

Clr Lorna Dupré

MONTHLY REPORT OCTOBER 2022

HM QUEEN ELIZABETH II

The death of HM Queen Elizabeth II on Thursday 8 September marked an end to over seventy years of public service. The accession of HM King Charles III was proclaimed locally two days later in Cambridge and Ely as well as in other locations across Cambridgeshire. It was a privilege to attend both proclamations as a County Councillor.

The death of the monarch was followed by a number of days of mourning. Some local authorities responded by cancelling council meetings in line with legal advice they were given. Other authorities responded by continuing to hold council meetings in line with legal advice they were given.

STRATEGY & RESOURCES

Financial crisis

The financial crisis we thought we were experiencing a month ago as a result of energy prices was as nothing compared to the turmoil following the 'budget that wasn't a budget' announced by Prime Minister Liz Truss and Chancellor of the Exchequer Kwasi Kwarteng on Friday 23 September.

Even with the partial U-turn on Monday 3 October we face uncertain times as individuals, communities, and as a country. This includes local authorities for whom inflation and interest rate rises seriously disrupt financial plans.

Current year—small overspend

The Council's total service budgets for the current year are:

- Revenue: £456 million (net)
- Capital: £164 million (with a total programme of over £1 billion)

In setting the current year's budget in February 2022, the Council provided for significant budget growth between the previous year and the current year. It allowed for:

- Inflation £9.991 million
- Demand growth £9.615 million
- Pressures (e.g. increased costs or reduced income) £16.236 million
- Investments £7.253 million

This increased spending was met through this year's council tax increase, savings, and Government funding.

In June, the Council allocated additional resources to meet expected inflationary pressures in the current year. These are mainly due to energy prices and to some of the Council's large contracts which are linked to national inflation figures. The Council also created a reserve to meet unexpected inflationary pressures. Apart from pay inflation, the Council therefore expects to be able to meet the costs of inflation in its revenue budgets this financial year.

Even so, the Council is currently forecasting a small (£2.368 million or 0.5 per cent) overspend for 2022/23, mainly due to the effects of the expected level of public sector pay inflation for this year, which exceeds the estimates used in budgeting. Inflation is also impacting on the Council's capital programme, alongside international supply chain disruption.

Next year and onwards—it gets much worse

2023/24 onwards however is another story. Inflation remains a significant concern in looking ahead to setting the Council's medium-term financial plan for the next five years. When the Council set its Medium Term Financial Plan in February 2022, the budget gaps it expected in future years were as follows.

ALL FIGURES FROM FEB 2022, in £000s	2022-23	2023-24	2024-25	2025-26	2026-27
Budget Gap	16,700	19,626	23,127	15,006	18,731
Ongoing grant funding changes from settlement	-6,823	-1,851	0	2,162	0
4.99 per cent increase in Council Tax, versus 2 per cent increase already assumed	-9,877	-379	-390	-386	-394
Remaining Budget Gap	0	17,396	22,737	16,782	18,337

Budget planning is still ongoing, but instead of £17.396 million the remaining budget gap for the coming year 2023/24 is now looking to be over £28.6 million. This will again need to be filled by council tax, savings, and any Government funding awarded between now and February 2023. These were the assumptions made even before the economic announcement on 23 September.

Central government has so far given no indication of further funding to councils to meet pressures, and indeed since last month's financial announcement it is talking of reductions in public spending to pay for its unfunded tax cuts to high earners. The Council is therefore planning on the basis of needing to close this budget gap almost entirely through decisions within the Council's control.

In highways the cost of materials is rising, while Government capital allocations have not been increased for inflation, reducing the amount of maintenance it is possible to do.

Several of the Council's large contracts (such as for waste disposal) have inflationary uplifts included in contracts pegged to national indices—on a very large contract the difference between a 2 per cent rise and an 8 per cent rise can be very significant. The Council also purchases a large amount of electricity, with around two thirds of its electricity bill spent on powering street lights.

The Council also needs power for its public-facing buildings such as libraries, registration offices, highway depots and offices. Keeping these buildings open and warm may be even more important for individuals and communities during the colder months.

It is currently estimated that energy costs will double from October 2022. This projection is based on the information currently available, and given the volatility of the market there is increasing uncertainty as to how forecast inflation will settle over future years. There are also potential risks to energy supply which could result in energy shortages.

In September 2022 the government announced some relief from energy price increases for public sector organisations. The Council is considering the detail of this announcement and its impact, if any, on price projections. If the relief is for only six months, it will not necessarily provide any reduction in prices faced over the medium-term.

Changes in energy prices affect the Council beyond costs such as simply heating buildings or running street lights. The Council is engaged in a number of energy projects, including retrofitting its own buildings with clean energy, building solar farms, installing solar panels on park and ride sites, and the flagship community heating project at Swaffham Prior. The business cases for all these projects change very significantly as a result of changing expectations for the costs of the oil and gas they are replacing.

Support for residents in coping with the cost of living

The Council is continuing to collate information about the various sources of help for individuals and households struggling with the cost of living crisis.
<https://www.cambridgeshire.gov.uk/council/communities-localism/support-with-the-cost-of-living>

BUSES

Buses have been the main talking point for residents and politicians alike, since Stagecoach announced that despite taking Government money to sustain local bus routes still affected by the Covid passenger downturn, they were going to close large numbers of local routes anyway. These include the 39 service from Mepal and Sutton to Witchford and Ely, and the once a day Citi8 to Sutton.

Combined Authority

With these services due to cease on 30 October (all the notice Stagecoach have to give) the Mayor's Combined Authority—which is the public transport authority for Cambridgeshire & Peterborough—has launched a procurement with £1.7 million on offer to fill as many of the gaps as possible from the date on which Stagecoach leaves them until the end of March 2023. The Combined Authority Board will meet on Wednesday 19 October, when it will reach a decision on the outcome of the procurement.

Beyond March 2023, the Combined Authority will be making decisions on bus services as part of its annual budget and business planning process.

The actions of Stagecoach have shown that the current system—in place since the mid 1980s—where commercial operators compete for money-making routes, leaving local authorities to fund the loss-making but socially necessary routes, is unsustainable. It is therefore vital that the Combined Authority moves forward at pace with proposals to develop a reliable public transport network for Cambridgeshire. Ideally this would include franchising of bus routes, where profitable and unprofitable routes are bundled together to avoid the current cherry-picking. However, to do this requires a steady stream of income.

County Council

At Cambridgeshire County Council's Strategy & Resources Committee on Friday 30 September, councillors on all sides joined to condemn Stagecoach for its actions, calling them 'appalling', 'scandalous' and even 'diabolical'.

But a premature proposal to allocate £1.7M of the Council's own reserves to a bus subsidy pot was not supported at this stage, given that there was an ongoing re-tendering process whose results were not yet known. The Strategy and Resources Committee meets next on 20 October, the day after the Combined Authority Board, when the gap between the Combined Authority's resources and the need will be much clearer.

Council Leader Cllr Nethsingha is writing to Government, specifically to Lucy Frazer MP as Minister of State for Transport, to ask that the Government urgently review the current regulations which allow bus companies to simply cancel routes at such short notice, and which give Bus Improvement money direct to bus operators rather than the local authorities responsible for them.

Greater Cambridge Partnership

Meanwhile, the Greater Cambridge Partnership Board has agreed to go to public consultation on its proposals for significant bus expansion over the next four years, paid for by a charge on driving in Cambridge from 2027. A set of exemptions, discounts, and refunds is also proposed in a number of circumstances.

I believe it is extremely important that residents in East Cambridgeshire are fully enabled to take part in the forthcoming consultation, and are provided with all the information they need to do so.

ADULTS & HEALTH

Winter infections

Nationally and locally the public health services are gearing up for resurgences of Covid, and of flu and other outbreaks. No additional Covid-specific funding has been provided in the Government's public health grant to local authorities this year, though locally a small Covid team is funded until March 2023 from remaining resources.

To address the risk of a surge in infections, the Council is preparing to establish a Winter Infection Management Team, with an Amber plan for an extremely difficult winter, and a Red plan in the event of a major incident.

Autumn Covid boosters are currently being delivered to those aged 65+ and some who are at higher risk, with flu jabs also being given at the same time.

Health care waste

Following the debate at January's Full Council meeting about the Envar application for a medical waste incinerator at Woodhurst, a report is coming to the Adults & Health Committee on Wednesday 5 October on how the NHS locally is tackling waste and promoting carbon reduction.

The report says, "All trusts aim to maximise recycling of domestic mixed recycling wastes through sustainable waste management, including for example specialist recycling of certain types of waste, such as toner cartridges, batteries and reuse of items such as furniture and walking aids. The remaining general/DMR [domestic mixed recycling] waste is processed via contracted services. Each trust has their own contract to dispose of this waste."

It goes on, "The Cambridge University Hospitals NHS Foundation Trust (CUH) incinerator provides disposal for 7- 8 tonnes of healthcare waste per day. This waste is generated from CUH and Royal Papworth Hospital (RPH). On-site incineration of healthcare waste is subject to constant emissions monitoring and very tight permit controls whilst significantly reducing the carbon emissions that would arise from waste road haulage and providing heat recovery to directly warm the hospital campus premises (15% of total)."

Examples are given from the various local NHS Trusts of their action plans to reduce waste and plastics. The new Integrated Care System for health and care in Cambridgeshire has a Green Plan for sustainability and carbon reduction.

COMMUNITIES, SOCIAL MOBILITY & INCLUSION

Help with water bills

The County Council's COSMIC committee has agreed to use money from the Household Support Fund to give a 'payment holiday' to pensioners in arrears with their water bills—often an early sign of financial distress. At least one third of the Household Support Fund must be allocated to pensioners, and the fund had to be spent or committed by 30 September.

Anglian Water has approximately 2,800 customers of pensionable age in Cambridgeshire who are in arrears with their water bills, and were early to agree this scheme in principle. Since the committee made its decision, Cambridge Water has also come on board.

Communities Capital Fund

The committee also received the findings of a working party set up to consider the eight 'red rated' capital projects offered money by the previous administration's Communities Capital Fund. Seven of these eight projects were found to be sufficiently well advanced that they could proceed to completion.

The eighth however, a new community building at Stretham whose costs had ballooned and which had neither planning consent nor firm commitments of additional funding to match the £500,000 offered by the council, was agreed by a majority of the committee to be non-viable and was terminated.

HIGHWAYS & TRANSPORT

Local Highways Improvements

The Council's Highways & Transport Committee is being asked to approve a new way of managing Local Highways Improvements, developed by a councillor working group of which I have been a member.

Applications will be divided into non-complex and complex schemes. Non-complex applications will attract a maximum of £10,000 in council contribution, with complex proposals will be able to seek up to £25,000. The overall council budget for Local Highways Improvement bids will remain the same.

Non-complex projects will be scored by council officers using an agreed matrix, and a councillor working group will review the scores before they are submitted to Highways & Transport Committee for approval. This should speed up the process for all applicants, and mean fewer applications for the councillor panel to interview in depth.

For the coming year, the proposal is for the application window to open on Monday 31 October and close on Friday 6 January, with panel meetings in May.

HGV policy

The Council's Highways & Transport Committee is also being asked to approve a new HGV policy drafted by a working group I chaired.

The policy seeks to address how the Council will fulfil its responsibilities for HGV movements throughout Cambridgeshire, and how it will work with partners to reconcile several key aspects of this issue, in particular the contribution of freight to the local economy, the effects of HGV traffic on the environment, and local concerns about residential amenity.

The policy also sets out how communities can take action to address the issue of HGV movements and how they can seek advice, support, and action from the Council if locally brokered solutions are unsuccessful.

The Council's Advisory Freight Route Map, which is currently on the Council's website, will go live on the one.network website, hopefully towards the end of this calendar year.

Highways Asset Management System

The Council is going out to tender for a new Highways Asset Management System. This will enable different parts of the highways service to work together properly, enable mobile working, directly share information with other council systems, and be hosted in the cloud. It will replace the current outdated Insight system, including the limited public facing Report It tool, and provide a much more satisfactory and coordinated way of working.

Local Cycling & Walking Infrastructure Plan (LCWIP)

The Highways & Transport Committee is being asked to approve a new Local Cycling & Walking Infrastructure Plan, which highlights key corridors where it is possible to increase walking and cycling and reduce short car trips. The LCWIP will sit under the Active Travel Strategy for Cambridgeshire which is currently under consultation, and this in turn sits under the Combined Authority's Local Transport & Connectivity Plan, currently being refreshed.

Consultation on the LCWIP took place in June and July 2021. A number of key cycling routes have been identified, and walking zones in the larger settlements. These have been mapped, and general approaches and interventions proposed.

In East Cambridgeshire, the walking maps are confined within the urban settlements such as Ely. However, the cycling maps include some of the villages, and in our case include options for cycling routes between Ely and Little Downham; from Sutton west along the A142 towards Mepal; and north of Witchford between the new developments and the A142.

These proposals are currently unfunded, but having an LCWIP in place increases the likelihood of getting active travel funding from central government.

Meanwhile on the Combined Authority

When the Combined Authority is not considering buses, the vast majority of its time is spent on the Improvement work that has been ongoing ever since a report from the auditors on the unsatisfactory state of affairs there. The Improvement framework presented to the Combined Authority's Audit & Governance Committee sets out six 'key priority areas of focus':

1. Establish clarity on the scale of political ambition and develop an overarching strategy for the remainder of this mayoral term, and to chart the next steps on that journey. This needs to include defining the purpose and role of the CPCA and in particular where the CPCA can add value.
2. Implement a comprehensive reset of ways of working and align the policy development and pre-Board processes to support this.
3. Prioritise work to establish a long-term strategy for transport, an urgent development of a bus strategy and review the role and functioning of the Business Board.
4. Undertake a strategic review of income projections, including options, to secure sustainability and the possibility of taking a more strategic approach to the application of funds for identified priorities.
5. Design and implement an organisation for today's performance, and with the agility to act on emerging demands and opportunities.
6. Map the approach, capacity and arrangements needed to build an effective public relations and influencing delivery operation.

Meanwhile, the Housing Committee is to receive a report on its outstanding loans. As previously reported, the largest loan made by the Combined Authority for housing is £24.4M to East Cambs Trading Company, a company owned by East Cambridgeshire District Council, for its scheme to refurbish the former MOD homes in Ely. The balance of this loan as at 16 August was £11M. The loan falls due in March 2023, and the most recent monitoring report advises that the cash flow is behind forecast. The Trading Company says it has 'access to a facility' in the event that it cannot repay the loan in full.

MEET YOUR COUNCILLOR

- **Sutton:** Cllr Mark Inskip and I will be holding our surgery in the Community Room at the school on Monday 10 October from 6:30 to 7:30PM.
- **Little Downham:** I hope to be at the Book Café in the Village Hall on Friday 28 October from 10:00 to 11:00AM.
- **Witchford:** arrangements to be advised.

Cllr Lorna Dupré

County Councillor for the Sutton division