

COUNTY COUNCIL: 11TH FEBRUARY 2020

Agenda Item No. 7 – Council’s Business Plan and Budget Proposals 2020-21 To 2024-25 – Conservative Amendment

Proposals:

The business planning and the budget setting process has been through the Council’s appropriate service committees, and the budget we have before Council today is the recommendation from the General Purposes Committee, which has a deficit of just over £4m.

This amendment states how the Conservative Administration will address that deficit, and how any additional proposals and associated costs will be funded.

The Administration understands the importance of balancing any increase in Council Tax with the funding requirements of the Council, bearing in mind that any increase in Council Tax directly affects many of our residents. It is after years of prudent financial management by this Conservative Administration that the Council can now make significant investment in areas that matter to many. Although we would like to do more, and more quickly, we are still constrained by a lack of government funding when compared to similar authorities. However, unlike other authorities or indeed other political groups on this Council, and as our precept history shows, we will not raise council tax by the maximum allowed each year unless we absolutely feel it necessary to do so.

We always take a prudent financial view of both the short term and longer medium term needs and requirements.

We, like many other councils, have declared a climate emergency. We were already doing significant work in this area but we recognise in our role of community leaders that we need to do more.

We propose to invest a combined total of **£16m** in climate action related proposals. Firstly in order to support the Council’s target to reduce direct carbon emissions by 50% by 2023, it is estimated the Council will need to invest around **£15m** in the decarbonisation of Council owned and occupied buildings (approximately 69 buildings). We will maintain an ongoing review of whether this is sufficient over the coming years. This investment is expected to be recouped in full from savings delivered on the Council’s energy bills.

The £15million earmarked will take all Council buildings owned and occupied off fossil fuels (oil and gas primarily) and will be replaced with low carbon heating solutions such as Air or Ground Source heat Pumps. Allocation within this £15million will also include energy efficiency improvements to those buildings with new low carbon heating solutions and a contingency for asbestos removal for those buildings where deeper energy efficiency measures will be required requiring changes to the buildings fabric. Our aim is to complete this task by 2025.

We also intend to invest in Electric Vehicle (EV) charging infrastructure for main offices to host Cambridgeshire County Council (CCC) electric pool cars/vans and staff vehicles – initial costing for a minimum of 20 chargers (2 rapid chargers for fast turnaround @£50k each) including contingency - **£200K**.

Our aim is to shift all our pool cars and small van fleet from petrol and diesel to electric. To facilitate this change, the Council will need to provide EV charging infrastructure at those sites that host pool cars specifically but in addition as staff move onto EVs, provision of EV charging will be required. We wish to deliver all the EV infrastructure by 2025.

Furthermore, we will support oil dependent schools and communities to come off oil and onto renewable sources of energy. We believe that this will require an initial investment of **£500K** but this will be paid back through business case investments into heat infrastructure. Currently, we have committed £95,700 match funding towards the Swaffham Prior Community Heat Scheme, which has drawn down £392,300 grant from government to develop a community heat scheme. This element of the fund will support oil based communities to develop community heat schemes, acting as match funding to draw down grant and to create joint venture arrangements on community heat schemes with communities. Currently there are four further villages interested in community schemes totalling 1500 homes in total out of the estimated 10,000 homes on oil.

We will also provide a further **£300K** to support the delivery of other projects/ideas with viable business cases that could come forward from services, bringing the total investment in climate action to **£16m**.

Whilst all of the above proposals will be supported by business cases and will largely be self-financing in the medium to long term, to be prudent we have made full provision for the financing costs of these investments below.

There is also abundant and increasing evidence that investment in our community infrastructure, community resilience and societal cohesion has amplified benefits for our citizens and positive impacts across all of the public services. With this in mind, we propose to make a further major capital investment of **£5m** into a fund to support the delivery of community capital projects that help the Council to deliver the outcomes and objectives that it has set out in the Strategic Framework. This project will be established and worked up through the Communities and Partnership Committee, which will also oversee the governance of the scheme and allocation of the funds.

Another area where we see working with the wishes of local communities and seeing huge success is in our Local Highways Improvement programme (LHI), to which we will now commit an additional **£200K** per annum, increasing the total annual spend from £682k to £882k.

By this time of year we will usually have notification of the amount of government grant for Highways maintenance. This year the announcement is delayed. The amount usually received is in the region of just over £6m and we feel confident this will be forthcoming from this new government. Therefore, we will also allocate **£6.366m** today towards our highway's infrastructure for 20/21, as we recognise the vital need to continue to spend and invest to improve the standards of our roads and footpaths**

We have previously allocated under a previous Conservative amendment a staircase of increases in the highways budget totalling £18m over the first four years of the Medium Term Financial Plan (MTFP) - £3m 20/21, £4m 21/22, £5m 22/23 and £6m 23/24. We wish to continue to demonstrate that commitment by allocating a further increase of **£1m** revenue in the year 24/25.

The maximum we could raise the General Council Tax element of the precept is 1.99%. As a result of the above and to bridge the deficit in the current budget, we feel it is necessary to only raise the General Council Tax element of the precept by **1.59%**. We have always, and will continue, to only raise Council Tax when and if necessary.

As a result of the above proposals it is proposed to:

- Create a **£16m** capital environmental pot in order to invest in projects in support of the Council's stated position on the climate emergency
- Create a **£5m** pot that will help to deliver a range of community based investments that support the Council's aspiration of "Making Cambridgeshire a great place to live"++

- Invest a further **£6.366m** in highway infrastructure**

These proposals will increase the current capital programme and as a consequence the level of prudential borrowing – the revenue implications of which are set out below.

++ We anticipate that this pot can be funded from capital receipts yet to be confirmed however as the current pipeline of sales has already been allocated to support delivery of the approved programme, for prudence we are making provision for additional financing costs in our amendment.

** We expect the Government to provide additional highways funding for 20/21. As this has not yet been announced, it is proposed to fund £6m of this sum through prudential borrowing and £366k from revenue until such time as this additional funding is forthcoming. The revenue implications of this additional borrowing will be funded by reducing the MRP contribution to the Transformation Fund for the 20/21 financial year and rebalanced once Government commitments have been received.

Will we also make the following revenue additions -

- Further increase the investment in the Council's highway infrastructure by an additional **£1m** per year from year 24/25
- Increase funding to the Local Highways Improvement Schemes by **£200,000**.

AMENDMENT

Proposed by Councillor Count, Seconded by Councillor Hickford

Delete recommendations 1, 2 and 3:

General Purposes Committee recommends that Full Council:

- ~~1. Approves the Service/Directorate budget allocations as set out in each Service/Directorate table in section 3 of the Business Plan.~~
- ~~2. Gives consideration to a total county budget requirement and precept level~~
- ~~3. Gives consideration to a Council Tax for each Band of property, based on the number of "Band D" equivalent properties notified to the County Council by the District Councils as set out in section 2, Table 6.4 of the Business Plan.~~

Replace recommendations 1, 2 and 3 as follows:

- 1a Approve the Service/Directorate budget allocations as set out in each Service/Directorate table in Section 3 of the Business Plan, to be balanced and amended with the following adjustments:**

Revised budget gap as proposed £000		2020-21	2021-22	2022-23	2023-24	2024-25
Permanent change by year £000		2020-21	2021-22	2022-23	2023-24	2024-25
b	Additional highway condition and maintenance investment	+366	-	-	-	+1,000
c	£16m capital Environmental Fund to decarbonise Council properties	+32	+174	+141	+139	+138

d	£5m capital fund to invest in Cambridgeshire's Communities	+50	+173	-3	-3	-3
e	£200k increase in Local Highways Improvement Schemes	+200	-	-	-	-
Revised budget gap after new commitments		4,677	5,183	7,969	11,046	11,824
<i>Financing adjustments</i>						
f	General Council tax at 1.59% rather than 0% for 2020/21	-4,677	-318	-185	-191	-191
Revised budget gap after financing adjustments		0	4,865	7,784	10,855	11,633

- 2a** Approve a total county budget requirement in respect of general expenses applicable to the whole County area of £841,673,000 as set out in Section 2 Table 6.1 of the Business Plan.
- 2b** Approve a recommended County Precept for Council Tax from District Councils of £313,872,175.37, as set out in Section 2, Table 6.3 of the Business Plan (to be received in ten equal instalments in accordance with the fall-back provisions of the Local Authorities (Funds) (England) (Amendment) Regulations 1995).
- 3** Approve a Council Tax for each Band of property, based on the number of "Band D" equivalent properties notified to the County Council by the District Councils (230,927.6), as set out in Section 2, Table 6.4 of the Business Plan reflecting a 2% ASC precept increase and a 1.59% increase in the Basic Council Tax precept:

Band	Ratio	Amount (£)
A	6/9	906.12
B	7/9	1,057.14
C	8/9	1,208.16
D	9/9	1,359.18
E	11/9	1,661.22
F	13/9	1,963.26
G	15/9	2,265.30
H	18/9	2,718.36

- 4** Increase the current capital programme by adding the following to recommendation 4:
- Create a £16m capital environmental pot in order to invest in projects in support of the Council's stated position on the climate emergency
 - Create a £5m pot that will help to deliver a range of community based investments that support the Council's aspiration of "Making Cambridgeshire a great place to live"
 - Invest a further £6.366m in highway infrastructure