

The Council needs to identify assets for disposal to support its budget position.

## **ALTERNATIVE OPTIONS CONSIDERED**

The Council would always need to review and dispose of assets as its financial or operational needs change. It is not possible in the current circumstances to do nothing and so that as an option has not been considered. The alternative of releasing assets very quickly to achieve the highest level of receipts early has not proved necessary. The phased approach to achieving the level of receipts required to balance the Council's budget is considered the optimum route for the Council at this stage. The Asset Management Plan which will be published with the budget in February 2023 will identify a longer-term approach to the Council's asset planning.

## **29. CLOSURE OF THE CLIMATE CHANGE WORKING GROUP AND THE CYCLING AND WALKING WORKING GROUP**

The Cabinet received a report in relation to the closing of the Climate Change Working Group and the Cycling and Walking Working Group.

The purpose of this report was to outline that the Climate Change and Environment Scrutiny Committee had recently been established. This report sought support to close the Climate Change Working Group, to ensure duplication does not occur. The report also sought support to close the Cycling and Walking Working Group as the Climate

Change and Environment Scrutiny Committee agreed the formation of a time-limited cross-party Cycling and Walking Scrutiny Task and Finish Group. The Task and Finish Group would now aid the development of the Local Cycling and Walking Infrastructure Plan as well as a rural cycling strategy. Closure of the Cycling and Walking Working Group would ensure that duplication of work does not occur.

Cabinet Members debated the report and in summary responses to questions raised included:

- The Combined Authority had helped the Peterborough with the creation of some cycling and walking routes. There was also funding from central government that officers were looking at.
- There was a submission deadline in two weeks that looked at supporting local authorities. Officers were looking at this bid and how this would be part of the overall process in increasing routes.
- Grants were sent to the Combined Authority from central government. In turn the Combined Authority passed this funding through to the Council, this was to then be used to maintain the current routes in the city.
- The working group and task and finish group had been helpful in formulating the climate change action plan. It had also helped with the tree planting policy and the new local transport and connectivity plan.
- The work of the groups had now transferred over to the Climate Change and Environment Scrutiny Committee. The committee would look at developing a consultation plan along with reviewing the Councils energy plan.
- Cycling rates had reduced in the past few years, mainly as a result of the pandemic and people working from home. Officers were working on plans to try and increase cycling rates across the city, including changing behaviours to encourage more cycling.
- The Council was committed to active travel, this included redeveloping the station quarter and creating a further bridge. In addition, statistics had shown that there were 15,000 car movements a day over Crescent Bridge compared with 221 bike movements.

Cabinet considered the report and **RESOLVED** to:

1. Agree to close the Climate Change Working Group
2. Agree to close the Cycling and Walking Working Group

### **REASONS FOR THE DECISION**

It was recommended that the Climate Change Working Group close as the function would now be covered by the newly established Climate Change and Environment Scrutiny Committee. It was recommended that the Cycling and Walking Working Group close, as the function would now be covered by the newly established Cycling and Walking Task and Finish Group.

### **ALTERNATIVE OPTIONS CONSIDERED**

The alternative option was to not cease the Climate Change Working Group, however this was rejected as this would lead to duplication between the working group and scrutiny committee.

The alternative option was not to cease the Cycling and Walking Working Group. The time-limited Task and Finish group was resolved to be the most appropriate

mechanism to discuss the LCWIP and rural cycling strategy by the Climate Change and Environment Scrutiny Committee. Beyond these projects, there are no future programme of projects that will require input from a working group and so it is proposed that Cabinet close the Cycling and Walking Working Group.

### **30. BUDGET CONTROL REPORT JUNE 2022**

The Cabinet received a report in relation to the Budget Control Report June 2022.

The purpose of this report was to provide Cabinet with the forecast outturn for 2022/23 as at June 2022 budgetary control position.

The Cabinet Member for Finance and Corporate Governance stated that at the current time there was a net overspend of around £0.2 million. There was good news however in terms of Council Tax and Business Rates collections.

Cabinet Members debated the report and in summary responses to questions raised included:

- Business support was provided by SERCO, there were plans in place to look at how this could be delivered differently.
- A number of Councils had challenged the Government in terms of trying to get grant money back, this was still something that needed to be looked at.

Cabinet considered the report and **RESOLVED** to note:

1. The budgetary control position for 2022/23 at 30 June is a forecast overspend of £0.2m position.
2. The key variance analysis and explanations are contained in section 5 and Appendix A.
3. The Council's performance with respect to Business Rates (NNDR) and Council Tax Collection, as outlined within Appendix B
4. The Council's capital financial performance as outlined in Appendix C.

Cabinet considered the report and **RESOLVED** to approve:

5. Capital Budget virements as outlined in Appendix C, these include:
  - a. £0.105m – The Market
  - b. £0.750m- Green Wheel Project

### **31. OUTCOME OF PETITIONS**

The Cabinet received a report in relation to the outcome of petitions.

The purpose of this report was to update Cabinet on the progress being made in response to petitions submitted to the Council.

Cabinet considered the report and **RESOLVED** to note the actions taken in respect of petitions.

### **REASONS FOR THE DECISION**

As the petitions presented in this report had been dealt with by Cabinet Members or officers, it was appropriate that the action taken was report to Cabinet.

**ALTERNATIVE OPTIONS CONSIDERED**

There had been no alternative options considered.

Chairman

10.00am to 11:05am  
20 September 2022

**MINUTES OF THE EXTRAORDINARY CABINET MEETING  
HELD AT 4:30PM, ON  
FRIDAY 30 SEPTEMBER 2022  
COUNCIL CHAMBER, TOWN HALL, PETERBOROUGH**

**Cabinet Members Present:** Councillor Fitzgerald (Chair), Councillor Steve Allen (Vice-Chair), Councillor Ayres, Councillor Cereste Councillor Coles, Councillor Howard, Councillor Simons

**Cabinet Advisor Present:** Councillor Bisby, Councillor Hussain, Councillor Gul Nawaz

**32. APOLOGIES FOR ABSENCE**

There were apologies for absence received from Councillor Sainsbury, Councillor Jackie Allen, and Councillor Moyo.

**33. DECLARATIONS OF INTEREST**

No declarations of interest were received.

**34. SUSTAINABLE FUTURE CITY COUNCIL STRATEGY AND PRIORITIES 2022 TO 2025**

The Cabinet received a report in relation to the Sustainable Future City Council Strategy and Priorities 2022 to 2025.

The purpose of this report was to set out the proposed direction of travel for the leadership, design and organisation of Peterborough City Council so that it could deliver the administration's long-term vision for the City and the four priority outcomes as set out in the Sustainable Future City Council Strategy 2022 to 2025 and the Council's response to our City's challenges as outlined in the accompanying City Priorities.

The Chief Executive and the Sustainable Future City Council Director introduced the report and advised that the Strategy had been data and intelligence lead. The Strategy set out four clear priorities which would drive the culture of the organisation and inform quarterly monitoring reports to Council. The Corporate Strategy set out a narrative for the state of the city, and the priorities made clear the Council's response on how it would deliver.

Cabinet Members debated the report and in summary responses to questions raised included:

- Members were advised that the Strategy was developed over four months, following a review of 100 themes of data and 2,000 different data sets.
- The seven-step process included a high level needs assessment, pandemic impact assessment, assessment of the impact of fiscal projections, reviewing the projected trends of the city, considering the current and planned government policies and reform, and taking into consideration

recommendations from the Independent Improvement and Assurance Panel, the LGA and from Members.

- It was noted that the priorities were fully funded and could be delivered within the Council's financial envelope. These focused on three key areas: reducing demands before crisis, generating income opportunities, and maximising economic growth by attracting businesses.
- It was advised that the improvement work of the Council was also about culture change and whether the Council had its skills and resources in the right place.
- The Cabinet would continue to review performance against the Strategy and agreed operating models on a quarterly basis.
- It was suggested that the wording be changed within the Strategy to refer to the 'City Council' rather than the 'City' to avoid any confusion about whether the Strategy applied to rural wards.
- It was noted that there were residents in the region who could contribute and engage with economic growth.
- Members further noted that there were a range of opportunities available to the Council and city going forward, particularly around growth, investment and start-up businesses.
- It was hoped that the Council could facilitate the upskilling of the Peterborough workforce and become a growth centre for development.

Cabinet considered the report and **RESOLVED** to endorse the City Council's "Sustainable Future City Council Strategy 2022-25" and its accompanying "City Priorities", both artifacts which were attached as an appendix to the report, and to recommend to Full Council for approval.

## **REASONS FOR THE DECISION**

The decision and subsequent work following from this report would address the financial challenges of the City Council in the medium and long term and enable it to develop plans required to set a viable Medium Term Financial Strategy to become a Sustainable Future City Council.

## **ALTERNATIVE OPTIONS CONSIDERED**

The alternative option was to continue to assign annual cash limits within a reduced financial envelope, without transforming the way the Council operated– this was believed to be an unsustainable position, financially and operationally.

Chairman  
4.30pm to 4.52pm  
30 September 2022

<b>CABINET</b>	<b>AGENDA ITEM No. 5</b>
<b>17 October 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Executive Director of Resources and S151 Officer	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Cecilie Booth, Executive Director of Resources and S151 Officer Patricia Phillipson Interim Director: Financial Services & DS151	Tel. 452520

### **MEDIUM TERM FINANCIAL STRATEGY 2023-2026 QUARTER 2 UPDATE**

<b>RECOMMENDATIONS</b>	
<b>FROM: Cabinet Member for Finance and Corporate Governance</b>	<b>Deadline date: N/A</b>
<p>It is recommended that Cabinet notes:</p> <ol style="list-style-type: none"> <li>1. The revised assumptions included within this quarter two Medium-Term Financial Strategy 2023-2026 update as outlined within Appendix A of the report</li> </ol>	

#### **1.0 ORIGIN OF REPORT**

1.1 This report comes to Cabinet as part of the Council's process for developing a Medium Term Financial Strategy and budget setting process.

#### **2.0 PURPOSE AND REASON FOR REPORT**

##### **2.1 Purpose**

This report is submitted for Cabinet to consider under its Terms of Reference No. 3.2.1, "To take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to delivery excellent services."

##### **2.2 Background**

The Council's Medium Term Financial Strategy (MTFS) financial assumptions will be reviewed and updated on a quarterly basis to provide an accurate and up to date position, reflective of the financial challenges facing the Council. An MTFS and associated strategies such as the capital and treasury management strategy will be published in December and will be supported by an annual budget plan which will set the revenue and capital budgets for the following financial year.

The MTFS forms a key part of the Council's Performance and Improvement Framework. This aims to demonstrate that the Council's finances over the medium term are secured to deliver the Council's priorities over the next three years from 2023/24 to 2025/26. Preparation of an MTFS is good financial practice. It's an important part of understanding the Council's financial challenges and risks, its financial resilience, and sets out the strategy to deliver long term financial sustainability and viability. The key objectives of the MTFS are:

- To ensure that effective financial planning and management contributes to the Council achieving the corporate priorities
- To ensure that the Council is financially resilient, stable and sustainable for the future
- To maximise the income from Council Tax, Business Rates, and Fees and Charges to support the priorities of the Council
- To continue to improve value for money – managing our people and money more efficiently and effectively to continue to improve value for money, standardise, streamline and share best practice, getting better value from commissioning and procurement, whilst seeking to minimise the impact of budget savings on priority services

The following diagram sets out the overall approach and translates this into tangible activity through a single Performance & Improvement Framework.



At Cabinet meeting on 30 September, the new corporate priorities and accompanying corporate strategy were approved. The council is currently working on detailed plans around the 4 key priorities:

1. **The Economy & Inclusive Growth** - maximising economic growth and prosperity for Peterborough as a City of Opportunity, and do so in an inclusive and environmentally sustainable way, together with our City partners and communities.
2. **Our Places & Communities** – creating healthy and happy environments where people want to live, work, visit and play, enabled by effective community engagement and strong partnerships.
3. **Prevention, Independence & Resilience** - moving from responding to crisis to prevention by helping & supporting individuals and families early on in their lives before they reach crisis.
4. supported by a **Sustainable Future City Council** - adjust how we Work, Serve and Enable, informed by strong Data & Insight capability and led by a culture of strong Leadership.

These are further expanded on in the following diagram:



The starting point of delivering against this is the challenge of finding significant savings for 2023/24 and the coming years to provide for the required long term financial sustainability. We will do this by managing demand and helping and supporting people before they reach crisis point while finding ways to tackle inequality in our communities by maximising economic growth that benefits everyone.

### 2.3 Overview- Future Sustainable Council

It is recognised that the financial landscape is constantly changing, and this has not been more apparent than in recent years with the outbreak of a worldwide pandemic, the Ukrainian War, soaring rates of inflation and the cost of living crisis. On 23 September the chancellor published a mini budget and growth plan setting out the direction of travel for government taxation and spending, making it clear there is a risk of further cuts in public spending. A Medium-Term Fiscal Plan is expected to be published in November, which will set out the details on the governments fiscal rules and the latest OBR economic forecast with a Budget expected in Spring 2023.

At the same time the Council's financial challenge has also developed due to underfunding, rising cost of delivering services and exposure to greater levels of risk and low financial resilience, resulting from its low reserve balances. However, the Council has made some positive steps by:

- Ending 2021/22 financial year with a £4.5m underspend which has helped the reserves balances and will enable the Council to invest in transformational change in service delivery and provide greater risk mitigation.
- Setting a balanced budget for 2022/23 albeit with a challenging savings programme.
- Progressing work on identifying opportunities to deliver financial sustainability over the short, medium and longer term.

The financial operating context for the Council, like many other local authorities, remains highly challenging with new uncertainties, such as Adult Social Care and funding reforms, and additional pressures such as the exposure to rising rates of inflation. This quarter 2 MTFS 2023-2026 report, provides an update on the overall financial position and reflects the financial impact of these risks on the Councils budget position.

Since the quarter 1 MTFS update, the budget gap in 2022/23 is forecast to rise to £21.7m, from £9.5m (reported to Cabinet on 11 July). The following key assumptions have been revised:

- **Inflation:** has continued to rise since the Quarter 1 update, with the forecast 2023/24 rates of CPI rising from 8.8% to 13.1%.
- **Pay award:** Employers offer made an offer in July of a £1,925 increase to all NJC salary SCP's. The Council, like many others built the 2022/23 budget on the assumption the pay award would be circa 2%. If this offer is agreed, it will create an ongoing £2m budget pressure. (Being mitigated by use of the inflation reserves in 2022/23)
- **Savings update:** Although the savings position in the current year has improved due to the identification of one-off mitigations, future years' remains a risk, with officers working on long term plans to fully deliver on the savings target.
- **Business Rate Pool:** The Council has been part of the Cambridgeshire Business Rates Pool since 2020/21. This has brought additional Income to each Local Authority included within the pool. However, the income expected to be received from 2023/24 onwards is less than originally forecast due to a review of the gain distribution.

The following table outlines at a high level the forecast budget gap over the life of the MTFS:

<b>Budget Gap</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Funding	181,852	192,906	198,678	204,909
Net Revenue Expenditure (NRE)	181,852	214,642	230,590	239,352
<b>Aggregated Budget Gap</b>	-	<b>21,736</b>	<b>31,912</b>	<b>34,442</b>
<b>Aggregated Budget Gap breakdown</b>		<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
2023/24		21,736	21,736	21,736
2024/25			10,176	10,176
2025/26				2,530
<b>MTFS Quarter 2 Budget Gap</b>	-	<b>21,736</b>	<b>31,912</b>	<b>34,442</b>
<b>MTFS Quarter 1 Budget Gap (for info)</b>		<b>9,520</b>	<b>12,876</b>	<b>15,122</b>

Appendix A outlines the full Medium Term Financial Strategy quarter two update which includes details on the following:

- Revised expenditure and funding assumptions
- Sensitivity analysis
- Strategic Direction and Proposals for 2023/24- 2025/26
- Budget Risks

## 2.4 Moving forward

Key work streams have been established for delivering a balanced budget and longer term sustainable MTFS, these will work in tandem with each other under the direction of each strategic director.

- Cash Limits to focus the conversation and conduct a detailed budget review across all service areas
- Service Design Transformation
- Council Priorities Transformation
- Restructures- CLT and within directorates

A series of Budget CLT workshops are ongoing which have identified where both investment and savings are needed to achieve financial sustainability and meet the needs of the public. The focus now is to work collaboratively and not in service area isolation.

There will be a redesign of services, in line with the new corporate plan, looking at this in more detail and programmes of transformation will be implemented. Specialist resources will be joining to support the design phase over a period of six months to design and plan programmes of transformation around our four priorities. The priority and programmes governance framework including reporting will be established.

## 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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Further updates on the Medium Term Financial Strategy, and the Budget for 2022/23 will be reported on the following dates:

Timescales	Update
11 July - Cabinet	MTFS Quarter 1 Update ✓
17 October- Cabinet	MTFS Quarter 2 Update ✓
9 January - Cabinet	MTFS Quarter 3 Update
13 February- Cabinet 23 February- Council	<b>Budget Setting meeting:</b> MTFS Quarter 4 Update (if required) Treasury Management Capital Strategy Reserves Strategy Budget Setting Report, including: <ul style="list-style-type: none"> <li>• Council Tax Resolution</li> <li>• Revenue and Capital Budgets for the following year</li> <li>• Section 25 Statement (LG Act 2003, robustness of estimates and adequacy of reserves)</li> </ul>

In addition to the above, all budget proposals including Savings, investment and revised financial assumptions are considered within the following groups before being included within the final report:

- **Budget- Corporate Leadership Team (CLT)**- made up of the Council’s Corporate Directors and Finance Officers as support
- **Cabinet Policy Forum (CPF)**- informal meeting of Cabinet
- **Financial Sustainability Working Group (FSWG)**- Cross Party working group focussed on supporting the delivery of financial sustainability for the Council. The Terms of Reference for this group are included within the Budget Policy Framework Rules.

#### **4.0 CONSULTATION**

4.1 This report seeks to provide Cabinet with an update on the Councils MTFS, and no formal recommendations are being made which require consultation.

Additionally, the Council will be launching a Budget Simulator tool on the website for a 6 week period from 17 October. The budget simulator is easy to use and will allow residents, businesses and members to gain a greater understanding of what we spend our money on, and how reducing expenditure or investing in services has consequences, or benefits for the Council and residents. Users will also have the opportunity to provide comments and ideas. This will help the council understand what is important when we consider our budget proposals later this year.

The results of the consultation will be published within the MTFS Quarter 3 update on 23 December.

#### **5.0 ANTICIPATED OUTCOMES OR IMPACT**

5.1 For Cabinet to note the revised Medium Term Financial Strategy assumptions outlined within the report.

#### **6.0 REASON FOR THE RECOMMENDATION**

6.1 This report provides an update on the Council’s Medium Term Financial Strategy and will support the delivery of the Council setting a lawful and balanced budget for 2023/24.

#### **7 ALTERNATIVE OPTIONS CONSIDERED**

7.1 No alternative option has been considered.

#### **8.0 IMPLICATIONS**

##### **Legal Implications**

8.3 At this time there are no legal implications arising from this report. This is an item to note revised MTFS assumptions. When it comes to making a formal budget decision in February 2023, at this point the Council is under a legal duty to meet the full requirements of Section 31A of the Local Government Finance Act 1992, which includes the obligation to produce a balanced budget.

##### **8.4 Human Resources implications**

No specific implications in this report.

##### **8.5 Equality Impact Assessments**

No specific implications in this report.

##### **8.6 Carbon Impact Assessments**

The report contains no proposals for changes to service delivery and therefore there is no decision to take which may impact carbon emissions of the council or the city.

**9.0 BACKGROUND DOCUMENTS**

No specific background documents used.

**10.0 APPENDICES**

11.1 Appendix A – Medium Term Financial Strategy 2023 – 2026 (Q2 update)

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## Appendix A - Medium Term Financial Strategy 2023 – 2026 (Q2 update)

### 1. Executive Summary

This report outlines the latest forecast position over the life of the Medium Term Financial Strategy (MTFS) based on a set of financial assumptions which have been updated to provide an accurate reflection of the financial challenge facing the Council. The revised position outlines a **forecast budget gap of £21.7m in 2023/24**, a significant increase on the £9.5m budget gap reported in the Quarter 1 update in July. This increase has been driven by the following developments:

- **Inflation:** has continued to rise, with the rates of CPI incorporated within this report increasing to 13.1% from 8.8% (in quarter 1). Some sources even reporting this could reach rates of 18% by the end of 2022.
- **Pay award:** Employers made an offer in July of a £1,925 increase to all NJC salary SCP's. The Council, like many others built the budget on a 2% pay award assumption. If this offer is agreed, it will create an ongoing £2m budget pressure. (Being mitigated by use of the inflation reserves in 2022/23)
- **Savings update:** Although the savings position in the current year has improved due to the identification off one-off mitigations, future years remains a risk, with officers working hard on long term plans to fully deliver on the savings target.
- **Business Rate Pool:** The Council has been part of the Cambridgeshire Business Rates Pool since 2020/21. This has brought additional Income to all of the Local Authorities included within the pool. However the income expected to be received from 2023/24 onwards is less than originally forecast due to a review of the gain distribution.

The budget position is summarised in table 1, outlining a breakdown of how the gap changes each financial year followed by a summary of the key assumptions. It should be noted that Council identifies ongoing proposals to address the budget gap, the future years will reduce accordingly.

<b>Table 1: Budget Gap</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Funding	181,852	192,906	198,678	204,909
NRE	181,852	214,642	230,590	239,352
<b>Aggregated Budget Gap</b>	-	<b>21,736</b>	<b>31,912</b>	<b>34,442</b>
<b>Aggregated Budget Gap breakdown</b>		<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
2023/24		21,736	21,736	21,736
2024/25			10,176	10,176
2025/26				2,530
<b>MTFS Quarter 2 Budget Gap</b>	-	<b>21,736</b>	<b>31,912</b>	<b>34,442</b>
<b>MTFS Quarter 1 Budget Gap</b>		<b>9,520</b>	<b>12,876</b>	<b>15,122</b>

#### Key assumptions

- Pay award 3% pa (2023/24-2025/26) in addition to an ongoing £2m pressure as a result of the 2022/23 pay award
- Inflation in expenditure and Sales Fees and Charges income: 2023/24 – 13.1%, 2024/25 – 5.5%, 2025/26 – 1.4%

- Risk to the delivery of savings plans in 2023/24 - £5.3m
- Demographic and Volumatic service demand – 3% pa
- NNDR – increases based on business growth and inflation as per legislation
- Revenue Support Grant – no increase
- Council Tax – 2.99% pa and 1000 new homes per annum
- New Homes Bonus – reducing
- Business Rate Pool- continuing, but with a reduced dividend
- Adult Social Care Grant – We are expecting grant levels to be confirmed in December following the Fair Cost of Care submissions, but this will result in corresponding expenditure
- No increases on the following
  - Improved better care fund
  - Social care grant
  - Services grant

These are outlined in more detail within the report.

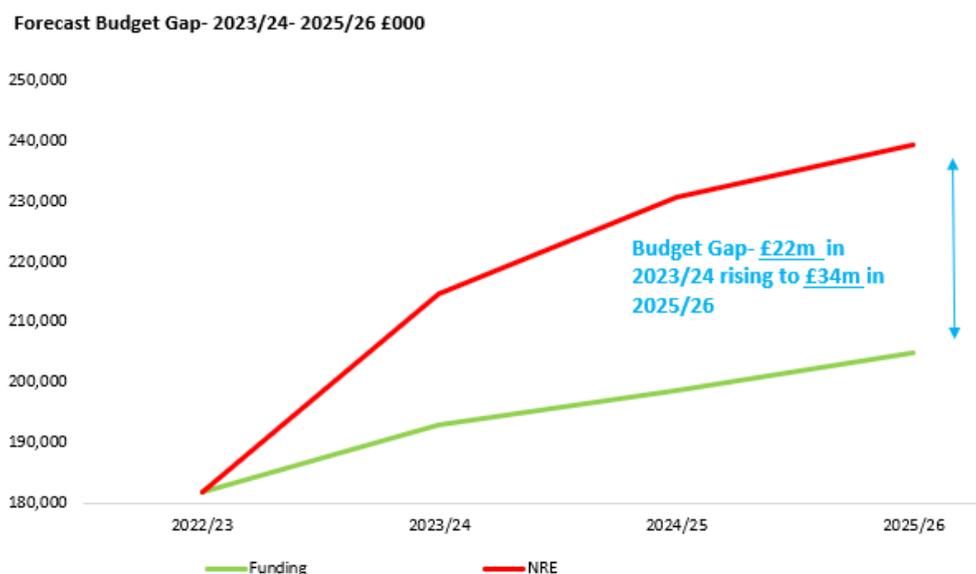
## 2. The Financial Challenge

The council's financial challenge can be characterised into three core elements, revenue, reserves and capital, with these being summarised in the following sections.

### Revenue challenge

The Council's financial challenge has developed over the years due to underfunding, exposure to greater levels of demand and reliance on one off solutions in order to set a balanced budget. The key priority for the Council is to drive forward a balanced and sustainable budget for 2023/24- 2025/26, but this doesn't come without underlying challenges. These are summarised in the following points:

- Core Government **funding remains flat** as per the spending review 2021, with the additional risk of further cuts as indicated within the Chancellors mini budget on 23 September.
- Risk of a shortfall on savings plan delivery in 2023/24- **£5.3m**
- Inflationary pressures - forecast assumes **13%** by the end of 2022, but other sources predict this could reach as high as 18% - this is driving up costs (inflation risk reserve to mitigate immediate exposure)
- **72%** of the Council's budget represents debt and social care costs:
  - Cost of Debt financing equates to **16%** of Net Revenue Expenditure (NRE) with interest rates expecting to rise and the council having some loans maturing and requiring refinancing over the period of the MTFS.
  - Demand led budgets including Adult Social Care and Children's Social Care represent **56%** of NRE.
- Financial Risk as a result of the Adult Social Care Reforms.
- Forecast budget gap of **£22m** in 2023/24 rising to **£34m** by 2025/26. The gap between the Councils funding and expenditure budget is outlined in the following graph:



### Capital Challenge

The Council has an ambitious capital programme, but at the same time its balance sheet health is poor with borrowing totalling £446m at 30 September 2022, which also puts a significant pressure on the Councils revenue budget. The Council recognises it needs to invest in the City to encourage economic development and provide vital services such as school places and infrastructure, but these need to be prioritised, within the context of the Councils financial position. The following points summarise the Capital challenge the Council faces:

- For every £10m borrowed to fund Capital expenditure it costs £0.8m per year, in revenue.
- Savings included within the 2022/23 MTFs, were based on no additional borrowing over next 3 years (other than refinancing of maturing loans). It is assumed that capital receipts and external grants will be used to fund the programme

### Reserves Challenge

The council has been exposed to greater levels of risk and low financial resilience, resulting from its low reserves balances and limited ability to fund transformational change. It recognises that in order to become financially sustainable in the future investment will be required to support the transformation of services, in particular in the following areas:

- Capacity to deliver
- External Expertise and Advice
- Feasibility
- Maximisation of Technology
- Physical and Economic Development of the City

At the end of 2022/23 revenue reserves balances were £60m (summarised in table 2), but once accounting for commitments, ringfenced/risk reserves and the general fund, only £20.3m of Innovation Delivery Fund is available for investment in programmes to drive the change required to become sustainable.

An inflation reserve totalling £4.7m was established at the end of 2021/22, in recognition of the need to mitigate potential immediate pressures arising from inflation rates and associated economic climate, whilst longer term plans are developed as part of future years MTFs. The Council

operates an Energy Recovery Facility (ERF) and receives income as a result of selling the electricity it generates. Due to the current energy market this income is forecast to be £7.2m in excess of budget and this will contribute to the inflation reserve and used to mitigate rising inflationary pressures including energy costs. As it stands the Council has already identified an estimated £6.5m of emerging inflationary pressures and risks as a result of rising fuel and electricity costs, and index linked care contracts costs, leaving a balance of £5.4m to mitigate further arising pressure.

Table 2: Reserves Summary	Bal at 31.03.22	Est Bal at 31.03.23	Est Bal at 31.03.24	Est Bal at 31.03.25
	£000	£000	£000	£000
General Fund	7,300	7,300	7,300	7,300
Usable Reserves (Innovation and Departmental)	30,004	22,596	22,115	22,115
Risk and Volatility Reserves *	6,693	7,383	7,383	7,383
Local Tax Income Risk Reserve	12,307	7,636	7,636	7,636
Ring-Fenced Reserves	4,183	3,898	3,387	3,150
<b>TOTAL Earmarked and General Fund Balance</b>	<b>60,488</b>	<b>48,813</b>	<b>47,821</b>	<b>47,584</b>

*\*includes the inflation Risk Reserve*

The Council will ensure the financial decisions taken will strike a balance between investing wisely to maximise return, meeting its strategic priorities and seeking to improve its balance sheet health and resilience by replenishing balances. Guidelines will be outlined within a Reserves Strategy and Policy which has already been drafted and will be considered by the Audit Committee on 17 October to allow formal review and feedback, prior to the final version which is expected to be published as part of the MTFS in December.

### 3. Future Sustainable Council- Strategic Direction for 2023-26

On 30 September Cabinet approved a proposed direction of travel for the leadership, design and organisation of Peterborough City Council so that it can deliver the administration's long-term vision for the City and the four outcomes as set out in the "[Future Sustainable Council Strategy 2022-25](#)" and the Council's response to our City's challenges as outlined in the accompanying "[City Priorities](#)" as outlined in the following illustration:



The Council was one of the Councils who were offered Exceptional Financial Support (ability to borrow to fund revenue) from the Department of Levelling Up Housing and Communities during 2021/22 due to the significant financial challenge it was facing. Much progress has been made since then, including:

- Ending 2021/22 financial year with a £4.5m underspend which has helped the reserves balances and will enable the Council to invest in transformational change in service delivery and provide greater risk mitigation.
- Appointing a panel of independent experts - the Peterborough City Council Independent Improvement and Assurance Panel (PCCIAP) – to provide external advice, challenge and expertise to Peterborough City Council in driving forward the development and delivery of our improvement plan and priorities.
- Appointing a new Chief Executive and restructuring the Corporate Leadership Team.
- Setting a balanced budget for 2022/23 albeit with a challenging savings programme.
- Set up our Sustainable Future City Council Strategy and Improvement Plan within the Council to re-examine every aspect of what the council does and how we are organised – and then capitalise on the opportunities presented to us by the City.

The Council focus is now set on developing detailed Service Delivery Plans, backed by outline business cases. These will set out the milestones and desired outcomes the Council is aiming to achieve in order to deliver the four city priorities. At the same time work to deliver a balanced budget and set a MTFS will continue to be progressed and includes identifying opportunities to deliver financial sustainability over the short, medium and longer term.

The funding pressures the Council faces are only part of our problem, as noted in section 2 the Council faces pressures as a result of rising demand, soaring rates of inflation and its overall financial resilience due to lower than average reserves balances. As part of delivering the Future Sustainable Council Strategy, the Council will:

1. As part of the Council's improvement journey it will continue to look for ways to reduce spend and get a better deal from those organisations the Council relies on to provide services and our **supply chain** - pushing too far will have a direct, negative impact on our local suppliers and local employment.
2. Continue to **transform** the way services are delivered, doing things differently in a way that improves outcomes and doing more for less or have somebody else doing it cheaper - this has worked for some of services, but the Council is bringing back in-house service delivery where these have fallen short of our expectations.
3. Our **capital receipts** programme will reduce the risk of future interest rates exposure and increasing our cost of borrowing. While this is vital to achieve financial sustainability, selling assets may diminish our opportunity to benefit from future returns.
4. The Council can continue to **stop** 'non vital' services or **charge** more - this can only be done within the limits of consultation and our statutory obligations to those who need our help & support the most.

This is not only about money, our long-term financial resilience rests on our ability to **manage demand** and help and support people before they reach crisis point while finding ways to improve outcomes and to tackle inequality in our communities by maximising economic growth that benefits everyone.

The starting point is the challenge of finding significant savings to provide long term financial sustainability- This will mean balancing the identification of shorter-term savings which can be delivered in 2023/24, whilst at the same time considering plans for the medium and longer term which will achieve financial sustainability. Recognising these differing timescales, a number of workstreams have been initiated by the Corporate Leadership Team (CLT) to deliver this.

### Shorter-term (Survive & Save)



The short-term approach has involved setting cash limit targets across all departments. Over the summer officers have been working on plans to deliver their services within these, with these being reviewed in a series of check and challenge sessions workshops with the Extended CLT throughout September. These sessions resulted in a number of agreed actions which are now being worked on alongside the development of outline business cases.

Other options being considered include:

- Review of outsourcing arrangements with a view to streamlining services :
  - NPS: as reported to Cabinet in July the Council has now given 12 months notice on this arrangement and are working on a project to bring back in house this service.
  - Opportunity Peterborough: is in the process of being brought back in house.
  - Serco: The Council is working with Serco to negotiate the contract and transform services included. One of the immediate changes will be to insource the Procurement team, which will take place as soon as 31 October 2022.
- Review of all current contracts and procurement arrangements including:
  - Procurement Board oversight of all new contracts and contract renewals
  - A Procurement specialist has been recruited to drive forward this programme

- Developing an inflation strategy will be key to mitigating further rising pressures and reducing the predicted £21.7m budget gap.
- Review of the workforce with a view to the deletion of vacant posts following an establishment review.
- Review of all Sales, Fees and Charges, rents and commercial opportunities (expected to be reported to Cabinet in November).
- Review of Investment Strategy.
- Review of Council Tax Premiums, Discounts and Local Council Tax Support Scheme.
- Review of teachers pensions overpayments and Amey Pension Surplus (£6m)

### Medium-Term (Strive & Improve)



For the Medium term there have been a number of workshops with the Extended leadership Team, supported the Independent Assurance and Improvement Panel members. These have been set with a focus on identifying key cross cutting transformational opportunities across the Council, which could deliver medium to longer term financial benefits. Again the first stage of these ('ideas on a page') have been developed and are in the process of being reviewed by the CLT before being progressed to the next phase to ensure ideas are inline with the Councils Corporate priorities and resource is prioritised appropriately to deliver.

### Longer-term (Thrive & Plan)



These options will require investment and will take longer to embed new practices, and thus see the financial benefits. This will include:

- Focus on Managing Demand, prevention and early intervention
- Embedding Data insight to enable the Council to best support the needs of residents
- Service Delivery Plans, aligned to the 4 city priorities and embedded within a the new Strategy performance framework.
- Workforce Planning

## 4. National Context & Risks

Since the MTFS Quarter 1 report in July, the political landscape has much changed with the appointment of a new Prime Minister together with an almost entirely new cabinet, resulting in Greg Clark becoming the minister for the Department of Levelling up Housing and communities (DLUHC). This will be the department's 12th minister since 2005, demonstrating the level of instability in leadership and direction - reflected within the continued delay in policies, and multiple funding pots available.

### Mini Budget & Growth Plan

On 23 September the Chancellor announced a mini budget and growth plan. In his statement, he outlined he 'wants debt to be falling as a proportion of GDP and for public finances to be

sustainable'. But with the announcement focusing on taxation reductions, it is likely this will mean cuts to current spending plans. The headlines of the announcement include:

- National Insurance (Social Care Levy) increase of 1.25% removed from 6 November (it is expected that all government departments including local government will have their funding reduced to remove the additional funding given by the government to cover this expense in 2022/23).
- 40 investment zones which will attract measures such as business rates reliefs, stamp duty reductions, lower national insurance rates for employers etc. The Council is now working on a bid to secure one of these zones to boost growth.
- New legislation to cut planning rules, get rid of EU regulations and environmental assessments in an effort to speed up building.
- IR35 reforms introduced in 2017 and 2021 will be scrapped and a new reform will be produced.
- Energy caps confirmed:
  - £2,500k personal cap confirmed to help with Cost of Living
  - 6-month Emergency price cap package announced for businesses from 1<sup>st</sup> October 2022, capped at £211 and £75 Megawatt hour for electricity and gas respectively.
- Other Tax reductions including a cut in Income tax by 1% to 19%, scrapping the additional 45% rate of income tax (over £150k) and the scrapping of the planned corporation tax increase.

The Chancellor has confirmed that a Medium-Term Fiscal Plan will be published on 23 November which will set out further details on the government's fiscal rules and outline a full economic forecast, from the Office of Budgetary Responsibility (OBR), also confirming there will be a spending review in Spring 2023.

Notably missing from the announcement was any reference to business rates and whether the multiplier will be capped or frozen. This could be confirmed as late as December, within the Local Government Provisional Settlement, which creates additional difficulties for Local Authorities budget planning.

### Adult Social Care & Funding Reforms

For a number of years, the Local Government sector has been anticipating the implementation of major structural changes within the funding system, to reflect changes in relative need, resources and the continuing pressures, such as those most noticeable within Adults and Children's Social Care budgets. These funding reforms (also referred to as Fairer Funding Review) and Business Rates Reforms have been further postponed and will not be implemented until 2024/25, at the earliest. This means Local authorities across the country continue to operate with uncertainty around its future funding levels, at the same time the gap between funding levels and need grows increasingly wider. The recently published 2021 census data demonstrates this with the population in Peterborough having increased by 17.5% since 2011, much higher than the national picture at 6.6%.

The Government recently published 'Build Back Better: Our Plan for Health and Social Care' and 'People at the Heart of Care: Social Care Reform', which outline significant legislative changes to Adult Social Care and are currently planned to come into effect from October 2023.

Whilst the key changes are associated with the introduction of a cap on care costs, changes to financial means testing and the Fair Cost of Care will bring significant new financial implications for

the Council. The reforms bring wider changes including Care Quality Assurance, carers support, new models for housing and care and a focus on digitalisation and technology.

These changes bring significant challenge and will be extremely challenging to deliver both in terms of complexity and cost. The reforms will likely lead to increased demand for already stretched services, requiring significant increases in operational capacity and further pressure on our budgets.

Overall, an early analysis of the reforms put the additional ongoing cost to the Council to be in the region of £5.6m-£5.8m in 2023/24, rising further in subsequent years (County Councils Network (CNN) and Newton Europe 'Preparing for Reform'). These figures exclude the costs of making the changes needed to implement the reforms.

Whilst the Council is expecting funding to support implementation of the changes, we don't yet have confirmed allocations and the scale of any potential funding gap at this stage. Nationally, it is reported that there is likely to be a gap in the region of £10bn for social care.

The government has also published Child Safeguarding Practice Review Panel Report: National Review into the murders of Arthur Labinjo-Hughes and Star Hobson and an Independent Review of Children's Social Care which will include a number of national recommendations, which will require local authorities and other partners to implement.

All of these reforms and reports will bring significant financial and operational difficulties that Local Authorities nationally will need to work through.

### Risks

The Council assesses financial risks as part of its budget setting process and regular Budgetary Control Review. The Council also has a Risk Management Board, led by the Assistant Director, Customer & Digital Services which is set up to challenge and support risk management across the Council and partner organisations. The output from this Board is considered regularly at Audit Committee. Some of the key risks identified will naturally have a knock on impact on the Council's financial position. These include:

- **Rising Inflation** including rising energy costs and the increasing cost of living.
- The impact of the Economy on the **Councils income streams**- Council Tax & NNDR (of which now equates to 82% of the Council's core funding) and Sales, Fees and Charges
- **Ukrainian War** and the wider impact on the economy, supply chains, energy and demand for services.
- **Increased service demand**- which could increase as a result of ASC reforms and the cost of living crisis
- Implementation of recommendations outlined within the **Child Safeguarding Practise Review Panel Report & the Independent Review of Children's Social Care**
- **NHS integration**- Integrates Care System (ICS)- and the risk resulting from health also looking to make savings.
- Brexit
- Climate Change
- **Adult Social Care Reforms** (further information in the previous section)

## 5. Detailed Assumptions

This section outlines the detailed assumptions incorporated within this MTFS update.

The key financial assumptions over the life of the MTFS have been reviewed and revised where appropriate. Stress testing these is increasingly important in present times given the speed of recent economic changes. As part of this sensitivity analysis nine scenarios have been considered, with the following graph summarising the outcome of these. The range of budget gap in 2023/24 spans from £15.4m and £28.7m, a £13.3m difference. This report is working to the midpoint assumption (represented by the red line below) which identifies **gaps of £21.7m in 2022/23, £31.9m in 2024/25 and £34.4m in 2025/26:**

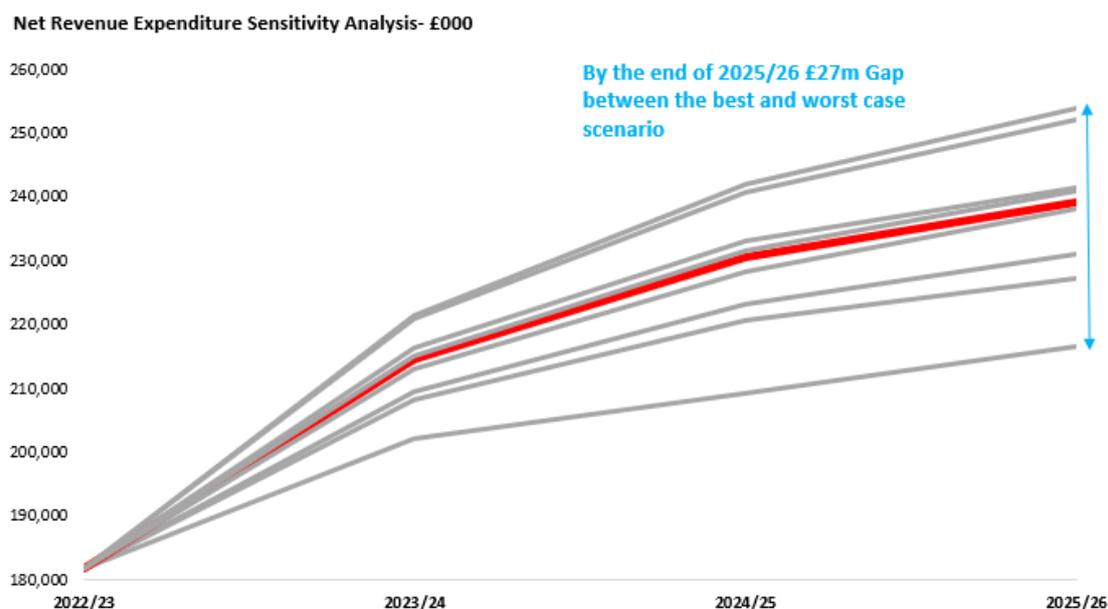


Table 3 summarises the forecast Net Revenue Expenditure budget, the assumptions included:

<b>Table 3: Expenditure assumptions</b>			
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Pay Award	3%	3%	3%
Inflation- based on CPI forecast for (BoE August monetary report)	13.1%	5.5%	1.4%
Risk of a Shortfall on the Savings delivery	Savings categorised as High Risk for 2023/24		
Sales, Fees and Charges/Income Generation - based on CPI forecast (BoE August monetary report)	13.1%	5.5%	1.4%
Demographic and volumetric service demand	3%	3%	3%

**Savings delivery-** The 2022/23 budget incorporates £16.7m savings which rises to £17.5m in 2023/24, as a result of an increase in savings targets relating to Culture & Leisure, Serco and City College Peterborough. The following table outlines the latest risk RAG rating, highlighting that £2.0m of savings plans are currently high risk in 2022/23, with £5.3m in 2023/24, this is due to a number of one-off mitigating solutions being identified in the current year and therefore not recurring.

Due to the nature of this risk highlighted in 2023/24 the anticipated shortfall in delivery has been built into the budget gap from 2023/24 onwards. However, the delivery of these savings plans

remains a high priority and focus for the Councils Corporate Leadership Team, therefore, this will be reviewed and updated as part of the quarterly MTFS update.

**Table 4: Current Savings Programme Risk Rating**

Rag	Savings	2022/23 £000	2023/24 £000
Blue	Saving Realised	(4,594)	(3,812)
Green	Saving forecast to be realised as originally planned, or to be realised through alternative actions.	(5,502)	(4,849)
Amber	Medium risk to savings delivery, with mitigating actions being considered/worked on.	(4,533)	(3,458)
Red	High risk to savings delivery with limited scope of mitigation.	(2,045)	(5,339)
	<b>Total Savings</b>	<b>(16,674)</b>	<b>(17,458)</b>

**Inflation** - The August 2022 **Bank of England monetary report** has been used to inform the assumptions on our expenditure (including supplies and services, transport, agency third party costs and premises) and Sales Fees and Charges income budgets. The following graph highlighting the forecast levels of CPI, demonstrating how the rates are expected to peak at 13% in December 2022, before falling in future years.



Source BoE : [Bank of England Monetary Policy Report August 2022](#)

An Inflation Risk Reserve with a balance of £4.7m was also established at the end of 2021/22, to enable the Council to respond to the immediate financial risk resulting from the rapidly rising rates of inflation as the economic landscape. The Council is expecting to utilise a significant proportion of this within 2022/23 due to rising energy costs, meeting the cost of the proposed pay award and rising Adults and Children's social care provider costs.

**Demographic and volumetric service demand**- Peterborough is a growing city, and although this brings additional income from housing and business growth, it also brings additional demand for our services. The Covid pandemic is now hopefully coming to an end and demand for service provision will stabilise. The much needed stability will provide the perfect opportunity for the Council to robustly challenge its assumptions and develop forecasts which reflect this growth, resulting additional demand and the strategy for that service.

**Capital Financing (cost of borrowing) and Capital Programme update** - The Capital Strategy sets out the need to reduce external borrowing levels and that all capital expenditure should be funded by grants and capital receipts, or through invest to save schemes where the cost of borrowing will be funded from future income streams.

The Councils treasury advisors, Link Group, have predicted that the Monetary Policy Committee will hike rates aggressively to 3.25% (a 1% increase from the prevailing 2.25%) at the next scheduled meeting on 3rd November, followed by a further increase of 75 basis points in December to 4%. Link Group are also predicting two further 50 basis points increases in February and March 2023, taking the Bank Rate to a peak of 5%.

The Council is currently maintaining an under-borrowed position, with a high level of internal borrowing which should help in the current interest environment. The Councils treasury team will be focussing on optimising cash flow forecasts and given the elevated level of rates right across the curve at present, seek to fund either temporarily from local authorities or with short-dated loans from the PWLB until gilt yields settle down.

With the rise in interest rates and shift up in gilt yields and swap rates, there is potential risk that some LOBO loans could be called by the Lender or write to the authority with the intention to increase the interest rate of the loan at the next call date. The Council currently holds £17.5m of LOBO's and if this were to happen, can either repay the loans at par (i.e. repay principal with no penalty) or accept the new rate, however it is highly unlikely the new rate will be advantageous.

The Councils treasury team will be monitoring the situation closely and are holding ongoing discussions with the Councils treasury advisors as well as modelling options, along with developing a strategy, that despite changes in the wider economic environment, will deliver the general direction of travel as outlined in the Council's Improvement Plan is achieved.

The revised Capital Strategy sets out a strategy much more cognisant of the financial position the Council is in and guides the way for revising the Capital Programme in accordance with the key objectives within the Improvement Plan. The process for approval for capital projects over the MTFS period is a structured approach with projects being developed in line with the Corporate Strategy and Priorities (approved at Cabinet on 30 September). Bids with outline business cases have been assessed by the Capital Board and recommendations made on which projects can be taken forward for full business case preparation. These will be consolidated and a report drafted including indicative financing options, to present to the Capital Board in early October. The Capital Board will then scrutinise the business cases in detail and arrive at a proposal for a balanced capital programme.

A new Asset Management Plan is being prepared for publication in December alongside the MTFS, and in September a [report](#) to Cabinet outlined a proposed Asset Disposal Programme for approval.

**Pensions Contribution Rates** - The latest outcome of the tri-annual valuation, which covers the period 1 April 2020 to March 2023, is included within the baseline budget. The Pension Fund will be revalued during 2022 and the rates for the period 1 April 2023- 31 March 2026 will be set. The current budget assumptions are based on a 17.4% contribution rate and £1.880m annual lump sum contribution. Both of these combined give a primary contribution rate of 17.5%. At present the indications are that these rates will remain unchanged, but this will be confirmed later in 2022 and the MTFS will be updated to reflect any financial impact at this point.

Table 5 table outlines the Council's estimated core funding levels over the life of the MTFs:

Table 5: Funding	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000
NNDR	(54,038)	(64,579)	(65,716)	(67,714)
Revenue Support Grant	(10,794)	(10,794)	(10,794)	(10,794)
Council Tax	(91,593)	(95,542)	(100,176)	(104,411)
New Homes Bonus	(2,951)	(1,490)	(1,490)	(1,490)
Business Rates Pool	(2,541)	(2,070)	(2,070)	(2,070)
Improved Better Care Fund	(7,480)	(7,480)	(7,480)	(7,480)
Social Care Grant	(7,753)	(7,753)	(7,753)	(7,753)
Services Grant	(2,896)	(2,896)	(2,896)	(2,896)
Lower Level Services Grant	(302)	(302)	(302)	(302)
Adult Social Care - New Burdens Grant*	(535)	-	-	-
Contribution to/(from Reserves)	(969)			
<b>Core Funding</b>	<b>(181,852)</b>	<b>(192,906)</b>	<b>(198,678)</b>	<b>(204,909)</b>

\*Adult Social Care funding in future years is to be confirmed in December following Fair Cost of Care Submissions. Analysis indicates the Council could receive c£4.6m in 2023/24, and c£6.6m in 2024/25 onwards

Overall, it is difficult to foresee how Local Government Funding Reforms (LG Reforms) will change the distribution of funding across local government. There has been no further consultation and it is now highly likely to be postponed until 2024/25 at the earliest. At this stage it assumes that the grant funding remains flat in most cases, in line with confirmed Departmental Expenditure Limits (DEL's) for DLUHC as per the Spending Review 2021 (SR21).

### Council Tax

- Assumed annual Council Tax increase of 2.99%.
- **Band D rate will increase from £1,511.65 in 2022/23, to £1,556.85 in 2023/24, £1,603.40 in 2024/25 and finally to £1,651.34 in 2025/26**
- The Council tax base is forecast to increase by 1,000 homes each year, which equates to 780 Band D equivalents. This is based on historical local housing growth.

### NNDR (Business Rates)

- The new Rating Valuation (RV) list which will come into effect in 2022/23. This has been based on 2019/20 (pre-pandemic) values, so it is hoped that the changes will be minimal.
- Business Rates Baseline Reset, which re-distributes the baseline set in 2013/14 and therefore reallocated the cumulative growth in rates local authorities have generated.
- Business Rates Reforms, which is a fundamental review of the system and will be a key element of the wider LG Reforms.
- Business Rates Pool: Additional income of £2.1m assumed as a result of the continuation of the Business Rates pool arrangement with the other Cambridgeshire Local Authorities. This is lower than previously expected, this is a result of the dividend distribution methodology being reviewed as part of the 2023/24 pool application.
- Business Growth: This includes specific growth in business rates based on planning and economic development information, including Fletton Quays, Great Haddon (Roxhill) and Flagship park (Fengate).
- The multiplier should be increased by CPI (September), however if frozen or capped there is potential that the government could continue to compensate Local Authorities (section 31 grant).

- Bad debt: A loss on non-collection equivalent to 1.2% of gross rates.
- Appeals: The appeals provision is forecast to equate to roughly 2.6% of the Councils total RV.

### Grants

- The following grants are assumed at the 2022/23 levels:
  - Improved Better Care Fund
  - Lowertier services grant
  - Social Care funding
  - Services Grants
- **New Homes Bonus:** The current scheme is being phased out. The last payment was originally expected in 2022/23, but a final scheme is still to be confirmed and the current scheme will be rolled for a further year.

<b>CABINET</b>	<b>AGENDA ITEM No. 6</b>
<b>17 October 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Jyoti Atri, Director of Public Health	
Cabinet Member(s) responsible:	Councillor John Howard – Cabinet Member for Adult Social Care, Health and Public Health	
Contact Officer(s):	Jyoti Atri, Director of Public Health	Tel. 01733 207176

## HEALTH AND WELLBEING OVERARCHING STRATEGIC APPROACH

RECOMMENDATIONS	
<b>FROM:</b> Director of Public Health	<b>Deadline date:</b> N/A
It is recommended that the Cabinet approve the proposals for the Overarching Cambridgeshire and Peterborough Health & Wellbeing Strategy, which will be an integral part of the Integrated Care Strategy.	

### 1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following discussions at the Adults and Health Scrutiny Committee held on 17 July and Cabinet Policy Forum held on 5 September, which was part of the engagement process around the strategy development. The Cambridgeshire Health and Wellbeing Board / Integrated Care Partnership will have received final feedback on the Health and Wellbeing priorities at the joint meeting on 14 October 2022.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to note the direction of the Cambridgeshire and Peterborough Overarching Health and Wellbeing Strategy and the four identified priority areas.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.9, *‘To promote the Council’s corporate and key strategies and Peterborough’s Community Strategy and approve strategies and cross-cutting programmes not included within the Council’s major policy and budget framework.’*

### 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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### 4. BACKGROUND AND KEY ISSUES

- 4.1 Health and Wellbeing Boards are required, as stated in the Health and Social Care Act 2012, to produce Health and Wellbeing Strategies. The last two years have required the whole system to focus on tackling the challenges of the Covid-19 pandemic and whilst a Health and Wellbeing Strategy had previously been written and consulted upon, it was not launched due to the pandemic. Since then, much has changed and a new approach is needed.
- 4.2 The direct and indirect impact of Covid-19 has brought threats and opportunities to our ways of working and our residents’ health, which mean we must reconsider our priorities and actions. As the local and national response to the Covid-19 pandemic starts to wind down, it is time to

rebalance our attention to other harms that have potential to cause great harm over the life course. There are clearly some real challenges ahead, and if we are to stand a chance of addressing these challenges, we must be ambitious and we must work together as a whole system, learning from our successes and prioritising our collective efforts and resources to where we can make the biggest difference to improving health and wellbeing

- 4.3 The Health and Wellbeing Strategy must be informed by Joint Strategic Needs Assessments. For the purpose of this particular strategy, the Covid-19 Impact Assessment fulfils the function of the JSNA, summarising the joint work we have done across local government, the NHS and partners to understand the emerging impact of Covid-19. In addition, the JSNA core data set provides understanding of health and wellbeing in Cambridgeshire and Peterborough residents.

#### 4.4 **HEALTH AND WELLBEING STRATEGY DEVELOPMENT**

Cambridgeshire and Peterborough health and care partners have committed to establishing a single strategy for the system that will be owned by both the Joint Health and Wellbeing Boards (HWBs) and the Integrated Care Partnership (ICP). Through development sessions of HWB and ICP partners in October 2021 and January 2022 the collaborative approach to developing a single strategy has started to take form.

National guidance for the ICP Strategy was received on 29<sup>th</sup> July 2022 and there is an expectation that HWBs will be involved in the preparation of the Integrated Care Strategy. The guidance also recognised where there are joint working arrangements, as we have in place in Cambridgeshire and Peterborough, then it can be locally determined on how the strategies can complement each other.

- 4.5 Attached is the first stage of strategy development and sets out what we want to achieve together. The four priority areas identified in the strategy, will be developed further over the coming year.

- 4.6 The Health and Wellbeing Strategy must be informed by Joint Strategic Needs Assessments. For the purpose of this particular strategy, the Covid-19 Impact Assessment fulfils the function of the JSNA, summarising the joint work we have done across local government, the NHS and partners to understand the emerging impact of Covid-19. In addition, the JSNA core data set provides understanding of health and wellbeing in Cambridgeshire and Peterborough residents.

### 5. **ENGAGEMENT**

- 5.1 The high-level overarching strategic direction for the Health & Wellbeing Strategy has been approved by the Whole System Health & Wellbeing Board sub committee on 25<sup>th</sup> March 2022. Details regarding the overarching strategy can be found in Appendix A and the approach to its wider development and the engagement timeline are detailed in Appendix B.

The approach taken to develop a HWB strategy has been one of co-production and engagement. Through a number of partnership workshop identification of the three ambitions (see section 2.12 Appendix A) was made. A technical document details the evidence available on the current situation for these three goals (Appendix C). Through our system-wide workshops four priority areas where we know we need to do things differently, in order to achieve these ambitions were identified as follows:

1. Ensure our children are ready to enter education and exit, prepared for the next phase of their lives.
2. Create an environment to give people the opportunities to be as healthy as they can be.
3. Reduce poverty through better employment and better housing
4. Promote early intervention and prevention measures to improve mental health and wellbeing.

Whilst the ambition for a Cambridgeshire & Peterborough HWB strategy is set out in Appendix A it is envisaged that more detailed approach to developing the four priority areas the Health and Wellbeing and the Integrated Care System will be required. The detail of the priority areas will be an iterative process whereby Senior Responsible Officers (SROs) within the integrated care

system have been identified to lead on the priorities. There will be detailed co-production, engagement and consultation work on the HWB/ICP strategy around the content and direction of each priority chapter, outcomes and action plans. The style of engagement may vary with each topic area. Appendix B provides more details on this wider development of the HWB/ICP Strategy.

The engagement process was launched at the first meeting of the Joint Cambridgeshire & Peterborough Health & Wellbeing Board / Integrated Care Partnership on 15<sup>th</sup> July and focused on the high level Overarching HWB Strategy that will provide the context behind the engagement work on the individual priorities.

- 5.2 A wide consultation with statutory and voluntary sector organisations and the public is planned on the Integrated Care Strategy (encompassing the Health and Wellbeing Strategy) which is being led by the Integrated Care System and this will include further consultation on the HWB priorities as they develop.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 Cabinet are to note the anticipated outcomes for the Joint Cambridgeshire & Peterborough Health & Wellbeing strategy under the following headings.

1. We will increase the number of years that people spend in good health
2. We will reduce inequalities in preventable deaths before the age of 75
3. We will achieve better outcomes for our children

Appendix A see section 2.14 for details on the anticipated outcomes

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 Cabinet are asked to approve the process and content for developing the overarching strategic approach of a joint Cambridgeshire and Peterborough Health and Wellbeing Strategy.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Health and Wellbeing Boards have a statutory responsibility for producing a Health and Wellbeing strategy. As such, no alternative options have been considered.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 There are no direct financial implications as a result of this report

### **Legal Implications**

- 9.2 There are no direct legal implications as a result of this report.

### **Equalities Implications**

- 9.3 There are no direct equality implications as a result of this report.

### **Rural Implications**

- 9.4 The priorities identified have been derived from the evidence on the causes of ill health. Geographic distribution of risk factors, localisation and accessibility to services will be further considered as the priorities are developed.

## **Carbon Impact Assessment**

- 9.5 The development of an Overarching High-level Health & Wellbeing Strategy is assessed as having a neutral overall impact on carbon emissions for both the council and city of Peterborough.

## **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 JSNAs (Joint Strategic Needs Assessments): [Cambridgeshire Insight – Joint Strategic Needs Assessment \(JSNA\) – Published Joint Strategic Needs Assessments](#)

Covid-19 impact assessment: [Cambridgeshire Insight – Coronavirus – Emerging evidence of needs and impacts](#)

Health profiles for Cambridgeshire and Peterborough from [Local Authority Health Profiles - OHID \(phe.org.uk\)](#)

## **11. APPENDICES**

- 11.1 Appendix A – HWB Overarching Strategic Approach  
Appendix B – HWB Strategy Timeline and Plan  
Appendix C – HWB Technical Appendix

## JOINT CAMBRIDGESHIRE & PETERBOROUGH OVERARCHING HEALTH AND WELLBEING STRATEGY 2022 -2030

### 1. BACKGROUND

1.1 Health and Wellbeing Boards are required, as stated in the Health and Social Care Act 2012, to produce Health and Wellbeing Strategies. The last two years have required the whole system to focus on tackling the challenges of the Covid-19 pandemic and whilst a Health and Wellbeing Strategy had previously been written and consulted upon, it was not launched due to the pandemic. Since then, much has changed and a new approach is needed

1.2 The direct and indirect impact of Covid-19 has brought threats and opportunities to our ways of working and our residents' health, which mean we must reconsider our priorities and actions. As the local and national response to the Covid-19 pandemic starts to wind down, it is time to rebalance our attention to other harms that have potential to cause great harm over the life course. There are clearly some real challenges ahead, and if we are to stand a chance of addressing these challenges, we must be ambitious and we must work together as a whole system, learning from our successes and prioritising our collective efforts and resources to where we can make the biggest difference to improving health and wellbeing

1.3 The Health and Wellbeing Strategy must be informed by Joint Strategic Needs Assessments. For the purpose of this particular strategy, the Covid-19 Impact Assessment fulfils the function of the JSNA, summarising the joint work we have done across local government, the NHS and partners to understand the emerging impact of Covid-19. In addition, the JSNA core data set provides understanding of health and wellbeing in Cambridgeshire and Peterborough residents.

### 2. PURPOSE

2.1 ***A new single approach for improving our residents' health and wellbeing***  
 The Covid-19 pandemic has positively changed the way we work together. All partners in Cambridgeshire and Peterborough have rallied to respond to the pandemic, each partner playing their part and delivering what was required, within very short time scales. We must not lose our collective learning from this.

2.2 There are also significant infrastructure changes such as the development of the Integrated Care System (ICS), which will support system partners to provide a more integrated approach and work more closely together. The Health and Wellbeing Boards in Cambridgeshire and Peterborough will work very closely with the emerging Integrated Care Partnership (ICP), and when we refer to 'joint' in this strategy this means jointly with the ICP, across geographies and with partners, communities and residents.

2.3 The Health and Wellbeing Boards and the Integrated Care Partnership (ICP) must remain separate legal entities with their own statutory responsibilities that cannot be delegated to each other. However, we intend to bring the HWBs and ICP much closer together with common membership and joint meetings as a combined HWB/ICP in practice, with many of the same individuals sitting on both the Board and the Partnership. All partners in the combined HWB/ICP commit to cooperative and supportive working as equal partners across organisations, with everyone putting aside organisational boundaries to be focused on improving health and wellbeing for the people they serve. We believe that working together as



much as possible across organisations, pooling our data, our understanding, resources, knowledge and experience, will result in better outcomes for our residents

2.4 We recognise there will be other priorities across the system. The Combined Authority, the Integrated Care Board, the Public Service Board, and district local authorities and other organisations will all have their own sets of priorities and plans. For example, the ICS has five strategic objectives which are partly focused on NHS workforce and services as well as including population health. Many of these priorities will undoubtedly lead to improvements in health and wellbeing through improving NHS care and also through improvements in the wider determinants of health – education, jobs, housing, income and the environment. However, the priorities and vision in this Health and Wellbeing Strategy should form the core of the system’s commitment to improving health and wellbeing.

### 2.5 *Developing the strategy and our joint approach for improving residents’ health*

Before work on this strategy had started, our local developing Integrated Care System consulted and developed a mission statement for the ‘system’ (health, local authorities and other partners working together)

#### **“All together for healthier futures”**

Partners from across the NHS and the local authorities, and the wider public and voluntary sector, then came together in late 2021 and early 2022 several times to discuss the Health and Wellbeing Strategy and review the evidence on health in our area and the impact of Covid-19.

2.6 At a workshop held on 6<sup>th</sup> October 2021, all partners agreed in principle to a **single plan** and set of priorities across the Health and Wellbeing Board and the ICS. In addition, it was agreed that the ICS vision that had been consulted on and agreed by Cambridgeshire and Peterborough - “*All Together for Healthier Futures*” - should become the vision across the ICP and the HWB.

2.7 This means there will not be a separate overall long-term health and wellbeing strategy for local government, nor for the local NHS although there will however be Integrated Care Board plans for service delivery. This “One Plan” approach is a first for our area and demonstrates a commitment of all partners to working together towards shared goals, while retaining organisations’ different areas of expertise and statutory responsibilities.



The workshop on 6<sup>th</sup> October 2021 was informed by our work assessing the impact of Covid-19

2.8 Key points from the impact assessment are:

- Covid-19 has exposed and exacerbated inequalities, as demonstrated by the differential impact of the pandemic on our black and ethnic minority communities and those living in our most deprived areas
- There are more people in poverty; this risks a long-term impact on health
- The mental health of our population has been impacted by the pandemic, particularly children and young people
- Obesity affects around a 1/3 of our year 6 children and up to 60% of adults and has been made worse by the pandemic
- Our health service is under pressure and the way that people access health care and preventative health care has changed
- There are risks and opportunities to our environment as result of the pandemic.

Three top-level overarching strategy goals and four key priorities for achieving these goals arose from discussions at this meeting on 6<sup>th</sup> October 2021. A subsequent development meeting on 17<sup>th</sup> January 2022 agreed, in principle, that these goals and priorities should form the core of the overarching Health and Wellbeing Strategy.

2.9 ***Health and Wellbeing Strategy for Cambridgeshire and Peterborough 2022-2030***

*What will we focus on?*

This ‘overarching’ strategic approach sets out our headline ambitions and the four priorities we will focus on to achieve these ambitions. We are aiming to work with our residents, patients and stakeholders to tackle some real challenges in improving the health and wellbeing of the people we serve, by reversing some of the health determinants and outcomes that were challenging before the pandemic and have worsened as a result of the pandemic. We also need to prioritise reducing the health inequalities which existed pre-pandemic but which were exacerbated and brought into sharper focus by Covid-19.

2.10 This will be an eight-year overarching strategy for the health and wellbeing of residents



in Cambridgeshire and Peterborough.<sup>1</sup> It will provide a clear statement of what we intend to achieve together across the NHS and local government system and will set out how we intend to develop and achieve it in partnership with our residents, patients, and stakeholders. This strategy is also the high-level long-term plan and priorities for our local NHS Integrated Care System,<sup>2</sup> which oversees NHS services across Cambridgeshire and Peterborough.

2.11 Working jointly across the NHS and local government will mean that we can be more ambitious and more accountable in addressing these issues. By sharing more of our data, we can develop a better common understanding of our residents' health and needs as well as service use. Bringing all our collective resources, knowledge and experience together means we make best use of these resources to create measurable and meaningful impact.

*What do we want to achieve?*

2.12 Three overarching ambitions were agreed by consensus across local authority and NHS colleagues; reflecting the issues we know about in our population and the outcomes that are most important. Whilst these are recognised as ambitious, they are plausible, and all partners have committed to delivering these ambitions. This will require collective and organisation specific endeavours.

2.13 By 2030:

### **1. We will increase the number of years that people spend in good health**

Life expectancy is often used as a measure of societal progress, and although it is important, it does not take into account the fact that towards the end of life there is often a period, perhaps many years, which is spent in poor health. Healthy life expectancy, on the other hand, measures the average time we can expect to live in good health. It is clearly worthwhile to prevent conditions that cause disability and poor health over a long time, in order to increase the number of years that people spend in good health. We know that healthy life expectancy is also strongly linked to deprivation, with people living in less well-off areas more likely to experience a long time at the end of life in poor health. By 2030 we want to see healthy life expectancy increase by at least two years for men and women in Cambridgeshire and Peterborough.

### **2. We will reduce inequalities in preventable deaths before the age of 75**

Preventable premature mortality are deaths of people under 75, from causes of death that are largely or entirely preventable (for example, smoking related deaths, or deaths from vaccine-preventable disease). We know that there is a strong relationship between the wealth of an area and the rate of preventable premature mortality. Our most deprived areas see many more of these deaths than our least deprived areas. We will weaken this relationship between wealth and early preventable deaths so that people in our least well off areas are less likely to die young.

### **3. We will achieve better outcomes for our children**

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<sup>1</sup> This strategy covers Cambridgeshire and Peterborough; the two local authorities have joint working relationships and have agreed to delegate authority to a single Health and Wellbeing Board to act on behalf of both areas.

<sup>2</sup> The Integrated Care System is also developing NHS-focused plans describing priorities in commissioning and delivering healthcare



Working with parents and communities we will achieve better outcomes for our children, recognising the holistic needs of our children. Health and wellbeing measures for children are broad and include determinants of health as well as health outcome measures. Investing in the health and wellbeing of our children, will pay dividends throughout their lives. In addition, investments in the early years are often the most cost effective<sup>3</sup>. This outcome would mean that on key measures of health and wellbeing for children, Cambridgeshire and Peterborough will be the best in a group of 'comparator' local authorities (those which are similar in size, wealth and some demographic factors). In other words, when it comes to our children and young people, we will be doing better than the other areas that we are most similar to us.

2.14 As part of our early workshops on this strategy, there was considerable discussion on how to set appropriate long-term goals for Cambridgeshire and Peterborough that would make a difference to the health of residents. The three overarching goals that were arrived at are intended to be stretching and ambitious, but also plausible and achievable. Together, the three goals will add up to a healthier and happier community, where the foundations for a good life are set in childhood, health inequalities are lessened, and wealth is less strongly linked to good health and wellbeing.

2.15 The technical appendix C presents the best available evidence on the current situation for the three overarching goals. It is important to note that for some of the indicators used to measure progress towards these goals, the full impact of the Covid-19 pandemic is not yet showing up in the data. We may in fact be starting from a lower point than the most recent data suggests.

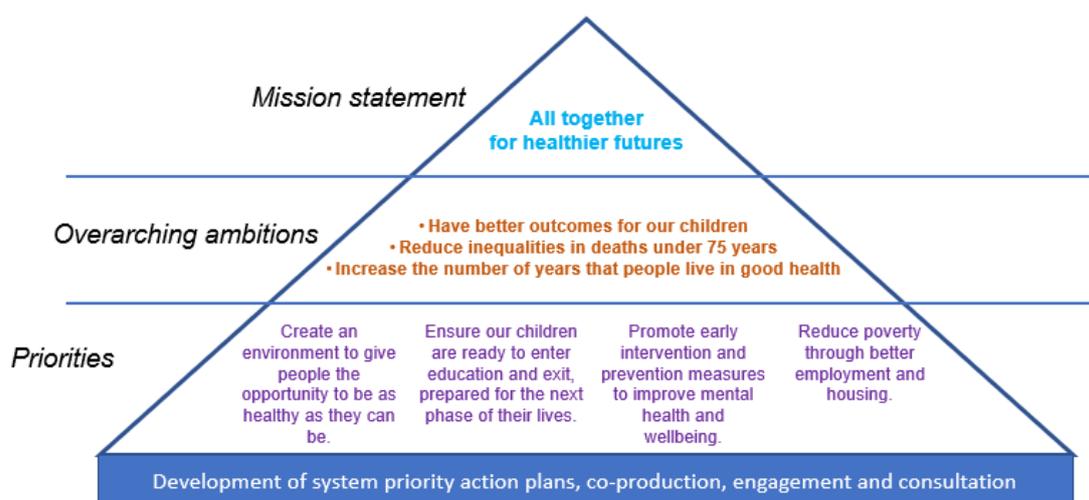
### 2.16 ***How we will achieve these ambitions***

Discussion at our system-wide workshops identified four priority areas where we know we need to do things differently in order to achieve our overarching ambitions.

The four priorities for the Health and Wellbeing Board and the Integrated Care System focus on children, our environment and opportunities for health, poverty, and mental health and wellbeing. Each of these priority areas will be developed into a chapter of the Health and Wellbeing Strategy. The four priorities are listed below.

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<sup>3</sup> [The best start for life: a vision for the 1,001 critical days - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/the-best-start-for-life-a-vision-for-the-1001-critical-days)



## 2.17

**1. Ensure our children are ready to enter education and exit, prepared for the next phase of their lives**

- This is not limited to children's educational attainment
- Children's physical and mental health and wellbeing are essential for children to participate effectively in education

**2. Create an environment to give people the opportunities to be as healthy as they can be**

- 'Environment' here is used in the widest sense, so includes wider determinants of health such as health behaviours, infrastructure, and socio-economic factors, as well as access to green spaces and clean air.
- This also includes the opportunities for better health which the NHS provides; partly healthcare, but also encouraging patients to take greater responsibility for their own health.

**3. Reduce poverty through better employment and better housing**

- This especially recognises that the Health and Wellbeing Board / ICP partners are large employers within our local economy and the way we employ, treat our staff and commission services can have a big impact, as well as capturing work with wider partner organisations on the economy, employment and health.
- Local and Combined authorities have a key role to play in improving housing across Cambridgeshire and Peterborough impacting health of residents
- Better physical and mental health will improve employment for our residents

#### 4. Promote early intervention and prevention measures to improve mental health and wellbeing

- Work to improve wellbeing across the population, as well as intervening early when people experience mental ill-health, will have huge benefits for all our residents.

2.18 Senior staff from across the local public sector will work with partners and communities to take on development and leadership of the four strategy priorities, supported by evidence and data about our population. The work on these system-wide priorities – deciding what will change, what will cease and what new approaches are necessary will take place over the next six months. The longer timescale for developing this work is necessary to include and summarise much of the work that is already being done in these areas. It is also important to allow sufficient time for meaningful co-production, engagement and consultation to take place with service users, patients and residents, as well as ensuring relevance and support from partner organisations. The process and principles for developing the priority chapters, including engagement work, is laid out in the engagement plan and timeline in Appendix B

2.19 Health and Wellbeing Board and NHS partners will have different roles to play in each of these priorities; for example, the health system does not provide housing, and the local authority does not commission most mental health interventions. However, each of the four areas has scope for action for all key partners, plus there are additional benefits that should come from working on these agreed priorities together as a system.

2.20 All four priorities will need to consider what needs to be done around the cross-cutting themes and ambitions of improving children's outcomes, reducing health inequalities and improving years of life lived in good health.

### 3. CONCLUSION

3.1 We intend this Health and Wellbeing Strategy to shape work across the NHS and Cambridgeshire and Peterborough local authorities over the next eight years. We are starting from a challenging position given the impact of Covid-19 across our area, but we have set stretching but achievable ambitions. By working more closely across the NHS, the public sector, partners, communities and residents than we ever have before, we can achieve these ambitions and make a meaningful difference to the lives of our residents; happier and healthier children and young people, fewer early deaths in our more deprived areas, and more years spent in good health.

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## **Joint Health and Wellbeing/ICP Strategy 2022-2030: Developing the Health and Wellbeing Strategy – timeline, co-production, engagement and consultation plan (Appendix B)**

The overarching strategy was presented to the March meeting of the HWB for approval prior to public consultation. The initial development of the overarching strategy and targets has been done through two large stakeholder workshops on 6<sup>th</sup> October 2021 and 17<sup>th</sup> January 2022.

This paper sets out some more detailed information around the next steps for consultation and engagement for the overarching strategy and to enable the detailed development of the four priority chapters, their outcomes and action plans.

### **Timescales for development of overarching strategy**

Date	
Oct 2021 – Feb 2022	Overarching strategy and targets developed based on system-wide workshops
Feb- March 2022	Socialised across system leads for comment and input
March 2022	Presented to whole system HWB sub-group formal meeting with request for approval around the engagement approach
May-June 2022	High level engagement activity underway within the integrated care system
May-June 2022	Senior Responsible Officers identified
Jul 2022	Engagement launched on the overarching strategy by the HWB/ICP. Engagement and consultation programme agreed
27 <sup>th</sup> July 2022	Formal guidance on ICPs published
Sept 2022	Feedback from public engagement and Senior Responsible Officer (SRO)s received and analysed
Sept 2022	ICS launch public consultation on Integrated Care Strategy
14 <sup>th</sup> Oct 2022	Final Overarching HWB Strategy submitted to Joint HWB/ICP for approval
20 <sup>th</sup> Dec 2022	Joint HWB/ICP to receive the Integrated Care Strategy (incorporating the HWB Strategy)

### ***Consultation and engagement for strategy priorities***

We envisage that the bulk of the detailed co-production, engagement and consultation work on the HWB/ICP Strategy will be done on the content and direction of each priority chapter, key outcomes and action plans. Stakeholder groups and styles of engagement will vary with each topic and this will need careful consideration by topic leads to enable meaningful engagement and co-production.

### Timescales for development of the four priorities

Date	
Oct 2021 – Mar 2022	Four priorities agreed and system leads identified
Mar 2022	As above, priorities presented to HWB/ICP formal meeting as part of the overarching strategy, with request for approval for public consultation on strategy
Apr-Nov 2022	Development and co-production of the four priorities by priority leads, partners and stakeholders with engagement as appropriate for each priority area.
Aug 2022-Dec 2022	Priority chapters of the strategy presented individually in detail to HWB/ICP formal meetings with request for approval for public consultation. Order to be determined.
Sep-Jan 2023	Formal consultation on priority chapters individually
March 2023	Formal approval of full overarching strategy with priority chapters by HWB/ICP.

#### ***Development of priority chapters***

Each of the four priorities will have two senior responsible officer leads with experience of the relevant area. They will take account of relevant work that is already underway or in development across the system and consider how this fits together and how the system could work better to influence the three main overarching goals (children's outcomes, inequalities in premature mortality, and healthy life expectancy). The leads will also determine relevant indicators to monitor progress in each area.

A suggested structure for each of the four priority chapters:

- What is the scope for this priority and the overarching goal?
- Where are we now?
- What services and strategies are already in place (or development) across the system, including ICS work?
- What are we going to focus on (and how has this been decided)?
- Where can we get to with these areas of focus?
  - Bold ambitions for change that will prompt rethink of delivery and systems
  - How do these areas of focus contribute to overarching HWB priorities (healthy life expectancy, inequalities in premature mortality, and children's outcomes)?
- How can we get there – what will we do differently?
  - What will change?
  - Monitoring success - quick wins and ambitious medium and longer term targets

***Principles for developing each chapter***

Each of these four priorities is very wide-ranging with enormous scope. No strategy can be successful if it tries to improve everything all at once, so choices will be necessary while developing each of the four priorities. The senior leads for each priority will be making these decisions, but there are several principles that should be followed while these four priorities are being developed:

- We should use evidence-based approaches wherever possible, and embed evaluation and learning from new initiatives
- There should be an emphasis on prevention and early intervention
- The strategy must identify and tackle inequality in wellbeing across our places and by deprivation
- Given these principles above, where possible the choice of topics to focus on within each priority should be informed by stakeholder and service user and resident input on what is most important.
- It should be clear how actions and outcomes from each of the four priorities contribute to the three overarching goals of the strategy as a whole (improving outcomes for children, reducing inequalities in premature mortality, increasing years lived in good health), while having their own short and medium term goals.
- The goals within each priority should reflect different starting points for our different places, and also encourage reduction in inequalities by deprivation and ethnicity. Some short term 'process' outcomes may be necessary but medium (~5 yr) and long (~10 yr) outcomes should be clearly linked to the three overarching goals.
- Each priority should explicitly include children and young people.

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## Joint Health and Wellbeing/ICP Strategy 2022-2030: Setting the level of ambition (Appendix C)

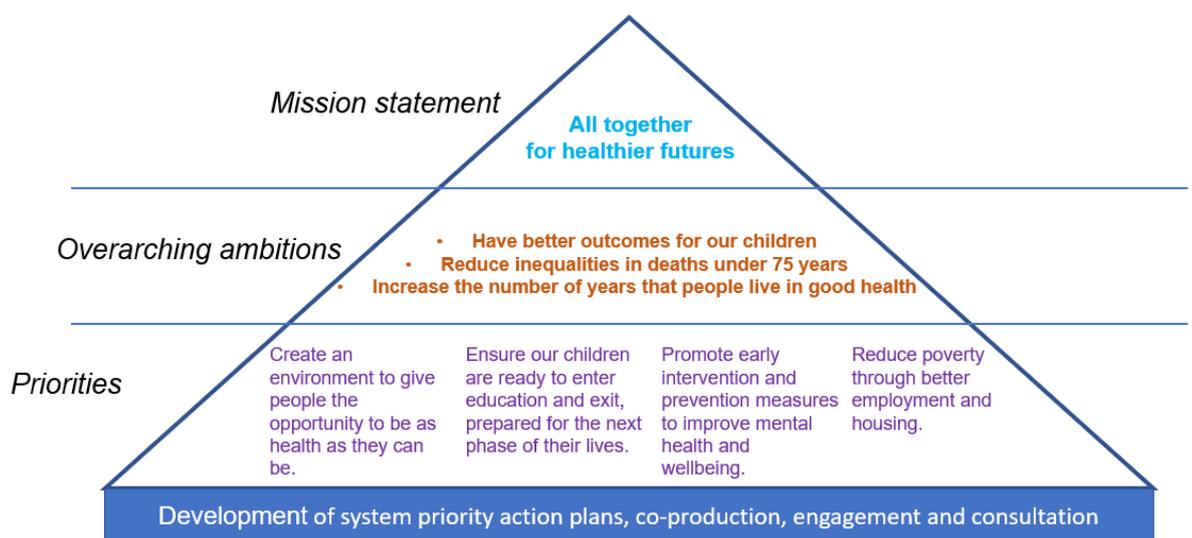
### Introduction

The Health and Wellbeing Strategy overarching goals presented here are based on the system wide discussions held in October 2021 and January 2022. The January 2022 workshop specifically discussed the level of ambition for the Health and Wellbeing Strategy and highlighted that these goals should be stretching and ambitious while remaining plausible and achievable.

This technical appendix presents the best available evidence on the current situation for the three goals and proposes the level of ambition for each. It is important to note that the full impact of the Covid-19 pandemic is not yet showing up in the available data. We may in fact be starting from a lower point than the data below suggests; as such we suggest revisiting these targets once data is available that shows the full impact of the pandemic on our measures.

All the goals set out here are targets for the end of the strategy period in 2030.

All of the four priority areas (children, environment, poverty and mental health) will feed in to all three goals (image below), but some will have closer links than others. The priority areas will also develop their own targets which will include shorter-term metrics; these are yet to be determined but it will need to be clear how those targets feed in to these three overarching goals.



## 1. We will increase the number of years that people spend in good health.

**TARGET: We will increase healthy life expectancy by at least two years in Cambridgeshire and Peterborough, and we will reduce the gaps between men and women in our areas.**

What does healthy life expectancy mean?

- For a particular area and time period, it is an estimate of the average number of years a newborn baby would live in good general health if he or she experienced the age-specific mortality rates and prevalence of good health for that area and time period throughout his or her life.
- Put simply, it is the number of years in good health that an average person can expect. It was chosen for one of our goals over life expectancy because life expectancy includes the years often spent at the end of life in poor health, and we do not seek to extend these. Healthy life expectancy has been described as ‘adding life to years’ rather than ‘adding years to life.’

Table 1 presents the latest data on healthy life expectancy for our area. At present Cambridgeshire residents have considerably higher healthy life expectancy than in Peterborough, for both men and women. Interestingly, in Peterborough women can expect fewer years in good health than men, while the reverse is true in Cambridgeshire. Therefore, we aim to see an increase of at least two years for women in Cambridgeshire and men in Peterborough, but to narrow the gap between the sexes we also want to see a larger increase for Cambridgeshire men and Peterborough women.

The initial system wide workshops in October 2021 and January 2022 discussed a improvement levels of 10% for each target. For Healthy Life Expectancy this would be an unrealistic increase of at least six years which would take us beyond the current best in England.

*Table 1 Healthy Life Expectancy in Cambridgeshire and Peterborough*

	<b>Cambridge- shire (2017-19)</b>	<b>Cambridge- shire Plus 2 yrs</b>	<b>Peterborough (2017-19)</b>	<b>Peterborough Plus 2 years</b>	<b>Best in England (2017-19)</b>
Male healthy life expectancy	64.3	66.3	62.8	64.8	71.5
Female healthy life expectancy	66.2	68.2	59.9	61.9	71.4

We should also bear in mind that, as with most public health measures, healthy life expectancy is strongly linked to deprivation. Although figures for small areas are not

available to demonstrate the link in our local areas, national data shows clearly that people living in wealthier areas enjoy considerably more time in good health on average compared to residents of more deprived areas. We cannot set local targets to preferentially improve healthy life expectancy in our more deprived areas, but if this strategy includes a focus throughout on health inequalities we would expect healthy life expectancy to improve faster in these areas.

Healthy life expectancy was recently mentioned in the 'Levelling Up' White Paper<sup>1</sup> with one of the 'missions' described as: "By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years." This document refers to a forthcoming White Paper on health disparities that will set out the central governmental strategy for 'tackling the core drivers of inequalities in health outcomes. As such, we anticipate national policy support and action to facilitate this local target.

As with preventable premature mortality, increasing healthy life expectancy depends on core public health work and prevention and early intervention work delivered by the NHS. All four priorities will feed into increasing healthy life expectancy.

## 2. We will reduce inequalities in preventable deaths before the age of 75 years.

**TARGET: We will reduce inequalities in preventable deaths before the age of 75 years by 20%.**

Premature mortality here is defined as any death before 75 from causes considered preventable. It is presented as age-standardised rates per 100,000 rather than as absolute numbers.

Deaths are considered preventable if

- all or most deaths from the underlying cause could mainly be avoided through effective public health and primary prevention interventions.
- 'preventable' deaths include most infectious disease, some cancers, diabetes, cardiovascular disease, injuries and alcohol and drug-related deaths.<sup>2</sup>

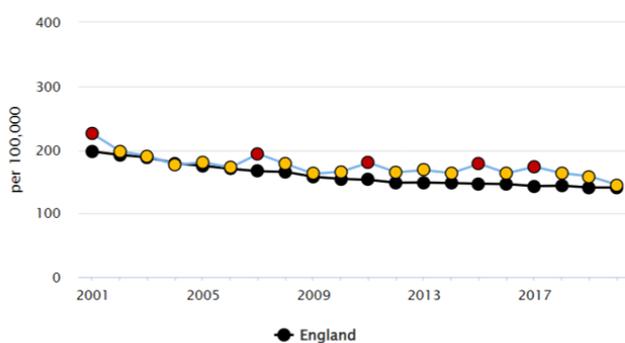
Preventable premature mortality rates are lower than the England average in Cambridgeshire but close to the England average in Peterborough (Figure 1). Rates have not changed much over the last ten years in either area, as the chart below shows. Comparing these two charts demonstrates an inequality between Cambridgeshire and Peterborough, which is probably a result of different levels of prosperity between these areas overall.

*Figure 1 Preventable deaths under 75 per 100,000 in Cambridgeshire and Peterborough compared to England*

<sup>1</sup> HM Government (2022) Levelling up the United Kingdom

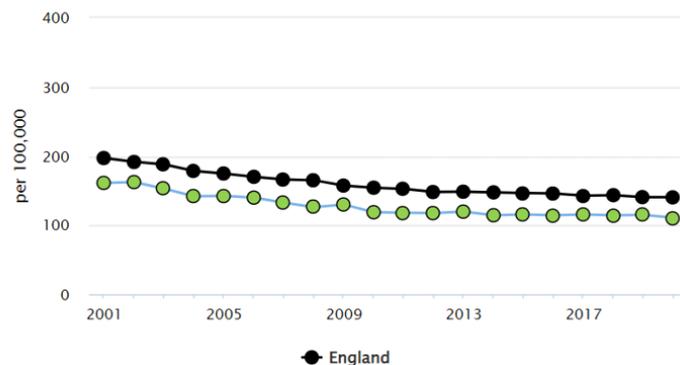
<sup>2</sup> For a full list of ICD-10 codes included in the definition of preventable deaths, see <https://fingertips.phe.org.uk/mortality-profile#page/6/gid/1938133056/pat/15/ati/402/are/E10000003/iid/93721/age/163/sex/4/cat/-1/ctp/-1/yr/1/cid/4/tbm/1/page-options/car-do-0>

### Peterborough



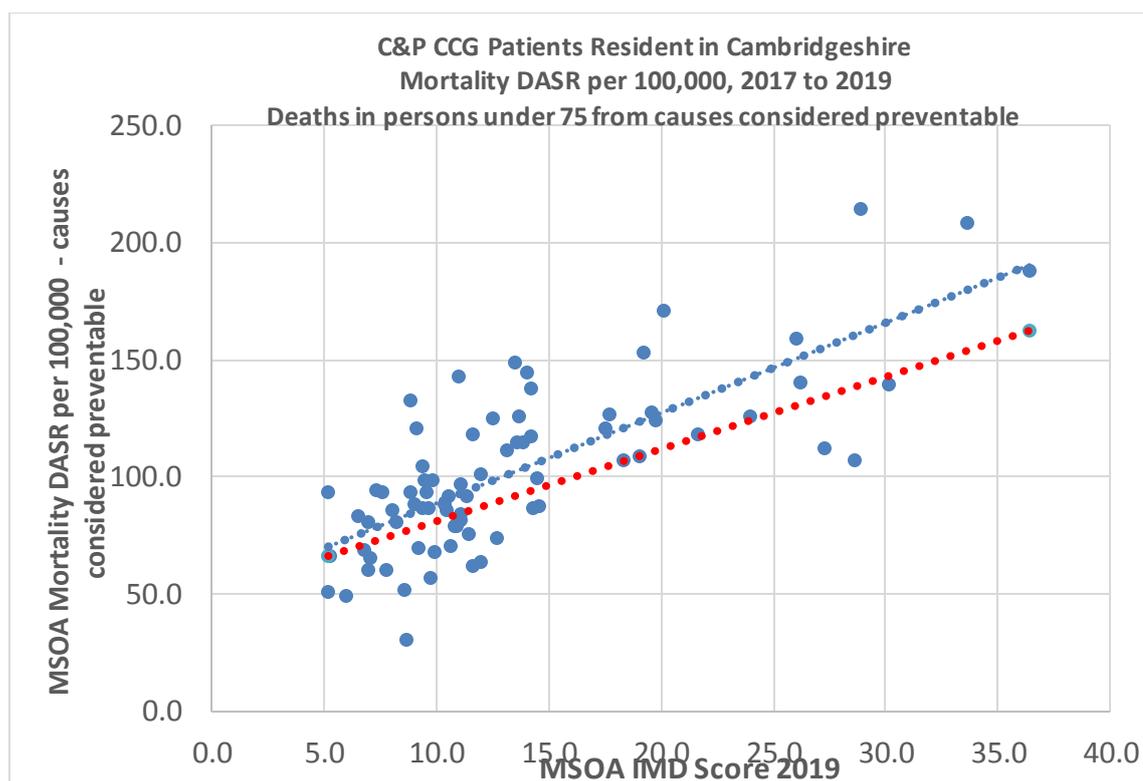
Period	Count	Rate
2010	210	165.6
2020	228	144.8

### Cambridge



Period	Count	Rate
2010	587	118.8
2020	655	110.9

Preventable premature mortality rates also vary substantially by small areas (MSOA), with a clear link to deprivation. The chart below shows under-75 preventable mortality rates by Cambridgeshire MSOA (Peterborough not shown but a similar relationship exists). The blue line is the line of best fit for the current data (a regression line) which shows a strong relationship between increasing deprivation and increasing rates of preventable premature mortality. People in our some of our most deprived Cambridgeshire areas have a preventable mortality rate around four times higher than those in our least deprived areas; a substantial disparity. Please note that this data is the most recent available data and covers a three year period ending in 2019; as such the impact of the pandemic is not shown. At present the definition of premature preventable mortality data does not include deaths from Covid-19 (although it does include influenza deaths).



Reducing inequalities in premature mortality would require reducing the slope of this line to the red line shown above – our target. This is a 20% reduction in the slope of the line. This would have most benefit to those people in our most deprived communities but should also benefit people across the area; for instance, fairly well off areas (an IMD score between 10 and 20) also have some way to go to reduce their rates down to the red line.

The initial workshops discussed reducing targets by 10%. However, after considering what this would look like in practice, this has been considered as insufficiently ambitious and that in fact a 20% reduction was closer to the level of ambition discussed.

Reducing the slope of the line will also have the effect of reducing premature mortality overall. If the rates in the least deprived areas remain similar but the gradient reduces by 20%, we would have an overall preventable premature mortality rate of around 92 per 100,000 in Cambridgeshire, compared to 102 per 100,000 at present.<sup>3</sup> We will also have a target to reduce Peterborough's preventable mortality gradient by 20%

This target illustrates the principle of 'proportionate universalism'. To meet the target and reduce health inequalities, we need to work across our whole population, recognising there is room for improvement everywhere, but directing more efforts to those living in our most deprived areas where mortality is highest.

The work needed to reduce preventable premature mortality needs to take place largely in public health and in primary prevention. Improving health behaviour is key, as is early identification and intervention, including primary care and immunisation and

<sup>3</sup> Exact overall rate cannot be predicted.

screening. However, this target needs to also be seen in the context of the wider determinants of health and behaviour; the standard offers that reduce the risks of disease leading to premature mortality may not be sufficient (or may not be delivered to the same standard) in our most deprived areas. As such, each of the four priority areas has an important role to play in reducing premature mortality.

### 3. We will have better outcomes for our children.

#### **TARGET: We will be the best of our comparators for core children and young people outcomes**

Children and young people have been adversely affected by the pandemic across many areas of their lives, from loss of education, socialisation and jobs as well as increasing demand for mental health services from children and young people. Giving children the best start to life will pay dividends across the life course. Therefore, rather than a single outcome, the ambition is to improve across core children and young outcomes and be the best of our comparators. This priority is not limited to children's educational attainment; children's physical and mental health and wellbeing will be explicitly included.

Considerable work has already taken place on this topic and system-wide strategies currently already exist (or are in development) focusing on the main aspects of children and young people's lives. These strategies are led by the Children's and Maternity Collaborative who working across health, education and local authorities in Cambridgeshire and Peterborough. This has not been further defined at present because of the likely large overlap with the children and young People and mental health priority-specific targets. An important early step for these priorities will be to determine what outcomes should be included as overarching goals for the whole strategy and are likely to include the aspects below

- Best Start in Life (children 0-5 yrs)
- Strong Families Strong Communities (children and young people 5-25 yrs)
- Children and Young People's Mental Health
- Special Educational Needs and Disabilities including autism
- Autism

#### **How are these goals linked?**

These three overarching goals all interact. Improving child health will have significant effects on improving healthy life expectancy, because healthy life expectancy is strongly influenced by deaths in younger age groups. Reducing premature mortality will also affect healthy life expectancy, both by preventing death, but also because most of the conditions that contribute to premature mortality also cause substantial ill health for many people before death. If we are able to improve interventions to prevent these conditions in the first place then as well as preventing deaths, we will also prevent the associated ill health burden that reduces healthy life expectancy.

The focus on inequality means that we have to carefully consider how to do things differently – the 'easier' groups to influence are often those who are better off. Working with these better off groups would see overall rates decrease, but unless rates decrease faster for the more deprived then inequalities will worsen. Improving

outcomes for people at the most deprived end of the spectrum can be much harder, but it is also where there is most room for improvement.

### **The impact of Covid-19 on these metrics**

Much of the full impact of the pandemic does not yet show up in these metrics. The healthy life expectancy data available at present only goes up to 2019, as do our small-area data on preventable premature mortality which allows us to see local inequalities in early deaths.

We know that overall life expectancy has shown a sharp downturn however in 2020, a pattern seen clearly in the charts below for men in Cambridgeshire and Peterborough though less apparent for women in our areas. Healthy life expectancy will have been similarly affected and so we will be starting from a lower base in 2022 than suggested by the figures above. We also know that Covid-19 has disproportionately affected our more deprived areas and communities, as is the case across the UK and beyond. As such, inequalities in healthy life expectancy and in premature mortality are likely to have worsened in the last two years.

We recommend revisiting the targets when data is available to give us a more accurate picture of our starting point at the beginning of 2022.

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<b>CABINET</b>	<b>AGENDA ITEM No. 7</b>
<b>17 October 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director Place & Economy	
Cabinet Member(s) responsible:	Cllr Marco Cereste- Cabinet Member for Climate Change, Planning, Housing and Transport	
Contact Officer(s):	Jim Newton - Assistant Director Planning & Building Control (interim)	07551046980
	Darren Sharpe - Natural and Historic Environment Manager	01733453596

### INTERIM BIODIVERSITY NET GAIN (BNG) APPROACH

RECOMMENDATIONS	
<b>FROM:</b> Adrian Chapman - Executive Director Place & Economy	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Endorse the proposals set out in the report as an interim approach of guiding principles for securing biodiversity net gain for developments within Peterborough.</li> <li>2. Delegate to the Executive Director Place &amp; Economy to make minor changes to the technical note, if required.</li> </ol>	

#### 1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following consideration of the draft interim Biodiversity Net Gain Approach by the Climate Change & Environment Scrutiny Committee on the 5 September 2022 and CLT 28<sup>th</sup> September 2022.

#### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The Environment Act introduces the requirement for 10% Biodiversity Net Gain (BNG) above baseline conditions for all developments in England from November 2023. Local Planning Authorities (LPA) will need to ensure that developments in their jurisdictions comply with this new legislation and that BNG is delivered in a sustainable and transparent way.

The primary purpose of this report is to seek Cabinet's endorsement of the interim approach for Peterborough (set out in appendix 1) to fulfil this need while recognising the principles already set out in the Environment Act around BNG, and emerging best practice. It is intended to provide guidance for planners, Planning Committees, and developers on a credible approach as developments currently underway need a practical and consistent approach to this challenge.

- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.9, *'To promote the Council's corporate and key strategies and Peterborough's Community Strategy and approve strategies and cross-cutting programmes not included within the Council's major policy and budget framework.'*

#### 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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#### **4. BACKGROUND AND KEY ISSUES**

- 4.1 Peterborough City Council, like neighbouring authorities across Cambridgeshire, is looking to be day-one ready for this new legislation when it takes effect in November 2023,. This means having viable solutions to the challenge of where to site BNG (if not wholly within the redline boundary) and how to approach this prior to new laws and guidance coming from Department for Environment, Food, and Rural Affairs (DEFRA).
- 4.2 Full details of the proposed approach are set out in appendix 1. The approach proposes a sequence for deciding where Biodiversity Net Gain should be located based on the mitigation hierarchy. It starts first with provision on site themselves, and where this not possible looking to a range of alternatives which have maximum benefit for biodiversity and can offer significant landscape repair at scale.
- 4.3 Scoring biodiversity mitigation through the Defra Metric gives weight for local mitigation, but it also gives weight for siting BNG at strategically important sites across wider district geographies, and so there is a balance of local context to be weighed in each case, which should help Developers, Planners and Planning Committees arrive at the appropriate outcome for BNG.

##### **Key issues**

- 4.4 There are several key issues that have informed the policy created. These include:
- The lack of an existing habitat bank within Peterborough.
  - The need to provide a transparent approach which supports the creation of long-term habitat enhancement at a landscape scale.
  - The aspiration to support the recently formulated Doubling Nature Vision endorsed by Council's across Peterborough and Cambridgeshire.

#### **5. CONSULTATION**

- 5.1 Prior to drafting this paper the proposal has had input from a broad range of officers within the Council and other Local Planning Authorities within Cambridgeshire.

The Climate Change and Environment Scrutiny Committee has been consulted on this paper, at its meeting of 5<sup>th</sup> September 2022.

#### **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 It is anticipated that Cabinet will endorse the interim Biodiversity Net Gain (BNG) Approach

#### **7. REASON FOR THE RECOMMENDATION**

- 7.1 To provide a practical and consistent approach to BNG to help Planning Officers, Planning Committee and developers in the period between now and November 2023 when Government will announce its approach.

#### **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Other alternative options include:
1. Propose an alternative or modified approach – This was dismissed as it was considered that alternative approaches would not meet best practice guidance and be inconsistent with the approach taken by adjoining authorities within Cambridgeshire.

2. Do nothing and wait for more guidance from DEFRA (timescales unknown)- This would potentially lead to confusion and an inconsistent approach to BNG within Peterborough and could equally impede growth.

## 9. IMPLICATIONS

### Financial Implications

- 9.1 The proposed approach does not directly have any financial impacts on the Council yet will allow significant financial investment within Biodiversity across Peterborough in a targeted and strategic manner.

### Legal Implications

- 9.2 The proposal takes into consideration National and Local Policy along with current best practice. Deviation from this approach may open the Council up to possible legal challenge

### Equalities Implications

- 9.3 There are no known implications, positive or negative.

### Rural Implications

- 9.4 There are no known implications, positive or negative.

### Carbon Impact Assessment

- 9.5 It is considered that the approach will have a overall positive impact on carbon emissions through the creation of measurably more biodiversity habitat which will have the potential to capture carbon.

## 10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 Natural England, Biodiversity Net Gain Brochure, 2022, [https://naturalengland.blog.gov.uk/wp-content/uploads/sites/183/2022/04/BNG-Brochure\\_Final\\_Compressed-002.pdf](https://naturalengland.blog.gov.uk/wp-content/uploads/sites/183/2022/04/BNG-Brochure_Final_Compressed-002.pdf)

Natural Cambridgeshire, Doubling Nature Leaflet, 2019, <https://naturalcambridgeshire.org.uk/wp-content/uploads/2019/07/Doubling-Nature-LR.pdf>

UK Government, Environment Act 2021, <https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted>

DEFRA, Consultation on Biodiversity Net Gain Regulations and Implementation 2022, <https://consult.defra.gov.uk/defra-net-gain-consultation-team/consultation-on-biodiversity-net-gain-regulations/>

Natural England, The Biodiversity Metric 3.1, 2022, <http://publications.naturalengland.org.uk/publication/6049804846366720>

CIRIA, Biodiversity Net Gain Principles and Guidance for UK construction and developments, 2019, [https://www.ciria.org/Resources/Biodiversity\\_Net\\_Gain.aspx](https://www.ciria.org/Resources/Biodiversity_Net_Gain.aspx)

## 11. APPENDICES

- 11.1 Appendix 1- Interim Biodiversity Net Gain Approach

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## Appendix 1

# Interim Biodiversity Net Gain (BNG) Approach

September 2022

## Introduction

This Guidance Note provides interim local guidance in relation to biodiversity net gain (BNG) when considering offsite BNG proposals, this note is not formal planning policy. It does not establish new planning policy, nor does it supersede any existing formally made planning policy. Instead, as explained in the note, it is a guidance note as to how Peterborough City Council intends to implement existing policy (national and local), and how Peterborough City Council intends to prepare for upcoming mandatory BNG.

What is Biodiversity Net Gain (BNG)?

BNG is a new national initiative linked to the planning system. The basic idea is that biodiversity will be in a measurably better state after new development has happened than before the development has taken place. So, if a developer wants to build some new homes on a parcel of land, the developer will have to calculate what level of biodiversity exists before development takes place, and then demonstrate how habitats will be created to increase biodiversity after the development has finished. This does not necessarily mean the same type of biodiversity or habitats are created as currently exists, or created in exactly the same place. It's about an overall increase in habitats and biodiversity, once a proposal has been adjusted for what will be lost and what will be gained. Hence the term 'net gain'.

For more details on the principles of BNG, at a national level, then a useful simple guide prepared by Natural England in April 2022 can be found here: [Biodiversity Net Gain Brochure<sup>1</sup>](#)

BNG has been identified as one of the primary mechanisms for the restoration of biodiversity across the UK. Locally, the need is recognised within Cambridgeshire's Doubling Nature vision<sup>2</sup>. To achieve the vision, a strategic approach to habitat creation and enhancement will be required in line with the Lawton principles of 'more, bigger, better, and more joined up'. This will require focus on improving the condition of existing designated biodiversity sites (albeit this must demonstrate additionality), increasing their size, and improving connections between them by creating steppingstones and corridors of biodiversity rich habitats. The requirement to deliver BNG is already in place, albeit we are currently in a transition phase from BNG being a national policy expectation to BNG becoming a national mandatory requirement. In Peterborough, we have also adopted planning policy which under LP28<sup>3</sup> states that all planning proposals should deliver a net gain in biodiversity, where possible, by creating, restoring and enhancing habitats and enhancing them for the benefit of species. This provides rationale for early implementation of BNG in advance of mandatory requirements.

## Purpose of this Guide

This guide is help developers and decision makers on what is expected by the Council when considering BNG proposals, prior to the predicted mandatory adoption of the BNG in Autumn 2023.

## **BNG from a Peterborough Perspective**

### Introduction

In the interim period before BNG becomes mandatory, the Council's approach is to implement existing national and local policy in a way which matches best practice. Such best practice is very similar to how mandatory BNG will operate, so it's a good opportunity to help both developers and decision makers to get familiar with what BNG is and how it should be applied.

### Biodiversity Net Gain Location

This is a crucial aspect of how BNG is to work. Put simply, national and local policy, as well as emerging national practice for mandatory BNG, all point to the same thing: if at all possible, BNG should be delivered 'on-site'.

By 'on-site', that means within the same boundary as the planning application (known as the 'red line boundary', which is a line which must be shown on any planning application and identifies the total area to which the planning permission will apply.

The line normally includes a much larger area than just where a new building will go, and will include land such as open space). This principle is discussed in further detail in the "Delivering BNG" section.

### Quantity of Biodiversity Net Gain

Once the Environment Act<sup>4</sup> (November 2021) is enacted the mandatory minimum of 10% BNG will apply to all Town and Country Planning Act (TCPA) applications which are not exempt (see below).

In the interim Peterborough City Council will aim that a minimum of 10% BNG be achieved on all development sites, in line with the mandatory minimum. This aspiration is supported by the recently formulated Doubling Nature Vision endorsed by Council's across Peterborough and Cambridgeshire. If a minimum of 10% net gain is considered to be not proposed (or it is not clear what the deliverable and enforceable gain is to be, if any), then a decision maker, in applying national and local policy, will likely conclude that the planning application is not achieving such policy, and weight against the proposal would be applied accordingly. This means there will be a good chance the development will be refused.

For the avoidance of doubt, the Council reserve the right to propose in a future update of the Peterborough Local Plan, policies to instruct a higher percentage Biodiversity Net Gain target(s) which if adopted would, under current law, take precedence over the nationally mandated 10% BNG.

A Neighbourhood Plan (as prepared by a Parish Council or other relevant neighbourhood body) may attempt to seek a higher % BNG, and if successful that would take precedent over the nationally mandated 10% BNG for proposals within the applicable neighbourhood area.

### **Applications exempt from requiring BNG**

Whilst national policy or law is not established on this point, it is likely that certain types of development will be exempt from having to undertake mandatory BNG, further details of what will be exempt will be released in the future.

For the purpose of this guidance note, and until there is clarity nationally of those development schemes that will be exempt from mandatory BNG, the Council will therefore not require the following planning applications to make provision for BNG. These exemptions are influenced by the BNG consultation document issued by Defra in January 2022<sup>5</sup>. Of course, even if exempt, the Council will still welcome BNG provision if proposed.

- Small scale developments below a ‘de minimis’ threshold, which we have determined in Peterborough to be a red line application boundary below 20m<sup>2</sup>.
- Householder applications (such as a house extension).
- Change of use applications (which involve no new floorspace).
- Applications exclusively for biodiversity net gain.

Please note that being exempt from BNG does not mean the development is exempt from wider nature related policy requirements, such as protected species, trees or habitats.

### **Making Sure a Developer Implements BNG**

Once a planning application is granted planning permission by a local council, that permission will always be accompanied by a set of ‘planning conditions’. These conditions make it clear exactly what the developer must do when construction takes place. Sometimes, usually larger developments, will also have other ‘planning obligations’ attached to the planning permission. These are legal agreements that the developer commits to doing, and are particularly useful, for example, for delivering infrastructure away from the actual development site.

Planning conditions and other obligations will be an essential part of delivering BNG, both at the mandatory stage and in the interim period before then.

The Environment Act is making it mandatory for all planning proposals which are required to undertake BNG (which as described above, will be the vast majority of proposals), to have a condition attached to any planning permission as follows:

“The development may not be begun unless—

(a) a biodiversity gain plan has been submitted to the planning authority, and

(b) the planning authority has approved the plan”

The above requirement for a biodiversity gain plan (see section later on) is not yet mandatory (again, this is expected in late 2023), but best practice in the interim period is to implement a similar arrangement.

In Peterborough, therefore, in the interim period prior to mandatory BNG, an application should include either:

- All necessary information in order to determine whether a net gain will be achieved, and if so, the Council will include a suitably worded condition (and/or where necessary require some other planning obligation or legal agreement) to secure the delivery of the proposed gain;

**or**

- Sufficient information to give confidence to the decision maker that a net gain will be possible, but the details are reserved to a later date. If so, the above wording contained in the Act will be used as a condition attached to the planning permission.

### **Calculating and presenting BNG**

Once mandatory, a crucial part of BNG is the biodiversity metric. The Environment Act requires government to publish such a metric, for use in association with BNG. The metric is a habitat-based approach used to assess an area’s value to wildlife. The metric uses habitat features to calculate a biodiversity value.

Government have been trialling versions of a national metric, and the latest version at the time of writing is the biodiversity metric 3.1 calculation tool and user guide<sup>6</sup> (21 April 2022), which is published on Natural England’s Access to Evidence website. The user guide describes how to gather the information needed for the metric calculations.

You can use the biodiversity metric to calculate how a development, or a change in land management, will change the biodiversity value of a site. For example, building houses, planting a woodland or sowing a wildflower meadow. You can use the metric to:

- assess the biodiversity unit value of an area of land
- demonstrate biodiversity net gains or losses in a consistent way
- measure and account for direct impacts on biodiversity
- compare proposals for a site - such as creating or enhancing habitat on-site or off-site

It can help you design, plan and make land management decisions that take better account of biodiversity. The metric calculates the values as 'biodiversity units'. Biodiversity units are calculated using the size of the habitat, its quality and location. You should use the metric and calculator tool with ecological advice.

The Local Planning Authority will verify the accuracy of the biodiversity value calculations and consider the merits of any off-site net gain measures with reference to existing baseline data and strategies. Any scheme of Biodiversity Net Gain must include a mechanism for delivery of the target habitats, management, and monitoring of their condition, and an approach to remediation in the event of targets not being met. Where proposals are for enhancement to a designated Local Wildlife Sites or Local Nature Reserve, they must provide measurable additionality to existing management arrangements and not support management that should already be undertaken by a public body. Sites in private ownership that are in poor condition may be suitable for BNG contributions for enhancement.

These mechanisms of delivery will likely be presented within a 'biodiversity net gain plan'. A document that will become a mandatory application submission with any development that has a BNG requirement. The Environment Act has already set out 'matters' that will need to be included within a Biodiversity Net Gain Plan:

“(a) information about the steps taken or to be taken to minimise the adverse effect of the development on the biodiversity of the onsite habitat and any other habitat,

(b) the pre-development biodiversity value of the onsite habitat,

(c) the post-development biodiversity value of the onsite habitat,

(d) any registered offsite biodiversity gain allocated to the development and the biodiversity value of that gain in relation to the development,

(e) any biodiversity credits purchased for the development, and

(f) such other matters as the Secretary of State may by regulations specify.”

Inevitably, this is going to be a steep learning curve for both developers and councils in terms of what is expected to be published and scrutinised in a biodiversity gain plan, especially in the interim period before full guidance is published.

Nevertheless, it is important that the level of information that should be submitted in the plan should be proportionate to the development proposed. Crucially, this must be detailed and robust enough in order to establish the degree of net gain proposed, and how that net gain will be implemented, managed and monitored.

One potential useful guide is the CIEEM/IEMA/CIRIA publication Biodiversity Net Gain Principles and Guidance for UK construction and developments<sup>7</sup> (2019). This is a free publication, which includes guidance for all parties involved in BNG, some good practice principles as well as technical

guides. It also includes information on the 'business case' for including BNG in development. CIEEM has also produced a document detailing a series of projects with demonstrate good practice when it comes to implementing Biodiversity Gain in general, Biodiversity Net Gain: Good Practice Principles for Development Case Studies<sup>8</sup>.

A submitted biodiversity gain plan must include a mechanism for delivery of the target habitats, management and monitoring of their condition, and an approach to remediation in the event of targets not being met.

## **Delivering BNG: A Hierarchical Approach**

The following hierarchy is required to be used by applicants for planning permission (and by subsequent decision takers on those applications), moving down the hierarchy only if the full proposed BNG has not been achieved at each stage of the hierarchy. Where a partial amount of BNG is delivered at one stage of the hierarchy, then this opportunity should be taken, and only the remaining amount of BNG to be delivered should be considered for the next stage of the hierarchy, and so on.

### **1. BNG within red line of development**

BNG is provided within the red line of the development. Currently this is the simplest option to secure and deliver. The developer will be responsible for funding baseline assessments, drafting management plans, undertaking any approved scheme monitoring etc.

BNG best practice is to deliver on site (within the red line) and this approach is rewarded through the Defra BNG metric 3.1 However, it is recognised that on a few sites practical, sustainable ecological enhancement may not be viable.

#### **Onsite**

BNG will likely form part of a multifunctional space and may not be the primary function. For example, it could be associated with recreational space or Sustainable Urban Drainage Systems. Indeed, a key national policy aim of BNG is to improve people's access to nature. However, where public access and/or multifunctionality is proposed, this needs to be balanced against the risk of overwhelming the biodiversity intentions.

### **2. BNG offsite but adjacent**

BNG is provided on land owned by the developer or someone else either immediately adjacent to the site or demonstrably functionally linked to the development site. This may require early engagement and agreement with third party landowners. The developer would be responsible for funding baseline assessments of land and drafting management plans. Legal and financial agreements would be required to secure delivery and monitoring.

### **3. BNG offsite within a priority Peterborough habitat or landscape area**

The next preference is land within the priority landscapes that fall within the one of Natural Cambridgeshire's priority landscapes i.e., John Clare Countryside and the Nene Valley (within Peterborough unitary area (UA) only). Where the developer has demonstrated that offsite BNG proposal is not possible in any of the above locations they are then encouraged to explore a proposal that is contained within any of the following guidance or strategies (subject to them falling with the Peterborough UA):

Peterborough Green Infrastructure Strategy, Parish Nature Recovery Plans, Local Wildlife Sites Register and the Peterborough Habitat Opportunity Mapping.

#### **Local Nature Recovery Strategies (LNRS)**

The Environment Act introduces a statutory requirement for Local Nature Recovery Strategies (LNRS) to be produced by a responsible authority appointed by the Government. Covering the Peterborough area, the responsible authority is likely to be the Cambridgeshire-Peterborough Combined Authority. This means the Combined authority will have the responsibility to prepare a LNRS which covers the geographical area of Cambridgeshire and Peterborough. The Combined authority will likely assist by a partnership of Natural Cambridgeshire (the Local Nature Partnership) and all Local Authorities that make up the Cambridgeshire and Peterborough area. Other interested parties will be asked to support its preparation.

These strategies will be developed to map important habitat areas where there is an opportunity to improve the local environment, and in turn this will assist the delivery of BNG and other policies. Such areas are likely to be of a large and strategic scale, rather than smaller community based habitat areas.

The LNRS network will provide a framework upon which off-site non-adjacent BNG may be directed towards. When these strategies are published, any BNG proposals that align themselves with the strategies will be favoured compared to proposals which do not.

### **4. BNG offsite anywhere within Peterborough City Council area**

BNG proposed to be provided on private land (including the developer's own land) anywhere within Peterborough UA and not immediately adjacent to the site or demonstrably ecologically functionally linked. To assist developers and prospective landowners wishing to offer land for offsite BNG, Peterborough City Council is developing a list of relevant contacts, details of their approx. location within Peterborough, potential new habitats to be created and their potential compliance with existing strategic guidance. However Peterborough City Council takes no responsibility for the accuracy or suitability of the land that may be being proposed for off-site net gain. All such due diligence is the responsibility of the developer.

Habitat Banks sell "units" of habitats already created to a developer to enable the net gain requirement to be met. Currently there are no known operational Habitat Banks in Peterborough.

The biodiversity units made available through these banks will be considered at a same level of priority as biodiversity units made available elsewhere in the Peterborough area.

### **5. Buy Units from Habitat Bank outside of Peterborough City Council Area**

This scenario allows for strategic delivery of BNG; however, it is the least desirable option as it is removed from the immediate impact of the development on both local biodiversity and the local community (it is possible that habitat bank land is adjacent to the applicants site although this is unlikely). This option will only be considered if clear evidence of steps 1-4 having been investigated and no suitable options exist.

For strategic habitat banks established prior to the proposed national register of habitat banks, the LPA will not provide an accreditation or specific endorsement. Proposed offsite BNG proposals will be reviewed on a case-by-case basis through the application process to ensure they meet the criteria outlined by Defra and follow BNG best practice principles. Habitat bank Biodiversity Unit credits will be recognised for habitat enhancement or creation in advance of development, provided the works began after January 2020 and clear baseline evidence is available. Strategic Habitat bank sites will be assessed against the following criteria:

- **Location:** Located within a recognised strategic biodiversity location, for example a Natural Cambridgeshire Priority Landscape Areas
- **Habitats:** baseline habitats are surveyed, and appropriate priority habitats are planned.
- **Scale:** Site is over 40 hectares or forms part of a 100-hectare wider priority habitat unit
- **Governance:** The site can be privately owned or managed by a public body or a non-statutory conservation provided that a minimum 30-year creation / enhancement and management plan is in place and can be secured for the proposed development through S106 or similar agreement

### **References**

- 1) Natural England, Biodiversity Net Gain Brochure, 2022, [https://naturalengland.blog.gov.uk/wp-content/uploads/sites/183/2022/04/BNG-Brochure\\_Final\\_Compressed-002.pdf](https://naturalengland.blog.gov.uk/wp-content/uploads/sites/183/2022/04/BNG-Brochure_Final_Compressed-002.pdf)
- 2) Natural Cambridgeshire, Doubling Nature Leaflet, 2019, <https://naturalcambridgeshire.org.uk/wp-content/uploads/2019/07/Doubling-Nature-LR.pdf>
- 3) Peterborough City Council, Peterborough Local Plan 24 July 2019, <https://cccandpcc.sharepoint.com/:b:/s/PCCPlanningPolicyPublicData/EQB6DIKH3nBRRo9tos1GzYEB-wZgAaBU5v1ClqEB7nJKDA?e=OQrCet>
- 4) UK Government, Environment Act 2021, <https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted>
- 5) DEFRA, Consultation on Biodiversity Net Gain Regulations and Implementation

2022, <https://consult.defra.gov.uk/defra-net-gain-consultation-team/consultation-on-biodiversity-net-gain-regulations/>

6) Natural England, The Biodiversity Metric 3.1, 2022,  
<http://publications.naturalengland.org.uk/publication/6049804846366720>

7) CIRIA, Biodiversity Net Gain Principles and Guidance for UK construction and developments, 2019, [https://www.ciria.org/Resources/Biodiversity\\_Net\\_Gain.aspx](https://www.ciria.org/Resources/Biodiversity_Net_Gain.aspx)

8) CIEEM, Biodiversity Net Gain: Good Practice Principles for Development Case Studies , 2019, <https://cieem.net/resource/biodiversity-net-gain-case-studies/>

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<b>CABINET</b>	<b>AGENDA ITEM No. 8</b>
<b>17 OCTOBER 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Charlotte Black, Executive Director of People Services	
Cabinet Member(s) responsible:	Councillor John Howard, Cabinet Member for Adult Social Care, Health and Public Health	
Contact Officer(s):	Oliver Hayward, Assistant Director, Commissioning	Tel. 07870 624341

## HEALTH AND CARE ACT 2022 – REFORMS AFFECTING ADULT SOCIAL CARE

RECOMMENDATIONS	
<b>FROM:</b> <i>Charlotte Black, Executive Director of People Services</i>	<b>Deadline date:</b> <i>October 2022</i>
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Approve the drawdown of up to £0.65m from the Transformation Fund for funding resources during 2022/23 to support the Council to prepare for the changes arising from the Health and Care Act 2022;</li> <li>2. Note and approve: <ol style="list-style-type: none"> <li>a) the unfolding requirements from the Health and Care Act 2022;</li> <li>b) the likelihood of further resource requests will be part of future reports;</li> <li>c) the expected full programme cost for Peterborough City Council of £1.95m over a 32-month period;</li> <li>d) the potential programme joint costs could be lowered by from synchronised working with Cambridgeshire County Council;</li> <li>e) any further government funding received about the implementation of these reforms will be applied to reducing future requests or replenishing the drawdown on Transformation monies; and</li> <li>f) the high-risk nature of the ASC Reforms.</li> </ol> </li> </ol>	

### 1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a review of changes to adult social care legislation.

### 2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to seek Cabinet approval to fund resources. The resources will be deployed in analysing, planning, and preparing for the implementation of changes brought about by the Health and Care Act 2022.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.2, *'To take collective responsibility for any Executive decision that has significant implications across two or more portfolios.'*

### 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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### 4. BACKGROUND AND KEY ISSUES

#### Background

- 4.1. Adult social care provides care and support to people over the age of 18 who need help with undertaking daily living activities. This can include services provided in a person's own home such as domiciliary care or a designated setting such as a residential care home. Services can be provided for both long-term (for people with ongoing and life-limiting conditions) and for short-term periods (helping people to recover and regain their strength and confidence after an adverse life incident).
- 4.2. Peterborough City Council (the Council) has a statutory responsibility under the Care Act 2014 to assess and meet the eligible need; to promote wellbeing; to help prevent, delay, or reduce the onset of care needs; and to safeguard people from harm or neglect.
- 4.3. Eligibility for most Council-funded support is based on a Care Act needs assessment and on a financial means-test assessment. It is estimated from market data that half of all purchased care in Peterborough is by people who arrange and contract for themselves and who pay the full cost of that care to the provider without the Council being involved.
- 4.4. In September 2021, the Government announced proposals to introduce a new Health and Care Levy from April 2022 (an increase in National Insurance contributions paid on earned income) to provide additional funding for the NHS and social care and also announced plans to reform adult social care charging and introduce a cap on eligible care costs from October 2023.
- 4.5. The Government's vision for adult social care revolves around three objectives:
  - a. people have a choice, control, and support to live happier, healthier, and more independent lives;
  - b. people can access outstanding quality and tailored care and support delivered by a skilled and valued workforce, and
  - c. people find adult social care fair and accessible to all who need it when they need it.
- 4.6. The Health and Care Act 2022 takes forward elements of the Government's vision and reform agenda for adult social care, as set out in the white paper:
  - a. Building Back Better: Our Plan for Health and Social Care (September 2021) and
  - b. People at the Heart of Care: Adult Social Care Reform White Paper (December 2021).
- 4.7. The Health and Care Act 2022 introduces reforms (ASC Reforms) that have a significant impact on adult social care, the care provider market, and on Peterborough residents who currently are, or in the future will be, in need of adult social care support.
- 4.8. Members should note that this is an unfolding picture, and this report is based on the information we have available at this time. We anticipate that further updates to this report will evolve as more information on the ASC Reforms is made available.
- 4.9. Our Health and Care corporate priority is consistent with the ASC Reforms as it commits us to improving the healthy, safe, and independence of people in Peterborough. In doing so:
  - a. to move towards delivering care at a neighbourhood level;
  - b. focusing on prevention and early help;

- c. driving up the quality and dignity of care work and care services;
  - d. improving outcomes and combating health inequalities; and
  - e. work with partners to deliver system-wide improvements.
- 4.10. It is anticipated that the Levy will provide £5.4bn for adult social care over three years to implement major reforms of how adult social care is paid for and to introduce a cap on unlimited care costs for individuals throughout their lifetime. However, the resource from Government is expected to cover a proportion of the impact of the social care reforms. This is primarily for ongoing costs. It does not cover the resources required to implement the ASC Reforms.
- 4.11. The Government mandated changes include some due in April 2023 and others in Oct 2023. Consequently, action is needed now to manage, prepare and implement the changes to meet our statutory duty.
- 4.12. There are regional local authority groups that have been created to discuss ASC Reforms. However, none of the local authorities is yet in a position to understand where we may make efficiencies by working together (other than the cap on care costs). As this situation changes, we intend to work collaboratively with other local government organisations on this programme to share best practices and avoid duplication of effort.
- 4.13. As Adult Social Care services remain a shared service between Peterborough City Council and Cambridgeshire County Council, we can look for efficiencies from collaborative working. Consequently, the intention is to implement the ASC Reforms under one programme. This will lower the costs as resources can be shared.
- 4.14. The report sets out the work required, the level of resources required, and when they are required.
- 4.15. Members should also note there will be an ongoing requirement to increase our organisation structure permanently to meet the increased requirement on Peterborough City Council. There may be additional capital expenditure requirements for the ASC Reforms. These will be subject to further reports as requirements become more certain.
- 4.16. The proposals in this paper do not create any additional climate impacts and are therefore consistent with our future net zero climate commitments.

## **Main Issues**

- 4.17. The Health and Care Act 2022 introduces the following reforms affecting adult social care:
- a. from April 2023, a new national statutory assurance regime will be introduced for local authorities in respect of their adult social care duties, with the Care Quality Commission (CQC) undertaking this work;
  - b. from October 2023, amendments to the adult social care charging will be implemented. These will introduce new national financial eligibility criteria and a new cap on eligible lifetime costs; and
  - c. primarily from October 2023:
    - i. introducing a fairer cost of care in the sector;
    - ii. accelerating the digitisation of social care;
    - iii. launching more innovative ways of delivering care;
    - iv. introducing a professional development plan for the social care workforce; and
    - v. refreshing services to support unpaid carers.

## **New statutory assurance regime**

- 4.18. This reform will mean that the Council's adult social care functions will be regulated by the Care Quality Commission (CQC) comparably to local authority children's services functions, which are already regulated by OFSTED.
- 4.19. The CQC will rate local authorities and can refer any significant concerns about a local authority to the Secretary of State for Health and Social Care.
- 4.20. The assurance regime will assess how local authorities are meeting their social care duties under part 1 of the Care Act 2014, which includes:
- a. Promoting wellbeing
  - b. Preventing, reducing, and delaying the onset of care needs
  - c. Assessments of care needs
  - d. Meeting care needs
  - e. Financial charging and personal budgets
  - f. Safeguarding
  - g. Provider failure
  - h. Market oversight
- 4.21. CQC briefings inform us that it is intended that the inspection will initially look across four themes:
- a. Working with people (including assessing needs and supporting people to live healthier lives);
  - b. Providing support (including care provision and continuity and working with partners);
  - c. Ensuring safety (including safe systems and care pathways and safeguarding); and
  - d. Leadership and workforce (including learning, improvement, equality, and diversity).
- 4.22. The CQC will also undertake assessments of the integrated care systems that cover our area to look at working between the NHS and local government. This means that the Council might face the prospect of supporting multiple inspections in a short space of time.

### **Amended adult social care charging**

- 4.23. The Act makes the following amendments to the Care Act 2014 in respect of adult social care charging. This is set out in the guidance document on care charging reforms that was published for consultation:
- a. **Introduces new financial means test eligibility criteria**, which will make more people eligible for their care needs to be met by the Council and will make the financial assessment process, which determines how much an adult contributes to the cost of their care, more generous to the adult:
    - i. **Total assets over £100,000 (the current equivalent is £23,250)** individual will pay full fees ('self-funders'). If by contributing towards care costs the value of a person's remaining assets falls below £100,000, they are likely to be eligible for some financial support. Once the £86,000 cap on eligible care costs is reached, local authorities will pay for all eligible personal care costs. People may choose to "top up" their care costs by paying the difference towards a more expensive service, but this will not count towards the cap.
    - ii. **Total assets between £20,000 and £100,000 (the current equivalent is a much narrower range of £14,250 - £23,250):** subject to a financial assessment, people will contribute no more than 20% of their chargeable assets per year towards their care costs, along with an assessed contribution based on their income.

- iii. **Total assets below £20,000 (the current equivalent is £14,250):** subject to a financial assessment, people pay nothing from their assets but may need to contribute to their income.
- b. **Introduces a new £86,000 cap on eligible care costs** for the amount anyone in England will need to spend on their care over their lifetime. Once the cap is exceeded, a person will have their care costs funded by the local authority in which they are ordinarily resident. This will be subject to a care assessment, care plan and personal budget. The costs met would be those incurred in providing support to meet needs that meet the eligibility criteria and are not met by a carer.
- c. **Requirement on local authority to operate ‘care accounts’** so that money that people have paid and that is eligible to count towards the £86,000 care cost limit can be logged and tracked. The local authority will need to provide statements twice a year to individuals and must inform the individual when costs have exceeded the £86,000 cap. This applies to private funders also, not just people currently receiving Council-funded support. To achieve this, the local authority will be required to carry out an assessment of needs and a care and support plan for everyone receiving social care services, no matter how sourced.
- d. **A right for those with assets over £100,000 to approach the local authority to arrange care for them at the rates that the local authority would pay.** The purpose of this reform is to “tackle persistent unfairness in the social care system” where “under the current system, people who fund their care often pay more than people who are funded through their local authority for equivalent care. This right means the Council’s contract rates will be available to all.

4.24. The cap is scheduled to come into effect from October 2023. Only costs accrued after this date will be counted towards the cap; any costs incurred before the date of introduction of the cap will not be counted.

### **Moving towards a Fair Cost of Care**

- 4.25. The Government recognises that council fee rates are in many cases unsustainably low at present, and it plans to support moves towards a Fair Cost of Care (FCC) with new injections of central Government money, starting in financial year 2022/23.
- 4.26. In March 2022 Laing Buisson (a nationally recognised care market consultancy) published analysis suggesting a significant shortfall between the ring-fenced funding for Fair Cost of Care, and the true cost to Council’s and Providers of care. Laing Buisson’s central estimate is that this would require Government to raise funding allocations by at least £854m per annum nationally for FCC in residential and nursing care homes to enable councils to pay rates at a rate that is sustainable to providers.
- 4.27. On 24 March 2022 the Government published new [Operational Guidance for the introduction of its Fair Cost of Care \(FCC\) policy](#). The paper sets out conditions which Councils need to meet in order to access future funding to support the requirements to pay a fair cost for provision of social care.

### **Other social care reforms**

- 4.28. In addition to these changes, and primarily during 2023, the Council is also required to:
  - a. accelerating the digitisation of social care, increasing the use of technology to support people to live independently and improve their quality of care;
  - b. launching innovative new ways of delivering care in the community, improving the choice of care available to individuals;
  - c. introducing a new professional development plan for the social care workforce to improve care quality, make the profession an attractive career, and provide more mental health and wellbeing resources; and

- d. working with the sector to refresh services to support unpaid carers and improve their availability across the country.
- 4.29. The Health and Care Act 2022 suggests an integrated care system will help to join up the range of health and social care services that people might receive, bridging the gaps that patients, care users and their families are too often left to navigate alone. As a result, the ASC Reforms programme will work closely with our local integrated care system to ensure that people using health and social care services experience well-coordinated care.

### **Financial and commercial implications**

- 4.30. The reforms are significant, and the implications include the following:
- a. more people will be eligible for their needs to be met under the Care Act, and for part or full funding from the Council as a result of the new means-test criteria;
  - b. the Council's existing fees and charges policies will need to be reviewed and updated, as necessary. The Council will undertake any consultation on changes as required;
  - c. impact on the wider care market due to self-funders accessing the Council's contracted rates for care. Self-funders often pay more than local authorities because they buy as an individual rather than benefitting from economies of scale. The impact of this will be better understood once the care sector pay review findings are known and will be reported as part of the market sustainability plan;
  - d. the Council will need to undertake more Care Act needs assessments and more financial assessments as self-funders approach the Council to set up their care accounts, to provide them with an independent personal budget. Existing workforce capacity will not be able to meet this demand; and
  - e. relevant policies and documents need updating; the workforce needs training on the new policies; key systems need upgrading; and the Council needs to ensure that residents, the workforce and care providers understand the new rules.
- 4.31. National modelling through the County Councils Network (CCN) with Laing Buisson and Newton Europe has indicated that reforms will have a greater financial impact on local authorities than was estimated in the Government's Impact Assessment over the 10 years (£29bn - £32bn vs. £19bn). Modelling shows:
- a. the impact of the means tests and cap on care costs leads to increasing costs, particularly from 2024-25 but growing significantly through to 2028-29; The operational spend element of these costs represents costs for additional workforce required to support the operation of the care cap. The number of resources required is dependent upon the level of automation achieved in our business processes; and
  - b. the impact of the care sector pay review as increased financial pressure, particularly in 2023-24. The specific local annual operational cost change is unknown. The Council has commissioned Laing Buisson, to support the assessment which is due in late September 2022. This work is scheduled to be returned to Central Government in draft format on 14 October 2022 with a final version by 24 February 2023.

The future ongoing impacts are subject to separate business cases and reports.

The analysis, design, and development of the Council's processes, ways of working, and systems are subject to this business case.

### **Governance and benefits management**

- 4.32. The programme governance structure is set up to allow management by exception. There are 4 distinct governance groups each with its own set of terms of reference:
- Council committees;

- Corporate Leadership Teams;
  - Budget CLT / Directorate Management Team; and
  - ASC Reform Programme Board.
- 4.33. The governance groups will hold the programme team accountable to deliver its benefits realisation strategy which adopts a balanced scorecard approach, looking at both the financial and non-financial benefits. The programme requires Members to approve the business case and delegate the deployment of resources to the ASC Reform Programme Board. The ASC Reform Programme Board will at set periods report back on performance and achievements.
- 4.34. A Stakeholder Management and Engagement Plan has been produced. This plan identifies all the key stakeholders relevant to the programme as well as identifying:
- how stakeholders are involved in the programme;
  - what is the attitude of key groups to the programme;
  - who is best placed to manage each key stakeholder; and
  - how and on what frequency communications will take place with each stakeholder.
- 4.35. Communication channels will be established to ensure that stakeholder expectations of the programme can be managed and buy-in maintained throughout the programme's life. An ongoing two-way interface between the programme and its stakeholders will remain essential. This plan is a continually updated live document.
- 4.36. The ASC Reforms work is primarily driven by the need to comply with statutory changes affecting Adult Social Care. Consequently, any financial and non-financial benefits delivered are secondary.
- 4.37. In the first instance, the resources will deliver products which will help shape our benefits realisation strategy. A benefits realisation strategy, using a balanced scorecard approach, looking at both the financial and non-financial benefits will be produced for the ASC Reforms programme primarily to:
- provide alignment and clear links between the programme, its vision and desired outcomes and the Council's strategic objectives;
  - identify the wider impact of the changed capability including side effects, dis-benefits, and benefits;
  - ensure that benefits realisation is tracked and documented so that achievements are properly identified and realisation and signed up to; and
  - encourage ownership and responsibility amongst the stakeholders and therefore attribute the value through the benefits realisation process.
  - In the medium term there may be opportunities to realise benefits which could be used to offset the ongoing cost implications through service redesign, but this cannot be quantified at this stage.
- 4.38. The Council has a selection of corporate contracts, frameworks and other agreements created by the Procurement team for goods, services and works where the prices and terms have been negotiated to achieve the value for money for the Council as a whole. The Council's procurement policy confirms procurement of any goods or services should be procured from the established corporate contracts or corporate frameworks. Where such contracts are not available tendering should take in line with the Council's Procurement rules.
- 4.39. The ASC Reforms programme does anticipate any procured services within this report during the first year. This is because the requirement is for temporary workers. In such a case, the programme will work with the Council's procedures for hiring temporary workers.
- 4.40. Council staff will be impacted as work roles will be re-prioritised to complete work necessary to implement change. They will be supplemented by external resources. An

advantage of the hybrid-in approach to resources is the Council can use expertise from where its best available. Over the life of the programme, it will help to reduce the effort required to transfer learning from recruits to in-house staff.

- 4.41. The work completed to date has been carried out across the Council by staff fitting tasks into their daily schedules. Consequently, the Council has not made any expenditures. Requirements from Government are accelerating, and subsequently Council staff will require prioritising work amongst all their objectives.
- 4.42. The use of additional resources will also mean that the staff currently working to implement the ASC Reforms will not be over-stretched for a prolonged period. This is likely to result in less stress for staff which is especially important for those who have mental health conditions and/or hidden disabilities. Staff working with other protected characteristics such as physical disabilities and pregnancy will be afforded greater flexibility knowing that additional resources have been allocated and the burden of project delivery is not solely for them to carry.
- 4.43. This programme has produced a risk management strategy that aids the programme team's awareness of the need for effective risk management. Implementing this strategy will support the aim of integrating risk management into the working habits of the programme team. Members should also note that ASC Reforms is a highly important and high-risk programme. The programme team note the following high rating risks:
- a new Prime Minister will introduce changes to the Health and Care Act 2022. This could include a change in scope and a change in when work has to be completed;
  - we are unable to fund Adult Social Care Reform due to funding from the central government not covering further implementation costs;
  - all local authorities are implementing ASC Reform we may be unable to recruit staff or recruiting may be unachievable due to cost;
  - we fail to implement the Health and Care Act 2022 as expected as our support services are unable to keep pace due to competing priorities; and
  - the proposed national solutions or systems do not arrive promptly meaning we implement something that is not in accordance with the government expectations.

## **5. CONSULTATION**

- 5.1 Consultations have been undertaken between the Adult Social Care team with the Department of Health and Social Care, the Local Government Association, Eastern Regions of the Directors of Adult Social Services, and regional and peer local authorities. Consultations will continue during the programme.
- 5.2 Consultations could also take place with the local Integrated Care Service, local care and support providers, regional and national housing providers, as well as service user representative groups such as Healthwatch.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 The implementation of the recommendations ensures:
- a) the Council deploys resources to manage and implement the Health and Care Act 2022 reforms;
  - b) the public, care sector, and Council staff are aware of the changes required; and
  - c) the Council implements reformed practices including updated strategies, policies, commissioning plans, information and advice to people using care services, case management system, training programme, and quality assurance approach.

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 The Health and Care Act 2022 takes forward elements of the Government's vision and reform agenda for adult social care, as set out in the white paper:
- a. Building Back Better: Our Plan for Health and Social Care (September 2021) and
  - b. People at the Heart of Care: Adult Social Care Reform White Paper (December 2021).

The Health and Care Act 2022 introduces reforms (ASC Reforms) that have a significant impact on adult social care, the care provider market, and on Peterborough's residents who currently are, or in the future will be, in need of adult social care support.

Consequently not delivering this programme means:

1. the local authorities fail to meet our statutory requirements
2. failure to submit our Fair Cost of Care Review and Market sustainability draft proposals by mid-October 2022 and verified and budgeted by end-Feb 23, will result in a loss of funding from 23/24 for the Care changes.
3. failure to implement Cost of Care accounts by Oct 23 will result in service users being unable to register care payments towards the cap on care costs.
4. failure to implement Fair Cost of Care to the provider market is likely to mean a collapse in the care market in Peterborough.
5. failure to implement new data requirements will lead to a breach of statutory duties around minimum data returns and impair the ability for the local authorities to benchmark data to manage demand. It will also impair the Local Authority's ability to plan care effectively for the needs of service users.
6. failure to properly prepare for the new CQC Assurance regime could lead to poor performance ratings and significant reputational damage.
7. failure to have an internal workforce strategy, puts us at risk of not complying with our statutory duties to undertake a larger number of care needs and financial eligibility assessments and absorb the wider system pressures this creates such as increased contact with our front door services and customer care. Business as usual is seriously disrupted with poor outcomes for the people we support.
8. failure to have an external workforce strategy will prevent us from:
  - a) being able to bid for funding around workforce skills that is made available as part of reform and/or
  - b) maximising the opportunity to have a more stable and better skilled workforce who deliver better quality of care which leads to better care outcomes for the people we support and a reduced burden on us in managing poor performance.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Three generic options were considered:
- a) The Do-Nothing option would put the Council in breach of future statutory duties. This option was rejected. This was on the grounds that future service users would not be able to access vital services.
  - b) The Do-Later option was considered. After consultation with colleagues across the affected directorates, it was discarded. This was on the grounds colleagues judge we are on the critical path to implement the reforms. As noted in the risk assessment, future changes to the make-up of Government could affect this position.
  - c) The Do-Some option was considered. The proposal in this report phases the work. This includes delaying work in time to receive further Government guidance. Consequently, this option is recommended and detailed in the report.

## **9. IMPLICATIONS**

### **Financial Implications**

#### **9.1 Specific financial Implications and funding options**

- 9.1.1. We estimate the programme requires a gross funding amount of £2.15m over 32 months to deliver the requirements set out in the ASC Reforms. To date £0.2m has been grant funded or expected by the Government to work on the implementation of

the care sector pay review and digital records review. Further funding from Government has been announced for the ASC Reforms work. However, it did not specify how that funding will be distributed from 2023/24 onwards, or how much each Local Authority might receive. Consequently, the ASC Reforms programme requires a net funding amount of £1.95m as shown below.

<b>Work Areas</b>	<b>PCC total cost £000's</b>
Assessments (Financial Assessments)	135
Assessments (Social Care)	202
Assurance Framework	59
Carers services	111
Communication and Engagement	23
Creation of Cap on Care Cost Policy/Strategy	42
Data Strategy	45
Digital	513
Digitally Enabled Social Care - TEC and Systems	27
Housing integration with local care and health strategy	-
Impact, Modelling & Recruitment	346
Information and Advice	52
New Models of Delivery	45
Overarching Programme Resourcing	240
Policy & Strategy (excluding Cap on Care Costs)	31
Workforce	75
<b>Grand Total</b>	<b>1,946</b>

9.1.2. As the investment requirement is significant and there remains a lack of detailed information from the Government, various funding options were considered. The table below lists the advantages and disadvantages of the options considered with the recommendation to request a time-phased approach.

<b>Option</b>	<b>Advantages</b>	<b>Disadvantages</b>
<p><b>Whole programme</b> Funding is available for the whole programme. The Programme Board is accountable for benefits realisation and financial management.</p>	<ul style="list-style-type: none"> <li>• Programme team can make decisions quickly, particularly about recruitment</li> <li>• Programme team mobilise resources, complete the discovery phase, and produce gap analysis reports.</li> <li>• Retaining contractors' risk is mitigated</li> </ul>	<ul style="list-style-type: none"> <li>• Large amounts of resources are committed when the whole programme is undefined.</li> </ul>
<p><b>Workstream approach</b> Funding is available for each workstream starting in Oct 22. Monies are linked to outputs.</p>	<ul style="list-style-type: none"> <li>• Programme team can make decisions quickly on some parts of the programme as they start in 22/23.</li> <li>• Programme team mobilise resources, complete the discovery phase, and produce gap analysis reports.</li> </ul>	<ul style="list-style-type: none"> <li>• Large amounts of resources are committed when the whole programme is undefined.</li> <li>• Discovery work on some workstreams would be delayed.</li> <li>• Retaining contractors remains a risk</li> </ul>

	<ul style="list-style-type: none"> <li>Lower amounts of resources committed when the whole programme is undefined.</li> </ul>	
<p><b>Time-based approach</b> Funding is available for some time, nominally a financial year. Monies are linked to outputs.</p> <p><b>Recommended option</b></p>	<ul style="list-style-type: none"> <li>Programme team can make decisions quickly, particularly about recruitment</li> <li>Lower amounts of resources committed when the whole programme is undefined.</li> <li>Discovery work on all workstreams could start.</li> </ul>	<ul style="list-style-type: none"> <li>Retaining contractors remains a risk</li> </ul>
<p><b>Fixed resource approach</b> A fixed amount of resources is made available to complete the initial stages of the programme. Further tranches are released at a later date.</p>	<ul style="list-style-type: none"> <li>Programme team mobilise resources, complete the discovery phase, and produce gap analysis reports.</li> <li>Lower amounts of resources committed when the whole programme is undefined.</li> <li>Discovery work on all workstreams could start.</li> </ul>	<ul style="list-style-type: none"> <li>Resources will not join the Programme Team as the work duration is short.</li> <li>Retaining contractors remains a risk</li> </ul>
<p><b>Hybrid fixed resource Phase 1</b> A fixed amount of resources is made available to complete the initial stages of the programme for Phase 1 only. Further phases and tranches are released at a later date.</p>	<ul style="list-style-type: none"> <li>Programme team mobilise resources, complete the discovery phase, and produce gap analysis reports.</li> </ul> <p>Lower amounts of resources are committed when the whole programme is undefined.</p>	<ul style="list-style-type: none"> <li>Resources will not join the Programme Team as the work duration is short.</li> <li>Retaining contractors remains a risk</li> <li>Discovery work on some workstreams could start.</li> </ul>
<p><b>Hybrid time-based Phase 1</b> Funding is available for some time, nominally a financial year. Further funding is released for each phase with the immediate release of Phase 1.</p>	<ul style="list-style-type: none"> <li>Programme team can make decisions quickly, particularly about recruitment</li> <li>Lower amounts of resources committed when the whole programme is undefined.</li> </ul>	<ul style="list-style-type: none"> <li>Retaining contractors remains a risk</li> <li>Discovery work on some workstreams could start.</li> </ul>

9.1.3. The recommended option is the time-based approach. At its peak, it is estimated that 47 FTE are required to work on the programme jointly with Cambridgeshire County Council. This is inclusive of where we can assign internal staff (at no cost). It also includes where we can offer career development roles to internal staff. Work has started to identify such opportunities and the levels are likely to grow. This hybrid approach of people from within and from outside of the Council working together means we can retain corporate knowledge whilst using expertise to accelerate the programme.

The resources are shown as a combined volume across Peterborough City Council and Cambridgeshire County Council as it helps with identifying efficiencies which is set out in paragraph 9.1.5.

The table below shows when staff are required for this programme.

Job types with recruitment strategies	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25
<b>Internal, no replacement required</b>		1.0	1.5	1.5	1.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Impact, Modelling & Recruitment		1.0	1.0	1.0	1.0							
Overarching Programme Resourcing			0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>Internal, replacement required</b>		2.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
Impact, Modelling & Recruitment		1.0	1.0	1.0	1.0							
Overarching Programme Resourcing		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Policy & Strategy (excluding Cap on Care Costs)			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0		
<b>Recruit</b>		20.6	25.6	41.7	42.7	36.7	36.7	27.6	27.6	9.1	5.1	1.1
Assessments (Financial Assessments)		2.0	2.0	4.0	4.0	3.0	3.0	3.0	3.0			
Assessments (Social Care)		3.0	3.0	7.0	7.0	5.0	5.0	5.0	5.0			
Assurance Framework		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0			
Carers services		1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0		
Communication and Engagement		0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5			
Creation of Cap on Care Cost Policy/Strategy		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0			
Data Strategy		0.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.0		
Digital		5.0	5.0	10.0	10.0	8.0	8.0	0.0	0.0			
Digitally Enabled Social Care - TEC and Systems		0.1	0.1	0.1	0.1	0.1	0.1					
Housing integration with local care and health strategy			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Impact, Modelling & Recruitment		4.8	5.8	7.8	7.8	6.8	6.8	6.8	6.8	1.0		
Information and Advice				1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
New Models of Delivery				1.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	
Overarching Programme Resourcing		1.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	2.1	1.1	1.1
Workforce		1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
<b>Grand Total</b>		<b>23.6</b>	<b>30.1</b>	<b>46.2</b>	<b>47.2</b>	<b>39.2</b>	<b>39.2</b>	<b>30.1</b>	<b>30.1</b>	<b>11.6</b>	<b>6.6</b>	<b>2.6</b>

The competition for skilled resources is high as local authorities across England are all preparing for the Adult Social Care Reforms. Previously recruitment would take 3-4 weeks to complete, now it's taking +8 weeks. This is because the resources within our financial limits are much more difficult to attract. As a consequence of this, recruiting for less than 3 months is a high risk. It is recommended, that recruitment should be for at least 9 months and longer to ensure continuity of contractors and to avoid the loss of organisational knowledge part way through a significant programme. This means making available funding for this financial year.

- 9.1.4. Consequently, the immediate request for ASC Reforms programme 2022/23 is for £0.65m from the Council. The accuracy of the required investment is assured by subject matter experts from the various technical disciplines involved. The resource plan has been developed with their best judgement interpreting the requirements of the ASC Reforms. Given the uncertainties surrounding the requirements, the first year will focus on certain work packages such as needs analysis, gap analysis, and options appraisals.

Work Areas	PCC total cost £000's for 22/23
Assessments (Financial Assessments)	51
Assessments (Social Care)	67
Assurance Framework	22
Carers services	35
Communication and Engagement	9
Creation of Cap on Care Cost Policy/Strategy	16
Data Strategy	13
Digital	219
Digitally Enabled Social Care - TEC and Systems	13
Housing integration with local care and health strategy	-
Impact, Modelling & Recruitment	170
Information and Advice	7
New Models of Delivery	4
Overarching Programme Resourcing	2
Policy & Strategy (excluding Cap on Care Costs)	8
Workforce	15

- 9.1.5. Should the Council and Cambridgeshire County Council work collaboratively, there is an opportunity to share resources. The sharing is predicated on not needing to invest for peak periods but being able to spread the work evenly as well as avoid duplication. The business case estimates that c£0.4m may be reduced from the investment request through joint working over the life of the programme.
- 9.1.6. In the event grant funding is available (which may be made available any time during the programme), this investment request will be reduced in a refresh of the business case. In the event investments have been incurred, grants received will be used to replenish the Transformation Fund budget.

### Legal Implications

- 9.2 The prospective changes to the law are described elsewhere in this report. The Council will need to prepare for significant changes to successfully implement the legislation.

### Equalities Implications

- 9.3 There is no significant impact within this category at this time. A Community (Equality) Impact Assessment has been completed and will be refreshed at each stage of the programme.

### Rural Implications

- 9.4 There is no significant impact within this category at this time. Work will start towards the end of the next stage of the programme to assess the implications of the fair cost of care and cap on care and their impact on support distribution.

### Carbon Impact Assessment

- 9.5 There is no significant impact within this category at this time. Work will start towards the end of the next stage of the programme to assess the implications of new models of care and their impacts on preventing future harm.

## 10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1

Source document	Location
1. Building Back Better: Our Plan for Health and Social Care (September 2021)	<a href="https://www.gov.uk/government/publications/build-back-better-our-plan-for-health-and-social-care">https://www.gov.uk/government/publications/build-back-better-our-plan-for-health-and-social-care</a>
2. People at the Heart of Care: Adult Social Care Reform White Paper (December 2021).	<a href="https://www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper">https://www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper</a>
3. County Councils Network report	<a href="https://www.countycouncilsnetwork.org.uk/wp-content/uploads/LaingBuisson-Impact-Assessment-of-Section-183-FCC-FINAL.pdf">https://www.countycouncilsnetwork.org.uk/wp-content/uploads/LaingBuisson-Impact-Assessment-of-Section-183-FCC-FINAL.pdf</a>

## 11. APPENDICES

- 11.1 None.

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<b>Cabinet</b>	<b>AGENDA ITEM No. 9</b>
<b>17 October 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director Place & Economy	
Cabinet Member(s) responsible:	Cllr Nigel Simons Cabinet Member for Waste, Street Scene and the Environment	
Contact Officer(s):	Jim Newton - Assistant Director Planning & Building Control (interim)	07551046980
	Darren Sharpe - Natural and Historic Environment Manager	01733453596

**TREE MANAGEMENT: REVIEW OF EXISTING POLICY FOR MANAGING TREE RELATED SUBSIDENCE CLAIMS AGAINST THE COUNCIL**

RECOMMENDATIONS	
<b>FROM:</b> Adrian Chapman - Executive Director Place & Economy	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Endorse the draft tree related subsidence policy (Appendix 1 to the report), together with the resolution of the Climate Change and Environment Scrutiny Committee of 5 September 2022.</li> <li>2. Recommend to Full Council that the Trees and Woodland Strategy be further amended by way of introduction of the newly created tree related subsidence policy.</li> </ol>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Cabinet following consideration of the draft policy and supporting information by the Climate Change & Environment Scrutiny Committee on the 5 September 2022.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The primary purpose of this report is for Cabinet to determine what, if any, amendments to the Trees and Woodland Strategy are considered appropriate, and thereby recommend such amendments to the next available Full Council meeting. The Trees and Woodland Strategy is a major policy item, and therefore only Full Council can amend its content.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.14, *'To commission reviews by and determine any changes of policy proposed by the Scrutiny Committees and Commissions making recommendations to Council about proposed changes to the Council's major policy and budget framework.'*

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>YES</b>	If yes, date for Cabinet meeting	<b>17 October 2022</b>
Date for relevant Council meeting	<b>7 December 2022</b>	Date for submission to Government Dept.	<b>N/A</b>

#### 4. BACKGROUND AND KEY ISSUES

4.1 This report has been written following a high profile proposed tree felling case the City Council grappled with. This was a complex case requiring the felling of a mature Oak tree in Bretton, following a proven tree related subsidence property damage claim against the council. For context, the tree in question was owned by PCC, on PCC land, but causing damage to third party property (a residential property, and highly likely a second residential property). Appendix 1 focuses on many of the issues raised by that case, namely trees owned by the council, which are causing damage to other assets, whether that be third party assets (e.g., homes) or our own assets (e.g., the highway). This agenda item, including appendix 1, does not deal with trees owned by other parties; the existing Trees and Woodland Strategy (and wider planning policy and case law) responds to such issues.

4.2 The existing Trees and Woodland Strategy has been very effective in putting in place clear processes and guidelines as to how the city council will not only discharge its statutory functions in relation to Trees and Woodland, but also establishes guidelines, or 'service standards', in respect of this important resource, a matter which is a very 'public facing' service.

Notwithstanding the success of the current Strategy, for a number of reasons as explained in this report, Cabinet is asked to consider and offer its thoughts on potential changes to the Strategy. Any such recommended changes or comments will then be recommended to Full Council.

#### **Tree related subsidence in Peterborough**

4.3 The risks posed by PCC trees have been well known for many years and is clearly identified as a risk within the current Trees and Woodland Strategy and the corporate risk register. It is, however, considered that the council is approaching a critical point at which the insured risk from trees needs to be more widely communicated and understood along with a review of governance processes to ensure that future cases are managed in a consistent manner and decisions taken which are understood and accepted corporately and by the community.

It is accepted that this is not an easy matter to deal with. There will be many cases where, unfortunately, the most appropriate solution is the one which has the least worst outcome.

To put the matter into context, it is a statement of fact that trees currently pose the **single most significant insurance liability to Peterborough City Council (i.e., a greater risk, for example, than that posed by our highways)**. This risk is posed through a range of circumstances, as described within the attached appendix

Proven claims totalling £1.13million have been received by the Council over the last 7 years. Over the past few years, responding to the above cases has almost entirely been on the basis of felling trees where a proven case of damage exists. Felling is the simplest, cheapest and proven way of dealing with the 'nuisance' (defined in a legal sense). Costs would have been substantially more if alternative (non-felling) options were taken (estimated to be within the range of £5-10 million), and sometimes no alternative to felling is possible (for practical or legal reasons).

#### **Lessons learned from the Bretton Oak**

- 4.4 Whilst it is clear that that the decision-making process on the Bretton tree was undertaken in accordance with existing policy and the constitution, there are some potential back-end process improvements that could be made. Appendix 1 provides suggested actions for future decision making in regard to trees implicated in a similar manner.

In summary the process improvements include:

- greater transparency of evidence submitted to substantiate claims
- decisions to fell a Council owned TPO tree might have benefitted from being referred to the Planning Committee (*see recommendation of The Climate Change and Environment Scrutiny Committee section 5*)
- the age of the tree was incorrectly communicated
- the need to balance mitigation actions against the benefits delivered by trees, and communicate these clearly

### **Proposed Tree Related Subsidence Policy**

- 4.5 Finally, the appendix provides a policy that more precisely recognises the value of the Council's tree stock in respect to claims and aligns remediation or mitigation accordingly. It provides a process that allows consideration of financial provisioning to mitigate loss other than felling for those tree assets of highest value. These cases being considered at Directorate/Corporate level and a balanced judgement being formed within a greater 'financial envelope'.

### **Key issues**

- 4.6 There are several key issues that have informed the policy created. These include:
- The council has liability for any damage caused by their trees and are required to abate this nuisance (in a legal sense). 'Do nothing' is not an option (or, if such an option was taken, could lead to substantial legal claims and costs)
  - Often the standard of proof in subsidence cases falls to the balance of probabilities. If there is 51% chance "more likely than not" that the tree is the cause of the damage, then the claim will succeed (subject to other legal defences).
  - There is no entitlement to any particular level of evidence with a claim- either the evidence proves causation, or it does not.
  - Defences such as "the foundations were poor" or "the tree was there first" have been proven not to be acceptable defences in case law.
  - In nearly all cases the alternative options to felling are available, but with varying degrees of risk, cost and amenity loss associated with them.
  - Where mitigation is instigated, the council should also consider other foreseeable future risk beyond the implicated property.

## **5. CONSULTATION**

- 5.1 Prior to drafting this paper, a meeting was held with the Chair of Climate Change & Environment Committee, a reserve appointee, representatives of the Woodland Trust and the Portfolio Holder which helped inform the report and appendix. However, this should not be taken to mean that the report and appendices are necessarily endorsed by such parties.

The Climate Change and Environment Scrutiny Committee has been consulted on this paper, at its meeting of 5<sup>th</sup> September 2022. Having considered the report and **RESOLVED to endorse** the draft revised policy subject to the **RECOMMENDATION** to amend the proposal so that Peterborough City Council do not automatically refer claims against Council owned TPO trees to the Planning Committee and instead rely on the existing procedures in place.

Following publication the draft strategy was shared with a representative of the Woodland Trust and a Tree Officer within Sheffield City Council.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 It is anticipated that Cabinet will endorse the potential change to the existing Trees and Woodland Strategy, in the form of an addendum of the new policy to the Strategy and recommend such changes to Full Council.

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 The proposed updated policy for dealing with tree related subsidence claims has considered current best practice and has been developed alongside the framework of resources available to the Council and extensive working knowledge of the tree resource within the city.

Although the existing approach taken was considered an effective form of risk mitigation it was considered that trees should be more fairly accounted for in the decision making of the council. The changes made add clarity to operational guidelines and are considered beneficial to provide a clearer understanding for all customers.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Other alternative options include:
1. Keep policy as existing – This was dismissed as it was considered that the Council would not adequately take account of the value of trees within the decision-making process.
  2. Introduce a policy that recommends alternative forms of mitigation for all tree claims. This was dismissed as it would be financial prohibitive.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 The proposed policy offers scope for alternative forms of mitigation to be delivered outside of the existing tree budget, which has been shown to be historically financially prohibitive. The costs of such are somewhat unknown in scale or time however it will fall within the associated Directorate to make a balanced judgement informed by cost / benefit analysis within their much broader financial envelope.

### **Legal Implications**

- 9.2 Each landowner has the right (subject to planning and any other relevant consent requirements) to do what they wish on their own land without interference from adjacent landowners. It is, thus, perfectly acceptable the Council to grow trees on its own land and for the roots to extract moisture from its own land but it is fundamentally unacceptable for a Council owned tree to extract moisture from another's land where it causes damage to their property. The Council would be liable for the damage and would have legal duty to abate the nuisance caused.

### **Equalities Implications**

- 9.3 There are no known implications, positive or negative.

### **Rural Implications**

- 9.4 There are no known implications, positive or negative.

### **Carbon Impact Assessment**

- 9.5 Implicated trees are assumed to be healthy and growing and consequently will have a positive impact in terms of capturing carbon from the atmosphere. Felling the tree/s would obviously stop that carbon capture, albeit any replacement trees would over time, should they mature, likely capture a similar level of carbon. alternative options of underpinning or root barriers would mean the tree/s continue to capture carbon. However the extensive works involved in themselves have a carbon impact. Whilst difficult to quantify, there is a potential for the alternative options (whereby the tree is saved) to be carbon negative, or will take a long time to become carbon neutral or

carbon positive. Overall, the numbers for all options are, on the scale of things fairly marginal.

## **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 Trees and Woodland Strategy 2018

## **11. APPENDICES**

11.1 Appendix 1- Managing PCC Tree Stock – Establishing an Updated and Robust Decision Taking Process for Tree Related Subsidence Claims

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## Appendix 1

### Managing PCC Tree Stock – Establishing an Updated and Robust Decision Taking Process for Tree Related subsidence Claims

#### Context

The risks posed by PCC trees have been well known for many years and is clearly identified as a risk within the current Trees and Woodland Strategy. It is, however, considered that we are fast approaching a critical point at which the insured risk from trees needs to be more widely communicated and understood along with a review of governance processes to ensure that future cases are managed in a consistent manner and decisions taken which are understood and accepted corporately and by the community.

It is accepted that this is not an easy matter to deal with. There will be many cases where, unfortunately, the most appropriate solution is the one which has the least worst outcome.

When considering the issues raised in this report, it is of critical importance to have in mind that the vast majority of PCC owned trees are only semi-mature, having been planted in the 1970-1990s during development corporation days. This means that the majority of trees are only circa half their mature size, meaning they will steadily continue to grow to maturity over the coming decades. To compound problems, the trees planted by the development corporation are widely accepted as being, in many instances, 'the wrong tree, in the wrong location' i.e. either too close to properties or of a species inappropriate for the location or (and quite often) both.

In addition to the development corporation related issues, there are also instances of development approved in the last 40 years that perhaps, under today's knowledge and guidelines, would not have been permitted because of its location, design or form of construction close to PCC owned trees or woodlands.

#### What are the critical items/issues for focus?

##### Background

Trees should not, of course, be solely considered as a 'problem' in need of management. Trees offer considerable value to the community and should be regarded as a capital asset. A recent i-tree evaluation of our tree stock aimed to quantify and value our tree stock's role in air pollution removal, carbon storage, carbon sequestration and reductions in surface water runoff. In addition, the amenity value of the tree stock was calculated using what is known as the Capital Asset Value for Amenity Trees (CAVAT) 'quick method' (NB: the 'quick method' is largely a desktop based exercise; a more detailed assessment can be done on a tree by tree basis, involving a site visit, but the sheer volume of trees means the 'quick method' is the only realistic option other than for exceptional cases). Amenity value alone provides benefits, with a total value of £5.4 billion, compared to a present value of £36.12 million over 80 years for all other benefits combined, plus total carbon storage value of £10.3 million. A full copy of the i-tree evaluation of PCC owned trees can be found within the Council's Trees and Woodland Strategy using the following [link](#).

It is however becoming increasingly evident that trees currently pose the **single most significant insurance liability to Peterborough City Council (i.e. a greater risk, for example, than that posed by our highways)**. This risk is posed through range of circumstances, as described below.

### Direct Root Damage

This results from the pressure that may be exerted by a tree's roots or trunk (Macleod and Cram 1996). This pressure can affect lightly loaded structures such as garden walls, driveways and paved surfaces but rarely affects heavily loaded structures such as houses.

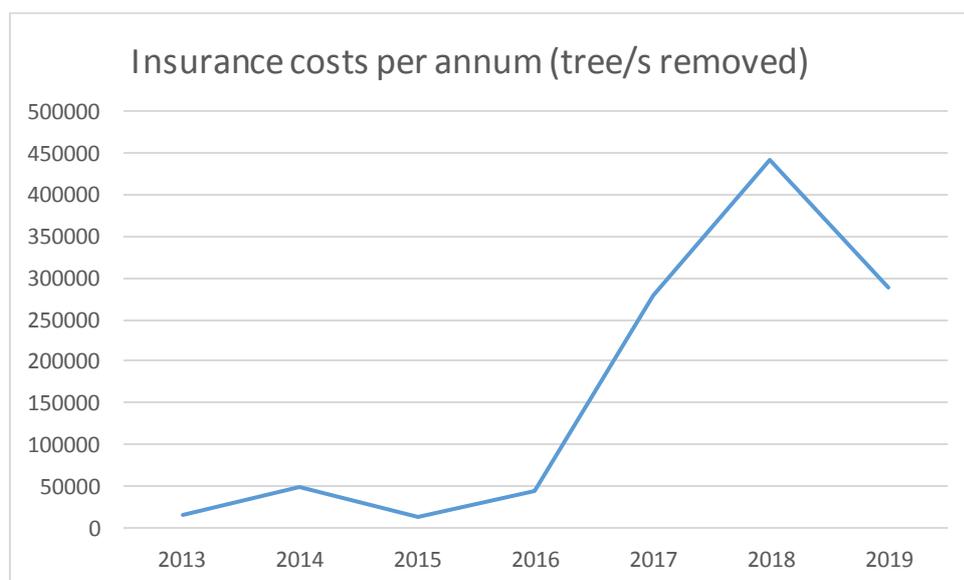
Claims are received by the council by the property owners who have suffered damage, or by members of the public that have suffered injury as a result of trip hazards created. Typically, this damage can be repaired at minimal cost (normally a few £100 per case) however these repairs are short lived and thus impose increasing financial pressures on highway budgets and insurance claims. The nature of the Council's relatively young tree stock is that these damages/claims will significantly increase with time and pose greater financial pressure on the council.

Typically, at present, the Council undertakes around 20 such relatively low cost works per annum, but, as stated, this is expected to grow exponentially in the coming years.

### Tree related subsidence

This is caused when clay soils shrink when they dry. The most common cause of drying below building foundations is moisture extraction by the roots of vegetation. If the soil below the foundation shrinks as a result of drying, then the building will move downwards (subside). When the extent of movement is great the building is unable to absorb the movement and then the building will crack (damage occur). Typically, over winter when the soils are wetted again, the cracks will close a little, but over time the cracks generally get bigger and more widespread, and climate change is expected to accelerate this problem (hotter summers cause the greatest subsidence events).

The damage (and subsequent claims) is becoming a significant financial burden on the council. The number of claims will vary dependent of the rain fall (or rather lack of rain) within any given year, however there is a clear trend shown within the analysis of claims data that this issue is becoming more significant, predominantly due to the tree stock maturing annually. Proven claims totalling £1.13million have been received by the Council over the last 7 years. A summary of the last 7 years is detailed below which shows an increasing trend on the value of claims per annum. There is no doubt the trend will continue unless appropriate action is taken.



*Note: It is generally accepted that the hot/dry weather conditions experienced in parts of the UK, including the southeast of England, during the summer of 2018 is considered to have been an exceptional 1 in 42 year event. Unfortunately, this year*

*(2022), just four years later, will likely be deemed an even more exceptional event, and some are questioning whether hot and dry years of 2018 and 2022 will actually become regarded as unexceptional and, if so, will rapidly accelerate insurance claims arising from subsidence. Note: The costs detailed do not include the mitigation pruning works.*

Over the past few years, responding to the above cases has almost entirely been on the basis of felling trees where a proven case of damage exists. Felling is the simplest, cheapest and proven way of dealing with the 'nuisance' (defined in a legal sense). Costs would be substantially more if alternative (non-felling) options were taken (estimated to be within the range of 5-10 million).

However, the recent Bretton oak high profile media case involving the proposed felling to mitigate a proven subsidence case highlighted the sensitivity of such cases and pointed to the need for a greater corporate/community understanding of such cases going forward.

Typically, where alleged property damage has occurred, PCC will investigate the matter thoroughly by requesting evidence to investigate the claim objectively: measuring the cause against the 'balance of probabilities'. A Court Appeal in 1981 *Solloway v Hampshire County Council* sets out the criteria for liability to engage:

1. Encroachment of tree roots on to neighbouring land.
2. Damage to the Claimant's property as a result of encroachment.
3. That the defendant knew or ought to have known of the encroachment and the damage caused by it if it is a foreseeable risk that the encroachment will cause damage.
4. Whether there were any reasonable steps that could have been taken by the Defendant to minimise and prevent the risk.

Where possible, PCC's position is that claims are defended on the basis that damage was not foreseeable. Typically, the Claimant and PCC would then agree jointly a level of mitigation that keeps the claim value to a minimum. That is usually felling, or sometimes pruning.

The problem arises, however, when the level of mitigation (felling/pruning) results in a conflict with maintaining the visual amenity of the area e.g large scale mature tree loss has a high visual amenity loss (as well as wider loss, such as biodiversity, carbon, flood risk, air quality, though typically these, rightly or wrongly, tend to be secondary matters in the public/political eye, compared with the visual loss).

Often a compromise is reached, however this exposes the council to greater future liability as it is now a "foreseeable risk". This also goes for the many areas throughout the city where we have now gathered historic data that clearly defines the "foreseeability". The *Berent v Family Mosaic* and *Islington 2012* case highlighted that it is unreasonable to take action to fell all trees in an area due to a speculative risk of subsidence. It does however reinforce the requirement to create a reasonable course of preventative action before an incident occurs in locations that a 'real' risk of subsidence will occur.

It is the case that pressure on the available budget for management of the Council's tree stock, which has recently been reduced substantially, may hamper the council's ability to demonstrate it has taken reasonable steps to minimise or prevent risk. In recent years this work has been restricted to £10K per annum (undertaken from the insurance teams risk mitigation funds). Such small sums are being used to manage a risk of (theoretically) virtually unlimited liability, which is known to be at least in the order of millions of pounds.

### **Should we invest more in our tree stock?**

Peterborough has a tree stock that is still relatively young and thus allows us the opportunity to address some of the issues prior to our trees reaching their full environmental & community benefits, where local controversy would be more likely, if trees are lost. Clear policies were introduced within the 2018 Trees and Woodland Strategy, in order to allow the delivery of this and opportunity to manage our tree stock, however budget pressure has meant that significant work, beyond basic H&S works have not been undertaken. Putting aside risks of claims, the maintenance costs are low compared to the £1,263,926 annual benefit these trees offer to the city. This demonstrates a cost-benefit ratio of 1:1.9 and can be credited with offsetting of 79.3% of the Council's own carbon emissions

Extra investment, or re-instatement of previously cut budgets could enable works to be undertaken to reduce the Council's insurance claims liability in respect to both direct damage and subsidence. It will allow PCC to create a reasonable course of preventative action before an incident occurs in locations that a 'real' risk of subsidence is likely. In short, it is 'invest to save'.

Provisioning of funds could also be used to protect more trees implicated in subsidence cases by seeking alternative mitigation methods that would allow for the retention of higher value trees. This would allow for an approach where the council make a financial balancing act between:

CAVAT Value –v- Cost of mitigation actions and reasonable repair work to the property

### **Lessons Learned and Actions from the Bretton Oak**

Whilst it is clear that the correct decision making process was followed in the case of the Bretton tree, in accordance with existing policy and the constitution, there are some refinements that could be made. This part of the discussion paper is to consider these potential refinements and provide actions for future decision making in regard to trees at risk of being felled due to claims or damage.

#### **Refinement 1**

There was (and remains) some distrust among those who did not want the tree to be felled, of the evidence that informed the decision. Specifically, because the evidence included personal information, concerning individual people's human rights, that evidence was withheld when requested. While initially, the response was to challenge the evidence through the provision of alternative evidence to refute the need to fell the tree, over time there was a change to a suspicion that (for reasons that were never articulated) evidence was withheld because it was not conclusive.

#### **Explanation**

The case was unique in the sense that it was an application submitted to carry out work under a Tree Preservation Order and thus by default the supporting evidence goes into the public domain to support the application. Most typical claims against the Council are however in respect to non protected trees and thus the claimant's duty to place evidence within a public domain are negated.

It is not the case that the reports are deliberately kept secret - as soon as a claim is lodged, all documents which are provided by the claimant or their representatives relating to the claim are subject to the Data Protection Act 2018, which states data may only be used for specified, explicit and legitimate purposes. In the case of insurance claims, this means dealing with the claim itself and for no other purpose. Data breaches are dealt with by the Information Commissioners Office and could result in large fines being levied upon the Council by the ICO. During the recent Bretton Oak case an appeal to the ICO was made by protestors for the Council withholding information. The case

concluded the Council were entitled to withhold the requested information under regulation 12(5) (B) of the Environmental Information Regulation 2004 (EIR)

#### Action

The Council will request the consent of the claimant's insurers to publish in the public domain any evidence to support tree related claims against the Council. If withheld we must honour this decision in order to not breach the Data Protection Act.

Where consent to publish evidence is granted the Council's evaluation of this data will also be presented as part of the existing consultation protocol and viewable on the Council's website.

#### **Refinement 2**

There was disappointment that the decision to fell a Council owned TPO tree was not referred to the Planning Committee

#### Explanation

The current Council constitution does not require applications to fell Council owned trees, subject to a TPO, be referred to the Planning Committee, where required to mitigate subsidence damage.

#### Action

Refer any applications for Council owned TPO trees, proposed for felling to mitigate subsidence damage to Planning Committee; make changes to the constitution to reflect this proposal (but in the meantime these applications can be voluntarily referred to the committee by officers).

Note: The Climate Change and Environment Scrutiny Committee 5<sup>th</sup> Sept 2022 considered the report and **RESOLVED to endorse** the draft revised policy subject to the **RECOMMENDATION** to amend the proposal so that Peterborough City Council does not automatically refer claims against Council owned TPO trees to the Planning Committee and instead rely on the existing procedures in place.

It is therefore recommended to Cabinet that Refinement 2 is not taken forward.

#### **Refinement 3**

The age of the tree was incorrectly communicated throughout the recent scrutiny and media coverage of the Bretton Oak Case.

#### Explanation

The Oak tree has widely been communicated as being up to 600 years of age. The tree in question was however not assessed to be Ancient. It was however of a large size and thus may be referred to as 'notable'. With a girth (circumference) of 5.2 metres it has an estimated age of approximately 300 years.

<http://www.wbrc.org.uk/atp/Estimating%20Age%20of%20Oaks%20-%20Woodland%20Trust.pdf>

Irrespective of the age classification the City Council considered the tree is a significant landscape feature and every effort has been made to retain it. The use of CAVAT valuations were used internally however it is equally considered that these should be communicated more publicly from the onset.

Action

Endeavour to communicate more clearly the age of trees within felling proposal at the onset, along with the CAVAT value of the tree/s.

**Refinement 4**

Whilst the arboricultural industry and public accept that certain actions should be taken to mitigate risk of tree related damage, there is also a very clear requirement that the local authority must balance these actions against the benefits delivered by trees.

Explanation

Although the cost/benefit analysis, informed by a risk assessment were completed for the Bretton Oak tree internally within the Council and all tiers of management made fully aware from the onset, this process could potentially be communicated more clearly within fixed parameters. Currently the options of remediation and mitigation are confined solely to the existing trees and woodland budget. Actions which did not mitigate loss in the most cost-efficient manner would have to be covered within the Tree Budget 'Financial Envelope' which is disproportionately limiting.

Action

Develop a policy that more precisely recognises the value of the Council's tree stock in respect to claims and align remediation or mitigation accordingly. Provide a process that allows consideration of financial provisioning to mitigate loss other than felling for those tree assets of highest value. These cases being considered at Directorate/Corporate level and a balanced judgement being formed within a greater 'financial envelope'.

**Proposed Policy**

It is recommended by officers that a new approach to dealing with mitigation works for Council owned trees implicated in direct or indirect damage and broader subsidence risk as follows:

It is essential that we first assign a tree(s) a value banding of either high, medium and low.

**Specimen Trees**

Currently all of the Council's tree specimen tree stock are valued using CAVAT (quick method) which allows them to be split into the three groups with the following values

- **Low - less than £5161**
- **Medium - from £5161 to £14839**
- **High - greater than £14839**

*For example: there are 100 trees in the city. The trees are all valued using CAVAT and sorted by value into one list with the cheapest at the top. I look at the 33rd tree in the list to establish the range of the low value group. I look at the 66th tree in the list to establish the top of the range of the medium value etc.*

*The unit value will be updated periodically and the bandings recalculated.*

## Woodlands

CAVAT cannot be used on woodlands and thus it deemed appropriate that implicated trees are considered slightly differently. The following categories are thus proposed:

- **Low - Loss of less than 5 cubic metres of timber. Typically, this would be 1-5 trees, depending on their maturity, before such a volume trigger was reached.**
- **Medium – Proposals resulting in more than 5 cubic metres of timber being felled, but such felling in accordance with sound arboricultural /woodland management.**
- **High - As medium yet deemed not to be sound arboricultural/ woodland management**

### Applying the above to cases:

Typically, mitigation works for tree related direct or indirect damage falls into two key areas.

1. Trees which have directly implicated in the damage and beyond reasonable doubt are the causation.
2. Trees on the balance of probabilities is likely to have caused damage now or in the future

The two categories (specimen / woodlands) will be treated the same as follows:

- Low value trees - All trees identified for felling or to be pruned will be felled, after applying the standard tree works consultation protocol ([Link](#)). defined within the Trees and Woodland Strategy.
- Medium value trees - All trees identified for felling will be felled following standard tree works consultation protocols. Where pruning is supported by the claimant, or deemed appropriate by the Council, as an alternative to felling the Council will instigate those recommendations subject to the works being in accordance with sound arboricultural/ woodland management. Where such pruning works are deemed unsound management (e.g reducing individual trees in woodlands) the trees will be felled. Where cyclical pruning regimes are instigated this work will be costed and an annual capacity bid will be presented to finance.
- High value trees – Following the standard consultation protocol the relevant Head of Service will be issued with a recommendation, based on the evidence and consultation feedback, for approval. Where trees fall within the top 5% of CAVAT values (greater than £51989), or contained within Ancient Woodland, the claimant insurers will be asked if alternative mitigation approaches would be accepted. Where alternative mitigation are offered this will be costed and presented within the recommendation for consideration. If alternative forms of mitigation are supported by all parties a bid for resources will made to the Executive Director: Place and Economy. If funds are not available or able to be made available, the trees will need to be felled.

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<b>CABINET</b>	<b>AGENDA ITEM No. 10</b>
<b>17 OCTOBER 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Charlotte Black, Corporate Director for People Services	
Cabinet Member(s) responsible:	Councillor Lynne Ayres, Cabinet Member for Education, Skills and University	
Contact Officer(s):	Clare Buckingham, Strategic Education Place Planning Manager, Cambridgeshire & Peterborough, 0-19 Place Planning and Organisation Service, New Shire Hall, Alconbury Weald, Huntingdon	Tel. 01223 699779
	Kathy Stansbie, Project Officer – Academies Cambridgeshire County Council 0-19 Place Planning and Organisation Service, New Shire Hall, Alconbury Weald, Huntingdon	Tel. 01480 373764

## **DELEGATION OF AUTHORITY TO NEGOTIATE AND AGREE DETAILS OF ACADEMY CONVERSION OF NENEGATE**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Corporate Director for People Services	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet delegate authority to the Corporate Director of People Services in consultation with the Cabinet Member for Education, Skills and University to negotiate and enter into the following, for the purposes of giving effect to the conversion of a School (Nenegate) to academy status:</p> <ol style="list-style-type: none"> <li>1. A Commercial Transfer Agreement between the relevant parties;</li> <li>2. Deed(s) of Novation between the relevant parties, if required;</li> <li>3. Deed(s) of Assignment between the relevant parties, if required; and</li> <li>4. Any other documentation reasonably required to facilitate the academy conversion, in the view of the Corporate Director of People Services.</li> </ol>	

### **1. ORIGIN OF REPORT**

- 1.1 The Director of Resources, after reviewing a draft Cabinet Member Decision Notice (CMDN) in this regard, requested this report instead go to Cabinet

### **2. PURPOSE AND REASON FOR REPORT**

- 2.1 The purpose of this report is for Cabinet to consider delegating authority to authorise the conversion of a school to academy status.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.2, *'To take collective responsibility for any Executive decision that has significant implications across two or more portfolios.'*

### 3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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### 4. **BACKGROUND AND KEY ISSUES**

- 4.1 Nenegate (the “School”) is currently a maintained special school and has applied to convert to academy status. The application was tabled at the DfE Advisory Board meeting on 23 June 2022 and approved of an Academy Order under the Academies Act 2010. Once converted to an academy, the School will be operated by an academy trust (the “Trust”). The “Trust” in this case is envisaged to be Meridian Trust.
- 4.2 As part of conversion to an Academy, Department for Education guidance specifies that if the land is held by the Local Authority, then it is to be leased to academy trusts on a 125-year lease, for a peppercorn rent. The lease will be authorised by separate governance and this report does not seek to delegate authority to the Corporate Director of People Services to enter into the lease.
- 4.3 In addition to the lease, Local Authorities also enter into a Commercial Transfer Agreement (“CTA”) as part of the conversion, to set out the respective obligations of the parties in relation to the conversion (including in relation to employees, the transfer of assets (other than land), contracts and liabilities). This is reflected in point 1 of the recommendations at the beginning of this report.
- 4.4 As part of conversion (and under the Council’s standard CTA terms), the Governing Body of the School is usually obliged to assign and/or novate contracts it has entered into for the purpose of operating the school, to the Trust. These may relate to contracts the Governing Body has with the Council (for example, this could include solar panel arrangements or where the Council has provided services to the School) and in that case it may be necessary for the Council to be a party to the assignment/novation documentation. This is reflected in point 2 of the recommendations at the beginning of the report.
- 4.5 Similarly, the Council is usually obliged to assign and/or novate the benefit of contracts entered into by the Council for the purpose of operating the School, to the Trust (for example, this may include building contracts in relation to works which have been carried out at the School). This is reflected in point 3 of the recommendations at the beginning of this report.
- 4.6 If a site used by a school is shared with the Council or a third party, then it is sometimes appropriate to enter into a formal arrangement setting out the terms of such dual use. This is reflected in point 4 of the recommendations at the beginning of this report.
- 4.7 Depending upon the circumstances of the conversion, there may be additional documentation which is required to facilitate the conversion, specific to the School or site. This is reflected in point 5 of the recommendations at the beginning of this report.
- 4.8 The Trust will be responsible for the operation of the Academy upon conversion and will be the employer of school staff. The Council employees in respect of the School will therefore transfer from the Council to the Trust under the Transfer of Undertakings (Protection of Employment) Regulations 2006.
- 4.9 The anticipated conversion date is 1 November 2022; however, this is subject to change.
- 4.10 There is a charge of £10,000 from the Council for schools converting into an academy to contribute towards the associated costs.

### 5. **CONSULTATION**

- 5.1 Once an Academy Order has been obtained, the Governing Body of the school will be obliged to carry out the DfE required consultations with stakeholders including staff and parents of children on roll at the School.
- 5.2 As part of the academy process council officers in finance, insurance, property and education, together with the relevant Ward Councillors, will be informed of the proposed conversion.
- 5.3 The Council's Human Resources department are involved to ensure that the statutory consultation required under the Transfer of Undertakings (Protection of Employment) Regulations 2006 has been carried out.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 The anticipated outcome is that the School will close as a maintained school and re-open as an Academy operated by the Trust. The land and buildings currently occupied by the School will be leased to the Trust, and the staff, assets and contracts relating to the School will be transferred to the Trust to enable it to operate the Academy from the conversion date.

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 The Council is obliged under the Academies Act 2010 to cease maintaining a school on the date it opens as an Academy and must take all reasonable steps to facilitate the conversion of a school into an Academy once an Academy Order has been made.
- 7.2 The Council's consent is not required for a school to convert to an Academy and if the Council does not cooperate with the conversion process by negotiating and entering into lease arrangements and also the CTA, it would be in breach of its statutory obligations to facilitate the conversion.
- 7.3 The Secretary of State has the power to make transfer schemes under the Academies Act 2010 in relation to property, land, rights and liabilities (including rights and liabilities in relation to staff) which would be binding on the Council. It is, therefore, preferable for the Council to reach agreement with the Governing Body of the School and Trust and enter into the CTA and associated documents in respect of these matters, rather than be subject to transfer schemes made by the Secretary of State.
- 7.4 In the early stages of an academy conversion, it is not possible to confirm, with certainty, what documentation will be required and the provisions which will be contained within such documentation, as this will be subject to the relevant due diligence being carried out (such as looking into the circumstances of the site, for example) and subsequent negotiation with the Trust and Governing Body of the School. Accordingly, it is recommended to delegate authority to the Corporate Director of People Services to negotiate and enter into the relevant documentation in due course, after such investigations and negotiations have been carried out and the details of the documentation are known.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Do nothing:  
The Council could choose to not enter into the negotiations or execute the relevant documents, listed above, however, this would mean that it would be in breach of its statutory obligations and the Secretary of State would make the transfer schemes under the Academies Act 2010 without the Council's consent, which would be binding on the Council. It is, therefore, preferable for the Council to reach agreement with the Governing Body of the School and Trust and enter into the CTA and associated documents in respect of these matters, rather than be subject to transfer schemes made by the Secretary of State.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 The Academy Trust will receive its funding direct from the Department for Education. Government funding for Peterborough schools will be reduced proportionately.

When a school transfers to an academy on a 125 year lease the value of the asset is written out of the balance sheet, the carrying value of Nenegate school on the Councils balance sheet is £5.2m. If the Council has previously borrowed money to fund building works at Nenegate school this liability remains with the Council.

### **Legal Implications**

- 9.2 As detailed within paragraph 7.1 of this report, the Council is obliged under the Academies Act 2010 to cease maintaining a school on the date it opens as an Academy and to take all reasonable steps to facilitate conversion to academy status. Paragraph 7 of this report sets out the implications if the Council fails to cooperate.

### **Equalities Implications**

- 9.3 There are no equalities implications arising from this decision.

### **Carbon Impact Assessment**

- 9.4 A Carbon Impact Assessment (CIA) is undertaken in support of the confidentiality agreement at the beginning of the conversion process and a further assessment in support of the Officer Decision Notice at the sign off stage of the conversion process. This approach has been agreed with the Transport and Environment Team.

### **Admissions Implications**

- 9.5 The Trust will be its own admissions authority and will determine its own admissions arrangements. Places will continue to be allocated via the co-ordinated admissions scheme.

### **Property Implications**

- 9.6 The land and buildings will remain under the ownership of the Council, but the Academy Trust will have full control of them (subject to any specific lease arrangements) as tenant for a 125-year period, unless the lease is terminated for any reason. The lease will be authorised by separate governance and this report does not seek to delegate authority to the Corporate Director of People Services to enter into the lease. Any property implications arising from the lease will therefore be set out in that separate governance report.

## **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 None.

## **11. APPENDICES**

- 11.1 None.

<b>Cabinet</b>	<b>AGENDA ITEM No. 11</b>
<b>17 October 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director Place & Economy	
Cabinet Member(s) responsible:	Cllr Marco Cereste- Cabinet Member for Climate Change, Planning, Housing and Transport	
Contact Officer(s):	Jim Newton - Assistant Director Planning & Building Control (interim)	07551046980

### **SMALL HOMES IN MULTIPLE OCCUPATION (HIMO) ARTICLE 4 DIRECTION MEMBER WORKING GROUP**

RECOMMENDATIONS	
<b>FROM:</b> Adrian Chapman - Executive Director Place & Economy	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet</p> <ol style="list-style-type: none"> <li>1. Agree to form a cross-party Member Working Group, to oversee the preparation of Article 4 Direction/s, to control small Homes in Multiple Occupation (HiMOs)</li> <li>2. Review and approve the draft terms of reference for the Working Group</li> </ol>	

#### **1. ORIGIN OF REPORT**

- 1.1 This report is submitted to Cabinet, to gather further information to support the Cabinet in making a decision around the implementation of an Article 4 Direction.

#### **2. PURPOSE AND REASON FOR REPORT**

- 2.1 The purpose of this report is to seek Cabinet's approval to form a cross-party Member Working Group, to oversee the preparation of Article 4 Direction/s to control small Homes in Multiple Occupation (HiMOs), and to review / approve the terms of reference in Appendix A. The Working Group will be made up of one Member from each party.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3, 'To take a leading role in promoting the economic, environmental and social wellbeing of the area.'

#### **3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>No</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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#### **4. BACKGROUND AND KEY ISSUES**

- 4.1 Peterborough, in common with many large towns and cities, is believed to be experiencing a proliferation of uncontrolled small HiMOs, and as a result a debate was held on the issue at Full Council. This resolved that the issue should be investigated further, with a view to the preparation and imposition of an Article 4 Direction, in an effort to set controls on small HiMOs.

- 4.2 Following the Council resolution, some independent evidence was prepared, and Cabinet resolved to implement an Article 4 Direction in several areas of the city (the list of candidate areas for an Article 4 Direction to cover, continues to expand).
- 4.3 The evidence prepared to date is not considered to be conclusive, and the officer view is that more work needs to be done, to make a robust case for an Article 4 Direction.

### **Key issues**

- 4.4 There are numerous issues that are attributed to small HiMOs, which require further investigation.

The first of these is that there are alternative regulatory and other mechanisms available to address some of the problems that residents have raised, notably (but not exclusively) parking restrictions.

Another issue with the current evidence base is that it focussed on the residents' concerns, but did not seek to engage with other actors such as landlords, and more recently the new University. It is important that we benefit from a better rounded understanding, before finalising the detail of an Article 4 Direction. A Member working group, taking evidence from stakeholders, will be well placed to learn of any unintended consequences that may arise from an Article 4 Direction, and to put suitable mitigation in place.

The final key issue is one of timing, and risk. There is a set process, in Government Regulations, that the formal consultation and ultimate making of an Article 4 Direction must follow. This includes an important decision, that should be made by elected Members, concerning implementation period (specifically whether to give notice of intention to implement or not). There may be compensation implications to this decision, and this will need to be understood and addressed by the Member Working Group.

## **5. CONSULTATION**

- 5.1 A survey has already been carried out, as part of the supporting evidence that has been prepared to date. Further consultation, including formal consultation on a draft Article 4 Direction, will be required in due course.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 It is anticipated that Cabinet approves the formation of the Working Group and reviews / approves the terms of reference

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 To ensure that Members are aware of the issues, have the opportunity to engage with key stakeholders, and have the opportunity to influence the preparation of an Article 4 Direction.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Not to establish the Working Group. This was discounted because it is important that elected Members guide the preparation of an Article 4 Direction.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 There are no financial implications with the establishment of the Working Group

### **Legal Implications**

- 9.2 There are no legal implications with the establishment of the Working Group.

### **Equalities Implications**

- 9.3 There are no equalities implications with the establishment of the Working Group

### **Rural Implications**

- 9.4 There are no known implications, positive or negative.

### **Carbon Impact Assessment**

- 9.5 There is likely to be a minimal increase in travel emissions as councillors attend meetings. There may be issues which are discussed by the working group that have an impact on city wide emissions, such as parking restrictions. The carbon impact of these issues should be considered by the working group.

## **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 [Article 4 Direction - KEY/28MAR2022/01](#)

## **11. APPENDICES**

- 11.1 Appendix A: Terms of Reference for the Small HiMOs Article 4 Direction Member Working Group.

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**APPENDIX A DRAFT - Terms of Reference for the Small HiMO Article 4 Direction Member Working Group** (scheduled to be approved by Cabinet on 17 October 2022)

Purpose of the Small HiMO Article 4 Direction Member Working Group

1. The overarching purpose for the Working Group is to consider measures that can be taken to support an Article 4 Direction across parts of the city
2. The purpose of the Working Group is to help inform the progress and drafting of an Article 4 Direction
3. The focus of the Working Group is on key issues to manage the stock of small HiMOs, not all detailed issues.
4. The Working Group will cease when the Article 4 Direction has been formally Adopted.

Functions of the Small HiMOs Article 4 Direction Member Working Group

5. The Working Group has no decision-making powers: its purpose is to aid greater understanding of issues, options and scheme development in relation to the preparation of an Article 4 Direction.
6. Where Actions relating to matters considered by this Working Group reasonably fall on officers to undertake (in accordance with delegations in the constitution), then the Working Group may steer officers in taking those actions. Where Actions require a decision to be taken at a Member level (such as via Full Council, Cabinet or a CMDN, in accordance with the constitution), then the Working Group may recommend to the appropriate decision taker what actions should be taken.
7. One Member from each Political Group will sit on the Working Group, plus the Cabinet Member and Assistant Cabinet Member, together with officer representation as appropriate. Substitutes are permitted. The Chair of the Working Group will be the Cabinet Member. Appropriate officers will attend meetings of the Working Group.
8. External attendees may be invited to the meeting, such as to present information or offer expert advice.
9. Meetings are not open to the public, but any report to the Cabinet or a Cabinet Member will be published on the website (once such matters arising are agreed by the Chair as an accurate record).
10. At the first meeting of the Working Group regularity, time, length, and location of future meetings agreed.
11. Agendas for the meeting will be sent to attendees at least 5 calendar days prior to each meeting of the Working Group.

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